

**STANLEY CASINOS LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**29 APRIL 2001**



**COMPANY REGISTRATION NUMBER: 1519689**

# STANLEY CASINOS LIMITED

## REPORT OF THE DIRECTORS

The Directors present their report and audited accounts for the 52 weeks ended 29 April 2001.

### 1 PRINCIPAL ACTIVITY

The principal activity of the Company is the management of casinos.

### 2 BUSINESS REVIEW AND RESULTS

The trading for the period has resulted in a profit after taxation of £7,520,800 (2000 - £7,459,791). The Directors have paid an interim dividend of £7,000,000 (2000 - £5,000,000). The Directors do not recommend the payment of a final dividend (2000 - £Nil).

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

### 3 DIRECTORS

Directors who have served during the period are:

T A Lowry (Resigned 31 December 2000)

K Peat

P Perrin-Jacquet

A M Riddy

L Steinberg

P J Collis (Appointed 8 June 2000)

None of the Directors held any interests in the share capital of the Company during the period.

The interests of the Directors, who are also Directors of Stanley Leisure plc, in the share capital of the ultimate parent undertaking Stanley Leisure plc, are shown in the Report and Accounts of that company. The interests of other Directors are shown below:

Ordinary shares of 25p each in Stanley Leisure plc.

	<u>29 April 2001</u> Number	<u>30 April 2000</u> Number
P Perrin-Jacquet	1,410	1,410
K Peat	10,170	10,170

The following options have been granted and are outstanding to these Directors in respect of Stanley Leisure plc;

	Number at 1 May 2000	Options exercised	Options granted/ (lapsed)	Number at 29 April 2001	Exercise price _____p	Earliest date exercisable	Expiry date
P Perrin-Jacquet	15,000	-	-	15,000	190.5	25.02.98	27.02.05
	1,181	-	-	1,181	164.0	01.05.03	31.10.03
K Peat	10,289	-	-	10,289	164.0	01.05.05	31.10.05

## **STANLEY CASINOS LIMITED**

### **REPORT OF THE DIRECTORS (CONTINUED)**

#### **3 DIRECTORS (Continued)**

The market price of the shares at 29 April 2001 was 247.5p (30 April 2000 – 181.5p) and the range during the financial period was 149.5p to 251.5p.

#### **4 EMPLOYEES**

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.

The Company recognises the importance of ensuring all employees are kept informed of the Company's performance, activities and future plans.

#### **5 DIRECTORS' RESPONSIBILITIES**

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The Directors consider that in preparing the financial statements on pages 5 to 17, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are required to prepare the accounts on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

#### **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 29 April 2001 the Company trade creditors represented 59 days of purchases (30 April 2000 – 45 days).

**STANLEY CASINOS LIMITED**

**REPORT OF THE DIRECTORS (CONTINUED)**

**7 AUDITORS**

Members of the Company have passed elective resolutions to dispense with the holding of an Annual General Meeting and the annual appointment of auditors.

By Order of the Board



A M RIDDY  
Director

*26 February 2002*

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STANLEY CASINOS LIMITED**

We have audited the financial statements, which comprise the Profit and Loss Account, the Balance Sheet and the related notes, which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out in Note 1.

### **Respective responsibilities of Directors and auditors**

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Directors' Report.

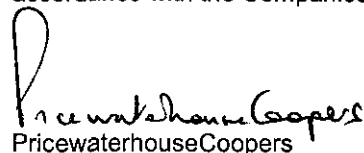
### **Basis of audit opinion**

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 29 April 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers

Chartered Accountants and Registered Auditors  
Manchester

26 February 2002

# STANLEY CASINOS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 29 APRIL 2001

	<u>29 April 2001</u> £	<u>30 April 2000</u> £
<b>TURNOVER</b> (Note 1)		
Continuing operations	58,488,322	52,326,955
- Acquisitions	<u>3,623,613</u>	<u>-</u>
	<u>62,111,935</u>	<u>52,326,955</u>
<b>COST OF SALES</b>		
Continuing operations	(48,441,788)	(41,409,925)
- Acquisitions	<u>(2,800,023)</u>	<u>-</u>
	<u>(51,241,811)</u>	<u>(41,409,925)</u>
<b>GROSS PROFIT</b>	10,870,124	10,917,030
Administrative expenses	(677,729)	(634,831)
Other operating income	<u>156,474</u>	<u>511,935</u>
<b>OPERATING PROFIT</b>		
Continuing operations	9,525,279	10,794,134
- Acquisitions	<u>823,590</u>	<u>-</u>
	10,348,869	10,794,134
Net interest receivable (Note 5)	<u>209,986</u>	<u>57,544</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> (Note 2)	10,558,855	10,851,678
Taxation on profit on ordinary activities (Note 6)	<u>(3,038,055)</u>	<u>(3,391,887)</u>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	7,520,800	7,459,791
Dividends (Note 7)	<u>(7,000,000)</u>	<u>(5,000,000)</u>
<b>RETAINED PROFIT TRANSFERRED TO RESERVES</b> (Note 16)	520,800	2,459,791
	<u><u>520,800</u></u>	<u><u>2,459,791</u></u>

The results for the period relate to a single class of continuing activities.

There is no material difference between the reported profit before taxation and the historical cost profit before taxation.

The Company has no recognised gains or losses other than the results for the period as set out above.

The notes on pages 8 to 17 form part of these financial statements.

# STANLEY CASINOS LIMITED

## BALANCE SHEET – 29 APRIL 2001

	29 April 2001 £	30 April 2000 £
<b>FIXED ASSETS</b>		
Tangible assets (Note 8)	119,000,634	102,343,495
Investments (Note 9)	<u>11,709,728</u>	<u>8,209,728</u>
	<u>130,710,362</u>	<u>110,553,223</u>
<b>CURRENT ASSETS</b>		
Stocks (Note 10)	570,534	457,165
Debtors (Note 11)	25,249,990	27,440,449
Cash at bank and in hand	<u>5,616,586</u>	<u>1,712,866</u>
	31,437,110	29,610,480
<b>CREDITORS - Amounts falling due within one year (Note 12)</b>	<u>(94,935,195)</u>	<u>(73,456,346)</u>
<b>NET CURRENT LIABILITIES</b>	<u>(63,498,085)</u>	<u>(43,845,866)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	67,212,277	66,707,357
<b>CREDITORS - Amounts falling due after more than one year (Note 13)</b>	(178,809)	(207,831)
<b>PROVISIONS FOR LIABILITIES AND CHARGES (Note 14)</b>	<u>(529,667)</u>	<u>(516,525)</u>
	66,503,801	65,983,001
<b>CAPITAL AND RESERVES</b>		
Called up share capital (Note 15)	50,000	50,000
Revaluation reserve (Note 16)	20,077,304	20,109,304
Profit and loss account (Note 16)	<u>46,376,497</u>	<u>45,823,697</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	<u>66,503,801</u>	<u>65,983,001</u>

APPROVED BY THE BOARD ON 26 February 2002



A M Riddy  
DIRECTOR

The notes on pages 8 to 17 form part of these financial statements.

# STANLEY CASINOS LIMITED

## RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS FOR THE 52 WEEKS ENDED 29 APRIL 2001

	<u>29 April 2001</u>	<u>30 April 2000</u>
	£	£
Profit for the financial year	7,520,800	7,459,791
Dividends	<u>(7,000,000)</u>	<u>(5,000,000)</u>
Net addition to shareholders' funds	520,800	2,459,791
Opening equity shareholders' funds	<u>65,983,001</u>	<u>63,523,210</u>
Closing equity shareholders' funds	<u>66,503,801</u>	<u>65,983,001</u>



# STANLEY CASINOS LIMITED

## NOTES TO THE ACCOUNTS – 29 APRIL 2001

### 1 ACCOUNTING POLICIES

#### (a) Accounting convention

The financial statements have been prepared under the historical cost convention, modified by the revaluation of certain properties and licences, and in accordance with applicable accounting standards.

#### (b) Accounting year end

Financial statements are prepared for the period ending on the Sunday nearest to 30 April. For the current year this Sunday was 29 April 2001.

#### (c) Turnover

Turnover represents gross gaming yield from casino gaming activities and amounts receivable for goods and services provided exclusive of Value Added Tax. All of the Company's turnover arises within the United Kingdom and the Directors are of the opinion that it is derived from one class of activity.

#### (d) Fixed assets and depreciation

The Company's properties are carried at an open market, existing use valuation including the benefit of casino licences. The Company's properties are revalued by professionally qualified external valuers every five years. The last full revaluation was at 3 May 1998. Net revaluation surpluses are credited to Reserves. No depreciation is provided on land. 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 straightline basis
Short leasehold properties	Over the term of the associated lease on a straightline basis

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

Leasehold property improvements	Amortised 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

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) Goodwill

Purchased goodwill is capitalised and amortised over its estimated useful life, up to a maximum of 20 years, in accordance with FRS 10. Prior to 3 May 1998 goodwill was written off to reserves in the year in which it arose.

#### (f) Stocks

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

# STANLEY CASINOS LIMITED

## NOTES TO THE ACCOUNTS – 29 APRIL 2001 (CONTINUED)

### 1 ACCOUNTING POLICIES (CONTINUED)

#### (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 contracts are capitalised and depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the agreement.

#### (h) 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 to the extent that they are expected to reverse in the foreseeable future.

#### (i) Cashflow statement

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

#### (j) Pensions

The Company participates in two pension schemes operated by the ultimate parent undertaking. Contributions to the defined benefit scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the Group. All other contributions are charged to the profit and loss account as incurred.

#### (k) 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.

#### (l) Investments

Investments in subsidiaries are stated at cost less provision for any impairment in value.

### 2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting):

	<u>2001</u>	<u>2000</u>
	£	£
Depreciation - owned assets	1,402,841	1,280,310
- assets under finance leases	126,142	118,690
Auditors' remuneration	33,238	39,475
Gaming duty	4,282,844	3,351,727
Operating leases - land and buildings	770,556	725,376
- plant & machinery	347,835	285,406
Rents receivable	(153,755)	(202,581)
Profit on disposal of fixed assets	(2,719)	(309,084)
Contribution to QUEST (Note 3)	-	386,803
	<hr/>	<hr/>

Depreciation includes £263,999 (2000 - £254,569) in respect of properties.

# STANLEY CASINOS LIMITED

## NOTES TO THE ACCOUNTS – 29 APRIL 2001 (CONTINUED)

### 3 EMPLOYEES AND STAFF COSTS

	<u>2001</u> Number	<u>2000</u> Number
The average number of persons employed by the Company was:	2,244	1,990
	<hr/>	<hr/>
	<u>2001</u> £	<u>2000</u> £
Employee costs (including directors) were as follows:		
Wages and salaries	27,791,025	23,042,575
Social security costs	2,230,815	1,706,844
Other pension costs	<u>410,009</u>	<u>394,748</u>
	30,431,849	25,144,167
	<hr/>	<hr/>

### 4 DIRECTORS' EMOLUMENTS

	<u>2001</u> £	<u>2000</u> £
Aggregate emoluments	128,732	225,863
	<hr/>	<hr/>

Certain Directors were remunerated by other Group companies for their services as Group Executives.

Retirement benefits are accruing to three Directors (2000 – three) under the defined benefit scheme. Share options in the ultimate parent undertaking, Stanley Leisure plc are shown in the Report of the Directors.

# STANLEY CASINOS LIMITED

## NOTES TO THE ACCOUNTS – 29 APRIL 2001 (CONTINUED)

### 5 NET INTEREST RECEIVABLE

	<u>2001</u> £	<u>2000</u> £
Interest payable:		
Bank overdrafts	(158,986)	(2,345)
Finance lease agreements	<u>(45,540)</u>	<u>(30,692)</u>
	(204,526)	(33,037)
Interest receivable:		
Short term deposits	24,512	18,970
Interest capitalised	<u>390,000</u>	<u>71,611</u>
	<u>414,512</u>	<u>90,581</u>
Net interest receivable	<u>209,986</u>	<u>57,544</u>

### 6 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<u>2001</u> £	<u>2000</u> £
Corporation tax at 30.0% (2000 – 30.0%) on profits for the period		
- current period	3,038,055	3,241,688
- prior period	5,199	-
Deferred tax		
- current period	-	121,252
- prior period	<u>(5,199)</u>	<u>28,947</u>
	<u>3,038,055</u>	<u>3,391,887</u>

### 7 DIVIDENDS

	<u>2001</u> £	<u>2000</u> £
Dividends – paid £140 per share (2000 - £100 per share)	<u>7,000,000</u>	<u>5,000,000</u>
	<u>7,000,000</u>	<u>5,000,000</u>

# STANLEY CASINOS LIMITED

## NOTES TO ACCOUNTS – 29 APRIL 2001 (CONTINUED)

### 8 TANGIBLE FIXED ASSETS

	Freehold and associated licences £	Long leasehold & associated licences £	Short leasehold & Associated Licences £	Leasehold improve- ments £	Fixtures and fittings £	Motor vehicles £	Total £
<b>COST OR VALUATION</b>							
At 1 May 2000	55,089,987	11,491,760	28,479,816	3,015,851	14,187,808	430,276	112,695,498
Additions	1,548,679	2,650,736	-	17,681	3,724,308	234,240	8,175,644
Assets transferred in	7,086,032	-	2,791,932	37,920	458,186	30,258	10,404,328
Disposals	-	-	-	-	-	(140,683)	(140,683)
Reclassifications	385,000	549,000	(934,000)	-	-	-	-
As at 29 April 2001	64,109,698	14,691,496	30,337,748	3,071,452	18,370,302	554,091	131,134,787
At cost	12,103,041	3,199,736	1,857,932	3,071,452	18,370,302	554,091	39,156,554
Valuation 1998	52,006,657	11,491,760	28,479,816	-	-	-	91,978,233
As at 29 April 2001	64,109,698	14,691,496	30,337,748	3,071,452	18,370,302	554,091	131,134,787
<b>DEPRECIATION</b>							
At 1 May 2000	1,208,515	14,302	28,877	1,742,601	7,237,953	119,755	10,352,003
Charge for the period	220,819	14,303	28,877	86,062	1,052,780	126,142	1,528,983
Assets transferred in	23,228	-	-	37,920	235,441	3,595	300,184
Disposals	-	-	-	-	-	(47,017)	(47,017)
As at 29 April 2001	1,452,562	28,605	57,754	1,866,583	8,526,174	202,475	12,134,153
<b>NET BOOK AMOUNT</b>							
At 29 April 2001	62,657,136	14,662,891	30,279,994	1,204,869	9,844,128	351,616	119,000,634
At 1 May 2000	53,881,472	11,477,458	28,450,939	1,273,250	6,949,855	310,521	102,343,495

# STANLEY CASINOS LIMITED

## NOTES TO THE ACCOUNTS – 29 APRIL 2001 (CONTINUED)

### 8 TANGIBLE FIXED ASSETS (CONTINUED)

External interest charges of £390,000 (2000 £71,611) have been capitalised within freehold and associated licences in the period.

The amount of assets held under finance lease agreements included in the total above corresponds to the amount relating to motor vehicles.

The Company's properties were revalued by Dunlop Heywood, Consultant Surveyors, at 3 May 1998, in accordance with the RICS Appraisal and Valuation Manual, on an open market value and fully operational basis for their existing use, including the benefit of casino licences. An interim valuation was performed as at 29 April 2001 by Dunlop Heywood and no adjustment to the 3 May 1998 valuation was considered necessary.

Properties which are included at a valuation would have been included on an historical cost basis as follows:

	2001 £	2000 £
Cost of properties and associated licences	89,029,638	74,952,259
Accumulated depreciation	(1,506,921)	(1,251,694)
	<u>87,522,717</u>	<u>73,700,565</u>

### 9 FIXED ASSET INVESTMENTS

#### Investments in subsidiaries at cost

	£
At 1 May 2000	8,209,728
Additions	<u>3,500,000</u>
At 29 April 2001	<u>11,709,728</u>

The following subsidiaries and their voting rights were wholly owned either directly or indirectly by the Company at 29 April 2001:

	<u>Activity</u>	<u>Country of registration</u>
Rex Leisure Limited	Dormant	England
Hazelman Limited	Dormant	England
Firegate Limited	Dormant	England
Churchstirling Limited	Dormant	England
Annabel's Casino Limited	Casino operators	England
Bimbo Restaurants Limited	Casino operators	England
Lilland Limited	Casino operators	England

Group accounts have not been prepared as Stanley Casinos Limited is a wholly owned subsidiary of an undertaking incorporated in the United Kingdom, 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.

# STANLEY CASINOS LIMITED

## NOTES TO THE ACCOUNTS – 29 APRIL 2001 (CONTINUED)

### 10 STOCKS

	<u>2001</u> £	<u>2000</u> £
Goods for resale	201,616	157,626
Stationery and consumables	<u>368,918</u>	<u>299,539</u>
	<u>570,534</u>	<u>457,165</u>

### 11 DEBTORS

	<u>2001</u> £	<u>2000</u> £
Trade debtors	390,889	112,895
Amounts owed by group undertakings	23,485,740	26,760,007
Prepayments and accrued income	<u>1,373,361</u>	<u>567,547</u>
	<u>25,249,990</u>	<u>27,440,449</u>

### 12 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2001</u> £	<u>2000</u> £
Bank overdraft	1,705,025	82,460
Trade creditors	2,114,352	981,393
Amounts owed to group undertakings	82,255,466	62,890,380
Taxation and social security	5,700,950	7,847,039
Accruals and deferred income	3,001,450	1,569,395
Obligations under finance lease agreements	<u>157,952</u>	<u>85,679</u>
	<u>94,935,195</u>	<u>73,456,346</u>

### 13 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>2001</u> £	<u>2000</u> £
Obligations under finance lease agreements	<u>178,809</u>	<u>207,831</u>
The obligations payable under finance lease agreements are as follows:		
Within one year	157,952	85,679
Between one and two years	167,127	121,822
Between two and five years	<u>11,682</u>	<u>86,009</u>
	<u>336,761</u>	<u>293,510</u>

# STANLEY CASINOS LIMITED

## NOTES TO THE ACCOUNTS – 29 APRIL 2001 (CONTINUED)

### 14 PROVISIONS FOR LIABILITIES AND CHARGES

Amounts provided for deferred taxation and potential deferred taxation liabilities are:

	<u>Provided</u>		<u>Potential</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	£	£	£	£
Accelerated capital allowances	529,667	516,525	1,012,543	728,997

The movements during the year on the deferred taxation account are as follows:

	£
At 1 May 2000	516,525
Profit and loss account	(5,199)
Balances transferred on transfer of subsidiaries	<u>18,341</u>
At 29 April 2001	<u>529,667</u>

No provision has been made for potential capital gains tax payable of £6,350,000 (2000 - £6,350,000) which would be payable in the event of the properties being disposed of at their revalued amounts as there is no intention to dispose of the properties in the foreseeable future.

### 15 CALLED UP SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted and fully paid</u>
	£	£
The share capital at 29 April 2001 and 30 April 2000 was:		
Ordinary shares of £1 each	50,000	50,000

### 16 RESERVES

	<u>Profit and loss account</u>	<u>Revaluation reserve</u>
	£	£
At 1 May 2000	45,823,697	20,109,304
Transfer from Revaluation Reserve	32,000	(32,000)
Retained profit for the period	<u>520,800</u>	<u>-</u>
At 29 April 2000	<u>46,376,497</u>	<u>20,077,304</u>

Goodwill in aggregate of £317,154 (2000 - £317,154) has been charged against reserves in prior years.



## STANLEY CASINOS LIMITED

### NOTES TO THE ACCOUNTS – 29 APRIL 2001 (CONTINUED)

#### 17 OPERATING LEASE COMMITMENTS

The Company has short term operating lease commitments in respect of plant and machinery, all of which terminate within one year. The rentals payable under the leases in the next year are £350,000 (2000 - £250,000).

The Company has operating lease commitments in respect of certain land and buildings on short and long term leases. The rentals payable under the leases in the next year are as follows:

	2001 £	2000 £
Date of lease termination:		
Within one year	65,413	44,850
Between one and five years	-	-
Expiring after five years	<u>707,700</u>	<u>618,675</u>
	<u>773,113</u>	<u>663,525</u>

#### 18 CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided in the accounts at 29 April 2001 amounted to £308,000 (2000 - £3,048,372).

#### 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 Stanley Leisure plc. At 29 April 2001 the loan outstanding amounted to £189,250,000 (2000 - £175,500,000).

#### 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 (the Stanley Leisure 1988 Retirement Benefit Scheme) provides benefits based on final pensionable earnings, and contributions to the scheme are determined by a qualified actuary on the basis of triannual valuations using the attained aged normal valuation method across the group as a whole.

The details of the most recent valuation are disclosed in the notes to the accounts of the ultimate parent undertaking, Stanley Leisure plc.

#### 21 ULTIMATE PARENT UNDERTAKING

Stanley Leisure plc, a company registered in England, is the ultimate controlling party and parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member.

Copies of the financial statements of Stanley Leisure plc may be obtained from the Company Secretary, Stanley House, 151 Dale Street, Liverpool, L2 2JW.

# STANLEY CASINOS LIMITED

## NOTES TO THE ACCOUNTS – 29 APRIL 2001 (CONTINUED)

### 22 ACQUISITIONS

The Incomeactual Limited group of companies was acquired on 30 June 2000 and the trade and net assets were transferred to the Company on 18 January 2001.

The trade and net assets of Annabel's Limited, Bimbo Restaurants Limited and Lilland Limited (companies acquired in the previous financial year) were also transferred to the Company during the year.

The net assets acquired comprised the following, for which the consideration comprised interest free loans.

	Annabel's Casino Limited	Bimbo Restaurants Limited	Lilland Limited	The Kings Casino Yarmouth Limited	Total
	£	£	£	£	£
Tangible Fixed Assets	3,956,396	2,031,118	1,248,325	2,868,305	10,104,144
Other net assets/(liabilities)	<u>(8,114)</u>	<u>(24,282)</u>	<u>(1,905,731)</u>	<u>725,728</u>	<u>(1,212,399)</u>
	<u>3,948,282</u>	<u>2,006,836</u>	<u>(657,406)</u>	<u>3,594,033</u>	<u>8,891,745</u>