

3797066

**INDECK-ROCKINGHAM
SPEEDWAY LIMITED**

Report and Financial Statements

For the Year ended 31 December
2002



BDO Stoy Hayward
Chartered Accountants

INDECK-ROCKINGHAM SPEEDWAY LIMITED

Annual report and financial statements for the year ended 31 December 2002

Contents

Director

Page:

| | |
|---|--|
| 1 | Director's report |
| 3 | Auditors' report |
| 5 | Profit and loss account |
| 6 | Balance sheet |
| 7 | Notes forming part of the financial statements |

Director

G R Forsythe (Chairman)

Secretary and registered office

G De Notto
2 Milford House
Queen Anne Street
London
W1M 9FD

Company number

3797066

Auditors

BDO Stoy Hayward
Prospect Place
85 Great North Road
Hatfield
Hertfordshire
AL9 5BS

INDECK-ROCKINGHAM SPEEDWAY LIMITED

Report of the director for the year ended 31 December 2002

The director presents his annual report with the financial statement for the year ended 31 December 2002.

Principal Activities

The principal activity of the company is that of an investment holding company.

Results

Details of the result for the year are shown in the profit and loss account on page 5.

Director's interests

The members of the board during the year were as follows:

G R Forsythe

No emoluments were paid to the director during the year.

The director had no interest in the shares of the company. His interests in the shares of the parent company are disclosed in that company's accounts.

Director's responsibilities

Company law requires the director to prepare financial statements for each financial period which give a true and fair view of the state of the company's affairs and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDECK-ROCKINGHAM SPEEDWAY LIMITED

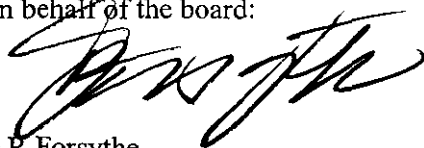
Report of the director for the year ended 31 December 2002 (*Continued*)

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board:



G R Forsythe
Director

Date: 4-29-03

INDECK-ROCKINGHAM SPEEDWAY LIMITED

Report of the independent auditors

To the shareholders of Indeck –Rockingham Speedway Limited

We have audited the financial statements of Indeck-Rockingham Speedway Limited for the year ended 31 December 2002 on pages 5 to 9 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDECK-ROCKINGHAM SPEEDWAY LIMITED

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward

BDO STOY HAYWARD

*Chartered Accountants
and Registered Auditors*
Hatfield

Date *29 April 2003*

INDECK-ROCKINGHAM SPEEDWAY LIMITED

Profit and loss account for the year ended 31 December 2002

| | Notes | 2002 £ | 2001 £ |
|--|-------|--------------------|-----------|
| Administrative expenses | | | |
| - Provision against fixed asset investments | 3 | (4,931,786) | - |
| | | <hr/> | <hr/> |
| Loss on ordinary activities before taxation | | (4,931,786) | - |
| Taxation on loss from ordinary activities | 2 | - | - |
| | | <hr/> | <hr/> |
| Loss on ordinary activities after taxation being retained loss for the year | | (4,931,786) | - |
| | | <hr/> | <hr/> |

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account.

There were no movements in shareholders funds other than the loss for the year.

The notes on pages 7 to 9 form part of these financial statements.

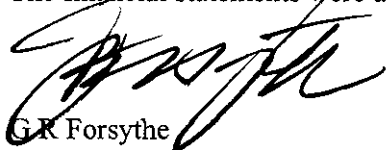
INDECK-ROCKINGHAM SPEEDWAY LIMITED

Balance sheet as at 31 December 2002

| | Notes | 2002 £ | 2001 £ |
|--|-------|-------------|-------------|
| Fixed assets | | | |
| Investments | 3 | 869,132 | 5,271,031 |
| Total assets less current liabilities | | 869,132 | 5,271,031 |
| Creditors: amounts falling due after more than one year | 4 | (5,800,917) | (5,271,030) |
| Net (liabilities)/assets | | (4,931,785) | 1 |
| Capital and reserves | | | |
| Called up share capital | 5 | 1 | 1 |
| Profit and loss account | | (4,931,786) | - |
| Equity shareholder's (deficit)/funds | | (4,931,785) | 1 |

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on *April 29, 2003*


G.R. Forsythe
Director

The notes on pages 7 to 9 form part of these financial statements.

INDECK-ROCKINGHAM SPEEDWAY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Investments

Investments held as fixed assets are stated at cost less provision for impairment in value.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

| 2 | Taxation | 2002 £ | 2001 £ |
|---|---|-------------|-----------|
| | UK corporation tax in respect of current year | - | - |
| | Loss on ordinary activities before taxation | (4,931,786) | - |
| | Loss on ordinary activities at the standard rate of Corporation tax in the UK of 30% (2001 – 30%) | (1,479,536) | - |
| | Effect of: | | |
| | Provision not deductible for tax purposes | 1,479,536 | - |
| | | - | - |

INDECK-ROCKINGHAM SPEEDWAY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002
(Continued)

3 Investments

The following investments were held at the end of the year:

Unlisted companies

Cost

| | |
|------------------------------|-----------|
| At the beginning of the year | 5,271,031 |
| Acquired in the year | 529,887 |

| | |
|------------------------|------------------|
| At the end of the year | <u>5,800,918</u> |
|------------------------|------------------|

Provision

| | |
|-------------------------------|-----------|
| At the beginning of the year | - |
| Provision created in the year | 4,931,786 |

| | |
|--------------------|------------------|
| At end of the year | <u>4,931,786</u> |
|--------------------|------------------|

Net book value

| | |
|------------------------|----------------|
| At the end of the year | <u>869,132</u> |
|------------------------|----------------|

| | |
|------------------------------|------------------|
| At the beginning of the year | <u>5,271,031</u> |
|------------------------------|------------------|

The company held 10.6% of the issued ordinary share capital, 9.4% of the issued A Preference share capital, and 14.6% of the issued B Preference share capital of Rockingham Motor Speedway Limited as at 31 December 2002. Rockingham Motor Speedway Limited is incorporated in the United Kingdom.

| 4 | Creditors: amounts falling due after more than one year | 2002 £ | 2001 £ |
|---|---|------------------|------------------|
| | Amounts owed to parent company | <u>5,800,917</u> | <u>5,271,030</u> |

This represents loans from shareholders which are unsecured, interest free and have no fixed repayment terms.

INDECK-ROCKINGHAM SPEEDWAY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002
(Continued)

| | | | |
|---|------------------------------------|-------------|-------------|
| 5 | Share capital | 2002 | 2001 |
| | | £ | £ |
| | Authorised | | |
| | 1,000 ordinary shares of £1 each | 1,000 | 1,000 |
| | | <hr/> | <hr/> |
| | Allotted, called up and fully paid | | |
| | 1 ordinary share of £1 | 1 | 1 |
| | | <hr/> | <hr/> |

6 Related party transactions and ultimate controlling party

Indeck Energy Services Inc. incorporated in the USA is regarded by the directors as being the company's ultimate parent company and ultimate controlling party. This company is the parent undertaking of the smallest and largest group of which the company is a member.

The company has taken advantage of the exemption to disclose related party transactions within the group on the basis that it is a 100% subsidiary within the group.

7 Cash flow Statement

The company has used the exemption under FRS 1 not to prepare a cash flow statement as it is consolidated in the financial statements of its ultimate parent company.