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# Directors' Report and Accounts

STANLEY CASINOS LIMITED

28 APRIL 1985

Price  
Waterhouse



# STANLEY CASINOS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 28 APRIL 1985

The directors present their report and audited accounts for the year ended 28 April 1985.

### BUSINESS REVIEW

The company carried on the business of casino proprietors during the year. At the year end the company was in a strong position to take advantage of suitable expansion opportunities that may arise.

### RESULTS

The result for the year is set out on page 4 of these accounts. The directors do not recommend the payment of a dividend.

### DIRECTORS

The directors during the year were as follows:

L Steinberg  
TA Lowry  
MT Graham  
GC Revill  
SC Meharg

The interests of the directors in office at 28 April 1985 in the capital of the ultimate holding company, Stanley Leisure Organisation Limited at 29 April 1984 and 28 April 1985 are as follows:

	Ordinary shares of £1 each	
	29 April 1984	28 April 1985
L Steinberg	1,820,351	1,577,507
TA Lowry	8,150	8,150
MT Graham	-	5,188
GC Revill	-	10,375
SC Meharg	500	35,000

### FIXED ASSETS

The present market prices being paid to acquire existing casino licences are higher than at the time of the company's acquisition so that the book amount of £1,000,000 at which the licences are incorporated in the accounts is, in the board's opinion, below their real worth.

STANLEY CASINOS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 APRIL 1985 (CONTINUED)

DISABLED PERSONS

The company is committed to a policy of equal opportunity for job applicants and employees, and is totally opposed to any form of less favourable treatment afforded on the grounds of disability.

The company will ensure, in so far as is practicable, that individuals are selected promoted and treated on the basis of their relevant aptitudes, skills and abilities. Disabled persons shall be equally availed of those opportunities existing for able-bodied persons to undertake training and personal development programmes in accord with their aspirations, abilities and needs of the company. Furthermore the company undertakes to provide, in so far as is practicable, rehabilitation and training for employees who shall become disabled during the period of their employment with the company, so that such employees may continue to contribute to the fullest possible extent to the company in particular and society as a whole.

INFORMATION AND CONSULTATION

Consultation arrangements continued at all locations in respect of involvement on new equipment and employee amenities. The company makes every endeavour to ensure that all employees are kept informed of company performance, activities and future plans.

AUDITORS

The auditors, Price Waterhouse, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board



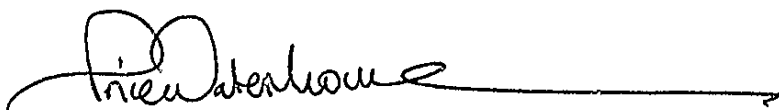
TA Lowry  
Secretary

23 August 1985

REPORT OF THE AUDITORS TO THE MEMBERS OF STANLEY CASINOS LIMITED

We have audited the accounts on pages 4 to 13 in accordance with approved Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 28 April 1985 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

  
Chartered Accountants

23 August 1985

STANLEY CASINOS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 APRIL 1985

	<u>Notes</u>	<u>1985</u> £	<u>1984</u> £
TURNOVER	1	2,703,696	2,735,382
Cost of sales		<u>2,114,632</u>	<u>2,095,756</u>
GROSS PROFIT		589,064	639,626
Administration and other expenses		43,947	60,798
Interest (receivable)/payable		<u>(14,221)</u>	<u>10,747</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	559,338	568,081
Taxation on profits on ordinary activities	3	<u>(247,351)</u>	<u>(244,592)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		311,987	323,489
Proposed dividend		<u>—</u>	<u>—</u>
RETAINED PROFIT TRANSFERRED TO RESERVES	13	<u>£311,987</u>	<u>£323,489</u>

The notes on pages 6 to 13 form part of these accounts

# STANLEY CASINOS LIMITED

BALANCE SHEET AT 28 APRIL 1985

	<u>Notes</u>	<u>1985</u> £	<u>1984</u> £
<b>FIXED ASSETS</b>			
Intangible assets	4	1,000,000	1,000,000
Tangible assets	5	226,231	299,661
Investments	6	<u>-</u>	<u>-</u>
		1,226,231	1,299,661
<b>CURRENT ASSETS</b>			
Stocks	7	21,976	14,864
Debtors	8	159,725	106,089
Cash at bank and in hand		<u>587,612</u>	<u>759,590</u>
		769,313	880,543
CREDITORS: Amounts falling due within one year	9	<u>(724,653)</u>	<u>(1,117,725)</u>
NET CURRENT ASSETS/(LIABILITIES)		44,660	(237,182)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£1,270,891</u>	<u>£1,062,479</u>
CREDITORS: Amounts falling due after more than one year	10	412,500	487,500
PROVISIONS FOR LIABILITIES AND CHARGES	11	73,000	101,575
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	50,000	50,000
Profit and loss account	13	<u>735,391</u>	<u>423,404</u>
		785,391	473,404
		<u>£1,270,891</u>	<u>£1,062,479</u>

L Steinberg

MT Graham

DIRECTORS

Approved by the board of directors on 23 August 1985.

The notes on pages 6 to 13 form part of these accounts.

STANLEY CASINOS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF  
FUNDS FOR THE YEAR ENDED 28 APRIL 1985

	£	1985 £	£	1984 £
SOURCES				
Profit on ordinary activities before taxation		559,338		568,081
Adjustment for items not involving the movement of funds:				
Depreciation		<u>70,785</u>		<u>56,873</u>
FUNDS GENERATED FROM OPERATIONS		630,123		624,954
Funds from other sources				
Sale of tangible fixed assets		<u>3,111</u>		<u>3,266</u>
		633,234		628,220
APPLICATION OF FUNDS				
Taxation paid	257,960		199,912	
Purchase of tangible fixed assets	466		21,949	
Transfer of net current liabilities from Fivers Limited (below)	-		130,178	
Loan repayments	<u>275,000</u>		<u>175,000</u>	
		533,426		527,039
INCREASE IN WORKING CAPITAL		<u>£99,808</u>		<u>£101,181</u>
Reflected in:				
Stocks	7,112		14,864	
Debtors	53,636		36,249	
Creditors	<u>211,038</u>		<u>(137,564)</u>	
	271,786		(86,451)	
MOVEMENT IN NET LIQUID FUNDS				
Bank and cash balances	<u>(171,978)</u>		<u>187,632</u>	
		<u>£99,808</u>		<u>£101,181</u>
<u>Net Current liabilities transferred from Fivers Limited</u>				
Stocks			19,100	
Debtors			5,030	
Creditors			<u>(154,308)</u>	
			£(130,178)	

STANLEY CASINOS LIMITED

NOTES TO ACCOUNTS - 28 APRIL 1985

1 ACCOUNTING POLICIES

(a) Accounting convention

The accounts have been prepared under the historical cost convention.

(b) Turnover

Turnover represents gross gaming yield from casino gaming activities and amounts receivable for goods and services provided exclusive of Value Added Tax.

(c) Depreciation

Depreciation is provided in equal annual instalments calculated to amortise the cost of the assets over their anticipated useful lives. The rates applied are:

Fixtures and fittings	15%
Motor vehicles	25%

(d) Casino licences

Casino licences are stated at cost, being the excess of the purchase consideration of the casinos over the net assets acquired. Depreciation is provided only where there has been a loss of value during an accounting period. Loss of value, if any, is assessed having regard to the trend in maintainable profits generated by the businesses.

(e) Stocks

Stocks are stated at the lower of cost and estimated realisable value.

(f) Taxation

Corporation tax is provided on the assessable profits of the company at the appropriate rates in force. Provision is made for taxation deferred at the anticipated future rates in respect of taxation liabilities deferred for any reason, to the extent that it is probable such liabilities will crystallise.

2 PROFIT ON ORDINARY ACTIVITIES

Profit on ordinary activities is stated after charging:

	<u>1985</u>	<u>1984</u>
	£	£
Wages and salaries	961,577	978,329
Social security costs	98,918	109,111
Depreciation	70,785	56,873
Directors remuneration	33,238	27,134
Auditors remuneration	<u>8,050</u>	<u>8,050</u>

# STANLEY CASINOS LIMITED

## NOTES TO ACCOUNTS - 28 APRIL 1985 (CONTINUED)

### 2 OPERATING PROFIT (CONTINUED)

The highest paid director received £25,913 (1984 - £21,324) excluding pension contributions. The Chairman and the other directors were remunerated by other companies in the Stanley Leisure Organisation Group.

### 3 TAXATION

The taxation charge based on the profit before taxation comprises:

	<u>1985</u> £	<u>1984</u> £
Corporation tax at 45% (1984 - 50%)	278,810	306,000
(Release) of deferred taxation	(28,575)	(69,558)
(Release)/charge relating to prior years	<u>(2,884)</u>	<u>8,150</u>
	<u>£247,351</u>	<u>£244,592</u>

The company is a close company within the terms of Section 282 of the Income and Corporation Taxes Act 1970.

### 4 FIXED ASSETS

	<u>1985</u> £	<u>1984</u> £
Intangible assets		
Casino licences	<u>£1,000,000</u>	<u>£1,000,000</u>

STANLEY CASINOS LIMITED

NOTES TO ACCOUNTS - 28 APRIL 1985 (CONTINUED)

5	FIXED ASSETS	Fixtures and fittings	Motor vehicles	Total
	Tangible assets	£	£	£
	COST			
	At 29 April 1984	439,526	41,440	480,966
	Additions	466	-	466
	Disposals	-	(7,375)	(7,375)
	At 28 April 1985	439,992	34,065	474,057
	DEPRECIATION			
	At 29 April 1984	165,302	16,003	181,305
	Charge for the year	65,204	5,581	70,785
	Disposals	-	(4,264)	(4,264)
	At 28 April 1985	230,506	17,320	247,826
	NET BOOK AMOUNTS			
	At 28 April 1985	£209,486	£16,745	£226,231
	At 29 April 1984	£274,224	£25,437	£299,961

6	FIXED ASSETS		
	Investments	1985	1984
		£	£
	Investment in subsidiary - Fivers Limited		
	Shares at cost	2	2
	Amount due from subsidiary	526,990	526,990
		526,992	526,992
	Less provision for losses in subsidiary	526,992	526,992
		£ -	£ -

The company owns the entire share capital of Fivers Limited, a company incorporated in the United Kingdom. Fivers Limited has not traded during the year ended 28 April 1985.

The net liabilities of Fivers Limited amounted to £526,990 which have been provided for by Stanley Casinos Limited.

The company is a wholly owned subsidiary of another company incorporated in England and consequently consolidated accounts have not been prepared.

STANLEY CASINOS LIMITED

NOTES TO ACCOUNTS - 28 APRIL 1985 (CONTINUED)

7	STOCKS	<u>1985</u> £	<u>1984</u> £
	Stocks comprise:		
	Food	4,473	4,650
	Beverage	7,940	8,406
	Tobacco	2,593	1,808
	Stationery	<u>6,970</u>	<u>-</u>
		£21,976	£14,864
		<u>          </u>	<u>          </u>
8	DEBTORS	<u>1985</u> £	<u>1984</u> £
	Trade debtors	11,177	14,622
	Amounts owed by group companies	101,672	74,633
	Prepayments and accrued income	<u>46,876</u>	<u>16,834</u>
		£159,725	£106,089
		<u>          </u>	<u>          </u>
9	CREDITORS (Amounts falling due within one year)	<u>1985</u> £	<u>1984</u> £
	Bank loans and overdrafts	75,000	75,000
	Trade creditors	65,710	80,825
	Amounts owed to group companies	98,699	234,104
	Interest free loan	-	200,000
	Taxation and social security	423,327	426,127
	Accruals and deferred income	<u>61,917</u>	<u>101,669</u>
		£724,653	£1,117,725
		<u>          </u>	<u>          </u>
10	CREDITORS (Amounts falling due after more than one year)	<u>1985</u> £	<u>1984</u> £
	Bank loans and overdrafts (see below)	<u>412,500</u>	<u>487,500</u>

# STANLEY CASINOS LIMITED

## NOTES TO ACCOUNTS - 28 APRIL 1985 (CONTINUED)

### 10 CREDITORS (CONTINUED) (Amounts falling due after more than one year)

The bank loan is repayable in half yearly instalments of £37,500 payable 30 April and 31 October each year. It is secured by an unlimited inter-company cross letter of guarantee of the holding company in conjunction with its subsidiary companies together with a fixed and floating charge over the assets and undertaking of the company.

Interest is payable at 2% over the bank base rate and interest off-set arrangements have been made in respect of funds deposited.

11	PROVISIONS FOR LIABILITIES AND CHARGES -	<u>1985</u> £	<u>1984</u> £
	Deferred taxation at a rate of 35% (1984-35%)	<u>£73,000</u>	<u>£101,575</u>
	The movements on the deferred taxation provision, which is in respect of accelerated capital allowances, can be summarised as follows.		
	Balance 29 April 1984	101,575	141,019
	Transfer from Fivers Limited	-	30,114
	Release for the year (note 3)	<u>(28,575)</u>	<u>(69,558)</u>
	Balance 28 April 1985	<u>£73,000</u>	<u>£101,575</u>

All deferred taxation liabilities have been provided for in the accounts at 28 April 1985 and at 29 April 1984.

12	CALLED UP SHARE CAPITAL	<u>1985</u> £	<u>1984</u> £
	Allotted and fully paid Ordinary Shares of £1 each	<u>£50,000</u>	<u>£50,000</u>
	Authorised	<u>£50,000</u>	<u>£50,000</u>

# STANLEY CASINOS LIMITED

## NOTES TO ACCOUNTS - 28 APRIL 1985 (CONTINUED)

13	PROFIT AND LOSS ACCOUNT	<u>1985</u> £	<u>1984</u> £
	Balance 29 April 1984	423,404	99,915
	Retained profit for the year	<u>311,987</u>	<u>323,489</u>
	Balance 28 April 1985	<u>£735,391</u>	<u>£423,404</u>

14	CAPITAL COMMITMENTS	<u>1985</u> £	<u>1984</u> £
	Authorised	Nil	Nil
	Authorised and contracted for	Nil	Nil

15	EMPLOYEES	<u>1985</u>	<u>1984</u>
	The average number of persons employed by the company (including part time employees), all of whom were employed in the United Kingdom was	<u>173</u>	<u>199</u>

## 16 HOLDING COMPANY

The ultimate holding company is Stanley Leisure Organisation Limited, a company incorporated in England.

## 17 PENSION COMMITMENTS

The Stanley Leisure Organisation Group currently operates two pension schemes and established a third scheme on 29 April, 1985, all of which are insured schemes.

The Stanley Leisure Organisation Retirement and Death Benefit Scheme covers all Group Senior Management employees including Regional Directors and, as a result of the Group's acquisition policy certain weekly paid employees also benefit under this scheme.

The Executive Pension Investment Plan covers all full-time Executive Directors.

STANLEY CASINOS LIMITED

NOTES TO ACCOUNTS - 28 APRIL 1985 (CONTINUED)

17 PENSION COMMITMENTS (continued)

From 29 April, 1985 the Group has established the Stanley Group Retirement Savings Scheme which is available to all full-time employees who work over 16 hours per week and have been employed by the Group for, at least, two years.

All three schemes have obtained 'exempt approval' under Section 21 of the Finance Act 1970 and all contributions are charged to profit and loss account. Contributions are reviewed annually by actuaries acting for the Insurance Company.