

Registration number 03797066

Northants Rockingham Speedway Limited

Directors' report and financial statements

for the year ended 31 December 2006

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Northants Rockingham Speedway Limited

Company information

Directors	J C Best A W Buller S Bell K Lagan
Secretary	J C Best
Company number	03797066
Registered office	Berry House 4 Berry Street London EC1V 0AA
Auditors	Leslie Michael Lipowicz & Co Accounts House 16 Dalling Road Hammersmith London W6 0JB

Northants Rockingham Speedway Limited

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Northants Rockingham Speedway Limited

Directors' report for the year ended 31 December 2006

The directors present their report and the financial statements for the year ended 31 December 2006

Principal activity and review of the business

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

Adequate finance has been obtained to take advantage of business opportunities and the directors consider the state of affairs to be satisfactory

Results and dividends

The results for the year are set out on page 5

The directors do not recommend payment of a final dividend

Financial risk management objectives and policies

The Board of Directors regularly reviews the financial requirements of the company and the associated financial risks. The activity of the company is primarily financed by loans from its parent company. It does not use any other financial instruments or derivatives

Directors

The directors who served during the year are as stated below

J C Best
A W Buller
S Bell
K Lagan

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors are required to

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

The directors are responsible for keeping 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. They are 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

Northants Rockingham Speedway Limited

**Directors' report
for the year ended 31 December 2006**

continued

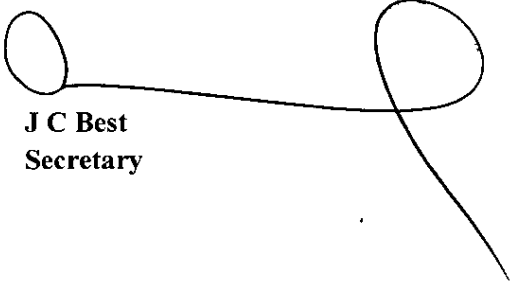
In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

The company has by elective resolution under Section 386(1) of the Companies Act 1985 dispensed with the annual reappointment of the auditors. Leslie Michael Lipowicz & Co will be deemed to be reappointed for each succeeding financial year.

This report was approved by the Board on 30 November 2007 and signed on its behalf by

A handwritten signature in black ink, consisting of a large loop on the left, a horizontal line, and a large loop on the right with a long tail extending downwards.

**J C Best
Secretary**

Northants Rockingham Speedway Limited

**Independent auditors' report to the shareholders of
Northants Rockingham Speedway Limited**

We have audited the financial statements of Northants Rockingham Speedway Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and the auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

Northants Rockingham Speedway Limited

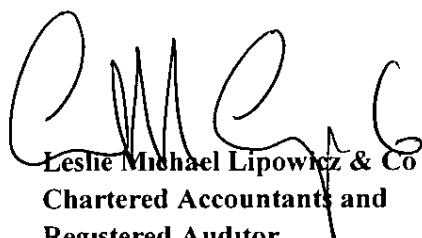
Independent auditors' report to the shareholders of Northants Rockingham Speedway Limited

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.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements


Leslie Michael Lipowicz & Co
Chartered Accountants and
Registered Auditor
30 November 2007

Accounts House
16 Dalling Road
Hammersmith
London
W6 0JB

Northants Rockingham Speedway Limited

**Profit and loss account
for the year ended 31 December 2006**

		Continuing operations	
		2006	2005
	Notes	£	£
Administrative expenses		(2,705)	(4,101)
Loss on ordinary activities before taxation		(2,705)	(4,101)
Tax on loss on ordinary activities		-	-
Loss on ordinary activities after taxation		(2,705)	(4,101)
Loss for the year	9	(2,705)	(4,101)
Accumulated loss brought forward		(12,508,462)	(12,504,361)
Accumulated loss carried forward		(12,511,167)	(12,508,462)

There are no recognised gains or losses other than the profit or loss for the above two financial years

The notes on pages 8 to 11 form an integral part of these financial statements.

Northants Rockingham Speedway Limited

Balance sheet as at 31 December 2006

		2006		2005	
	Notes	£	£	£	£
Fixed assets					
Investments	4		392,754		-
Current assets					
Debtors	5	4,055,502		4,055,502	
		<u>4,055,502</u>		<u>4,055,502</u>	
Creditors: amounts falling due within one year	6	<u>(3,500)</u>		<u>(6,000)</u>	
Net current assets			<u>4,052,002</u>		<u>4,049,502</u>
Total assets less current liabilities			4,444,756		4,049,502
Creditors: amounts falling due after more than one year	7		<u>(16,955,922)</u>		<u>(16,557,963)</u>
Deficiency of assets			<u>(12,511,166)</u>		<u>(12,508,461)</u>
Capital and reserves					
Called up share capital	8		1		1
Profit and loss account	9		<u>(12,511,167)</u>		<u>(12,508,462)</u>
Equity shareholders' funds	10		<u>(12,511,166)</u>		<u>(12,508,461)</u>

The financial statements were approved by the Board on 30 November 2007 and signed on its behalf by

J C Best
Director

A W Buller
Director

The notes on pages 8 to 11 form an integral part of these financial statements.

Northants Rockingham Speedway Limited

Cash flow statement for the year ended 31 December 2006

	Notes	2006 £	2005 £
Reconciliation of operating loss to net cash outflow from operating activities			
Operating loss		(2,705)	(4,101)
(Increase) in debtors		-	(2,250,000)
(Decrease) in creditors		(2,500)	(2,944)
Net cash outflow from operating activities		<u>(5,205)</u>	<u>(2,257,045)</u>
Cash flow statement			
Net cash outflow from operating activities		(5,205)	(2,257,045)
Acquisitions and disposals	12	(392,754)	-
		<u>(397,959)</u>	<u>(2,257,045)</u>
Financing	12	397,959	2,257,045
Increase in cash in the year		<u>-</u>	<u>-</u>
Reconciliation of net cash flow to movement in net debt (Note 13)			
Increase in cash in the year		-	-
Cash outflow from decrease in debts and lease financing		(397,959)	(2,257,045)
Change in net debt resulting from cash flows		(397,959)	(2,257,045)
Net debt at 1 January 2006		<u>(16,557,963)</u>	<u>(14,300,918)</u>
Net debt at 31 December 2006		<u>(16,955,922)</u>	<u>(16,557,963)</u>

Northants Rockingham Speedway Limited

Notes to the financial statements for the year ended 31 December 2006

1. Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

1.2. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value

1.3. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts

1.4 Going concern

The parent company has provided financial support to the company in the past and have indicated that it is willing to provide financial support for the foreseeable future. The financial statements have, accordingly, been prepared on the going concern basis

2 Operating loss

	2006	2005
	£	£
Operating loss is stated after charging		
Auditors' remuneration	2,705	4,101

3. Employees

There were no employees during the year apart from the directors

Northants Rockingham Speedway Limited

Notes to the financial statements for the year ended 31 December 2006

continued

4	Fixed asset investments	Subsidiary undertakings shares £	Total £
	Cost		
	At 1 January 2006	6,800,919	6,800,919
	Additions	392,754	392,754
	At 31 December 2006	<u>7,193,673</u>	<u>7,193,673</u>
	Provisions for diminution in value		
	At 1 January 2006		
	At 31 December 2006	<u>6,800,919</u>	<u>6,800,919</u>
	Net book values		
	At 31 December 2006	<u>392,754</u>	<u>392,754</u>

4.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertaking				
Rockingham Motor Speedway Limited	United Kingdom	Ownership and operation of a motor racing circuit, event management and corporate entertainment	Ordinary shares	90.36%

The proportion of ordinary shares held at 31 December 2005 was 61.9%

At 31 December 2006 the company also held 90% (2005 - 43.2%) of the issued A Preference share capital, 90% (2005 - 52%) of the issued B Preference share capital and 90% (2005 - 58.2%) of the issued Deferred Ordinary share capital of Rockingham Motor Speedway Limited

5.	Debtors	2006 £	2005 £
	Amounts owed by group undertakings	<u>4,055,502</u>	<u>4,055,502</u>

Northants Rockingham Speedway Limited

Notes to the financial statements for the year ended 31 December 2006

continued

6. Creditors: amounts falling due within one year	2006 £	2005 £
Accruals and deferred income	<u>3,500</u>	<u>6,000</u>
7. Creditors: amounts falling due after more than one year	2006 £	2005 £
Other long term loans	392,754	-
Amounts owed to group undertakings	<u>16,563,168</u>	<u>16,557,963</u>
	<u>16,955,922</u>	<u>16,557,963</u>
8. Share capital	2006 £	2005 £
Authorised equity		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid equity		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>
9. Equity Reserves	Profit and loss account £	Total £
At 1 January 2006	(12,508,462)	(12,508,462)
Loss for the year	<u>(2,705)</u>	<u>(2,705)</u>
At 31 December 2006	<u>(12,511,167)</u>	<u>(12,511,167)</u>
10. Reconciliation of movements in shareholders' funds	2006 £	2005 £
Loss for the year	(2,705)	(4,101)
Opening shareholders' funds	<u>(12,508,461)</u>	<u>(12,504,360)</u>
Closing shareholders' funds	<u>(12,511,166)</u>	<u>(12,508,461)</u>

Northants Rockingham Speedway Limited

Notes to the financial statements for the year ended 31 December 2006

continued

11. Ultimate parent undertaking

The immediate and ultimate parent company is Corby Developments Limited, a company registered in England and Wales

12. Gross cash flows

	2006 £	2005 £
Acquisitions and disposals		
Payments on acquisition of group interests	(392,754)	-
Financing		
Other new long term loans	397,959	2,257,045

13. Analysis of changes in net funds

	Opening balance £	Cash flows £	Closing balance £
Debt due after one year	(16,557,963)	(397,959)	(16,955,922)
Net funds	(16,557,963)	(397,959)	(16,955,922)