STANLEY CASINOS LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 2007

COMPANY REGISTRATION NUMBER: 1519689

STANLEY CASINOS LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and audited financial statements for the year ended 31 December 2007

1 PRINCIPAL ACTIVITY

The principal activity of the Company is the operation of gaming casinos

2 BUSINESS REVIEW AND RESULTS

The trading for the 52 week period has resulted in a loss after taxation of £17,772,276 (35 week period ending 31 December 2006 - profit £18,182,150) The Directors do not recommend payment of a dividend (35 week period ending 31 December 2006 - £Nil)

The Directors expect the past level of activity will be sustained for the foreseeable future

The management of the business and the execution of the Company's strategy are subject to a number of risks The key business risks affecting the company are considered to relate to competition, high roller activity, the taxation regime, and the regulatory framework

The Directors of Genting Stanley plc manage the group's operations on a divisional basis For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not appropriate for an understanding of the development, performance or position of the business of Stanley Casinos Limited For details of divisional performance of which this Company forms part, see the Genting Stanley plc financial statements which are available from 151 Dale Street Liverpool, L2 2JW

At the year end, the company undertook an impairment review of casino properties and licences, resulting in an exceptional impairment charge of £27,856,968 Other exceptional items are explained in note 2 to the accounts

3 DIRECTORS

Directors who have served are

P Brooks (appointed 31 January 2007)
N Perrin (appointed 13 February 2008)
A M Riddy (appointed 14 February 2007, resigned 13 February 2008)
R Wiper (resigned 31 January 2007)
C C Child (resigned 14 February 2007)

4 EMPLOYEES

Our employees are important to us and we endeavour to foster a working environment that reflects this We make specific arrangements, including presentations and newsletters, to ensure that they are kept informed of the Group's performance, activities and future plans

The Company is committed to a policy of equal opportunity in matters relating to employment, training and career development of employees and is opposed to any form of less favourable treatment afforded on the grounds of disability, sex, race or religion

5 STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

REPORT OF THE DIRECTORS (CONTINUED)

5 STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS (Continued)

The Directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Company and of the profit or loss of the Company 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, and
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors confirm that they have complied with the above requirements in preparing the financial statements

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and 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

Each Director at the date of the financial statements has confirmed, so far as the Director is aware, that there is no relevant audit information of which the Company's auditors are unaware Each Director has taken appropriate steps to make themselves aware of any such information and to establish that the Company's auditors are aware of that information

6 PAYMENT OF SUPPLIERS

It is the policy of the Company to agree appropriate terms and conditions for its transactions with suppliers by means ranging from standard written terms to individually negotiated contracts Payments are normally made in accordance with these terms and conditions, provided that they have also been complied with by the supplier At 31 December 2007 the Company's trade creditors represented 30 days of purchases (31 December 2006 – 30 days)

7 AUDITORS

In accordance with section 386 of the Companies Act 1985, by an elective resolution of the Company, PricewaterhouseCoopers LLP are deemed reappointed as auditors for the succeeding year

By Order of the Board

N Perrin
Director
29 May 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STANLEY CASINOS LIMITED

We have audited the financial statements of Stanley Casinos Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, The Reconciliation of Movements in Equity Shareholders' Funds, the Statement of Total Recognised Gains and Losses, and the Note of Historical Cost Profits and Losses and the related notes These financial statements have been prepared under the accounting policies set out therein

Respective responsibilities of Directors and 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) This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2007 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

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Liverpool
29 May 2008

STANLEY CASINOS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 31 DECEMBER 2007

		52 weeks ended 31 December 2007 £	35 weeks ended 31 December 2006 £
TURNOVER			
Continuing operations		194,372,968	130,934,892
COST OF SALES			
Continuing operations	(177,653,294)		(111,459,386)
Exceptional items (Note 2)			
Licences and properties impairment	(27,856,968)		
Exceptional costs of sales	(1,377,182)		
TOTAL COST OF SALES		(206,887,444)	(111,459,386)
GROSS (LOSS)/PROFIT		(12,514,476)	19,475,506
Administrative expenses	(958,733)		
Exceptional administrative expenses (Note 2)	(575,827)		
Total administrative expenses		(1,534,560)	(1,375,764)
Other operating income		1,861,780	106,912
OPERATING (LOSS) / PROFIT			
Continuing operations		(12,187,256)	18,206,654
Exceptional items (Note 2)		-	(4,908,800)
Net interest receivable/(payable) (Note 5)		70,900	(151,859)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Note 3)		(12,116,356)	13,145,995
Taxation (charge)/credit on ordinary activities (Note 6)		(5,655,920)	5,036,155
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(17,772,276)	18,182,150

The results for the period relate to continuing activities

The notes on pages 7 to 16 form part of these financial statements

STANLEY CASINOS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2007

	31 December 2007 £	31 December 2006 £
FIXED ASSETS		
Intangible assets (Note 8)	123,693	-
Tangible assets (Note 9)	577,782,125	570,049,145
Investments (Note 10)	30,436,050	30,436 050
	608,341,868	600,485,195
CURRENT ASSETS		
Stocks (Note 11)	1,560,043	1,368,925
Debtors (Note 12)	34,315,242	30,211,417
Cash at bank and in hand	15,291,437	12,005,275
	51,166,722	43,585,617
CREDITORS - Amounts falling due within one year (Note 13)	(245,372,087)	(212,162,033)
NET CURRENT LIABILITIES	(194,205,365)	(168,576,416)
TOTAL ASSETS LESS CURRENT LIABILITIES	414,136,503	431,908,779
TOTAL NET ASSETS	414,136,503	431 908,779
CAPITAL AND RESERVES		
Called up share capital (Note 15)	16,550,000	16,550,000
Share premium account (Note 16)	148,500,000	148,500,000
Revaluation reserve (Note 16)	181,533,130	181,569,130
Profit and loss account (Note 16)	67,553,373	85 289 649
EQUITY SHAREHOLDERS' FUNDS	414,136,503	431,908,779

APPROVED BY THE BOARD ON 29 MAY 2008

N Perrin
DIRECTOR

The notes on pages 7 to 16 form part of these financial statements

STANLEY CASINOS LIMITED

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2007

	52 weeks ended 31 December 2007 £	35 weeks ended 31 December 2006 £
(Loss)/profit for the period after taxation	(17,772,276)	18,182,150
Net (decrease)/increase in shareholders' funds	(17,772,276)	18,182,150
Opening shareholders' funds	431,908,779	413,726,629
Closing shareholders' funds	414,136,503	431,908,779

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE 35 WEEKS ENDED 31 DECEMBER 2007

	52 weeks ended 31 December 2007 £	35 weeks ended 31 December 2006 £
(Loss)/profit for the period after taxation	(17,772,276)	18,182,150
	(17,772,276)	18,182,150

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	52 weeks ended 31 December 2007 £	35 weeks ended 31 December 2006 £
Reported (loss)/profit for the period before taxation	(12,116,356)	13,145,995
Difference between a historical cost depreciation charge and the actual depreciation charge of the period calculated on the revalued amount	36,000	32,000
Historical cost (loss)/profit on ordinary activities before taxation	(12,080,356)	13,177,995
Historical cost (loss)/profit for the period retained after taxation	(17,736,276)	18,214,150

STANLEY CASINOS LIMITED

NOTES TO THE ACCOUNTS – 31 DECEMBER 2007

1 ACCOUNTING POLICIES

(a) Accounting convention

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of certain properties and licences, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom The principal accounting policies, which have been applied consistently througout the year, are set out below

(b) Accounting year end

The Company's accounting reference date is 31 December Consistent with the normal monthly reporting process, the actual date to which the balance sheet is drawn up to is 30 December 2007 (2006 31 December 2006) For ease of reference in these financial statements, all references to the results are for the year ended 31 December 2007 (2006 31 December 2006) and the financial position at 31 December 2007 (2006 31 December 2006)

(c) Turnover

Turnover represents gross gaming yield from casino gaming activities within the UK (including casino gaming machines and catering revenues) excluding VAT

(d) Tangible fixed assets

No depreciation is provided on land The Company's properties are carried at an open market value existing use valuation including the benefit of Casino licences where applicable The Company's properties are revalued by professionally qualified external valuers every five years, with interim valuations performed at least every third year The Company's properties were revalued as at 31 December 2006 Net revaluation surpluses are credited to reserves All other assets are stated at cost less applicable depreciation Depreciation on other assets is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned, at the following rates

Freehold & long leasehold properties	2% per annum on a straight line basis
Short leasehold properties	Amortised over the term of the lease on a straight-line basis
Leasehold improvements	Over the shorter of the lease term or 50 years on a straight-line basis
Fixtures and fittings	15-25% per annum on a reducing balance basis
Motor vehicles	25% per annum on a straight-line basis

In view of the high residual values of casino licences, properties are reviewed annually for potential impairment

Gross interest costs incurred in funding the construction of properties are capitalised at the weighted average cost of the related borrowings during the period of construction

(e) Intangible assets

Intangible assets are held at cost and are reviewed annually for potential impairment

(f) Stocks

Stocks are stated at the lower of cost and net realisable value

(g) Operating leases and finance lease commitments

The cost of operating leases is charged to the profit and loss account as incurred Assets obtained under finance lease agreements are capitalised and depreciated over their useful life The interest element of rental obligations is charged to the profit and loss account over the term of the agreement

(h) Cashflow statement

In accordance with FRS1 (Revised) the Company has not prepared a cashflow statement since a consolidated cashflow statement is included within the accounts of its ultimate parent undertaking

STANLEY CASINOS LIMITED

NOTES TO THE ACCOUNTS – 31 DECEMBER 2007

1 ACCOUNTING POLICIES (CONTINUED)

(i) Taxation

Corporation tax is provided on the assessable profits of the Company at the appropriate rates in force Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date Timing differences are differences between the Company's taxable profits and its results as stated in the Financial Statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the Balance Sheet date Deferred tax is measured on a non-discounted basis

Deferred tax is not recognised when fixed assets are revalued unless by the Balance Sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on the sale has been recognised in the Financial Statements Neither is deferred tax recognised when fixed assets are sold and it is expected that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold

(j) FRS 8 - Related party transactions

The Company has taken advantage of the exemption allowed by FRS 8 not to disclose related party transactions with undertakings controlled within the Group

(k) Pension costs

The Company is a member of two pension schemes operated by the penultimate parent Company in the UK, Genting Stanley plc The costs of the contributions to the defined benefit pension arrangements are accounted for as if the scheme was a defined contribution scheme in accordance with FRS 17, as the employer is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis The costs of the defined contribution pension arrangements are charged to the profit and loss account on the basis of contributions payable in respect of the accounting period

(l) Investments

Investments in subsidiaries are stated at cost less provision for any impairment in value net of long term loans from these subsidiaries

(m) Goodwill

Purchased goodwill (being the excess of cost of acquisition over the fair value of net assets of subsidiaries at the date of acquisition) is capitalised and amortised over its estimated useful economic life up to a maximum of 20 years in accordance with FRS10

(n) Trade Debtors

Full provision is made in the Profit and Loss account for all unpaid gaming debts at the Balance Sheet date, net of amounts recovered up to the date of approval of the accounts

2 EXCEPTIONAL ITEMS

		52 weeks ended 31 December 2007	35 weeks ended 31 December 2006
		£	£
Cost of sales			
Impairment of licences	26,576,659		
Impairment of properties	1,280,309		
		27,856,968	-
Asset write down	111,533		4,908,800
Aborted licence costs	1,965,649		
Profit on sale of properties	(700,000)		
		1,377,182	-
Administrative expenses			
Provision for termination costs		575,827	-
		29,809,977	4,908,800

Impairment of licences
Being write off relating to impairment review of licences held

Impairment of property
Being write off relating to impairment review of property

Asset write down
Charge incurred in relation to a review of fixed assets carrying value (2006 £4,908,800)

Aborted licence costs
Being costs incurred for licences at new propsed casinos which have subsequently not been persued and are therefore written off in the year

Profit on sale of properties
Profit on sale of Edinburgh casino

Provision for termination costs
Being payments and provisions made due to displacement of directors and due to restructuring and relocation of the Head Office to Birmingham

3 (LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss) / profit on ordinary activities before taxation is stated after charging/(crediting) the following

	52 weeks ended 31 December 2007	35 weeks ended 31 December 2006
	£	£
Operating lease rentals – leasehold property	7,705,186	4,553,703
Operating lease rentals – plant and machinery	3,014,355	1,947,300
Gaming duty	36,434,070	22,658,150
Depreciation - owned assets	11,415,925	6,157,448
- leased assets	630,841	420,561
Auditors' remuneration – audit fees	70,000	70,000
Rents receivable	(285,307)	(106,912)
Profit on disposal of fixed assets	(1,500)	(50,451)

STANLEY CASINOS LIMITED

NOTES TO THE ACCOUNTS – 31 DECEMBER 2007

4 EMPLOYEES AND STAFF COSTS

	52 weeks ended 31 December 2007 Number	35 weeks ended 31 December 2006 Number
The average number of persons employed by the Company was	4,083	3,655

Employee costs were as follows	£	£
Wages and salaries	63,458,762	45,216,687
Social security costs	6,980,464	4,200,457
Other pension costs	1,214,649	814,159
	71,653,875	50,231,303

	52 weeks ended 31 December 2007 £	35 weeks ended 31 December 2006 £
Aggregate Directors' emoluments	241,000	154,000

The remaining Directors' remuneration was provided by other companies in the Genting Stanley plc group and disclosed in the relevant statutory accounts

No retirement benefits are accruing to any of the Directors (35 weeks ended 31 December 2006 - nil) under the defined benefit scheme

The highest paid Director received emoluments of £241,000 (35 weeks ended 31 December 2006 £154,000) and company contributions of £34,650 were paid into the defined contribution scheme (35 weeks ended 31 December 2006 £23,100)

5 NET INTEREST RECEIVABLE/(PAYABLE)

	52 weeks ended 31 December 2007 £	35 weeks ended 31 December 2006 £
Bank overdraft and other interest payable	(798)	(110,068)
Finance lease interest payable	(34,701)	(41,791)
Interest receivable	106,399	-
Net interest receivable / (payable)	70,900	(151,859)

6 TAXATION ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES

	52 weeks ended 31 December 2007 £	35 weeks ended 31 December 2006 £
The tax charge/(credit) comprises		
Corporation tax at 30 0% (35 weeks ended 31 December 2006 – 30 0%) - current year	8,706,743	4,094,684
- prior period	(2,770,953)	(5,708,214)
Total current tax	5,935,790	(1,613,530)
Deferred tax - current year	(1,319,852)	(2,899,612)
- prior period	1,039,982	(523,013)
	(279,870)	(3,422,625)
	5,655,920	(5,036,155)

The tax charge/ (credit) for the period is higher than the standard rate of U K corporation tax The differences are explained as follows

	£	£
(Loss)/ profit on ordinary activities before tax	(12,116,356)	13,145,995
Expected tax at 30%	(3,634,907)	3,943,799
Prior period adjustment - current tax	(2,770,953)	(5,708,214)
Capital allowances for the year in excess of depreciation	1,543,497	2,775,348
Other timing differences	509,250	124,265
Expenses/(income) not deductible for taxation purposes	10,288,903	(2,748,727)
	5,935,790	(1,613,530)

7 DIVIDENDS

The Directors do not recommend payment of a dividend (35 weeks ended 31 December 2006 - £Nil)

8 INTANGIBLE ASSETS

	Branding £
COST	
At 31 December 2006	-
Additions	123,693
At 31 December 2007	123,693
DEPRECIATION	
At 31 December 2006	-
Charge	-
At 31 December 2007	-
NET BOOK AMOUNT	
At 31 December 2007	123,693
At 31 December 2006	-

STANLEY CASINOS LIMITED

NOTES TO THE ACCOUNTS – 31 DECEMBER 2007

9 TANGIBLE FIXED ASSETS

	Freehold & associated licences	Long leasehold & associated licences	Short leasehold & Associated Licences	Leasehold Improvements	Fixtures, Fittings and Equipment	Motor Vehicles	Assets in the course of construction	Total
	£	£	£	£	£	£	£	£
COST OR VALUATION								
At 31 December 2006	281,199,383	70,215,809	216,597,678	3,476,745	48,007,736	262,955	3,660,927	623,421,233
Additions/(transfers)	21,632,396	4,024	3,972,818	7,683,832	17,631,791	-	(1,508,167)	49,416,694
Disposals	(1,054,504)	-	-	-	(65,489)	-	-	(1,119,993)
Asset write off	-	-	(12,485)	-	(781,734)	-	-	(794,219)
At 31 December 2007	301,777,275	70,219,833	220,558,011	11,160,577	64,792,304	262,955	2,152,760	670,923,715
At cost	-	-	-	11,160,577	64,792,304	262,955	2,152,760	78,368,596
Valuation 2006	301,777,275	70,219,833	220,558,011	-	-	-	-	592,555,119
	301,777,275	70,219,833	220,558,011	11,160,577	64,792,304	262,955	2,152,760	670,923,715
DEPRECIATION								
At 31 December 2006	11,343,907	292,492	24,332,135	2,160,908	14,982,937	259,709	-	53,372,088
Charge	705,098	311,384	1,778,092	246,554	9,002,364	3,274	-	12,046,766
Disposals	(87,231)	-	-	-	(46,569)	-	-	(133,800)
Impairment charge	24,440,385	3,416,583						27,856,968
Asset write off	-	-	-	(432)	-	-	-	(432)
At 31 December 2007	36,402,159	4,020,459	26,110,227	2,407,030	23,938,732	262,983	-	93,141,590
NET BOOK AMOUNT								
At 31 December 2007	265,375,116	66,199,374	194,447,784	8,753,547	40,853,572	(28)	2,152,760	577,782,125
At 31 December 2006	269,855,476	69,923,317	192,265,543	1,315,837	33,024,799	3,246	3,660,927	570,049,145

Fixtures, fittings and equipment include assets held under finance leases and have the following net book amount -

	31 December 2007	31 December 2006
	£	£
Cost	3,089,097	3,089,097
Aggregate depreciation	(2,739,419)	(2,108,578)
Net book amount	349,678	980,519

The Company's casinos were valued by external Valuers, ATIS REAL Weatheralls Limited as at 30 April 2006, on the basis of Existing Use Value, fully operational with the benefit of casino licences, in accordance with the RICS Appraisal and Valuation Standards

	31 December 2007	31 December 2006
If stated under historical cost principles, the comparable amounts for properties, licences, and leasehold improvements would be -	£	£
Cost	378,583,128	358,443,903
Aggregate depreciation	(111,584,146)	(85,490,859)
Net book amount	266,998,982	272,953,044

Licences are not amortised as they are considered to have an indefinite life as there is no foreseeable limit to the period over which the licences are expected to generate cash inflows During the year ended 31 December 2007 the carrying amount of the licences has been reduced through recognition of an impairment loss This loss has been included in cost of sales in the profit and loss statement

9A IMPAIRMENT REVIEW

Impairment review of tangible assets with indefinite lives

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, in accordance with FRS11 The Company classifies gaming licences as indefinite life assets

The inherent value of casino licences is deemed to be an intrinsic part of the value of the operation of the casinos and is therefore considered as part of total casino assets in the impairment review At the year end date, an impairment review was performed and a charge amounting to £27,856,968 has been made to profit and loss in respect of tangible assets This charge is included in cost of sales

Each Stanley casino has been treated as a separate cash generating unit (CGU), except for those casinos located within the same 'permitted' area whereby these have then been grouped together The recoverable amount of each casino, including the licence, is determined based on the higher of fair value less cost to sell and value in use Estimates of fair value on property assets have been determined from an independent valuation exercise undertaken in 2006 or where we have received offers for certain properties Value in use has been calculated using cash flow projections The cash flow projections are based on current financial budgets approved by Directors for the next financial year and projections for the following four years A long term growth rate of 2% was applied thereafter The pre-tax discount rate applied to cash flow projections is 9 5%

10 INVESTMENTS

Investments in subsidiaries at cost less provisions for impairment and net of long term loans	Shares at cost £	Loans due to subsidiaries £	Total £
At 31 December 2006	338,549,367	(308,113,317)	30,436,050
At 31 December 2007	338,549,367	(308,113,317)	30,436,050

The following principal subsidiaries and their voting rights were wholly owned either directly or indirectly by the Company at 31 December 2007

	Activity	Country of Registration
Palm Beach Club Limited	Dormant	England
Tower Casino Group Limited and subsidiaries	Dormant	England
Cotedale Limited	Dormant	England
Worthchance Limited	Dormant	England
Crockfords Club Limited	Dormant	England
The Colony Club Limited	Dormant	England
Cromwell Sporting Enterprises Limited	Dormant	England
Langway Limited	Dormant	England
Pellanfayre Limited	Dormant	England
Cascades Clubs Limited	Dormant	England
Hazelman Limited	Dormant	England
Cascades Casinos Limited	Dormant	England
Churchstirling Limited	Dormant	England
Annabel's Casino Limited	Dormant	England
Star City Casino Limited	Dormant	England
Lilland Limited	Dormant	England
MLG Investments Limited	Trading	England
Tameview Properties Limited	Trading	England
Westcliff Casino Limited	Trading	England
Westcliff (CG) Limited	Trading	England
Spielers Casino (Southend) Limited	Trading	England
Triangle Casino (Bristol) Limited	Trading	England
Harbour House Casino Limited	Trading	England

Group accounts have not been prepared as Stanley Casinos Limited is a wholly owned subsidiary of an undertaking incorporated in the UK, therefore financial information is presented for the Company as an individual undertaking In the Directors' opinion the value of the aggregate investment in each subsidiary is not less than the amount at which it is stated in these accounts

11 STOCKS

	31 December 2007 £	31 December 2006 £
Goods for resale	642,434	663,032
Stationery and consumables	917,609	705,893
	1,560,043	1,368,925

12 DEBTORS

	31 December 2007 £	31 December 2006 £
Trade debtors	2,001,279	2,402,816
Amounts due from group undertakings	25,071,377	20,942,779
Other debtors	1,236,026	1,186,047
Prepayments and accrued income	2,875,542	2,978,804
Deferred tax asset	3,131,018	2,700,971
	34,315,242	30,211,417

Amounts due from group undertakings represent non-interest bearing inter company balances repayable on demand

13 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2007 £	31 December 2006 £
Trade creditors	8,295,621	2,881,626
Amounts due to group undertakings	205,173,943	183,480,686
Taxation and social security	10,661,315	10,959,667
Finance lease creditors	275,534	862,225
Corporation tax	13,866,186	8,030,834
Other creditors	5,872,308	4,161,001
Accruals and deferred income	1,227,180	1,785,994
	245,372,087	212,162,033

Amounts due to group undertakings represent non-interest bearing inter company balances repayable on demand

14 PROVISIONS FOR LIABILITIES AND CHARGES

Amounts provided for deferred taxation and the potential deferred tax asset are as follows	31 December 2007 £	31 December 2006 £
Accelerated capital allowances	(2,075,072)	(1,618,950)
Short term timing difference	(1,055,946)	(1,082,021)
	(3,131,018)	(2,700,971)

The deferred tax asset is included within debtors (Note 12)

The movement on the deferred taxation provision during the period was as follows	£
At 31 December 2006	(2,700,971)
Movement for the year	(430,047)
At 31 December 2007 (Note 12)	(3,131,018)

No provision has been made for potential capital gains tax payable of approximately £52 million (31 December 2006 - £52 million) if properties were to be sold at their revalued amounts, as there is no intention to sell these properties in the foreseeable future

15 CALLED UP SHARE CAPITAL

	2007 £	2006 £
Authorised		
Equity - 16,550,000 (31 December 2006 - 16,550,000) ordinary shares of £1 each	16,550,000	16,550,000
Allotted, issued and fully paid		
Equity - 16,550,000 (31 December 2006 - 16,550,000) ordinary shares of £1 each	16,550,000	16,550,000

16 RESERVES

	Share Premium Account £	Revaluation reserve £	Profit and Loss Account £
At 31 December 2006	148,500,000	181,569,130	85,289,649
Transfer from Revaluation reserve	-	(36,000)	36,000
Loss for the year	-	-	(17,772,276)
At 31 December 2007	148,500,000	181,533,130	67,553,373

Goodwill in aggregate of £317,154 (31 December 2006 - £317,154) has been charged against reserves in prior periods

17 OPERATING LEASE COMMITMENTS

	Land and buildings 31 December 2007 £	Plant and machinery 31 December 2007 £	Land and buildings 31 December 2006 £	Plant and machinery 31 December 2006 £
Leases expiring within				
One year	149,500	-	216,000	3,100,000
Two to five years	204,075	-	118,500	-
More than five years	7,009,903	-	6,083,678	-
	7,363,478	-	6,418,178	3,100,000

18 CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided in the accounts amounted to £1,600,000 (31 December 2006 - £2,164,000)

19 CONTINGENT LIABILITIES

The Company acts as a joint guarantor in respect of a revolving credit facility arranged with a consortium of banks for the benefit of Genting Stanley plc At 31 December 2007 the loan outstanding amounted to £115,000,000 (31 December 2006 - £105,000,000)

On the 10th April 2008, the group signed an amended agreement to this revolving credit facility, which is now for £143m, and on which interest is payable at rates of between 0 625% and 1 000% above LIBOR, depending upon financial covenant perfromance and that this agreement now includes a parent company guarantee from Genting International plc

STANLEY CASINOS LIMITED

NOTES TO THE ACCOUNTS – 31 DECEMBER 2007

20 PENSION COMMITMENTS

The Company is a member of two pension schemes operated by the ultimate parent undertaking, a defined contribution scheme and a defined benefit scheme

The defined benefit scheme provides benefits based on final pensionable earnings and contributions to the scheme are determined by a qualified independent actuary on the basis of triennial valuations, using the attained age valuation method The pension cost charge for the period in respect of this scheme was £153,118 (31 December 2006 - £150,415) In respect of the defined contribution schemes, the pension cost charge represents contributions payable by the Company to the scheme and amounted to £1,061,531 (31 December 2006 - £663,744)

The financial effects of pension arrangements are shown in the financial statements of the penultimate parent company in the UK, Genting Stanley plc The Company is unable to identify its share of the scheme's underlying assets and liabilities on a consistent and reliable basis Therefore the Company has taken advantage of the exemption allowed by paragraph 9(b) of FRS 17 and has not provided disclosures additional to those above The FRS 17 net pension asset of the scheme at 31 December 2007 was £800,000 (31 December 2006 £420,000) The contribution expected to be paid during the next financial year amounts to £200,000

21 ULTIMATE PARENT UNDERTAKING

The Company is a wholly owned indirect subsidiary of Genting International plc, a company incorporated and registered in the Isle of Man, and listed on the Main Board of the Singapore Exchange Securities Trading Limited The immediate parent company is Stanley Casinos Holdings Limited

Copies of the financial statements of Genting International plc can be obtained from the Head Office at 1526-1527, Ocean Centre, 5 Canton Road, Tsimshatsui, Kowloon, Hong Kong SAR

The ultimate holding company is Genting Berhad, a company incorporated in Malaysia and whose shares are listed on the Bursa Malaysia Securities Berhad Copies of the financial statements for this company may be obtained from 16th floor, Wisma Genting, 28 Jalan Sultan Ismail, 50250 Kuala Lumpar