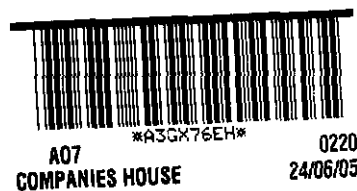


**Chepstow Markets Limited (formerly Edger 223  
Limited)**

**Directors' report and financial  
statements**

Registered number 4937661

31 December 2004



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## **Directors' report**

The directors present their first report and the audited financial statements for the period ended 31 December 2004.

### **Incorporation**

The company was incorporated on 20 October 2003 as Edger 223 Limited and changed its name to Chepstow Markets Limited on 24 December 2003. It commenced trading on 14 August 2004. Accordingly, the financial statements cover the period from Incorporation to 31 December 2004.

### **Principal activities**

The principal activity of the company during the period was the letting of property.

### **Business review**

The company made a profit after taxation for the period of £59,063. The directors are satisfied with the results for the year and are confident about the future prospects of the business.

### **Dividend**

The directors do not recommend the payment of a dividend. The profit of £59,063 has been transferred to reserves.

### **Directors and directors' interests**

The directors who held office during the period were as follows:

Sir Stanley W Clarke	(Appointed 18 December 2003, deceased 19 September 2004)
Simon W Clarke	(Appointed 18 December 2003)
MB Stokes	(Appointed 18 December 2003, resigned 3 September 2004)
RG Street	(Appointed 18 December 2003)
AB Kelly	(Appointed 10 September 2004)
St Andrews Company Services Limited	(Resigned 18 December 2003)

None of the directors held any interest in the shares of the company. The directors who held office at the end of the year were also directors of the holding company, Northern Racing PLC, during the period and their interest in the shares of other companies in the group are disclosed in the directors' report of that company.

### **Comparatives**

As this is the first accounting period no comparative figures have been presented.

## Directors' report *(continued)*

### Auditors

During the period KPMG Audit Plc was appointed as auditor of the company.

In accordance with Section 379A of the Companies Act 1985, the Company passed Elective Resolutions on 18 December 2003 to:

1. dispense with laying accounts and reports before the members at the annual general meeting (as permitted by section 252);
2. dispense with holding annual general meetings (as permitted by section 366A); and
3. dispense with appointing auditors annually (as permitted by section 386).

No resolutions have been passed under section 250 by virtue of which the Company is exempt from the obligation to appoint auditors or section 393 to the effect that their appointment should be brought to an end. Accordingly, KPMG Audit Plc is deemed to be re-appointed on the expiry of the 28 day period beginning with the day on which copies of this report and the financial statements are sent to members.

By order of the board

  
AB Kelly  
Secretary

The Racecourse  
Chepstow  
Monmouthshire  
NP16 6BE

8 June 2005

## Statement of directors' responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



**KPMG Audit Plc**

Marlborough House  
Fitzalan Court  
Fitzalan Road  
Cardiff  
CF24 0TE  
United Kingdom

**Independent auditors' report to the members of Chepstow Markets Limited**

We have audited the financial statements on pages 5 to 10.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

**Basis of audit opinion**

We conducted our audit in accordance with 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.

**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 2004 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor

10 June

2005

**Profit and loss account***for the period ended 31 December 2004*

	<i>Note</i>	<b>2004</b> <b>£</b>
<b>Turnover</b>	<i>1</i>	<b>84,375</b>
Cost of sales		-
<b>Gross profit</b>		<b>84,375</b>
Administrative expenses		-
<b>Operating profit</b>		<b>84,375</b>
Income from investment		-
Interest receivable and similar income		-
Interest payable and similar charges		-
<b>Profit on ordinary activities before taxation</b>	<i>2-3</i>	<b>84,375</b>
Tax charge on profit on ordinary activities	<i>4</i>	<b>(25,312)</b>
<b>Retained profit for the financial period – carried forward</b>		<b>59,063</b>

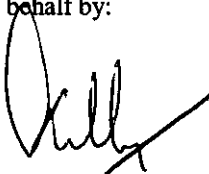
Turnover and operating profit relate entirely to continuing operations.

The company had no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

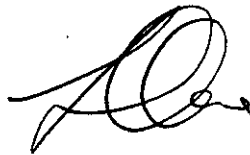
**Balance sheet**  
*at 31 December 2004*

	<i>Note</i>	2004	
		£	£
<b>Fixed assets</b>			
Tangible assets	5		5,000
			<hr/> 5,000
<b>Current assets</b>			
Debtors	6	79,376	
Cash at bank and in hand		-	
		<hr/> 79,376	
<b>Creditors: amounts falling due within one year</b>	7	(25,312)	
		<hr/>	
<b>Net current assets</b>			54,064
			<hr/>
<b>Total assets less current liabilities</b>			59,064
			<hr/>
<b>Creditors: amounts falling due after more than one year</b>			-
			<hr/>
<b>Net assets</b>			59,064
			<hr/> <hr/>
<b>Capital and reserves</b>			
Called up share capital	8		1
Profit and loss account			59,063
			<hr/>
<b>Shareholders' funds - equity</b>	9		59,064
			<hr/> <hr/>

These financial statements were approved by the board of directors on *8 June* 2005 and were signed on its behalf by:



**A B Kelly**  
*Director*



**Simon W Clarke**  
*Director*





## Notes (continued)

### 3 Information regarding directors and employees

#### (a) Directors

None of the directors received any remuneration from the company during the period.

#### (b) Staff numbers and costs

The company had no employees during the period.

### 4 Taxation

	2004 £
<i>UK corporation tax</i>	
Current tax on income for the period	25,312
	<hr/>
<i>Total current tax</i>	25,312
<i>Deferred taxation</i>	
Timing differences, origination and reversal	-
	<hr/>
	<u>25,312</u>

#### *Factors affecting the tax charge for the current period*

The current tax charge for the period is equal to the standard rate of corporation tax in the UK 30%.

### 5 Tangible fixed assets

	Freehold land £
<i>Cost</i>	
Additions	5,000
	<hr/>
At end of period	5,000
	<hr/>
<i>Depreciation</i>	
Charge for year	-
	<hr/>
At end of period	-
	<hr/>
<i>Net book value</i>	
At 31 December 2004	<u>5,000</u>

The gross amount of depreciable assets included in freehold land and buildings at 31 December 2004 is £ Nil.

**Notes (continued)****6 Debtors**

	2004 £
<b>Due within one year</b>	
Trade debtors	-
Amounts due from group undertakings	79,376
	<hr/> 79,376 <hr/>

**7 Creditors: amounts falling due within one year**

	2004 £
Amount due to group undertakings	-
Corporation tax	25,312
	<hr/> 25,312 <hr/>

**8 Called up share capital**

	2004 £
<b>Authorised</b>	
1000 ordinary shares of £1 each	1,000
	<hr/>
<b>Allotted, called up and fully paid</b>	
1 ordinary share of £1	1
	<hr/>

**9 Reconciliation of movements in shareholders' funds**

	2004 £
Profit for the financial period	59,063
New share capital issued	1
	<hr/>
<b>Closing shareholders' funds</b>	59,064 <hr/>

## **Notes (continued)**

### **10 Commitments**

There were no capital commitments at 31 December 2004.

There were no annual commitments under non-cancellable operating leases at 31 December 2004.

### **11 Contingent liabilities**

The group loan and overdraft facilities are secured by fixed and floating charges over the company and all property assets. The balance outstanding at 31 December 2004 for the loan was £12,466,384 and the group overdraft was £3,085,622.

### **12 Ultimate parent company**

The company is a subsidiary undertaking of Northern Racing PLC which is incorporated in Great Britain and registered in England and Wales.

The group in which the results of the company are consolidated is that headed by Northern Racing PLC.

### **13 Cash flow statement**

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Northern Racing PLC and its cash flows are included within the consolidated cash flow statement of that company.

### **14 Related party transactions**

The exemption given under Financial Reporting Standard No 8 from the requirement to disclose transactions with related parties where 90% of the voting rights are controlled by the same group has been adopted.