

# Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

# 155(6)b

# G

CHFP025

Please do not  
write in this  
margin

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

**Note**  
Please read the notes  
on page 3 before  
completing this form

\* insert full name  
of company

• Part name(s) and  
address(es) of all  
the directors

Pursuant to section 155(6) of the Companies Act 1985

To the Registrar of Companies  
(Address overleaf - Note 5)

For official use

Company number

--	--	--	--	--	--

383312

Name of company

\* GALA LEISURE (1991) LIMITED

X We ~~are~~ SEE ATTACHMENT 1

† delete as  
appropriate

§ delete whichever  
is inappropriate

~~XXXXXXXXXX~~ [all the directors]† of the above company (hereinafter called 'this company') do  
solemnly and sincerely declare that:

The business of this company is:

- (a) ~~that it is a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on  
insurance business in the United Kingdom~~
- (b) ~~that it is a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on  
insurance business in the United Kingdom~~
- (c) something other than the above§

This company is ~~not~~ [a] holding company of\* CANDESS INVESTMENTS LIMITED (252067)

\_\_\_\_\_ which is  
proposing to give financial assistance in connection with the acquisition of shares

in ~~XXXXXXXXXX~~ GALA GROUP LIMITED (3927901)

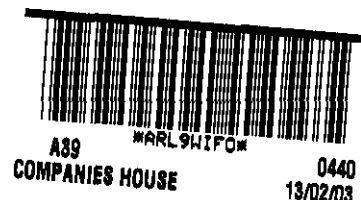
\_\_\_\_\_ the holding company of this company.]†

Presenter's name address and  
reference (if any) :

Ashurst Morris Crisp  
Broadwalk House, 5 Appold Street,  
London, EC2A 2HA  
(ref: 419C.00134/2936465)

639 London/City

For official Use  
General Section



Please do not  
write in this  
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**Please complete  
legibly, preferably  
in black type, or  
bold block  
lettering**

The assistance is to be given to: (note 2) STORERREPAIR LIMITED, NEW CASTLE HOUSE,  
CASTLE BOULEVARD, NOTTINGHAM, NOTTINGHAMSHIRE NG7 1FT

SEE ATTACHMENT 3

† delete as appropriate

SEE ATTACHMENT 4

The value of any asset to be transferred to the person assisted is: NIL

Please do not write in this margin      The date on which the assistance is to be given is      the date hereof or within eight weeks thereof

Please complete legibly, preferably in black type, or bold block lettering

**X** We have formed the opinion, as regards this company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) **X** We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date]\* (note 3)

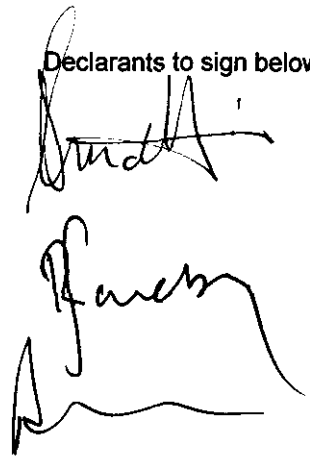
\* delete either (a) or (b) as appropriate

(b) ~~We have formed the opinion that this company will be unable to pay its debts as they fall due during the year immediately following that date]\* (note 3)~~

And **X** we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at      Ashurst Morris Crisp, Broadwalk House , 5  
Appold Street, London EC2A 2HA,

Declarants to sign below



on      Day      Month      Year  
06      02      2010

before me 

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.
- 5 The address for companies registered in England and Wales or Wales is:-

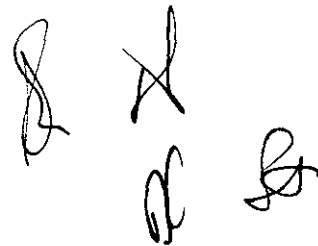
The Registrar of Companies  
Companies House  
Crown Way  
Cardiff  
CF14 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies  
Companies House  
37 Castle Terrace  
Edinburgh  
EH1 2EB

**GALA LEISURE (1991) LIMITED**  
**(Company No. 383312)**

**Attachment 1**

Handwritten signatures and initials in the top right corner of the page.

Director	Address
John Michael Kelly	Prospect House The Green Finchingfield Nr. Braintree Essex CB7 4JZ
Brian Roger Mattingley	York House Kennedy Close Marlow Buckinghamshire SL7 3JA
Richard Thomas Neville Sowerby	21 St Albans Avenue Weybridge Surrey KT13 8EN

Attachment 2

Acquisition of Shares in Gala Group Limited (No. 3927901)

Class of Share	Number	Nominal Value
A Ordinary	8,207,992	5p
B Ordinary	250,000	5p
C Ordinary	176,732	5p
D Ordinary	650,000	5p
Ordinary	250,000	5p

The above table shows the issued shares to be acquired subject to the adjustment to take effect at completion of the acquisition of Gala Group Limited (the "Completion") pursuant to the articles of association of Gala Group Limited (in the form as at the time this declaration is made).

At Completion, following the operation of article 5.2(a) of such articles of association of Gala Group Limited, certain of the A Ordinary Shares shall convert into a certain number of Deferred Shares such that the value of the Ordinary Shares and the B Ordinary Shares shall have a value pursuant to the formula set out in such article 5.2(a).

In addition at Completion, if any A Ordinary Shares convert into a certain number of Deferred Shares pursuant to the operation of the formula set out in such article 5.2(a) then the same proportion of C Ordinary Shares and D Ordinary Shares shall also convert into a certain number of Deferred Shares (pro-rata).

The resulting number of acquired shares (including such Deferred Shares) will be the entire share capital of Gala Group Limited acquired at Completion after the adjustment referred to has taken effect in accordance with such article 5.2(a).

Attachment 3

Form of Financial Assistance

1. The execution by the Company of a senior facility agreement dated on or about the date hereof and made between (1) Storeretro Limited, (2) the companies listed in Part I of Schedule 1 of the Senior Facility agreement as original borrowers, (3) the companies listed in Part I of Schedule 1 of the Senior Facilities Agreement as original guarantors, (3) Credit Suisse First Boston, London Branch and Merrill Lynch International as mandated lead arrangers, (4) the financial institutions listed in Part III of Schedule 1 of the Senior Facility Agreement as original lenders, (5) Credit Suisse First Boston, London Branch as facility agent of the other "**Finance Parties**" (as defined in the Senior Facility Agreement), (6) Credit Suisse First Boston, London Branch as security trustee for the Finance Parties (the "**Security Trustee**"), (7) Credit Suisse First Boston, London Branch as issuer of letters of credit and bank guarantees, (8) Credit Suisse First Boston, London Branch as issuer of a loan note guarantee (as such agreement, deed or document may be amended, novated or supplemented from time to time) (the "**Senior Facility Agreement**"), pursuant to which as an Additional Guarantor the Company will, inter alia, indemnify and guarantee to the Finance Parties under or in connection with any "**Senior Finance Documents**" (as defined in the Senior Facility Agreement, and including, without limitation, fee letters setting out the arrangement, agency and security trustee fees, a hedging letter setting out the basis on which the Group will hedge the senior and mezzanine facilities as described in the Finance Documents and the syndication strategy letter setting out, among other things, the market flex provisions). By executing the Senior Facility Agreement, the Company may also give certain representations, warranties, covenants and indemnities to the Finance Parties to enable the Finance Parties to make available certain facilities under the Senior Facility Agreement.
2. The execution by the Company of a mezzanine facility agreement dated on or about the date hereof, made between (1) Storerepair Limited as the borrower, (2) the companies listed in Part I of Schedule 1 (of the Mezzanine Facility Agreement) as original borrowers, (3) the companies listed in Part I of Schedule 1 (of the Mezzanine Facility Agreement) as original guarantors, (3) Credit Suisse First Boston, London Branch and Merrill Lynch International as mezzanine arrangers, (4) the Financial Institutions listed in Part III of Schedule 1 (of the Mezzanine Facility Agreement) as original lenders, (5) Merrill Lynch International as facility agent of the other "**Mezzanine Finance Parties**" (as defined in the Mezzanine Facility Agreement), (6) Credit Suisse First Boston, London Branch as Security Trustee (as such agreement, deed or document may be amended, novated or supplemented from time to time) (the "**Mezzanine Facility Agreement**"), pursuant to which as an Additional Guarantor the Company will, inter alia, indemnify and guarantee to the Mezzanine Finance Parties under or in connection with any "**Mezzanine Finance Documents**" (as defined in the Mezzanine Facility Agreement, and including, without limitation, fee letters setting out the arrangement and agency fees). By executing the Mezzanine Facility Agreement, the Company may also give certain representations, warranties, covenants and indemnities to the Mezzanine Finance Parties to enable the Mezzanine Finance Parties to make available certain facilities under the Mezzanine Facility Agreement.
3. The entry by the Company into an upstream loan agreement to be entered into between (1) Storerepair Limited as borrower and (2) the "**Target Companies**" (defined therein and including the Company) as lenders (as such agreement, deed or document may be amended,

novated or supplemented from time to time) (the "**Upstream Loan Agreement**") pursuant to which the Target Companies (including the Company) agree to make certain drawings available under the Facility (as defined therein) to Storerepair Limited.

4. The entry by the Company into an intercreditor deed (as such agreement, deed or document may be amended, novated or supplemented from time to time) to be entered into between (1) Storereetro Limited and certain of its subsidiaries (2) the senior lenders named therein (3) the mezzanine lenders named therein (4) the investors named therein and (5) certain other parties named therein (including the Company) (the "**Intercreditor Deed**") pursuant to which the Company will become subject to priority and subordination arrangements between the parties.
5. The entry by the Company into a debenture (as such agreement, deed or document may be amended, novated or supplemented from time to time) between (1) the Company and certain other companies listed and defined therein as "**Chargors**" (including the Company) and (2) the Security Trustee, pursuant to which the Company will grant fixed and floating charges over the whole of its property, assets and undertaking to the Security Trustee to secure the Liabilities (as defined in the Senior Facility Agreement) of the Company and the other Chargors in accordance with the terms contained therein (the "**Debenture**"), for the purpose of securing all present and future obligations and Liabilities of the Chargors to any of the Finance Parties and Mezzanine Finance Parties and Security Trustee pursuant to the Senior Finance Documents and the Mezzanine Finance Documents (the "**Finance Documents**").
6. The entry by the Company into (1) a pledge agreement (as such agreement, deed or document may be amended, novated or supplemented from time to time) made between, among others, the Company and GF Management Limited as pledgors and Credit Suisse First Boston, London Branch as "**Gala Pledgee**" whereby the Company and GF Management Limited will pledge, charge and assign and agree to pledge, charge and assign to and in favour of the Gala Pledgee by way of first fixed charge all their shares of and in Gala Interactive (Gibraltar) Limited and (2) a pledge agreement (as such agreement, deed or document may be amended, novated or supplemented from time to time) made between, among others, the Company and GF Management Limited as pledgors and Credit Suisse First Boston, London Branch as "**Stakis Pledgee**" whereby the Company and GF Management Limited will pledge, charge and assign and agree to pledge, charge and assign to and in favour of the Stakis Pledgee by way of first fixed charge all their shares of and in Stakis Casinos (Gibraltar) Limited (each a "**Gibraltar Share Pledge**"). Any entry by the Company into such pledge agreement is, in each instance, for the purpose of securing all present and future liabilities of the Company and any other obligor to any of the Finance Parties and Mezzanine Finance Parties and Security Trustee pursuant to the Finance Documents.
7. The entry by the Company into a Manx law share charge (as such agreement, deed or document may be amended, novated or supplemented from time to time) to which the Security Trustee is a party whereby the Company agrees to charge in favour of the Security Trustee all its shares (if any) in the capital of Gala Hotel & Casino (Isle of Man) Limited (the "**Manx Share Charge**"). Any entry by the Company into such pledge agreement is, in each instance, for the purpose of securing all present and future liabilities of the Company and any other obligor to any of the Finance Parties and Mezzanine Finance Parties and Security Trustee pursuant to the Finance Documents.

8. The entry by the Company into a Scottish law share pledge (as such agreement, deed or document may be amended, novated or supplemented from time to time) to which the Security Trustee is a party whereby the Company agrees to pledge in favour of the Security Trustee all its shares (if any) in the capital of its direct Scottish subsidiary/ies (each a "**Scottish Share Pledge**"). Any entry by the Company into such pledge agreement is, in each instance, for the purpose of securing all present and future liabilities of the Company and any other obligor to any of the Finance Parties and Mezzanine Finance Parties and Security Trustee pursuant to the Finance Documents.
9. The entry by the Company into a Scottish law bond and floating charge (as such agreement, deed or document may be amended, novated or supplemented from time to time) to which the Security Trustee is a party, pursuant to which the Company will grant floating charges over the whole of its property, assets and undertaking to the Security Trustee to secure the Liabilities of the Company in accordance with the terms contained therein (the "**Scottish Floating Charge**"); for the purpose of securing all present and future obligations and Liabilities of the Company to any of the Finance Parties and Mezzanine Finance Parties and the Security Trustee pursuant to the Finance Documents.
10. If the Company is one of the companies specified in the table below, the entry by the Company into one Scottish standard security (as such agreement, deed or document may be amended, novated or supplemented from time to time) for each of the Scottish properties listed below in respect of which the Company is named as being the registered owner, pursuant to which the Company will give certain undertakings relating to the relevant property in favour of the Security Trustee to secure the Liabilities of the Company and the other obligors (defined as each of the borrowers and guarantors both as defined in the Senior Facility Agreement) (each an "**Obligor**") in accordance with the terms contained therein (the "**Standard Security**"), for the purpose of securing all present and future obligations and Liabilities of the Chargors to any of the Finance Parties and Mezzanine Finance Parties and to the Security Trustee pursuant to the Finance Documents:

Company	Address
Gala Leisure Limited	Beachcomber Bingo Club, 41/43 Townhead, Irvine
	39/43 Townhead, Irvine, Ayrshire
Gala Holdings Limited	Gala Bingo Club, Meadowbank Retail Park, Edinburgh
	South side of Kerse Lane, Falkirk
	104/106 King Street, Aberdeen
	Queens Link Leisure Park, Link Road, Aberdeen
	Graham Avenue, Clydebank, Glasgow
	12 Woodneuk Road, Glasgow
	Stack Leisure Park, Harefield Road, Lochee, Dundee
	2 Moray Park, Meadowbank, Edinburgh
	154 West Granton Road, Edinburgh
	2 Westside Plaza, Edinburgh
Kingsway Entertainments Ltd	Kerse Lane, Falkirk
	West George Street/Portland Street, Kilmarnock
	High Street, Arbroath
	17-19 Commercial Road, Leven, Fife



	63 Marischal Street, Peterhead, Aberdeenshire
Paramount Clubs Limited	167 Hawthorn Street, Possilpark, Glasgow
Patmor Limited	Riverboat Casino, Broomielaw, Glasgow
	Gala Casino, 529 Sauchiehall Street, Glasgow
	Maybury Casino, Edinburgh
	Gala Casino, Earl Grey Place, Dundee
	Gala Casino, 55/57 Summer Street, Aberdeen
	The Regency Casino, 57/59 Summer Street, Aberdeen
	Earl Grey Place, Dundee
	528 Sauchiehall Street, Glasgow
	61 Broomielaw, Glasgow
Stakis Casinos Limited	95 Hope Street, Glasgow
Stakis Leisure Limited	North Rotunda Casino, 28 Tunnel Street, Glasgow
	28a Tunnel Street, Glasgow

Attachment 4

Principal Terms of Financial Assistance

1. By acceding to the Senior Facility Agreement as an Additional Guarantor, the Company will, among other things irrevocably and unconditionally, jointly and severally:
  - (a) guarantee to each Finance Party and each Hedging Bank (as defined in the Senior Facility Agreement) punctual performance by each Obligor of all that Obligor's obligations under the Senior Finance Documents;
  - (b) undertake with each Finance Party and each Hedging Bank (as defined in the Senior Facility Agreement) that whenever an Obligor does not pay any amount when due under or in connection with any Senior Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor;
  - (c) indemnify each Finance Party and each Hedging Bank (as defined in the Senior Facility Agreement) immediately on demand against any cost, loss or liability suffered by that Finance Party or, as the case may be, that Hedging Bank if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal;
  - (d) make certain representations to the Finance Parties; and
  - (e) undertake to comply with certain general undertakings, including an undertaking not to create or permit to subsist any security over any of its assets and not to dispose of any of its assets (in each case, subject to certain exceptions);

where in the context of the Senior Facility Agreement:

**"Obligor"** means each Original Borrower, Original Guarantor, Additional Borrower or Additional Guarantor (each as defined in the Senior Facility Agreement).

2. By acceding to the Mezzanine Facility Agreement as an Additional Guarantor, the Company will, among other things irrevocably and unconditionally, jointly and severally:
  - (a) guarantee to each Finance Party and each Hedging Bank (as defined in the Mezzanine Facility Agreement) punctual performance by each Obligor of all that Obligor's obligations under the Mezzanine Finance Documents (as defined in the Mezzanine Facility Agreement);
  - (b) undertake with each Finance Party and each Hedging Bank (as defined in the Mezzanine Facility Agreement) that whenever an Obligor does not pay any amount when due under or in connection with any Mezzanine Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal Obligor;
  - (c) indemnify each Finance Party and each Hedging Bank (as defined in the Mezzanine Facility Agreement) immediately on demand against any cost, loss or liability suffered by that Finance Party or, as the case may be, that Hedging Bank if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal;

- (d) make certain representations and warranties to the Finance Parties; and
- (e) undertake to comply with certain general undertakings, including an undertaking not to create or permit to subsist any security over any of its assets and not to dispose of any of its assets (in each case, subject to certain exceptions) and give certain indemnities;

where in the context of the Mezzanine Facility Agreement:

"Obligor" means each Original Borrower, Original Guarantor, Additional Borrower or Additional Guarantor (each as defined in the Mezzanine Facility Agreement).

- 3. Pursuant to the Upstream Loan Agreement, the Target Companies undertake to Storerepair Limited that they will provide to Storerepair Limited a loan facility in the maximum aggregate principal amount of £2,000,000,000 (two billion) as detailed therein. The sums drawn down by Storerepair Limited under the Upstream Loan Agreement may be used (inter alia) to make payments due under the Finance Documents. Outstanding amounts under the Upstream Loan Agreement will be repayable in accordance with the terms contained therein.
- 4. By executing the Debenture, the Company will, among other things:
  - (a) covenant to the Security Trustee to pay all Liabilities when due in accordance with its terms or, if they do not specify a time for payment, immediately on demand by the Security Trustee, and the amount of all costs, losses, liabilities and expenses (including legal fees) incurred by any Finance Party, any Mezzanine Finance Party, any Receiver or any Delegate (each as defined in the Debenture) in relation to any Finance Document or Mezzanine Finance Document;
  - (b) as security for the payment of all Liabilities, charge in favour of the Security Trustee (as trustee for the Finance Parties and the Mezzanine Finance Parties):
    - (i) by way of first legal mortgage, all Real Property in England and Wales (including that described in Schedule 3 (Real Property) of the Debenture now belonging to it;
    - (ii) by way of first fixed equitable charge, all other Real Property (other than any heritable or leasehold property in Scotland) now belonging to it and all Real Property (other than any heritable or leasehold property in Scotland) acquired by it in the future;
    - (iii) by way of first fixed charge, all its present and future:
      - (A) Book Debts;
      - (B) Bank Accounts;
      - (C) Investments (including the shares described in Schedule 4 (Investments) of the Debenture);
      - (D) uncalled capital and goodwill;
      - (E) Intellectual Property;
      - (F) beneficial interest in any pension fund;

- (G) plant and machinery (except that mortgaged or charged by paragraph (i) or (ii) above);
  - (H) Insurances and all related proceeds, claims of any kind, returns of premium and other benefits;
  - (I) benefit of all Authorisations (as defined in the Senior Facility Agreement) held in connection with its business or the use of any Charged Asset and the right to recover and receive all compensation in respect of the same;
  - (J) benefit of any Hedging Documents (as defined in the Senior Facility Agreement) to which it is party, including all moneys payable to that Chargor under any Hedging Documents (as defined in the Senior Facility Agreement) to which it is a party;
- (iv) by way of first floating charge its undertaking and all its assets, both present and future (including (a) assets expressed to be charged under paragraph (b)(iii) above or assigned under paragraph (c) below and (b) whether or not so expressed to be charged or assigned, all the undertaking and assets, both present and future of each Chargor, located in or otherwise governed by the laws of Scotland);
- (c) assign absolutely to the Security Trustee (as trustee for the Finance Parties and the Mezzanine Finance Parties) all its present and future:
- (i) right, title and interest in and to the Assigned Contracts, including all moneys payable to that Chargor, and any claims, awards and judgments in favour of receivable or received by that Chargor, under or in connection with pursuant to the Assigned Contracts; and
  - (ii) rights in relation to its Real Property (except those charged by paragraphs (b)(i) and (b)(ii) above), including all rights against all past, present and future undertenants of its Real Property and their respective guarantors and sureties;
- (d) promptly do whatever the Security Trustee requires (acting reasonably):
- (i) to perfect or protect the Charges or the priority of the Charges (including without limitation, the creation or perfection of any Encumbrance over any of its assets (whether a Charged Asset or not) in any other relevant jurisdiction);
  - (ii) so far as relating to any assets located in Scotland or otherwise governed by Scots law, to create such additional form of fixed or floating security or charge as the Security Trustee may require from time to time (such additional security being a Charge for the purposes of the Debenture); or
  - (iii) to facilitate the realisation of the Charged Assets or the exercise of any rights vested in the Security Trustee or any Receiver,

including executing any transfer, conveyance, charge, assignment, standard security, assignation, pledge or assurance of the Charged Assets (whether to the Security Trustee or its nominees or otherwise), making any registration and giving any notice, order or direction;

- (e) promptly execute and deliver to the Security Trustee:
  - (i) such legal charge of such of its Real Property from time to time in England and/or Wales; and/or
  - (ii) such Standard Security (as defined in the Debenture) of such of its Real Property from time to time in Scotland,as the Security Trustee requires;
- (f) promptly enter into and deliver to the Security Trustee a Scottish Shares Pledge in respect of its Scottish Investments (each as defined in the Debenture),

where in the Debenture:

**"Assigned Contracts"** means the contracts and documents listed in Schedule 5 (Assigned Contracts) of the Debenture.

**"Bank Accounts"** of a Chargor means all current, deposit or other accounts with any bank or financial institution in which it now or in the future has an interest and (to the extent of its interest) all balances now or in the future standing to the credit of those accounts.

**"Book Debts"** of a Chargor means all book and other debts of any nature, and all other rights to receive money (excluding Bank Accounts), now or in the future due, owing or payable to it and the benefit of all related negotiable instruments, rights, Encumbrances, guarantees and indemnities of any kind.

**"Charged Assets"** means the assets from time to time subject, or expressed to be subject, to the Charges or any part of those assets.

**"Charges"** means all or any of the Encumbrances created or expressed to be created by or pursuant to the Debenture.

**"Chargors"** means the companies (including the Company) listed in Schedule 1 of the Debenture.

**"Encumbrance"** means any standard security, assignation in security, bond and floating charge, mortgage, pledge, lien, charge, assignment for the purpose of providing security, hypothecation, right in security, security interest or trust arrangement for the purpose of providing security, and any other security agreement or other arrangement having the effect of providing security (including, without limitation, the deposit of monies or property with a person with the primary intention of affording such person a right of set-off or lien).

**"Fixtures"** means fixtures, fittings (including trade fixtures and fittings) and fixed plant, machinery and apparatus.

**"Insurances"** of a Chargor means all contracts and policies of insurance of any kind now or in the future taken out by or on behalf of it or (to the extent of its interest) in which it now or in the future has an interest.

**"Intellectual Property"** of a Chargor means all patents, designs, copyrights, topographies, trade marks, trading names, rights in confidential information and know-how, and any associated or similar rights, which it now or in the future owns or (to the extent of its interest) in which it now or in the future has an interest (in each case whether registered or unregistered and including any related licences and sub-licences of the same granted by it or to it, applications and rights to apply for the same).

**"Investments"** of a Chargor means:

- (a) securities and investments of any kind (including shares, stock, debentures, units, depositary receipts, bonds, notes, commercial paper and certificates of deposit);
- (b) warrants, options or other rights to subscribe for, purchase or otherwise acquire securities and investments;
- (c) all rights relating to securities and investments which are deposited with, or registered in the name of, any depositary, custodian, nominee, clearing house or system, investment manager, chargee or other similar person or their nominee, in each case whether or not on a fungible basis (including rights against any such person); and
- (d) all other rights attaching or relating to securities or investments and all cash or other securities or investments in the future deriving from Investments or such rights,

in each case now or in the future owned by it or (to the extent of its interest) in which it now or in the future has an interest.

**"Liabilities"** of a Chargor means all present and future moneys, debts and liabilities due, owing or incurred by it to any Finance Party or any Mezzanine Finance Party under or in connection with any Finance Document or Mezzanine Finance Document (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently and whether as principal, surety or otherwise) except for any money or liability which, if it were so included, would cause the infringement of Section 151 of the Companies Act 1985.

**"Real Property"** means freehold and leasehold property in England and Wales, heritable leasehold property in Scotland and other real property anywhere in the world (in each case including any estate or interest therein, all rights from time to time attached or relating thereto and all Fixtures from time to time therein or thereon).



**"Security Trustee"** means the security trustee for the benefit of the Finance Parties and the Mezzanine Finance Parties.

5. Pursuant to the Intercreditor Deed, the Company covenants that it will pay the amounts owing under the Finance Documents and agrees that any sum owed to it by any other member of its group will be subordinated to sums owed by such members of the group to the Finance Parties (including any Hedging Bank) as defined in the Senior Facility Agreement.

6. Pursuant to the Gibraltar Share Pledge, the pledgors covenant to repay the Liabilities (as defined in the Senior Facility Agreement) and all other monies which are or may become due under the Finance Documents and provide security over its shareholding of Gala Interactive (Gibraltar) Limited as security for the performance of the Obligors to repay the Liabilities (as defined in the Senior Facility Agreement).
7. Pursuant to the Manx Share Charge, the Company covenants to repay the Liabilities (as defined in the Senior Facility Agreement) and all other monies which are or may become due under the Finance Documents and provide security over its shareholding of Gala Hotel & Casino (Isle of Man) Limited as security for the performance of the Obligors to repay the Liabilities (as defined in the Senior Facility Agreement).
8. Pursuant to the Scottish Share Charge, the Company covenants to repay the Liabilities (as defined in the Senior Facility Agreement) and all other monies which are or may become due under the Finance Documents and provide security over its shareholding of Eventday Limited as security for the performance of the Obligors to repay the Liabilities (as defined in the Senior Facility Agreement).
9. Pursuant to the Scottish Floating Charge, the Company covenants to repay the Liabilities (as defined in the Senior Facility Agreement) and all other monies which are or may become due under the Finance Documents and provide a floating charge over the whole of the property, assets and undertaking of Eventday Limited as security for the performance of the Obligors to repay the Liabilities (as defined in the Senior Facility Agreement).
10. Pursuant to Standard Security, the Company will give certain undertakings relating to the relevant property in favour of the Security Trustee to secure the Liabilities (as defined in the Senior Facility Agreement) of the Company and the other Obligors in accordance with the terms contained therein for the purpose of securing all present and future obligations and Liabilities (as defined in the Senior Facility Agreement) of the Obligors to any Finance Party and Mezzanine Finance Party and to the Security Trustee pursuant to the Finance Documents and Mezzanine Finance Documents.

**"Obligor"** means each Original Borrower, Original Guarantor, Additional Borrower or Additional Guarantor (each as defined in the Senior Facility Agreement).

**Attachment 5**

Any amounts up to the aggregate of £2,000,000,000 (two billion).



PricewaterhouseCoopers LLP  
1 Embankment Place  
London WC2N 6RH  
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The Directors  
Gala Leisure (1991) Limited  
New Castle House  
Castle Boulevard  
NOTTINGHAM  
NG7 1FT

6 February 2003

Dear Sirs

**Auditors' report to the directors of Gala Leisure (1991) Limited pursuant to Section 156(4) of the Companies Act 1985**

We have examined the attached statutory declaration (Form 155 (6) b) of the directors of Gala Leisure (1991) Limited ("the Company") dated 6 February 2003 in connection with the proposal that the Company's subsidiary undertaking, Candess Investments Limited, should give financial assistance for the purchase of all of the shares of the Company's holding company, Gala Group Limited.

**Basis of opinion**

We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

**Opinion**

We are not aware of anything to indicate that the opinion expressed by the directors in the declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
*Chartered Accountants and Registered Auditors*