GALA CORAL
GROUP

Condensed Consolidated Interim Financial Information (unaudited)

Gala Coral Group Limited

Twenty eight week period ended 12 April 2014

Registered Number: 07254686

Forward Looking Statements

This report may include forward looking statements. All statements other than statements of historical facts included in this report, including those regarding Gala Coral's financial position, business and acquisition strategy, plans and objectives of management for future operations are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Gala Coral, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

The words "believe," "anticipate," "expect," "predict," "intend," "estimate," "plan," "aim," "assume," "forecast," "project," "will," "may," "should," "risk," "probable" and similar expressions, which are predictions or indications of future events and future trends, which do not relate to historical matters, identify forward-looking statements. All statements other than statements of historical facts included in this report including, without limitation, in relation to the Group's investment performance, results of operations, financial position, liquidity, prospects, growth potential, strategies and information about the macro-economic, industry and regulatory environment in which the Group operates are forward-looking. Readers of this report should not rely on forward-looking statements because, by their nature, such forward-looking statements involve known and unknown risks and uncertainties that could cause the Group's actual results, performance or achievements and the development of the industry in which it operates to be materially different from those expressed in, or suggested by, the forward-looking statements contained in this report.

These forward-looking statements are made as of the date of this report and are not intended to give any assurance as to future results. Neither the Group nor any of the Group's Directors or other officers undertake any obligation, except as required by law or by any appropriate regulatory authority, to report publicly any revisions or updates to these forward-looking statements to reflect events that occur, circumstances that arise or new information of which they become aware after the date of this report.

Use of Non-GAAP Financial Measures

The Group uses the EBITDA-based financial measure of EBITDA before exceptional items in this report. The Group defines EBITDA before exceptional items as financial result for the period before income tax expense, net finance costs depreciation and amortisation and exceptional items (including profit/(loss) on disposal of fixed assets). For a discussion of exceptional items, see "*Note 4: Exceptional Items*" herein. The Group utilises EBITDA before exceptional items for the Group and for all of its divisions.

This EBITDA-based measure is a non-U.K. GAAP measure. The Group uses EBITDA-based measures as internal measures of performance to benchmark and compare performance, both between its own operations and as against other companies. EBITDA-based measures are measures used by the Group, together with measures of performance under U.K. GAAP, to compare the relative performance of operations in planning, budgeting and reviewing the performances of various businesses. The Group believes EBITDA-based measures are useful and commonly used measures of financial performance in addition to operating profit and other profitability measures under U.K. GAAP because they facilitate operating performance comparisons from period to period and company to company. By eliminating potential differences in results of operations between periods or companies caused by factors such as depreciation and amortisation methods, financing and capital structures, taxation positions or regimes and exceptional items, the Group believes EBITDA-based measures can provide a useful additional basis for comparing the current performance of the underlying operations being evaluated. For these reasons, the Group believes EBITDA-based measures and similar measures are regularly used by the investment community as a means of comparison of companies in the Group's industry. Different companies and analysts may calculate EBITDA-based measures differently, so making comparisons among companies on this basis should be done very carefully. EBITDA-based measures are not measures of performance under U.K. GAAP and should not be considered in isolation or construed as substitutes for operating profit or net profit as an indicator of the Group's operations in accordance with U.K. GAAP.

In addition to this EBITDA-based measure, the Group has included other non-U.K. GAAP financial measures in this report, some of which the Group refers to as "key performance indicators". The Group believes that it is useful to include these non-U.K. GAAP measures as they are used by the Group for internal performance analysis and the presentation by its business divisions of these measures facilitates comparability with other companies in the Group's industry, although the Group's measures may not be comparable with similar measurements presented by other companies. These other non-U.K. GAAP measures should not be considered in isolation or construed as a substitute for U.K. GAAP measures in accordance with U.K. GAAP.

Notice

These interim accounts have been prepared at the level of Gala Coral Group Limited.

As permitted by the bond indentures, the Group is allowed to prepare interim accounts at the level of either Gala Coral Group Limited or Gala Electric Casinos plc. In order to harmonise external reporting where possible for the Group, Gala Coral Group Limited is the preferred reporting entity.

From a profit and loss account perspective, the difference between accounts consolidated at Gala Coral Group Limited and those at Gala Electric Casinos plc is an immaterial amount of group interest payable. From a balance sheet perspective there is a small difference in net assets relating to the amount due in respect of subordinated group debt (the GCGL loan notes) and there are some classification differences in capital and reserves.

Highlights for the Quarter

The key trading highlights for the continuing operations for the twelve weeks ended 12 April 2014 were as follows:

- Turnover was 8% ahead of last year and gross profit of £215.0 million was £6.2 million or 3% ahead, reflecting growth in the Online business, Eurobet Retail and Gala Retail.
- Continuing Opco EBITDA (pre-exceptionals) of £62.7 million was in-line with last year, despite particularly poor football results in weeks 17, 25, and 28.
- Underlying EBITDA (pre-exceptionals) grew year-on-year by £9.9 million or 16% after adjusting for the adverse impact of exceptional football losses (£8.1 million), MGD, weather and the phasing of machine costs.
- Coral Retail's gross profit was £5.6 million behind last year, due to the abnormally poor football results in the quarter (£5.4 million) particularly over two weekends, and the phasing of machine costs recorded in gross profit (£2.1 million). Machines continue to outperform the market, delivering gross win per machine per week of £965 (£12 ahead of 2013). EBITDA (pre-exceptionals) was £8.9 million behind.
- Eurobet Retail's gross profit was £3.1 million or 61% ahead of last year and EBITDA (pre-exceptionals) was £2.2 million or 63% ahead. Sports stakes were £24.7 million or 63% ahead of last year, with 445 of the new tender licences open at the end of the quarter and the remaining 55 licences due to open in quarter 3.
- The Online business continued to deliver market leading growth, with gross profit £10.1 million or 44% ahead of last year and EBITDA (pre-exceptionals) £6.6 million or 138% ahead. Stakes were 62% ahead driven by increasing active numbers and spend per head.
- Gala Retail grew like-for-like admissions (3% ahead of last year) and EBITDA (pre-exceptionals) (5% ahead) for the second quarter running.

Overview of the Quarter by Division

Coral Retail

Coral Retail EBITDA (pre-exceptionals) of £38.1 million was £8.9 million or 19% lower than last year primarily as a result of poor football margins and the phasing of machine content costs.

OTC gross win was £7.8 million or 9% lower than last year of which exceptional UK football results, primarily in weeks 17 and 25 accounted for £6.4 million (GP impact: £5.4 million). The Aintree Festival performance, where gross win margin was 4.7pp lower than last year's record breaking margin, also reduced gross win by £1.5 million compared to the prior year. This was partially offset by a strong Cheltenham Festival performance, with stakes 7% ahead of last year and gross win £0.6 million or 36% ahead.

Machines gross win of £83.9 million was £4.0 million or 5% ahead of last year. Gross win per machine per week continued to grow, increasing by 1% to £965. This improvement has been driven primarily by slots games, and the acquisition of a small games development company during the year has further strengthened the depth and quality of exclusive new machine games in the product pipeline.

Operating costs increased by £3.3m or 4%. Excluding the impact of estate development costs (£4.2 million) and increased irrecoverable VAT as a result of the introduction of MGD (£0.6 million), operating costs actually decreased by £1.5 million or 2%. This emphasises the continued management focus on tight cost control, particularly of payroll costs following the optimisation of shop opening hours and staffing levels.

'Coral Connect', which enables customers to use their online wallet across all channels, including shops, was launched in the quarter. Customer response has been positive, with Coral.co.uk sign-ups already ahead of full year expectations.

On average there were 57 more shops open in the quarter compared to last year and 10 shops opened in the quarter. The total number of shops at the end of the quarter was 1,822.

Overview of the Quarter by Division (continued)

Eurobet Retail

Eurobet Retail EBITDA (pre-exceptionals) was £2.2 million or 63% ahead of last year following the opening of the majority of the new licences and the strong performance of the newly launched virtual betting product.

Of the 500 licences successfully applied for in FY13, a further 90 were opened during the quarter, bringing the total number of active new licences to 445. The rollout is now expected to be completed by the end of quarter 3.

The increased number of licences helped drive a £24.7 million or 63% increase in sports stakes. Sports gross win was £4.5 million or 42% ahead of last year despite a 3.4pp decline in sports gross win margin attributable to adverse football results during the final week of the quarter. This is estimated to have reduced sports gross win by £1.8 million (GP impact: £1.1 million). Sports market share is now 11.5%, representing growth of 4.1pp in the last twelve months.

Other stakes (VLTs/AWPs and virtual) increased by £45.5 million or 146%. In the first full quarter since launch, virtual betting stakes of £32.1 million and gross win of £5.7 million were well ahead of expectations. Eurobet Retail's virtual betting market share was 15.1% in March, reflecting the quality of the Eurobet offering and the speed with which it was brought to market.

A strong margin on other gaming products resulted in gross win £0.9 million or 50% ahead of last year at £2.7 million. Total gross profit therefore increased by £3.1 million or 61% versus last year, with £2.7 million attributable to virtual betting.

Operating costs were £0.9 million higher than last year, reflecting the costs associated with supporting the larger retail estate.

During the quarter, 56% of all Eurobet.it first time depositors were acquired through the retail estate, underlining the strength of the multi-channel offering.

Online

Online EBITDA (pre-exceptionals) of £11.4 million was £6.6 million or 138% ahead of last year, representing significant growth following the investment made over the last two years. Gross profit was £10.1 million or 44% ahead at £32.9 million.

Coral.co.uk actives were 38% ahead of last year, driven by TV advertising, "Coral Connect" sign-ups, and improved site performance. Combined with strong spend per head levels, this drove sports stakes £43.5 million or 64% ahead of last year. Gross win was adversely affected by exceptional UK football results, primarily in weeks 17 and 25, reducing gross win less revenue shares by £1.6 million and sports gross win margin by 0.5pp to 7.7%.

Live streaming was launched in January and over 65,000 markets per annum are now available on the Coral.co.uk website. The number of bets placed on streamed products has increased significantly, helping drive the overall increase in staking levels. Overall, bet in play stakes have increased by 84% year-on-year.

Gaming stakes in Coral.co.uk were 56% ahead of last year and a 0.9pp improvement in margin resulted in gross win £6.8 million or 103% ahead at £13.4 million.

Mobile penetration in Coral.co.uk increased by 12.3pp to 64% of actives.

Eurobet.it actives were 20% ahead of last year, with sports stakes £5.3 million or 24% ahead and gaming stakes £28.7 million or 26% ahead, driving total gross win £1.7 million or 22% ahead of last year. Sports gross profit was £0.1 million ahead, benefiting from less volatile sports margins than Eurobet Retail. Gaming gross profit was £0.2 million ahead, with virtual betting and growth in in-house games offsetting a decline in poker.

Continued growth is expected in the third quarter and beyond, following the launch of the new Eurobet.it website on 24th March 2014, new mobile casino games at the end of the quarter 2, and the launch of an increased range of live sports betting opportunities during quarter 3. Eurobet.it mobile penetration is now at 42% of actives, and online sports-betting market share is 9.4%, an increase of 1.0pp in the last 12 months.

A continued focus on real money players resulted in a 39% increase in Galabingo.com spend per active and a planned reduction in the number of actives, the decline in actives being driven by the high number of free money players in the same quarter last year. Year to date real money players are 5% ahead of last year. Stakes were £51.5 million or 24% ahead of last year and gross win was £2.6 million or 17% ahead. Mobile penetration increased by 21.7pp to 52% of actives.

Galacasino.com actives were 38% ahead of last year and spend per active was 70% ahead, driving a 133% increase in stakes and a £2.0 million or 73% increase in gross win. Mobile penetration increased by 9.9pp to 31%.

Marketing costs were £1.1 million higher than last year. Other operating costs were £2.4 million or 28% higher than last year, primarily as a result of the investment in headcount in the growing business.

Overview of the Quarter by Division (continued)

Gala Retail

EBITDA (pre-exceptionals) of £8.7 million was £0.4 million or 5% ahead of the prior year with a shortfall in gross profit offset by tight cost control. Last year, quarter 2 results were adversely impacted by severe weather, the year-on-year impact of which is a benefit of £0.4 million. Therefore, underlying EBITDA (pre-exceptionals) is in line.

Admissions continue to increase following the full roll-out of 'Price Smash' in quarter 1, with admissions up 3% over the previous year. National Bingo Association statistics place Gala Retail admissions growth for the year to date 5.7pp ahead of the rest of the industry. Spend per head, as anticipated, is currently running 4% lower than the prior year. However, the resulting shortfall in net income is primarily caused by a handful of clubs with specific, isolated issues.

Machines gross profit was ahead by £1.0 million or 6%, driven by the increase in admissions, and machines spend per head was in line with last year. Total gross profit was down only 3% at £48.9 million.

Tight cost control resulted in a £1.8 million or 6% reduction in operating costs, most notably in payroll due to more efficient staffing.

Gala Retail welcomes the recently announced reduction in bingo levy which will benefit the FY14 numbers by £3.3 million and £15.3 million on an annualised basis.

Overview of the Quarter

Group turnover from continuing operations for the quarter increased by £22.3 million to £302.2 million (2013: £279.9 million). In the prior year the Group generated £31.4 million of turnover from the discontinued casino operations.

Continuing Opco Group EBITDA (pre-exceptionals) was in line with the prior year. During 2013 the casino business generated £5.1 million of EBITDA in the quarter.

A depreciation charge (excluding trading potential write downs on closed bingo clubs) of £15.0 million (2013: £16.9 million) and an amortisation charge of £4.3 million (2013: £4.2 million) were incurred in the quarter.

There was a profit on disposal of fixed assets in the quarter of £0.3 million. The profit on disposal of fixed assets in 2013 of £8.2 million included the profit on disposal of a freehold property disposed of in 2005 Propco Three Limited and a profit in relation to the disposal of a licence in the Casino division.

In the prior year the Group completed the sale of 19 of its UK casinos to The Rank Group Plc for total proceeds of £179.0 million plus certain adjustments for working capital. Based on management's initial calculations of the total net proceeds likely to be received, the Group included a provision for the loss on disposal of £58.0 million to reflect the under realisation of goodwill and trading potential that had historically been carried against the Casino division following the Group restructuring in 2003. The loss was a non-cash charge, arising at a consolidated group level and did not affect the standalone statutory entities nor have a detrimental effect on financial covenants.

Profit before interest and tax was £41.5 million (2013: £18.2 million).

Interest payable has increased from £54.5 million in 2013 to £62.2 million in 2014 as a result of the roll-up of interest on the GCGL loan notes and the exceptional fees associated with the amendments agreed to the Senior Facilities Agreement in the quarter. Key elements of the interest charge include loan and bond interest of £28.9 million (2013: £30.3 million), of which £4.8 million (2013: £4.7 million) relates to the 2005 Propco Three Limited loan. Interest payable also includes non-cash interest on GCGL loan notes of £25.0 million (2013: £21.8 million) and £2.0 million of costs (2013: £2.3 million) associated with the amortisation of debt issue costs and amortisation costs of interest rate cap premia.

In addition, the prior year included the payment of break fees amounting to £0.1 million on the early repayment of a portion of the 2005 Propco Three Limited loan following certain property disposals. During the quarter the Group received exceptional interest of £7.3 million (2013: £nil) on VAT refunds from HMRC on 'Conde Nast' claims.

Other finance costs in the period were £1.3 million (2013: £1.5 million) associated with the unwinding of discount on provisions and finance costs in relation to the pension scheme.

The overall result after taxation for the period is a loss of £13.9 million, compared to a loss of £39.0 million in 2013.

Exceptional Items

Exceptional items in the quarter amounted to a £8.3 million charge (2013: credit of £12.9 million) excluding the classification difference on the casino disposal costs as explained in note 2. See note 4 for more details on exceptional items.

Cash Generated from Operations in the Quarter

During the quarter net cash inflow from operations was £78.4 million (2013: £88.1 million). This included exceptional cash payments of £7.7 million (2013: inflows of £3.2 million).

Of the cash inflows, £11.7 million (2013: £14.7 million) was reinvested in the Group to fund capital expenditure. In addition the Group acquired a number of LBOs in the quarter for £0.8 million (2013: £3.6 million).

The Group received £0.4 million for fixed asset disposals in the quarter. In 2013 the Group received £10.3 million from the sale of tangible assets in the quarter of which £1.2 million was received as a result of a freehold property disposal in 2005 Propco Three Limited and £7.4 million from the sale of a licence in the Casino Division.

In the quarter £9.5 million of cash was utilised to meet interest and other financing costs (2013: £16.3 million). No additional amounts were repaid on the 2005 Propco Three Limited loan (2013: £3.4 million).

Total cash inflow for the quarter was £61.0 million (2013: £61.8 million).

Overview of the Year to Date by Division

Coral Retail

Coral Retail's EBITDA (pre-exceptionals) of £78.1 million was £11.0 million or 12% lower than last year.

OTC gross win was £14.7 million or 8% lower than last year, largely a result of exceptional UK football results, which have adversely impacted gross win by £13.9 million (GP impact: £11.8 million).

Machines gross win of £194.1 million was £12.4 million or 7% ahead of last year, emphasising the Group's continued development of its machine estate. The average number of machines is 3% higher at 7,205. Gross win per machine increased by 4% to £962.

Operating costs increased by £10.7 million or 6% primarily as a result of estate development and increased irrecoverable VAT following the introduction of MGD, which fully annualised on 1 February 2014.

The average number of LBOs increased by 49 units compared to the same period last year. 31 shops opened in the period.

Eurobet Retail

Eurobet Retail EBITDA (pre-exceptionals) of £9.3 million was £0.9 million or 11% ahead of last year.

Sports stakes were £47.1 million or 50% ahead of last year but gross win margin was 4.0pp behind, due to the adverse football results highlighted in the quarter 2 performance, resulting in sports gross win £6.3 million or 26% ahead at £30.0 million.

Other stakes were £54.8 million or 76% ahead of last year, driven by the launch of virtual betting, which contributed £37.4 million in the year to date. Strong gross win margin resulted in other gross win (including virtual betting) of £12.0 million, £7.6 million or 173% ahead of last year.

Operating costs were £1.3 million or 39% higher than last year, reflecting the higher costs associated with supporting the larger retail estate, following the successful application for new licences in 2013.

As a result of the FY13 tender, the average number of licences increased by 315 or 88%. Total market share increased 3.3pp to 10.6%.

Overview of the Year to Date by Division (continued)

Online

Online EBITDA (pre-exceptionals) of £21.7 million was £9.7 million or 81% ahead of last year.

Coral.co.uk unique active players increased by 52%. Mobile penetration increased by 19.7pp to 62.1% of active players. The increase in actives drove increased Coral.co.uk sports stakes which were £99.1 million or 77% ahead of last year, resulting in sports gross win of £6.8 million or 80% ahead at £15.3 million. Gaming stakes in Coral.co.uk were £350.3 million or 86% ahead of last year and a 0.6pp improvement in margin resulted in gross win £15.5 million or 124% ahead at £28.1 million.

Eurobet.it actives increased by 26%, resulting in sports stakes of £12.9 million or 26% ahead of last year. Sports gross win margin was 1.3pp behind at 14.2%, resulting in sports gross win £1.2 million or 16% ahead at £8.8 million. Gaming stakes were £93.1 million or 39% higher than last year at £328.9 million and gross win was £2.5 million or 29% ahead at £11.2 million.

Galabingo.com unique active players increased by 3%. Galabingo.com total stakes grew by £107.7 million or 22% as a result of strong spend per active and gross win was £5.6 million or 16% ahead of last year at £40.5 million. Mobile penetration improved by 24.5pp to 50% of actives.

Galacasino.com actives increased by 27.4 thousand or 92% to 57.3 thousand. Galacasino.com stakes were £217.6 million or 150% ahead of last year at £362.4 million and gross win was £6.2 million or 108% ahead at £11.9 million. Mobile penetration increased by 10.2pp to 30% of unique active players.

Marketing costs increased by £7.4 million or 44% to £25.2 million and other operating costs increased by £4.1 million or 20% in support of the growing business.

Gala Retail

EBITDA (pre-exceptionals) of £16.0 million was £1.7 million or 12% ahead of the prior year.

Gross profit was £3.1 million or 3% lower than last year at £108.8 million, driven by a 2% increase in like for like admissions offset by a 5% decline in like for like spend per head.

Total operating costs were £4.8 million or 5% lower than last year as a result of tight cost control and more efficient staffing.

Overview of the Year to Date

Turnover for the continuing Group for the period increased by £60.1 million, or 10%, to £658.3 million (2013: £598.2 million). During the period the Group generated £4.1 million of turnover from its discontinued casino operations (2013: £72.8 million).

Continuing Opco Group EBITDA (pre-exceptionals) increased by £1.2 million or 1%.

A depreciation charge (excluding trading potential and fixed asset write downs) of £37.1 million (2013: £38.2 million) and an amortisation charge of £10.1 million (2013: £9.4 million) were incurred in the period.

There was a profit on disposal of fixed assets in the period of £0.3 million. The profit on disposal of fixed assets in 2013 of £10.2 million included the profit on disposal of three freehold properties disposed of in 2005 Propco Three Limited and a profit in relation to the disposal of a licence in the Casino division.

In December 2013 the Group sold its remaining 4 UK casinos and Gala Casino (Gibraltar) Limited for a combined consideration of £24.7 million (before costs). These disposals resulted in a profit on disposal of £7.5 million. The prior year included a provision for the loss on disposal of a subsidiary company within the Casino division of £58.0 million and has been discussed as part of the review of the quarter.

Profit before interest and tax was £90.3 million (2013: £61.4 million).

Interest payable has increased from £126.4 million in 2013 to £135.8 million in 2014 as a result of the roll-up of interest on the GCGL loan notes and the exceptional fees associated with the amendments to the Senior Facilities Agreement. Key elements of the interest charge include loan and bond interest of £67.3 million (2013: £70.9 million), of which £11.0 million (2013: £11.4 million) relates to the 2005 Propco Three Limited loan. Interest payable also includes non-cash interest on GCGL loan notes of £57.3 million (2013: £49.8 million) and £4.9 million of costs (2013: £5.3 million) associated with the amortisation of debt issue costs and amortisation costs of interest rate cap premia.

Overview of the Year to Date (continued)

In addition, the prior year included the payment of break fees amounting to £0.4 million on the early repayment of a portion of the 2005 Propco Three Limited loan following certain property disposals. During the period the Group received exceptional interest of £11.4 million (2013: £6.0 million) on VAT refunds from HMRC on 'Conde Nast' claims.

Other finance costs in the period were £2.3 million (2013: £3.5 million) associated with the unwinding of discount on provisions and finance costs in relation to the pension scheme.

Following the sale of the remaining UK casinos, one further property was re-valued and reclassified as an investment property.

The overall result after taxation for the period is a loss of £37.6 million, compared to a loss of £68.0 million in 2013.

Exceptional Items

Exceptional items in the period amounted to a charge of £8.9 million (2013: credit of £9.0 million).

Included in exceptionals are restructuring costs net of VAT rebates amounting to £7.7 million (2013: £4.6 million and a share-based payments charge for the period of £1.8 million (non-cash) (2013: £3.3 million). Exceptionals also include a non-cash onerous lease net credit of £7.2 million (2013: £19.5 million) associated with the release of various property provisions. In addition there was a write down of trading potential and fixed assets amounting to £6.6 million (2013: £2.6 million) on two bingo clubs which closed during the period.

Cash Generated from Operations in the Year to Date

During the period net cash inflow from operations was £118.8 million (2013: £132.0 million). This included exceptional cash payments of £11.9 million (2013: £12.8 million) and additional cash payments to the pension scheme of £2.4 million (2013: £2.6 million).

Of the cash inflows, £36.7 million (2013: £30.9 million) was reinvested in the Group to fund capital expenditure. In addition the Group acquired a number of LBOs in the period for £3.9 million (2013: £3.6 million).

In December 2013 the Group sold its remaining 4 UK casinos and Gala Casino (Gibraltar) Limited for a combined consideration of £24.7 million (before costs).

The Group received £0.4 million for fixed asset disposals in the period. In 2013 the Group received £13.7 million from the sale of tangible assets, of which £4.4 million was received as a result of three freehold property disposals in 2005 Propco Three Limited and £7.4 million from the sale of a licence in the Casino division.

In the period £63.5 million of cash was utilised to meet interest and other financing costs (2013: £67.1 million) with a further £3.1 million (2013: £8.4 million) repaid on the 2005 Propco Three Limited loan.

Unlevered free cashflow for the period was £95.5 million (2013: £106.5 million).

Total cash inflow for the period was £42.7 million (2013: £37.6 million).

Net Debt and Liquidity

Total net debt of £2,155.7 million (28 September 2013: £2,139.9 million) has increased since the year end due to the roll up of non-cash interest on subordinated loans from the ultimate parent company (GCGL loan notes) partially offset by the cash inflow. Total net debt includes the GCGL loan notes of £770.7 million and the 2005 Propco Three Limited loan of £334.9 million (net of issue costs) which is ring fenced from the trading group. The £3.1 million repayment of the 2005 Propco Three Limited loan during the period was a scheduled amortisation payment made out of 2005 Propco Three Limited's cash.

Cash at bank and in hand of £259.0 million includes cash for covenant purposes of £237.6 million.

Overview of the Year to Date (continued)

Going Concern

The directors have continued to review 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.

2005 Propco Three Limited's loan of £334.9 million was repayable on 22 April 2014 and is now in default. This loan is ring-fenced from the operating Group and security for the loan is restricted to the assets of 2005 Propco Three Limited and the shares in 2005 Propco Three Limited which are owned by 2005 Propco Two Limited only. In addition, the operating leases between Gala Leisure Limited and 2005 Propco Three Limited are unaffected by the default on the loan. There is therefore no impact on Gala Retail or on the directors' assessment of the going concern for the Group. The directors of 2005 Propco Three Limited continue to explore options in relation to the loan.

Pensions

The Group operates the Gala Coral Pension Plan, a fully funded defined benefit pension scheme. On 28 September 2013 the scheme was closed to future accrual and all participants were transferred to personal pension plans.

Current Trading

Trading for the five weeks since the end of the quarter has been positive. Coral Retail OTC and Machines volumes are ahead of last year and the new tender shops in Italy are driving increasing volumes in Eurobet Retail. All websites continue to show positive year-on-year growth in stakes and net revenue. Gala Retail admissions are ahead of last year, and spend per head is in line with expectations.

Group Profit and Loss Account

	Notes	Unaudited Twenty eight weeks to 12 April 2014 £m	Unaudited twenty eight weeks to 13 April 2013 £m
Turnover	3		
Continuing operations	2	658.3	598.2
Discontinued operations	2	4.1	72.8
		662.4	671.0
Cost of sales		(188.8)	(165.0)
Gross profit			
Continuing operations	2	470.1	450.1
Discontinued operations	2	3.5	55.9
		473.6	506.0
Administrative expenses		(394.9)	(398.9)
Operating profit before other operating income		78.7	107.1
Operating profit before other operating income, analysed as:			
Before exceptional items		87.6	98.1
Impairments	4	(6.6)	(2.6)
FRS 20 'Share Based Payment' charge	4	(1.8)	(3.3)
Net release of onerous lease provisions	4	7.2	19.5
Other restructuring costs and VAT rebates	4	(7.7)	(4.6)
Operating profit before other operating income		78.7	107.1
Other operating income		3.7	2.1
Operating profit/(loss)	3		
Continuing operations	2	83.2	101.9
Discontinued operations	2	(0.8)	7.3
		82.4	109.2
Profit on disposal of fixed assets	4	0.3	10.2
Profit/(loss) on disposal of subsidiaries	4	7.5	(58.0)
Profit before interest and tax		90.3	61.4
Interest receivable and similar income	5	12.2	6.6
Interest payable and similar charges	5	(135.8)	(126.4)
Other finance costs		(2.3)	(3.5)
Loss on ordinary activities before tax		(35.6)	(61.9)
Tax on loss on ordinary activities	6	(2.0)	(6.1)
Loss for the financial period		(37.6)	(68.0)

There are no material differences between the loss on ordinary activities before tax and the loss for the financial periods at their historical cost equivalents.

Gala Coral Group Limited
Group Statement of Total Recognised Gains and Losses and Reconciliation of Movement in Total Group Shareholders' (Deficit)/Funds

Group Statement of Total Recognised Gains and Losses

	Unaudited twenty eight weeks to 12 April 2014 £m	Unaudited twenty eight weeks to 13 April 2013 £m
Loss for the financial period	(37.6)	(68.0)
Surplus on revaluation of investment properties	1.4	-
Net foreign exchange adjustments offset in reserves	0.7	1.5
Actuarial loss on pension schemes	(1.6)	(11.1)
Deferred tax credit relating to pension scheme	0.3	2.5
Current tax credit relating to pension scheme	0.5	0.6
Total recognised gains and losses for the period	(36.3)	(74.5)

Reconciliation of Movement in Total Group Shareholders' (Deficit)/Funds

	Unaudited twenty eight weeks to 12 April 2014 £m	Unaudited twenty eight weeks to 13 April 2013 £m
Total recognised gains and losses for the period	(36.3)	(74.5)
FRS 20 'Share Based Payment' charge	1.8	3.3
Opening shareholders' (deficit)/funds	(51.6)	165.1
Closing shareholders' (deficit)/funds	(86.1)	93.9

Gala Coral Group Limited
Group Balance Sheet

	Notes	Unaudited 12 April 2014 £m	Unaudited 13 April 2013 £m	Audited 28 September 2013 £m
Fixed assets				
Intangible assets		389.3	505.3	406.6
Tangible assets		1,880.3	2,046.4	1,893.1
Investment properties		45.5	-	42.6
		2,315.1	2,551.7	2,342.3
Current assets				
Stocks		2.3	4.0	4.0
Debtors		63.7	82.6	42.0
Cash at bank and in hand		259.0	173.5	216.3
		325.0	260.1	262.3
Creditors: amounts falling due within one year	7	(551.0)	(222.5)	(523.6)
Net current (liabilities)/assets		(226.0)	37.6	(261.3)
Total assets less current liabilities		2,089.1	2,589.3	2,081.0
Creditors: amounts falling due after more than one year	8	(2,082.3)	(2,417.6)	(2,020.1)
Provisions for liabilities	9	(92.9)	(100.4)	(112.5)
Net (liabilities)/assets excluding net pension asset		(86.1)	71.3	(51.6)
Net pension asset		-	22.6	-
Net (liabilities)/assets including net pension asset		(86.1)	93.9	(51.6)
Capital and reserves				
Called up share capital		213.3	213.3	213.3
Merger reserve		1.6	1.6	1.6
Capital contribution reserve		1,723.5	1,723.5	1,723.5
Revaluation reserve		18.8	-	17.4
Profit and loss account		(2,043.3)	(1,844.5)	(2,007.4)
Total shareholders' (deficit)/funds		(86.1)	93.9	(51.6)

Gala Coral Group Limited
Group Cash Flow Statement

	Notes	Unaudited twenty eight weeks to 12 April 2014 £m	Unaudited twenty eight weeks to 13 April 2013 £m	Audited year ended 28 September 2013 £m
Net cash inflow from operating activities	10(a)	118.8	132.0	235.1
Returns on investments and servicing of finance				
Interest received		12.2	6.6	7.7
Interest paid and similar charges		(63.5)	(67.1)	(130.1)
Net cash outflow from returns on investments and servicing of finance		(51.3)	(60.5)	(122.4)
Taxation				
Corporation tax paid		(2.7)	(1.7)	(2.2)
Capital expenditure and financial investment				
Payments to acquire tangible and intangible fixed assets		(36.7)	(30.9)	(82.8)
Net receipts from sale of tangible fixed assets		0.4	13.7	14.5
Net cash outflow for capital expenditure and financial investment		(37.9)	(17.2)	(68.3)
Acquisitions and disposals				
Purchase of subsidiary/trade and assets		(3.9)	(3.6)	(5.2)
Net proceeds/(costs) on sale of subsidiaries		23.2	(3.0)	172.5
Cash disposed with subsidiaries		(2.0)	-	(4.5)
Net cash inflow/(outflow) from acquisitions and disposals		17.3	(6.6)	162.8
Net cash inflow before financing		45.8	46.0	205.0
Financing				
Repayment of the Senior secured credit facilities		-	-	(113.1)
Repayment of the 2005 Propco Three Limited loan		(3.1)	(8.4)	(11.5)
Net cash outflow from financing	10(b)	(3.1)	(8.4)	(124.6)
Increase in cash	10(b)	42.7	37.6	80.4

Reconciliation of Group Net Cash Flow to Movement in Group Net Debt

	Notes	Unaudited twenty eight weeks to 12 April 2014 £m	Unaudited twenty eight weeks to 13 April 2013 £m	Audited year ended 28 September 2013 £m
Increase in cash		42.7	37.6	80.4
Net repayment of long-term loans		3.1	8.4	124.6
Change in net debt resulting from cash flows		45.8	46.0	205.0
Non-cash movements	10(b)	(61.6)	(54.3)	(103.7)
Movement in net debt		(15.8)	(8.3)	101.3
Opening net debt	10(b)	(2,139.9)	(2,241.2)	(2,241.2)
Closing net debt	10(b)	(2,155.7)	(2,249.5)	(2,139.9)

1. Basis of Preparation

The condensed consolidated interim financial information, which is unaudited, is prepared in accordance with the recognition and measurement requirements of United Kingdom Generally Accepted Accounting Practice ("UK GAAP") and, with the exception of tax (see note 10), in accordance with the accounting policies applied in the financial statements for the year ended 28 September 2013 and therefore should be read in conjunction with those annual financial statements, which can be obtained from Gala Coral Group Limited, New Castle House, Castle Boulevard, Nottingham, NG7 1FT. The condensed consolidated interim financial statements do not include all the information or disclosures required in the annual financial statements as they have been prepared for the provision of interim information.

Accounting Estimates

The preparation of the condensed consolidated interim financial information in accordance with UK GAAP requires the Group to make estimates, judgements and assumptions that may affect the reported amounts of assets, liabilities, turnover and expenses and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Going Concern

The directors have continued to review 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.

2005 Propco Three Limited's loan of £334.9 million was repayable on 22 April 2014 and is now in default. This loan is ring-fenced from the operating Group and security for the loan is restricted to the assets of 2005 Propco Three Limited and the shares in 2005 Propco Three Limited which are owned by 2005 Propco Two Limited only. In addition, the operating leases between Gala Leisure Limited and 2005 Propco Three Limited are unaffected by the default on the loan. There is therefore no impact on Gala retail or on the directors' assessment of the going concern for the Group. The directors of 2005 Propco Three Limited continue to explore options in relation to the loan.

General Information

The condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Audited statutory accounts for the year ended 28 September 2013 were approved by the Board of Directors on 22 November 2013, have been filed with the Registrar of Companies and are available on the Group website: www.galacoral.co.uk. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under either Section 498(2) or 498(3) of the Companies Act 2006.

2. Discontinued Operations

In December 2013 the Group sold its remaining 4 UK casinos and Gala Casino (Gibraltar) Limited, a wholly owned subsidiary, for a combined consideration of £24.7 million (£23.2 million net of fees).

On 12 May 2013 the Group sold Gala Casino 1 Limited, a wholly owned subsidiary, for a consideration of £179.0 million plus adjustments for certain working capital movements. Gala Casino 1 Limited operated 19 of the Group's 23 UK casinos.

These disposals have been treated as discontinued operations in the profit and loss account.

	2014			2013		
	Continuing operations £m	Discontinued operations £m	Total Group £m	Continuing operations £m	Discontinued operations £m	Total Group £m
Turnover	658.3	4.1	662.4	598.2	72.8	671.0
Cost of sales	(188.2)	(0.6)	(188.8)	(148.1)	(16.9)	(165.0)
Gross profit	**470.1**	**3.5**	**473.6**	**450.1**	**55.9**	**506.0**
Administrative expenses	(390.6)	(4.3)	(394.9)	(350.3)	(48.6)	(398.9)
Operating profit/(loss) before other operating income	**79.5**	**(0.8)**	**78.7**	**99.8**	**7.3**	**107.1**
Other operating income	3.7	-	3.7	2.1	-	2.1
Operating profit/(loss)	**83.2**	**(0.8)**	**82.4**	**101.9**	**7.3**	**109.2**

Costs of disposal previously included within exceptional items in 2013 have now been included within profit/(loss) on disposal of subsidiaries following the exchange of contracts on the sale of the UK casinos to The Rank Group Plc.

3. Segmental Analysis

The Group operated five segments during the quarter – Coral Retail, Eurobet Retail, Online, Gala Retail and Corporate. The Online segment operates online sports betting, bingo, casinos and other gaming products. The Eurobet Retail segment comprises betting shops in Italy. The Gala Casino segment was discontinued during the previous quarter.

The revenue of Coral Retail and Gala Retail arises solely within the United Kingdom. The revenue of the Eurobet Retail segment arose solely in Italy. The Gala Casino revenue arises in the United Kingdom and Gibraltar. The revenue of the Online segment arises in the UK and Europe. Its customers are primarily located in the United Kingdom and mainland Europe.

3. Segmental Analysis (continued)

Turnover, Group operating profit and EBITDA are analysed as follows:

Unaudited period to 12 April 2014

	Coral Retail £m	Eurobet Retail £m	Online £m	Gala Retail £m	Gala Casino £m	Corporate £m	Group £m
Amounts staked	6,086.6	267.5	2,380.9	293.1	14.3	-	9,042.4
Turnover	366.9	42.0	92.1	157.3	4.1	-	662.4
Gross profit	277.5	13.9	69.9	108.8	3.5	-	473.6
Other admin expenses	(199.4)	(4.6)	(48.2)	(92.8)	(3.3)	(1.9)	(350.2)
'Opco' EBITDA (pre-exceptionals)	78.1	9.3	21.7	16.0	0.2	(1.9)	123.4
Propco rent	-	-	-	13.0	0.1	2.0	15.1
Group EBITDA (pre-exceptionals)	78.1	9.3	21.7	29.0	0.3	0.1	138.5
Depreciation and amortisation	(15.3)	(4.1)	(5.4)	(12.7)	(1.0)	(8.7)	(47.2)
Operating profit before exceptional items	62.8	5.2	16.3	16.3	(0.7)	(8.6)	91.3
Exceptional items							(8.9)
Group operating profit							**82.4**

The Group operates an 'Opco-Propco' structure with rentals charged between Group companies for properties which act as security under the 2005 Propco Three Limited loan. These rentals have been charged to the relevant divisions in the segmental analysis.

£2.0 million Propco rent receivable included in Corporate relates to rent received from The Rank Group Plc and The Double Diamond Group.

The depreciation and amortisation charge includes £6.9 million of goodwill amortisation and £2.9 million of licence amortisation.

3. Segmental Analysis (continued)

Unaudited period to 13 April 2013

	Coral Retail £m	Eurobet Retail £m	Online £m	Gala Retail £m	Gala Casino £m	Corporate £m	Group £m
Amounts staked	5,863.1	165.6	1,500.0	303.3	331.5	-	8,163.5
Turnover	349.2	28.1	64.5	156.4	72.8	-	671.0
Gross profit	277.8	11.7	48.7	111.9	55.9	-	506.0
Other admin expenses	(188.7)	(3.3)	(36.7)	(97.6)	(45.0)	(1.8)	(373.1)
'Opco' EBITDA (pre-exceptionals)	89.1	8.4	12.0	14.3	10.9	(1.8)	132.9
Propco rent	-	-	-	12.8	2.1	-	14.9
Group EBITDA (pre-exceptionals)	89.1	8.4	12.0	27.1	13.0	(1.8)	147.8
Depreciation and amortisation	(15.3)	(3.3)	(4.2)	(11.9)	(3.6)	(9.3)	(47.6)
Operating profit before exceptional items	73.8	5.1	7.8	15.2	9.4	(11.1)	100.2
Exceptional items							9.0
Group operating profit							**109.2**

The depreciation and amortisation charge includes £6.9 million of goodwill amortisation and £2.5 million of licence amortisation.

4. Exceptional Items

Exceptional Items Charged/(Credited) to Operating Profit

Exceptional items in the period amounted to a £8.9 million charge (2013: credit of £9.0 million).

Included in exceptionals are restructuring costs net of VAT rebates amounting to £7.7 million (2013: £4.6 million) and a share-based payments charge for the period of £1.8 million (non-cash) (2013: £3.3 million). Exceptionals also include a non-cash onerous lease net credit of £7.2 million (2013: £19.5 million) associated with the release of various property provisions. In addition there was a write down of trading potential and fixed assets amounting to £6.6 million (2013: £2.6 million) on two bingo clubs which closed during the period.

Exceptional Items (Credited)/Charged after Operating Profit

1) Profit on Disposal of Fixed Assets

The profit on disposal of fixed assets for the period amounted to £0.3 million. The prior period profit on disposal of £10.2 million included the profit on disposal of three freehold properties in 2005 Propco Three Limited and a licence in the Gala Casino division.

4. Exceptional Items (continued)

2) Profit on Disposal of Subsidiaries

In December 2013 the Group sold its remaining 4 UK casinos and Gala Casino (Gibraltar) Limited for a combined consideration of £24.7 million (pre disposal costs). These disposals resulted in a profit on disposal of £7.5 million. See note 11.

3) Exceptional Interest

Exceptional interest payable in the period relates to £6.3 million of fees payable to the senior lenders following certain amendments to the Senior Facilities Agreement which was agreed on 7 April 2014. During 2013 the Group paid £0.4 million of break fees on 2005 Propco Three Limited loan repayments following the disposal of certain properties in 2005 Propco Three Limited.

Exceptional interest receivable in the period of £11.4 million (2013: £6.0 million) relates to interest receivable from HMRC on 'Condé Nast' VAT claims.

5. Interest

	Unaudited twenty eight weeks to 12 April 2014 £m	Unaudited twenty eight weeks to 13 April 2013 £m
Loan and bond interest and similar charges	(56.3)	(59.5)
2005 Propco Three Limited loan interest	(11.0)	(11.4)
GCGL loan note interest	(57.3)	(49.8)
Amortisation of debt issue costs and senior notes discount	(4.3)	(4.5)
Amortisation of interest rate cap premia	(0.6)	(0.8)
	(129.5)	(126.0)
Exceptional interest payable (note 4):		
Break fees on 2005 Propco Three Limited loan	-	(0.4)
SFA consent fees	(6.3)	-
Interest payable and similar charges	(135.8)	(126.4)
Interest on deposits and money market funds	0.4	0.6
Other interest receivable	0.4	-
Exceptional interest receivable (note 4)	11.4	6.0
Interest receivable and similar income	12.2	6.6
Net interest payable	(123.6)	(119.8)

Loan interest payable and similar charges include amounts payable on the senior secured credit facilities, senior secured notes and senior notes. Actual amounts paid in the period in relation to the 2005 Propco Three Limited loan amounted to £10.4 million (2013 £10.9 million).

In the period interest receivable on the 2005 Propco Three Limited cash balance was £nil (2013: £nil).

6. Tax on Loss on Ordinary Activities

Taxation is recognised based on management's best estimate of the average annual effective rate expected for the full financial year. Any charges and credits shown relate to deferred tax and overseas corporation tax.

7. Creditors: Amounts Falling Due Within One Year

	Unaudited 12 April 2014 £m	Unaudited 13 April 2013 £m	Audited 28 September 2013 £m
2005 Propco Three Limited loan	334.9	6.2	337.7
Loan, senior secured notes and senior notes interest	29.5	30.1	25.1
Trade creditors	28.1	22.8	46.9
Corporation tax	2.2	3.1	2.8
Other taxation and social security	37.1	41.6	25.7
Other creditors	18.9	14.8	13.7
Accruals and deferred income	100.4	103.9	71.7
	551.0	222.5	523.6

8. Creditors: Amounts Falling Due After More Than One Year

	Unaudited 12 April 2014 £m	Unaudited 13 April 2013 £m	Audited 28 September 2013 £m
2005 Propco Three Limited loan	-	334.3	-
Senior secured credit facilities	701.2	809.6	699.8
Senior secured notes	343.9	342.6	343.2
Senior notes	264.0	261.8	262.8
Gala Coral Group Limited ("GCGL") loan note	770.7	668.5	712.7
Other creditors	2.5	0.8	1.6
	2,082.3	2,417.6	2,020.1

The 2005 Propco Three Limited loan of £334.9 million (13 April 2013: £340.5 million, 28 September 2013: £337.7 million), including amounts of £334.9 million (13 April 2013: £6.2 million, 28 September 2013: £337.7 million) falling due within one year, is presented net of unamortised issue costs of £nil (13 April 2013: £0.6 million, 28 September 2013: £0.3 million). The loan is owed by 2005 Propco Three Limited and is ring-fenced from the trading group. The 2005 Propco Three Limited loan matured in April 2014, is secured on certain properties which it owns.

During the period Gala Retail paid rent of £13.0 million (13 April 2013: £12.8 million) and Gala Casino paid rent of £0.1 million (13 April 2013: £2.1 million) to 2005 Propco Three Limited. In addition, 2005 Propco Three Limited received £2.0 million (13 April 2013: £nil) from The Rank Group Plc and Double Diamond Gaming Limited in respect of the rent on the casinos, following their disposal.

8. Creditors: Amounts Falling Due After More Than One Year (continued)

The principal terms of the current borrowings are as follows:

	Amount £m	Interest rate %	Maturity
Issued by Gala Group Finance plc:			
Senior secured credit facilities			
Term loan	711.9	LIBOR + 5	27 May 2018
Revolving credit facility	100.0	LIBOR + 4	27 May 2017
Senior secured notes	350.0	8.875	1 September 2018
Issued by Gala Electric Casinos plc:			
Senior notes	275.0	11.5	1 June 2019

The senior secured credit facilities and the senior secured notes are secured on the assets of the Group. The Group incurred costs relating to the raising of these borrowings and the senior notes were issued at a discount to their nominal value. The issue costs and discount have been deferred and are being amortised over the term of the borrowings.

At 15 February 2014 the senior secured credit facilities, senior secured notes and senior notes are presented net of unamortised issue costs (and in respect of the senior notes, also the discount to nominal value) of £10.9 million (13 April 2013: £15.4 million, 28 September 2013: £12.1 million), £6.1 million (13 April 2013: £7.4 million, 28 September 2013: £6.8 million) and £10.8 million (13 April 2013: £13.2 million, 28 September 2013: £12.2 million) respectively.

In addition to the margin payable on the senior secured credit facilities, the Group pays a 1.5% (2013: 1.5%) facility fee in respect of the unused portion of the revolving credit facility. The revolving credit facility is available to finance working capital requirements and for general corporate purposes. Whilst no amounts have been drawn down on the revolving credit facility, £46.0 million (13 April 2013: £26.6 million, 28 September 2013: £46.3 million) has been utilised through the issuance of letters of credit.

The senior secured credit facilities and the 2005 Propco Three Limited loan agreements require the Group to comply with certain financial and non-financial covenants. The senior secured notes and the senior notes require the Group to comply with certain non-financial covenant, all of which have been complied with.

The GCGL loan notes have been issued to its parent company, GCG Manager SA Luxco SCA as part of the financial restructuring which completed in June 2010. GCGL loan notes are unsecured, were issued with a duration of 10 years, accruing interest of 15.0625% and are only payable on maturity on 27 October 2020. Interest accrued rolls up into the principal amount on 27 October each year until redemption. As at 15 February 2014 issue costs of £1.0 million (13 April 2013: £2.4 million, 28 September 2013: £1.7 million) are netted off against the GCGL loan note.

9. Provisions

Following the UK Court of Appeal's recent ruling in favour of HMRC, on fiscal neutrality of VAT on gaming machines, a charge of £59.1 million was recognised by the Group in the year ended 28 September 2013. The directors remain confident that the case will ultimately find in favour of the gaming operators, however based on the most recent ruling, they believe it appropriate to adequately provide for the potential exposure at this stage. Following the period end, the Group repaid £54.5 million of this claim back to HMRC.

The prior year included an amount of £58.0 million against the loss on disposal of 19 UK casinos to The Rank Group Plc.

10. Notes to the Group Cash Flow Statement

a) Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	Unaudited twenty eight weeks to 12 April 2014 £m	Unaudited twenty eight weeks to 13 April 2013 £m	Audited year ended 28 September 2013 £m
Operating profit	82.4	109.2	81.9
Depreciation, amortisation, impairment and write downs	53.8	50.2	97.6
(Increase)/decrease in debtors	(19.5)	(15.6)	15.9
Decrease/(increase) in stocks	1.7	(0.4)	(0.8)
Increase/(decrease) in creditors	21.0	14.4	(4.2)
(Decrease)/increase in provisions	(19.7)	(26.5)	33.2
Pension contributions in excess of profit and loss charge	(2.7)	(2.6)	(2.6)
FRS 20 'Share Based Payment' charge	1.8	3.3	14.1
Net cash inflow from operating activities	118.8	132.0	235.1

b) Analysis of Net Debt

	At 28 September 2013 £m	Cash Flow £m	Transfers Between Categories £m	Other Non-cash Movements £m	At 12 April 2014 £m
Cash at bank and in hand	216.3	42.7	-	-	259.0
Debt due within one year	(337.7)	3.1	-	(0.3)	(334.9)
Debt due after one year	(2,018.5)	-	-	(61.3)	(2,079.8)
Total debt	(2,356.2)	3.1	-	(61.6)	(2,414.7)
Net debt	(2,139.9)	45.8	-	(61.6)	(2,155.7)

Non-cash movements comprise amortisation and write off of debt issue costs and senior notes discount of £4.3 million and an accrual of interest on the GCGL loan notes of £57.3 million.

Cash at bank and in hand as at 15 February 2014 includes the 2005 Propco Three Limited balance of £8.5 million (13 April 2013: £7.2 million, 28 September 2013: £7.9 million), the cash in hand balance of £12.9 million (13 April 2013: £20.3 million, 28 September 2013: £12.4 million) and the cash provided as collateral of £nil (13 April 2013: £nil, 28 September 2013: £nil).

10. Notes to the Group Cash Flow Statement (continued)

c) Cash Flows Relating to Exceptional Items (note 4)

	Unaudited twenty eight weeks to 12 April 2014 £m	Unaudited twenty eight weeks to 13 April 2013 £m	Audited year ended 28 September 2013 £m
Included within operating cash flow:			
Restructuring and VAT rebates	(11.9)	(12.8)	(21.5)
	(11.9)	(12.8)	(21.5)
Net disposal proceeds of tangible fixed assets	0.4	13.7	14.5
Net disposal proceeds/(costs) on sale of subsidiaries	23.2	(3.0)	172.5
Cash disposed with sale of subsidiaries	(2.0)	-	(4.5)
Net cash inflow/(outflow)	9.7	(2.1)	161.0

The prior year included sales proceeds of £4.4 million in relation to three freehold properties disposed by 2005 Propco Three Limited and £7.4 million in relation to the disposal of a licence in the Gala Casino division.

The Group also made a one off pension contribution of £2.4 million (13 April 2013: £2.6 million) during the period as part of the agreed deficit funding arrangement.

11. Disposal of Subsidiaries

In December 2013 the Group sold its remaining 4 UK casinos and Gala Casino (Gibraltar) Limited for a combined consideration of £24.7 million. These disposals resulted in a profit on disposal of £7.5 million.

The completion account processes are expected to be finalised by the financial year end and the final profit/loss on disposal below will be amended for any final payments/receipts.

	£m
Goodwill	7.8
Tangible fixed assets	7.1
Stocks	0.3
Debtors	2.4
Cash	2.0
Creditors	(0.4)
	19.2
Release of 2013 provision for loss on disposal of UK casinos	(3.5)
Profit on disposal (note 4)	7.5
Net cash consideration	23.2