

Annual Report and Accounts

*Coral Eurobet Holdings
Limited*



Coral Eurobet Holdings Limited

DIRECTORS AND ADVISORS

DIRECTORS

G W Hughes
Gala Coral Nominees Limited
C Leaver
R Templeman

SECRETARY

Gala Coral Secretaries Limited

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

REGISTERED OFFICE

71 Queensway
London
W2 4QH

Coral Eurobet Holdings Limited

DIRECTORS' REPORT

For the year ended 25 September 2010

The directors present their report and the audited financial statements for the year ended 25 September 2010. These financial statements are drawn up to the last Saturday in September each year.

RESULTS AND DIVIDENDS

The result for the year after taxation and dividends, amounted to nil (2009 – £nil). No dividends were paid or proposed during the year (2009 – £nil).

PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENTS

The company is a holding company which manages investments in subsidiary companies. The directors propose to continue the same activity next year.

RESTRUCTURING OF THE GALA CORAL GROUP

On 21 June 2010, the Gala Coral Group completed a financial restructuring. Further details of this restructuring are disclosed in Gala Electric Casinos Limited's annual report. The impact on the company's ultimate parent company and controlling party is detailed in note 11 to these accounts.

PRINCIPAL FINANCIAL RISKS AND UNCERTAINTIES

The group's risks are managed at a group 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 Coral Eurobet Holdings Limited's business. The principal and financial risks and uncertainties of the group, which include those of the company, are discussed on pages 6 to 9 of Gala Electric Casinos 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 Coral Eurobet Holdings Limited. The development, performance and position of the group, which includes this company, is discussed on pages 3 to 5 of the Gala Electric Casinos Limited's annual report which does not form part of this report.

GOING CONCERN

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

The financial statements have been prepared on a going concern basis as the directors of fellow group companies have confirmed they do not intend to seek repayment of the intercompany creditor within a period of at least one year from the date these financial statements were approved.

Coral Eurobet Holdings Limited

DIRECTORS' REPORT (CONTINUED)

For the year ended 25 September 2010

DIRECTORS

The following served as directors during the year

D S Harrison	(resigned 1 September 2010)
G W Hughes	
Gala Coral Nominees Limited	
N G Goulden	(appointed 1 September 2010 resigned 8 November 2010)
C Leaver	(appointed 13 April 2011)
R Templeman	(appointed 13 April 2011)

DIRECTORS' INDEMNITIES

The group maintains directors' and officers' liability insurance. The above named directors, (except for the corporate director) have received an indemnity from the group to the extent permitted by law. Neither the indemnity nor the insurance will provide cover in situations where a director has acted fraudulently or dishonestly.

EVENTS SINCE THE BALANCE SHEET DATE

On 27 May 2011 the Gala Coral group completed a refinancing. The borrowings raised of £1,450 million (gross), which are a mixture of bank debt and secured and unsecured bonds, replace existing third party loans and extend the maturity date of the group's borrowings.

The new borrowings are repayable in 2018 and 2019. The bank debt and the secured bonds are secured on the assets of the company and its fellow subsidiaries.

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 them 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

For and on behalf of
Gala Coral Secretaries Limited
Secretary
23 June 2011

Coral Eurobet Holdings Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board


H A Willits

For and on behalf of
Gala Coral Secretaries Limited
Secretary
23 June 2011

INDEPENDENT AUDITORS' REPORT
to the members of Coral Eurobet Holdings Limited

We have audited the financial statements of Coral Eurobet Holdings Limited for the year ended 25 September 2010 which comprise the Profit and Loss Account, the Reconciliation of Movement in Shareholders' Funds, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and 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.

Scope of the audit of the financial statements

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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 25 September 2010 and of its result 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

Opinion on other matter prescribed by the Companies Act 2006

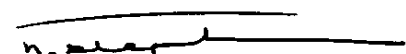
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
to the members of Coral Eurobet Holdings Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Neil Stephenson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
24 June 2011

Coral Eurobet Holdings Limited

PROFIT AND LOSS ACCOUNT for the year ended 25 September 2010

	Notes	2010 £000	2009 £000
Amount receivable from fellow subsidiaries in respect of group relief		8,363	13,986
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		8,363	13,986
Interest receivable and other similar income	3	4,862	4,846
Interest payable and other similar charges	3	(13,225)	(18,832)
RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on result on ordinary activities		-	-
RESULT FOR THE FINANCIAL YEAR	8	-	-

All operations are continuing

There are no recognised gains or losses other than the result attributable to the shareholders for the year ended 25 September 2010 of £nil (2009 – £nil), and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the result on ordinary activities before taxation and the result for the year stated above, and their historical cost equivalents

The company receives payment for group relief on a £1 in the pound basis

Coral Eurobet Holdings Limited

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS for the year ended 25 September 2010

	2010 £000	2009 £000
Result for the financial year	-	-
Opening shareholders' funds	17,048	17,048
CLOSING SHAREHOLDERS' FUNDS	<u>17,048</u>	<u>17,048</u>

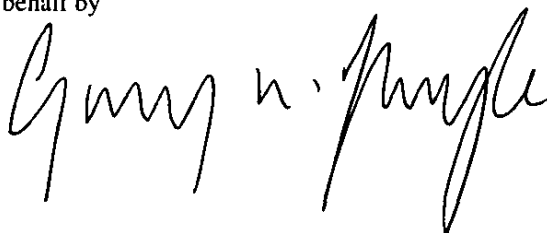
Coral Eurobet Holdings Limited

BALANCE SHEET As at 25 September 2010

	Notes	2010 £000	2009 £000
FIXED ASSETS			
Investments	4	168,149	168,149
CURRENT ASSETS			
Debtors amounts falling due after more than one year	5	225,870	226,631
NET CURRENT ASSETS		225,870	226,631
TOTAL ASSETS LESS CURRENT LIABILITIES		394,019	394,780
CREDITORS amounts falling due after more than one year	6	(376,971)	(377,732)
NET ASSETS		17,048	17,048
CAPITAL AND RESERVES			
Called up share capital	7	94	94
Share premium account	8	9,532	9,532
Capital reserve	8	875	875
Profit and loss account	8	6,547	6,547
TOTAL SHAREHOLDERS' FUNDS		17,048	17,048

The financial statements on pages 7 to 13 were approved by the Board of Directors on 23 June 2011 and are signed on its behalf by

G W Hughes
Director



Coral Eurobet Holdings Limited

NOTES TO THE ACCOUNTS

For the year ended 25 September 2010

1. ACCOUNTING POLICIES

Basis of preparation

The company is exempt from preparing group financial statements under 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

The financial statements are prepared on a going concern basis 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

Cash flow statement and related party disclosures

The company is included in the consolidated financial statements of Gala Electric Casinos 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 Group's cash flow forecasts and trading budgets and after making appropriate enquiries, have formed the view that the Group is operationally and financially robust and will generate sufficient cash to meet its ongoing requirements for at least the next 12 months. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

The financial statements have been prepared on a going concern basis as the directors of fellow group companies have confirmed they do not intend to seek repayment of the intercompany creditor within a period of at least one year from the date these financial statements were approved

Investments

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 the other undertakings within the group and do not receive any remuneration in respect of their services to the company (2009 £nil). Their remuneration is included in the financial statements of Gala Electric Casinos Limited and Gala Coral Group Limited

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

The company does not have any employees (2009 none). Management services are provided to the company by a fellow subsidiary company. No charge is made for these services (2009 £nil)

Coral Eurobet Holdings Limited

NOTES TO THE ACCOUNTS

For the year ended 25 September 2010

3. INTEREST RECEIVABLE AND PAYABLE

	2010 £000	2009 £000
Interest receivable and similar income:		
Interest receivable from group companies	4,862	4,846
Interest payable and similar charges:		
Interest payable to group companies	13,225	18,832

4. INVESTMENTS

a) Shares in group companies

£000

Cost and net book value:

At 26 September 2009 and at 25 September 2010

168,149

b) Principal investments

The company holds 100% of the ordinary share capital of CE Finance 1 Limited, a holding company, which is incorporated in Great Britain

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

5. DEBTORS: amounts due after more than one year

	2010 £000	2009 £000
Amounts owed by group companies	225,870	226,631

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. Amounts owed by group companies bear interest at a rate linked to the group's borrowing costs

Coral Eurobet Holdings Limited

NOTES TO THE ACCOUNTS

For the year ended 25 September 2010

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

	2010 £000	2009 £000
Amounts owed to group companies	376,971	377,732

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.

7. CALLED UP SHARE CAPITAL

<i>Allotted and fully paid</i>	Ordinary Shares of 1p No	Ordinary Shares of 1p £000	*Deferred Shares of 1p No	*Deferred Shares of 1p £000	Total £000
At 26 September 2009 and at 25 September 2010	9,174,330	92	218,806	2	94

*The deferred shares do not carry any right to participate in the profits of the company and hold no voting rights. They are redeemable at the option of the company by payment to each holder of £0.01 for every 1,000 deferred shares (or part of 1,000 deferred shares) held.

8. RESERVES

	Share premium account £000	Capital reserve £000	Profit and loss account £000	Total £000
At 26 September 2009 and 25 September 2010	9,532	875	6,547	16,954

9. GUARANTEES

The borrowings of the Gala Coral group are secured on the assets of the company and its fellow subsidiaries.

Coral Eurobet Holdings Limited

NOTES TO THE ACCOUNTS

For the year ended 25 September 2010

10. EVENTS SINCE THE BALANCE SHEET DATE

On 27 May 2011 the Gala Coral group completed a refinancing. The borrowings raised of £1,450 million (gross), which are a mixture of bank debt and secured and unsecured bonds, replace existing third party loans and extend the maturity date of the group's borrowings.

The new borrowings are repayable in 2018 and 2019. The bank debt and the secured bonds are secured on the assets of the company and its fellow subsidiaries.

11. PARENT COMPANY AND CONTROLLING PARTY

The company is a subsidiary of CE Finance 3 Limited, a company incorporated in Great Britain.

The largest group in which the results of Coral Eurobet Holdings Limited are consolidated is that headed by Gala Coral Group Limited, a company incorporated in England and Wales, and the smallest such group is that headed by Gala Electric Casinos Limited, also incorporated in England and Wales. These consolidated financial statements are available to the public and may be obtained from Gala Coral Group Limited, 71 Queensway, London, W2 4QH.

Prior to the Group restructure on 21 June 2010 the ultimate parent company and controlling party was Gala Coral Group Limited (subsequently renamed Suitcase One Limited). As at 25 September 2010 the ultimate parent company of the Group was GCG Manager S A Luxco S C A a "société en commandité par actions" established under the laws of Luxembourg.