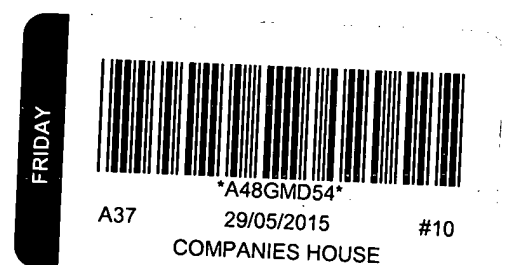


Annual Report and Financial Statements

Gala Group Holdings II Limited

For the year ended 27 September 2014

Registered Number: 03936658



Gala Group Holdings II Limited

DIRECTORS AND ADVISORS

DIRECTORS

C Leaver
R Templeman
P Bowtell
Gala Coral Nominees Limited

COMPANY SECRETARY

Gala Coral Secretaries Limited

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

REGISTERED OFFICE

New Castle House
Castle Boulevard
Nottingham
NG7 1FT

Gala Group Holdings II Limited

DIRECTORS' REPORT

for the year ended 27 September 2014

The directors present their annual report and the audited financial statements of the Company for the year ended 27 September 2014. These financial statements are drawn up to the last Saturday in September each year. As a result of this the Company includes an additional 53rd week of trading in certain years (last 53 week year was 2012).

RESULTS AND DIVIDENDS

The loss for the financial year, after taxation, amounted to £84,965,000 (2013: £43,000). No dividends have been paid or proposed (2013: £nil).

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The Company is a holding company. The directors propose to continue the same activity next year.

During the year the Company rationalised its historic intercompany balances in exchange for a net position with a fellow subsidiary company, Gala Group II Limited. There was no profit/loss on the transaction.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's risks are managed at a consolidated level, rather than at an individual business unit level and the company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of Gala Group Holdings II Limited's business. The principal and financial risks and uncertainties of the group, which include those of the company, are discussed on pages 9 to 12 of Gala Coral Group Limited's annual report which does not form part of this report.

BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS

The Group's operations are managed on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Gala Group Holdings II Limited. The development, performance and position of the group, which includes this company, is discussed on pages 2 to 8 of the Gala Coral Group Limited's annual report which does not form part of this report.

DIRECTORS

The directors who served during the year and up to the date of signing the financial statements:

C Leaver

R Templeman

P Bowtell

Gala Coral Nominees Limited

GOING CONCERN

The directors have reviewed the Company's cash flow forecasts and trading budgets and after making appropriate enquiries, have formed the view that the company is operationally and financially robust and will generate sufficient cash to meet its ongoing requirements for at least the next 12 months from the signing of this report. As such they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Gala Group Holdings II Limited

DIRECTORS' REPORT (CONTINUED)

for the year ended 27 September 2014

DIRECTORS' INDEMNITIES AND INSURANCE

The Group maintains a qualifying (as defined by law) directors' and officers' liability insurance. The above named directors, (except for the corporate directors) have received an indemnity from the group to the extent permitted by law throughout the year and up to the date of signing this report. Neither the indemnity nor the insurance will provide cover in situations where a director has acted fraudulently or dishonestly.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

For all the directors at the time this report was approved, the following applies:

- a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware: and
- b) each director has taken all the steps that they ought to have taken as director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



H A Willits

On behalf of
Gala Coral Secretaries Limited
Company Secretary
18 May 2015

Gala Group Holdings II Limited

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

By order of the board



H A Willits

On behalf of
Gala Coral Secretaries Limited
Company Secretary
18 May 2015

INDEPENDENT AUDITORS' REPORT
to the members of Gala Group Holdings II Limited

Report on the financial statements

Our Opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 27 September 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Gala Group Holdings II Limited, comprise:

- the Balance Sheet as at 27 September 2014;
- the Profit and Loss Account for the year then ended;
- the Reconciliation of Movements in Shareholders' Funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
to the members of Gala Group Holdings II Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.



Ian Benham (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 May 2015

Gala Group Holdings II Limited

PROFIT AND LOSS ACCOUNT for the year ended 27 September 2014

	Notes	2014 £000	2013 £000
Interest receivable and similar income	3	-	77,732
Interest payable and similar charges	4	(84,965)	(77,788)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(84,965)</u>	<u>(56)</u>
Tax on loss on ordinary activities	5	-	13
LOSS FOR THE FINANCIAL YEAR	10	<u>(84,965)</u>	<u>(43)</u>

All the operations of the company are continuing.

There are no recognised gains or losses for the year other than the loss attributable to the shareholders of the company of £84,965,000 (2013: £43,000).

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historical cost equivalents.

Gala Group Holdings II Limited

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS for the year ended 27 September 2014

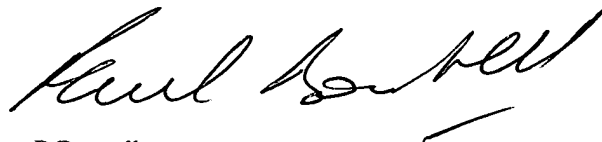
	2014 £000	2013 £000
Loss for the financial year	(84,965)	(43)
Opening shareholders' funds	244,951	244,994
CLOSING SHAREHOLDERS' FUNDS	<u>159,986</u>	<u>244,951</u>

Gala Group Holdings II Limited

BALANCE SHEET as at 27 September 2014

	Notes	2014 £000	2013 £000
FIXED ASSETS			
Fixed asset investments	6	1,145,942	1,145,942
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	7	-	13
NET CURRENT ASSETS			
		-	13
TOTAL ASSETS LESS CURRENT LIABILITIES			
		1,145,942	1,145,955
CREDITORS: amounts falling due after more than one year	8	(985,956)	(901,004)
NET ASSETS			
		159,986	244,951
CAPITAL AND RESERVES			
Called up share capital	9	244,800	244,800
Profit and loss account	10	(84,814)	151
TOTAL SHAREHOLDERS' FUNDS			
		159,986	244,951

The financial statements on pages 7 to 14 were approved by the Board of Directors on 18 May 2015 and are signed on its behalf by:



P Bowtell
Director

Registered number: 03936658

NOTES TO THE FINANCIAL STATEMENTS for the year ended 27 September 2014

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared under the historical cost convention, applying the accounting policies set out below, and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006, which have been applied consistently.

The company is exempt from preparing group financial statements by virtue of section 400 of the Companies Act 2006, since it is a wholly owned subsidiary of another UK company, and accordingly the financial statements present information about the company as an individual undertaking only.

Cash flow statement and related party disclosures

The company is included in the consolidated financial statements of Gala Coral Group Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) 'Cash Flow Statements'.

The company is also exempt under the terms of FRS 8 'Related Party Disclosures' from disclosing related party transactions with wholly owned entities that are part of the Gala Coral Group.

Going concern

The directors have reviewed the company's cash flow forecasts and trading budgets and after making appropriate enquiries, have formed the view that the company is operationally and financially robust and will generate sufficient cash to meet its ongoing requirements for at least the next 12 months from the signing of this report. As such they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Fixed asset investments

Fixed asset investments are stated at cost less any necessary provision against their carrying value for diminution in value.

2. DIRECTORS', AUDITORS' AND EMPLOYEES' REMUNERATION

The directors who have served during the year are also directors of other undertakings within the group and do not receive any remuneration in respect of their services to the company (2013: £nil). Their remuneration is included in the financial statements of Gala Coral Group Limited.

One fee for auditors' remuneration has been charged for the Gala Coral Group audit. As such it is not practicable to split this by individual company. The auditors' remuneration has been paid by a fellow subsidiary company.

The company does not have any employees (2013: none). Management services are provided to the company by a fellow subsidiary company. No charge is made for these services (2013: £nil).

Gala Group Holdings II Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 27 September 2014

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £000	2013 £000
Interest receivable from group companies	-	77,732

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £000	2013 £000
Interest payable to group companies	84,965	77,788

5. TAX ON LOSS ON ORDINARY ACTIVITIES

a) The taxation credit is made up as follows:

	2014 £000	2013 £000
Current tax:		
Current year group relief	-	(13)
Tax credit on loss on ordinary activities	-	(13)

The company makes and receives no payment for group relief for the year (2013: 23.51).

Gala Group Holdings II Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 27 September 2014

5. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

b) Factors affecting the current tax credit:

The tax credit on the loss on ordinary activities for the year is higher than (2013: equal to) the average standard rate of corporation tax in the UK, as set out below:

	2014 £000	2013 £000
Loss on ordinary activities before taxation	(84,965)	(56)
Loss on ordinary activities multiplied by average standard rate of corporation tax in the UK for the year of 22.02% (2013: 23.51%)	(18,709)	(13)
Group relief surrendered for nil payment	18,709	-
Current tax credit for the year	-	(13)

The rate of Corporation tax in the UK was reduced from 23% to 21% effective from 1 April 2014 and will reduce further to 20% with effect from 1 April 2015. Both rate changes were enacted by Finance Act 2013.

6. FIXED ASSET INVESTMENTS

a) Investment in shares in group companies:

	£000
Cost and net book value:	
At 27 September 2014 and 28 September 2013	1,145,942

b) Principal investments:

The company holds 100% of the issued ordinary share capital of Gala Group Investments Limited and Gala Group Finance II Limited, which are incorporated in Great Britain.

In the opinion of the directors, the value of the subsidiary companies is at least equal to the amount shown above.

Gala Group Holdings II Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 27 September 2014

7. DEBTORS: amounts falling due after more than one year

	2014 £000	2013 £000
Amounts owed by group companies	-	13

Amounts owed by group companies are unsecured, have no fixed date of repayment and the directors have confirmed that they do not intend to request payment within the next year. Accordingly these amounts have been classified as long term debtors. Amounts owed by group companies bear interest at a rate linked to the Group's borrowing costs. Amounts owed by non-trading group companies do not bear interest.

8. CREDITORS: amounts falling due after more than one year

	2014 £000	2013 £000
Amounts owed to group companies	985,956	901,004

Amounts owed to group companies are unsecured, have no fixed date of repayment and the directors have received confirmation that the counterparties do not intend to request repayment within the next year. Amounts owed to group companies bear interest at a rate linked to the Group's borrowing costs. Amounts owed to non-trading group companies do not bear interest.

9. CALLED UP SHARE CAPITAL

Allotted and fully paid:

	Ordinary shares of £1 each Number (000)	£000
At 27 September 2014 and 28 September 2013	244,800	244,800

10. PROFIT AND LOSS ACCOUNT

	£000
At 28 September 2013	151
Loss for the financial year	(84,965)
At 27 September 2014	(84,814)

Gala Group Holdings II Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 27 September 2014

11. GUARANTEES

The borrowings of the Gala Coral Group are secured on the assets of the Company and are guaranteed by fellow members of the Group. The extent of the group borrowings can be found in the Gala Coral Group Limited's annual report.

12. ULTIMATE CONTROLLING PARTY

The Company is a subsidiary of Gala Group Two II Limited, a company incorporated in Great Britain.

The only group in which the results of Gala Group Holdings II Limited are consolidated is that headed by Gala Coral Group Limited, a company incorporated in England and Wales. Consolidated financial statements are available to the public and may be obtained from Gala Coral Group Limited, New Castle House, Castle Boulevard, Nottingham, NG7 1FT.

As at 27 September 2014 the ultimate parent company and controlling party of the Group was GCG Manager S.A Luxco S.C.A a "société en commandité par actions" established under the laws of Luxembourg.