# Annual Report and Accounts

*Patmor Limited*

**For the year ended 26 September 2009**



Registered No. SC033443

# DIRECTORS AND ADVISORS

**DIRECTORS**
D S Harrison
G W Hughes
Gala Coral Nominees Limited

**SECRETARY**
Gala Coral Secretaries Limited

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

**REGISTERED OFFICE**
Gala Clubs Regional Office
Kerse Lane
Falkirk
FK1 1RJ

# DIRECTORS' REPORT
for the year ended 26 September 2009

The directors present their report and the audited financial statements for the year ended 26 September 2009. These financial statements are drawn up to the last Saturday in September each year.

## RESULTS AND DIVIDENDS
The loss for the year after taxation amounted to £1,346,000 (2008 – £1,223,000).

No dividends have been paid or proposed (2008 - £nil).

## PRINCIPAL ACTIVITY
The principal activity of the company is as a casino operator. 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 21 to these accounts.

## PRINCIPAL AND 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 Patmor Limited's business. The principal and financial risks and uncertainties of the group, which include those of the company, are discussed on pages 5 to 7 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 Patmor 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.

## DISABLED EMPLOYEES
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that all employees be given equal opportunities in respect of training, career development and promotion.

## EMPLOYEE INVOLVEMENT
The company places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the group. There are widely established arrangements involving briefing, meetings with members of the group's executive committee, staff consultancy committees and the publication of newsletters.

It is company policy that there shall be no discrimination in respect of sex, colour, religion, race, nationality or ethnic origin and that equal opportunity shall be given to all employees.

DIRECTORS' REPORT
for the year ended 26 September 2009

**GOING CONCERN**
Following the Group's restructuring on 21 June 2010, 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.

**DIRECTORS**
The following persons served as directors of the company during the year:

| | |
|---|---|
| J J T Cronk | (resigned 10 July 2009) |
| D S Harrison | (appointed 10 July 2009) |
| G W Hughes | (appointed 10 July 2009) |
| Gala Coral Nominees Limited | |

**DIRECTORS' INDEMNITIES**

The company maintains liability insurance for its directors and officers. The Gala Coral Group has also entered into a deed of indemnity to the extent permitted by law with D S Harrison and G W Hughes. Neither the insurance nor the indemnity will provide cover in situations where a director has acted fraudulently or dishonestly.

**STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**
For each of 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.

D J Penfold

For and on behalf of
Gala Coral Secretaries Limited
Secretary
24 August 2010

## 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: 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 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

D J Penfold

For and on behalf of
Gala Coral Secretaries Limited
Secretary
24 August 2010

## INDEPENDENT AUDITORS' REPORT

### to the members of Patmor Limited

We have audited the financial statements of Patmor Limited for the year ended 26 September 2009 which comprise the Profit and Loss Account, the Reconciliation of Movements in Total 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 Directors' Responsibilities Statement 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 26 September 2009 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 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.

**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.

R. S.

Ranjan Sriskandan (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 August 2010

## PROFIT AND LOSS ACCOUNT
for the year ended 26 September 2009

| | Notes | 2009 £000 | 2008 £000 |
|---|---|---|---|
| **TURNOVER** | 2 | 19,229 | 20,797 |
| Cost of sales | | (3,805) | (4,202) |
| **GROSS PROFIT** | | 15,424 | 16,595 |
| Administrative expenses | | (13,121) | (14,221) |
| **OPERATING PROFIT** | 4 | 2,303 | 2,374 |
| Amount payable to a fellow subsidiary in respect of group relief | | | |
| - Current year | | (3,607) | (3,714) |
| - Prior year | | (219) | - |
| **LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST** | | (1,523) | (1,340) |
| Interest receivable from group companies | | - | 25 |
| Interest payable to group companies | | - | - |
| **LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION** | | (1,523) | (1,315) |
| Tax on loss on ordinary activities | 6 | 177 | 92 |
| **LOSS FOR THE FINANCIAL YEAR** | 16 | (1,346) | (1,223) |

All the operations of the company are continuing.

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £1,346,000 in the year ended 26 September 2009 (2008 – £1,223,000), and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities after taxation and the results for the year stated above, and their historical cost equivalents.

RECONCILIATION OF MOVEMENT IN TOTAL SHAREHOLDERS' FUNDS
for the year ended 26 September 2009

| | 2009 | 2008 |
|---|---|---|
| | £000 | £000 |
| Loss for the financial year | (1,346) | (1,223) |
| Opening shareholders' funds | 4,926 | 6,149 |
| Closing shareholders' funds | 3,580 | 4,926 |

## BALANCE SHEET
as at 26 September 2009

| | Notes | 2009<br>£000 | 2008<br>£000 |
|---|---|---|---|
| **FIXED ASSETS** | | | |
| Intangible assets | 7 | 1,074 | 1,248 |
| Tangible assets | 8 | 6,887 | 7,941 |
| Investments | 9 | 4,000 | 4,000 |
| | | 11,961 | 13,189 |
| **CURRENT ASSETS** | | | |
| Stocks | 10 | 34 | 33 |
| Debtors (including, amounts due after more than one year £3,900,000 (2008 - £281,000)) | 11 | 4,985 | 1,381 |
| Cash at bank and in hand | | 691 | 1,659 |
| | | 5,710 | 3,073 |
| **CREDITORS:** amounts falling due within one year | 12 | (1,725) | (1,719) |
| **NET CURRENT ASSETS** | | 3,985 | 1,354 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 15,946 | 14,543 |
| **CREDITORS:** amounts falling due after more than one year | 13 | (12,366) | (9,617) |
| **NET ASSETS** | | 3,580 | 4,926 |
| **CAPITAL AND RESERVES** | | | |
| Called up share capital | 15 | 60 | 60 |
| Share premium account | 16 | 324 | 324 |
| Profit and loss account | 16 | 3,196 | 4,542 |
| **TOTAL SHAREHOLDERS' FUNDS** | | 3,580 | 4,926 |

The financial statements on pages 6 to 18 were approved by the Board of Directors on 25 August 2010 and are signed on its behalf by:

G W Hughes
Director

## 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 as modified by the revaluation of investments, 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 Electric Casinos Limited group.

***Investments***

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

***Intangible fixed assets***

Intangible fixed assets relate to the capitalisation of a ten year licence to use intellectual property. Intellectual property consists of trademarks, patents and domain names.

Intangible fixed assets are stated at fair value. A valuation of the intellectual property was carried out on the 7 October 2005 by American Appraisal (UK) Limited.

Intangible assets are amortised, on a straight line basis, over the life of the contract, ten years.

***Tangible fixed assets and depreciation***

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets, with the exception of freehold land and trading potential, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

| | | |
|---|---|---|
| Freehold buildings | - | over 50 years |
| Leasehold land and buildings | - | shorter of 50 years or unexpired term of lease |
| Fixtures and fittings and office equipment | - | over 3 to 10 years |
| Computer hardware and software | - | over 3 to 10 years |
| Vehicles | - | over 3 to 5 years |

The residual values of buildings are estimated on the following basis, having regard to the construction type and salvage values:

| | |
|---|---|
| Listed buildings | 80% |
| Buildings of traditional construction | 50% |
| Steel framed buildings | 0% |

## 1. ACCOUNTING POLICIES (CONTINUED)

***Impairment of fixed assets***

The need for any impairment provision is assessed by comparison of the carrying value of an income generating unit, an individual casino or a group of casinos which operate as a team within a market place, against the higher of the net realisable value or value in use. The value in use is determined from the estimated discounted future cash flows of the income generating unit.

The future cash flows are based on the forecasts and budgets of the income generating unit. The key assumptions within the budgets are the admissions levels, drop per head, win percentage, wage increases and the fixed costs of the casinos.

***Stocks***

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

***Deferred taxation***

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 have occurred at that date which will result in an obligation to pay more, or a right to pay less or to receive more, tax with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

- deferred tax assets are recognised only to the extent that the directors consider it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

***Leasing and hire purchase commitments***

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease or up to the date of the next rental review. There are no assets held under finance leases.

## 1. ACCOUNTING POLICIES (CONTINUED)

***Pensions***

The company participates in a Group operated pension scheme, the Gala Coral group scheme. The scheme has a defined benefit section and a defined contribution section. The assets of the scheme are managed separately from those of the Group.

The company is unable to identify its share of the underlying assets and liabilities in the group pension scheme and hence it is accounted for as a defined contribution scheme under FRS17 Amended. Contributions are charged to the profit and loss account as they are incurred.

The defined contribution pension scheme is for certain employees and directors. The amounts charged to the profit and loss account in respect of pension costs and other post-retirement benefits, represents the contributions payable in the period as per the payment certificates. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments.

***Cost of sales***

Cost of sales primarily comprises the cost of gaming duties.

## 2. TURNOVER

Turnover is principally gaming win, which represents the difference between gaming wins and losses before deduction of gaming duty, which is included in cost of sales. Revenues from the sale of food and beverages are recorded net of VAT. Turnover is attributable to one continuing activity – operating casinos. Turnover both by source and destination all relates to the United Kingdom.

## 3. DIRECTORS' REMUNERATION

The directors that have served during the year are also directors of the ultimate parent company or other undertakings within the group and do not receive any remuneration in respect of their services to the company (2008: £nil). Details of their remuneration for services to the group are given in the financial statements of Gala Electric Casinos Limited and Coral Group Limited.

## 4. OPERATING PROFIT

This is stated after charging:

| | 2009<br>£000 | 2008<br>£000 |
|---|---|---|
| Depreciation of owned assets | 1,080 | 1,315 |
| Amortisation of intangible assets | 174 | 174 |
| Operating lease rentals - land and buildings | 945 | 958 |
| Hire of plant and machinery | 504 | 339 |

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

## 5. STAFF COSTS

| | 2009 | 2008 |
|---|---|---|
| | £000 | £000 |
| Wages and salaries | 5,854 | 6,741 |
| Social security costs | 561 | 605 |
| Other pension costs | 118 | 133 |
| | 6,533 | 7,479 |

The monthly average number of employees during the year was as follows:

| | 2009 | 2008 |
|---|---|---|
| | No. | No. |
| Casino employees | 290 | 328 |

## 6. TAX ON LOSS ON ORDINARY ACTIVITIES

a) The taxation credit is made up as follows:

| | | 2009 | 2008 |
|---|---|---|---|
| | | £000 | £000 |
| Current tax | - prior year | - | 181 |
| | | - | 181 |
| Deferred tax | - current year | (152) | (212) |
| | - prior year | (25) | (61) |
| | | (177) | (92) |

The company pays for group relief on a £1 in the pound basis.

## 6. TAX ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)

b) Factors affecting the current tax charge:

The tax on the (loss) / profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK. The differences are reconciled below:

| | 2009 | 2008 |
|---|---|---|
| | £000 | £000 |
| Loss on ordinary activities before taxation | (1,523) | (1,315) |
| Loss on ordinary activities multiplied by standard rate of UK corporation tax 28% (2008 – 29%) | (426) | (381) |
| Adjustment to tax in respect of prior years | 61 | 181 |
| Expenses not deductible for tax purposes | 164 | 111 |
| Depreciation in excess of capital allowances | 152 | 220 |
| Non-deductible amortisation | 49 | 50 |
| Total current tax (note 6a) | - | 181 |

## 7. INTANGIBLE FIXED ASSETS

| | Licences |
|---|---|
| | £000 |
| **Cost:** | |
| **At 26 September 2009 and 27 September 2008** | 1,741 |
| Amortisation: | |
| At 27 September 2008 | 493 |
| Provided during the year | 174 |
| **At 26 September 2009** | 667 |
| **Net book value:** | |
| **At 26 September 2009** | 1,074 |
| At 27 September 2008 | 1,248 |

On the 9 December 2005 Gala Casinos Limited granted Patmor Limited a 10 year licence to use its intellectual property. This was established to ensure Patmor Limited had the legal right to use the intellectual property, which consists of trademarks, patents and domain names. The asset is being amortised on a straight line basis over the life of the licence.

## 8. TANGIBLE FIXED ASSETS

| | Short leasehold land and buildings £000 | Fixtures, fittings, tools and equipment £000 | Total £000 |
|---|---|---|---|
| **Cost:** | | | |
| At 27 September 2008 | 10,446 | 8,970 | 19,416 |
| Additions | 76 | 8 | 84 |
| Write off fully written down assets | (94) | (622) | (716) |
| **At 26 September 2009** | **10,428** | **8,356** | **18,784** |
| **Depreciation:** | | | |
| At 27 September 2008 | 4,132 | 7,343 | 11,475 |
| Provided during the year | 536 | 602 | 1,138 |
| Write off fully written down assets | (94) | (622) | (716) |
| **At 26 September 2009** | **4,574** | **7,323** | **11,897** |
| **Net book value:** | | | |
| **At 26 September 2009** | **5,854** | **1,033** | **6,887** |
| At 27 September 2008 | 6,314 | 1,627 | 7,941 |

## 9. INVESTMENTS

| | 2009 £000 | 2008 £000 |
|---|---|---|
| Shares in subsidiary company at cost | 4,000 | 4,000 |

The company holds the entire issued share capital of Albindene (Barracuda) Limited. The subsidiary is incorporated in Great Britain and is non-trading.

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

## 10. STOCKS

| | 2009 | 2008 |
|---|---|---|
| | £000 | £000 |
| Consumable stores | 34 | 33 |

## 11. DEBTORS

| | 2009 | 2008 |
|---|---|---|
| | £000 | £000 |
| Amounts owed by group companies (due after more than one year) | 3,900 | 281 |
| Prepayments and accrued income | 235 | 424 |
| Deferred taxation (note 14) | 850 | 676 |
| | 4,985 | 1,381 |

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.

## 12. **CREDITORS:** amounts falling due within one year

| | 2009 | 2008 |
|---|---|---|
| | £000 | £000 |
| Other taxation and social security costs | 489 | 638 |
| Accruals and deferred income | 1,236 | 1,081 |
| | 1,725 | 1,719 |

## 13. **CREDITORS:** amounts falling due after more than one year

| | 2009 | 2008 |
|---|---|---|
| | £000 | £000 |
| Amounts due to group companies | 12,366 | 9,617 |

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.

## 14. DEFERRED TAX

| | Deferred tax |
|---|---|
| | £000 |
| At 27 September 2008 | 673 |
| Arising during the year | 152 |
| Adjustment in respect of prior years | 25 |
| Asset as at 26 September 2009 | 850 |

***Deferred tax***

Deferred taxation provided in the accounts is as follows:

| | 2009 | 2008 |
|---|---|---|
| | £000 | £000 |
| Capital allowances in advance of depreciation | 850 | 673 |

Deferred tax is recognised at 28%, the corporation tax rate expected to apply when the underlying timing differences reverse.

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. Legislation is expected to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014. These changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

## 15. CALLED UP SHARE CAPITAL

*Authorised, allotted, called up and fully paid:*

| | 2009 | 2008 |
|---|---|---|
| | £000 | £000 |
| 60,000 ordinary shares of £1 each | 60 | 60 |

## 16. RESERVES

| | Share premium account £000 | Profit and loss account £000 | Total £000 |
|---|---|---|---|
| At 27 September 2008 | 324 | 4,542 | 4,866 |
| Loss for the financial year | - | (1,346) | (1,346) |
| At 26 September 2009 | 324 | 3,196 | 3,520 |

## 17. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the accounts amounted to £nil (2008 – £nil).

## 18. PENSION COMMITMENTS

The company participates in group operated defined contribution pension schemes.

The company also participates in a group operated defined benefit pension scheme, which was closed to new entrants from October 2002. The defined benefit pension scheme is funded by the payment of contributions to separately administered trust funds. The contributions to the scheme are determined with the advice of independent qualified actuaries on the basis of triennial valuations.

An actuarial review of the scheme valuation was also carried out by a qualified independent actuary as at 26 September 2009, in order to provide the information required by FRS 17 "Retirement Benefits".

Full details of both valuations are included in the consolidated financial statements of Gala Electric Casinos Limited, which are available to the public. It is not practical to allocate the valuation between the various participating group companies, and hence it is accounted for as a defined contribution scheme under Financial Reporting Standard 17 (Amended "Retirement Benefits")

There were no unpaid contributions outstanding at the year end. The pension charge for the year was £117,938 (2008 - £132,874).

## 19. OBLIGATIONS UNDER LEASES

Annual commitments under non-cancellable operating leases are as follows:

| | Land and Buildings 2009 £000 | Land and Buildings 2008 £000 |
|---|---|---|
| Operating leases which expire: | | |
| Within one year | - | - |
| Between two and five years | - | - |
| Over five years | 870 | 875 |
| | 870 | 875 |

**20. GUARANTEES**

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

**21. PARENT COMPANY AND CONTROLLING PARTY**

The company is a subsidiary of Eventday Limited, a company incorporated in Great Britain and registered in Scotland.

As at 26 September 2009, the ultimate parent company and controlling party was Gala Coral Group Limited.

On 21 June 2010 the Gala Coral Group was restructured and the ultimate parent company and controlling party became GCG Manager S.A. Luxco S.C.A a "Societe en commandite par actions" established under the laws of Luxembourg.

The largest and only group in which the results of Patmor Limited are consolidated is that headed by Gala Electric Casinos Limited, incorporated in Great Britain. These consolidated financial statements are available to the public and may be obtained from Gala Electric Casinos Limited, 71 Queensway, London, W2 4QH.