

REPORT OF THE DIRECTORS

and

ACCOUNTS

for the year ended

30 SEPTEMBER 1980



HERBERT PEPPER & RUDLAND

Chartered Accountants

33 St James's Street
London S W 1

PLEASURAMA CASINOS LIMITEDREPORT OF THE DIRECTORS

The Directors present their report and the audited accounts for the year ended 30 September 1980.

Activities

The Company owns and operates casinos and provides management services to subsidiary companies in the same trade.

Fixed Assets

Certain of the properties where there has been a substantial redevelopment since the previous revaluation in 1978 were professionally revalued in September 1980. The resultant surplus has been transferred to Capital Reserve.

Accounts

The accounts show a profit for the year before taxation of £1,634,962 (1979 - £1,849,783). After deducting taxation of £436,225 (1979 - £613,540) there remains a profit of £1,198,737 (1979 - £1,236,243).

The Directors recommend the payment of a dividend of £1,057,000 for the year to 30 September 1980.

Directors

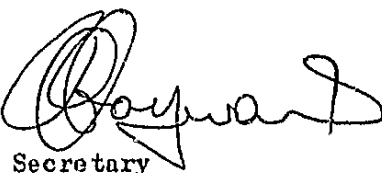
The Directors who have served the Company during the year and their share interests in the ultimate Holding Company, Pleasurama Limited, are as follows:-

	<u>Ordinary Shares of 5p</u>			
	<u>Fully Paid</u>		<u>Partly Paid</u>	
	<u>1.10.79</u>	<u>30.9.80</u>	<u>1.10.79</u>	<u>30.9.80</u>
Lord Harmar-Nicholls	20,037	20,037	-	-
E H Thomas (died 19 January 1980)	144,859	-	-	-
M J Allison	7,208	7,208	7,750	-
J V H Espey	103	100	-	-
G Martin	103	2,103	-	-
W G Tuddenham	12,083	4,083	-	-

Auditors

In accordance with Section 14 of the Companies Act 1976, a resolution proposing the re-appointment of Messrs Herbert Pepper & Rudland as Auditors of the Company will be put to the Annual General Meeting.

By Order of the Board


Secretary

14 March 1981

PLEASURAMA CASINOS LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 30 SEPTEMBER 1980

	<u>1980</u>		<u>1979</u>	
	£	£	£	£
<u>Turnover</u>		£4,250,837		£4,285,072
		=====		=====
<u>Trading Profit before Taxation</u>		1,634,962		1,849,783
after charging:				
Auditors remuneration	11,270		8,092	
Directors remuneration (Note 7)	49,225		34,114	
Depreciation	69,146		49,098	
	=====		=====	
and after crediting:				
Dividends receivable	220,000		223,000	
	=====		=====	
<u>Taxation (Note 1)</u>		436,225		613,540
		=====		=====
<u>Profit after Taxation</u>		1,198,737		1,236,243
<u>Proposed Dividend</u>		1,057,000		1,236,000
		=====		=====
<u>Transfer to Revenue Reserve</u>		£ 141,737		£ 243
		=====		=====

REPORT OF THE AUDITORS

We have audited the financial statements on pages two to six in accordance with approved Auditing Standards.

In our opinion, the financial statements, which have been prepared under the historical cost convention as modified by the revaluation of leasehold properties give a true and fair view of the state of affairs of the Company at 30 September 1980 and of the profit for the year then ended and comply with the Companies Acts 1948 to 1980 in so far as the provisions of those Acts apply to these financial statements.

33 St James's Street
London S W 1

1 March 1981



Chartered Accountants

PLEASURAMA CASINOS LIMITEDNOTES ON ACCOUNTS30 SEPTEMBER 1980Accounting Policies

The accounting policies are dealt with in the notes appropriate to the particular items concerned.

1. Taxation

a) The charge for the year is made up as follows:

	<u>1980</u> £	<u>1979</u> £
Corporation Tax @ 52%	762,342	890,992
Less: Group relief	286,565	247,810
	<u>475,777</u>	<u>643,182</u>
Tax equalisation account	(34,179)	(33,143)
Prior year adjustment	(5,573)	3,501
	<u>£436,225</u>	<u>£613,540</u>
	=====	=====

b) The provision in the Balance Sheet is made up as follows:

Corporation Tax due 1 July 1981	341,757	577,324
Tax equalisation account	(197,047)	(104,681)
	<u>£144,710</u>	<u>£472,643</u>
	=====	=====

The amount set aside in tax equalisation account represents tax at the current rates for:

- (i) Accelerated taxation allowances on capital expenditure and other timing differences.
- (ii) The potential liability to tax on capital gains rolled over against subsequent capital expenditure utilised by a Fellow Subsidiary.
- (iii) Unrelieved advance corporation tax surrendered from the Holding Company.

2. Fixed Assets

	<u>Short</u> <u>Leasehold</u> <u>Properties</u>	<u>Fixtures &</u> <u>Equipment</u>	<u>Motor</u> <u>Vehicles</u>	<u>Total</u>
	£	£	£	£
At valuation or cost				
1 October 1979	1,035,286	190,535	18,010	1,243,831
Transfer to subsidiary	(107,550)	-	-	(107,550)
Transfer from fellow subsidiary	153,038	-	-	153,038
Additions	655,115	57,709	14,802	707,626
Disposals	-	(5,000)	(13,077)	(18,077)
Revaluation adjustments	199,010	(11,112)	-	187,898
	<u>1,934,899</u>	<u>212,132</u>	<u>19,735</u>	<u>2,166,766</u>
At valuation or cost				
30 September 1980	1,934,899	212,132	19,735	2,166,766
Aggregate depreciation	36,264	64,395	6,056	106,715
	<u>1,898,635</u>	<u>147,737</u>	<u>13,679</u>	<u>£2,060,051</u>
	=====	=====	=====	=====
Analysis of valuation or cost:				
Professional Valuation 1978	452,500	67,500	-	520,000
Professional Valuation 1980	805,000	36,000	-	841,000
At Cost	677,399	108,632	9,735	805,766
	<u>£1,934,899</u>	<u>£212,132</u>	<u>£19,735</u>	<u>£2,166,766</u>
	=====	=====	=====	=====

(see notes on next page)

PLEASURAMA CASINOS LIMITEDNOTES ON ACCOUNTS (Continued)30 SEPTEMBER 19802. Fixed Assets (continued)

Certain properties were revalued by Messrs Edward Erdman, Surveyors, as at 30 September 1980, within their existing use, on an open market and fully operational basis, including fixtures, fittings, and with the benefit of gaming and liquor licences.

The surplus has been credited to Reserves.

Depreciation is provided on a straight line basis on cost or valuation at rates calculated to write off fixed assets over their expected useful lives.

The principal rates of depreciation are:

Leasehold buildings	5% to 10%
Fixtures and equipment	15% to 20%
Motor vehicles	25%

No depreciation is provided on the value attributed to the gaming licences.

3. Interest in Subsidiaries

	<u>1980</u> £	<u>1979</u> £
Shares at cost, less amounts written off	390,208	390,204
Owing by subsidiaries	1,071,164	932,381
	<u>1,461,372</u>	<u>1,322,585</u>
<u>Less:</u> Owing to subsidiaries	108,762	112,865
	<u>£1,352,610</u>	<u>£1,209,720</u>
	=====	=====

The Company owns the whole of the issued share capital of the following companies:

Soames (Casinos) Limited
 Club Tiberius (Newcastle) Limited
 Sergeant Yorke Casino Limited
 Cigaro (Glasgow) Limited
 Blenheim Casino Limited (incorporated in Scotland)
 Hove Sporting Club Casino Limited
 Macegold Limited

Blenheim Casino Limited itself owns the whole of the issued share capital of Sergeant Yorke (Manchester) Limited.

Group accounts are not submitted as Pleasurama Casinos Limited is itself a wholly owned subsidiary of Pleasurama Limited.

The aggregate profits less losses of the subsidiaries, so far as concerns the members of Pleasurama Casinos Limited for the year to 30 September 1980 were £306,257 and for the period since acquisition to 30 September 1979 were £1,292,594.

Dividends of £220,000 for the year are dealt with in these accounts and £1,199,905 had been dealt with up to 30 September 1979.

4. Deferred Revenue Expenditure

Provision is made on an annual basis for the accruing cost of major renovations to casino property.

PLEASURAMA CASINOS LIMITEDNOTES ON ACCOUNTS (Continued)30 SEPTEMBER 19805. Reserves

	<u>Capital</u>	<u>Revenue</u>	<u>Total</u>
	£	£	£
Balances at 1 October 1979	76,421	86,006	162,427
Transfer from profit for year	-	141,737	141,737
Surplus on revaluation of fixed assets	199,955	-	199,955
	<u>£276,376</u>	<u>£227,743</u>	<u>£504,119</u>
Balances at 30 September 1980	<u>£276,376</u>	<u>£227,743</u>	<u>£504,119</u>

6. Holding Company

The Company is a wholly owned Subsidiary of Pleasurama Limited incorporated in England.

7. Total remuneration of Directors of Pleasurama Casinos Limited

	<u>1980</u>	<u>1979</u>
	£	£
Paid by Pleasurama Casinos Limited	49,225	34,114
Paid by subsidiaries	13,250	5,000
	<u>£62,475</u>	<u>£39,114</u>
Chairman	-	-
Highest paid Director	£18,000	£14,297
Other Directors in emolument scales:		
Nil emoluments	1	1
Less than £ 5,000	-	1
£ 5,001 to £10,000	-	1
£10,001 to £15,000	1	1
£15,001 to £20,000	2	-

8. Capital Commitments and Contingent Liabilities

- (i) The Company has contingent liabilities in respect of guarantees given as security for the bank indebtedness of the Holding Company and certain fellow subsidiaries.

	<u>1980</u>	<u>1979</u>
	£	£
(ii) Commitments for capital expenditure	£300,000	£220,000
(iii) Expenditure authorised but not contracted for	£400,000	-

9. A statement of funds provided and applied has not been shown as the Company, being a wholly-owned subsidiary, is funded by the holding Company and fellow subsidiaries.