

Notes to the Financial Statements

Year ended 31 December 2000

2. Segmental Information

The turnover, operating profit and net assets of the Group relate to the provision of betting services all of which are conducted in the Republic of Ireland with the exception of one licensed betting office which commenced trading in London in December 2000.

Turnover by Delivery Channel

| | Year ended 31 December 2000 €'000 | Year ended 31 December 1999 €'000 |
|--------------------------|---|---|
| Licensed betting offices | 314,876 | 244,795 |
| Telephone betting | 39,432 | 24,845 |
| Internet betting | 8,517 | – |
| | <hr/> 362,825 | <hr/> 269,640 |

Gross Profit by Delivery Channel

| | Year ended 31 December 2000 €'000 | Year ended 31 December 1999 €'000 |
|--------------------------|---|---|
| Licensed betting offices | 42,118 | 29,934 |
| Telephone betting | 3,504 | 2,111 |
| Internet betting | 692 | – |
| | <hr/> 46,314 | <hr/> 32,045 |

Operating Profit/(Loss) by Delivery Channel

| | Year ended 31 December 2000 €'000 | Year ended 31 December 1999 €'000 |
|--------------------------|---|---|
| Licensed betting offices | 12,758 | 6,337 |
| Telephone betting | 866 | 700 |
| Internet betting | (2,995) | – |
| | <hr/> 10,629 | <hr/> 7,037 |

*Notes to the Financial Statements continued***3. Interest Payable and Similar Charges**

| | Year ended 31 December 2000 €'000 | Year ended 31 December 1999 €'000 |
|---|---|---|
| Borrowings wholly repayable within five years – finance leases | 15 | 53 |

4. Interest Receivable and Similar Income

| | Year ended 31 December 2000 €'000 | Year ended 31 December 1999 €'000 |
|------------------|---|---|
| Deposit interest | 336 | 81 |

5. Profit on Ordinary Activities Before Taxation

| | Year ended 31 December 2000 €'000 | Year ended 31 December 1999 €'000 |
|---|---|---|
| The profit on ordinary activities before taxation, is stated after charging/(crediting): | | |
| Directors' emoluments | | |
| – fees | 194 | 64 |
| – other emoluments including pension costs | 805 | 665 |
| Depreciation | 3,538 | 2,548 |
| Auditors' remuneration | 25 | 11 |
| Loss/(profit) on disposal of fixed assets | 150 | (17) |
| Amortisation of goodwill | 121 | 121 |
| Operating lease rentals | 2,331 | 1,928 |

6. Directors' Emoluments

Included in directors' emoluments are the following emoluments which have been paid in respect of Directors who were in office at 31 December 2000:

| | Fees €'000 | Salary €'000 | Pension costs €'000 | Benefits €'000 | Annual bonus €'000 | Total emoluments 2000 €'000 | 1999 €'000 |
|----------------------|---------------|-----------------|---------------------------|-------------------|--------------------------|-----------------------------------|---------------|
| Executive | | | | | | | |
| Stewart Kenny | – | 201 | 40 | 14 | 108 | 363 | 316 |
| Peter O'Grady Walshe | 108 | 43 | – | – | – | 174 | – |
| John O'Reilly | – | 123 | 24 | 17 | 83 | 247 | n/a |
| Non-executive | | | | | | | |
| John Corcoran | 27 | – | – | – | – | 27 | 25 |
| Ian Armitage | 11 | – | – | – | – | 11 | – |
| Edward McDaid | 25 | – | – | – | – | 25 | 18 |
| David Power | 13 | – | – | – | – | 13 | 13 |
| Michael Quinn | 10 | – | – | – | – | 10 | 8 |

Benefits include provision of company car, life and medical insurance. Peter O'Grady Walshe and Edward McDaid received fees which are included above amounting to €107,928 and €15,237 respectively in connection with the Company's preparation for flotation during 2000. John O'Reilly was appointed as a Director in March 2000. Peter O'Grady Walshe joined the Board in July 2000 and assumed the role of Finance Director on 1 November 2000.

There were no loans outstanding to any director at any time during the year.

7. Staff Numbers and Costs

| | Year ended 31 December 2000 €'000 | Year ended 31 December 1999 €'000 |
|--|---|---|
| The average number of persons employed by the Group (including executive Directors) during the year was: | 665 | 537 |

Notes to the Financial Statements continued

7. Staff Numbers and Costs continued

| | Year ended 31 December 2000 €'000 | Year ended 31 December 1999 €'000 |
|--|---|---|
| The aggregate payroll cost of these persons were as follows: | | |
| Wages and salaries | 14,113 | 10,687 |
| Social welfare costs | 1,444 | 1,076 |
| Other pension costs and life assurance | 381 | 320 |
| | <hr/> 15,938 | <hr/> 12,083 |

8. Tax on Profit on Ordinary Activities

| | Year ended 31 December 2000 €'000 | Year ended 31 December 1999 €'000 |
|--|---|---|
| The charge based on profit on ordinary activities comprises: | | |
| Corporation tax, principally at 24% (1999 – 28%) | 2,845 | 2,107 |
| Underprovision in previous year | 92 | – |
| | <hr/> 2,937 | <hr/> 2,107 |

9. Dividends

| | Year ended 31 December 2000 €'000 | Year ended 31 December 1999 €'000 |
|---|---|---|
| Ordinary shares: | | |
| – interim paid €0.0101 per share (1999: €0.0174) | 444 | 762 |
| – interim paid €0.0174 per share (1999: nil) | 762 | – |
| – final proposed €0.0117 per share (1999 €0.0101) | 550 | 444 |
| | <hr/> 1,756 | <hr/> 1,206 |

For comparison purposes the dividend per share has been recalculated to show the dividend per share on the redenominated shares to reflect the 12 for 1 share split which took place on 21 November 2000 and is described in Note 17 to the financial statements.

10. Earnings per Share

| | Year ended 31 December 2000 €'000 | Year ended 31 December 1999 €'000 |
|--|---|--|
| Profit for financial year | 8,013 | 4,958 |
| <hr/> | | |
| | Year ended 31 December 2000 €'000 | Redenominated year ended 31 December 1999 €'000 |
| Weighted average number of shares in issue | 44,019 | 44,350 |
| Dilutive effect of options outstanding | 3,491 | 450 |
| Diluted weighted average number of shares | 47,510 | 44,800 |
| <hr/> | | |
| Basic earnings per share | €0.1820 | €0.1118 |
| Diluted earnings per share | €0.1687 | €0.1107 |

11. Intangible Asset

| | 31 December 2000 €'000 | 31 December 1999 €'000 |
|---|---------------------------|---------------------------|
| Goodwill | | |
| Goodwill at cost arising on acquisition of subsidiaries | 2,108 | 2,108 |
| <hr/> | | |
| Amortisation | | |
| Opening balance | 720 | 599 |
| Amortisation for year | 121 | 121 |
| Closing balance | 841 | 720 |
| <hr/> | | |
| Net book value | | |
| At 31 December 2000 | 1,267 | 1,388 |

Notes to the Financial Statements continued

12. Tangible Assets

| | Freehold & leasehold property €'000 | Fixtures fittings & equipment €'000 | Computer equipment €'000 | Equipment screens €'000 | Leased equipment screens €'000 | Motor vehicles €'000 | Total €'000 |
|---|--|--|--------------------------------|-------------------------------|---|----------------------------|----------------|
| Cost | | | | | | | |
| At 1 January 2000 | 12,341 | 9,874 | – | 2,116 | 1,334 | 405 | 26,070 |
| Additions | 1,081 | 2,980 | 4,932 | 472 | – | 147 | 9,612 |
| Disposals | (236) | – | – | – | – | (83) | (319) |
| Transfers | – | (439) | 439 | – | – | – | – |
| At 31 | | | | | | | |
| December 2000 | 13,186 | 12,415 | 5,371 | 2,588 | 1,334 | 469 | 35,363 |
| Depreciation | | | | | | | |
| Depreciation at 1 January 2000 | – | 5,486 | – | 863 | 945 | 118 | 7,412 |
| Prior year adjustment | 3,185 | – | – | – | – | – | 3,185 |
| Depreciation at 1 January 2000 (restated) | 3,185 | 5,486 | – | 863 | 945 | 118 | 10,597 |
| Charge for year | 539 | 1,351 | 707 | 467 | 389 | 85 | 3,538 |
| Disposals | (57) | – | – | – | – | (51) | (108) |
| Transfers | – | (139) | 139 | – | – | – | – |
| Depreciation at 31 December 2000 | 3,667 | 6,698 | 846 | 1,330 | 1,334 | 152 | 14,027 |
| Net book value | | | | | | | |
| At 31 December 2000 | 9,519 | 5,717 | 4,525 | 1,258 | – | 317 | 21,336 |
| At 31 December 1999 | 9,156 | 4,388 | – | 1,253 | 389 | 287 | 15,473 |

The Group owns 12 freehold and long leasehold retail properties. These premises, in addition to one property where the Group has an option to purchase a freehold interest, had a net book value of €2.5 million at 31 December 2000 (30 June 2000: €2.5 million) and were valued on an existing use basis by Jones Lang LaSalle at 30 June 2000 at €5.8 million.

12. Tangible Assets *continued*

Included in tangible assets are the following amounts in respect of assets held under finance leases:

| | 31 December 2000 net book value €'000 | 31 December 2000 depreciation charge €'000 |
|----------------------------|--|---|
| Leased equipment – screens | – | 222 |

13. Debtors

| | 31 December 2000 €'000 | 31 December 1999 €'000 |
|-------------------------------|---------------------------|---------------------------|
| Other debtors and prepayments | 671 | 908 |

All of the above debtors fall due within one year.

14. Creditors *(Amounts Falling Due Within One Year)*

| | 31 December 2000 €'000 | 31 December 1999 €'000 |
|-------------------------|---------------------------|---------------------------|
| Trade creditors | 1,141 | 1,471 |
| Accruals | 4,954 | 938 |
| Customer balances | 1,266 | 237 |
| Corporation tax | 2,828 | 2,107 |
| PAYE and Social Welfare | 340 | 451 |
| Betting duty | 1,110 | 716 |
| Value added tax | 1,051 | 620 |
| Dividends payable | 550 | 444 |
| Finance leases | – | 418 |
| | 13,240 | 7,402 |

15. Obligations Relating to Finance Leases

| | 31 December 2000 €'000 | 31 December 1999 €'000 |
|-----------------|---------------------------|---------------------------|
| Within one year | – | 418 |

Notes to the Financial Statements continued

16. Prior Year Adjustment

| | €'000 |
|---------------------------------------|---------|
| Reserves as previously stated | 13,795 |
| Less prior year adjustment | |
| – 1999 | (582) |
| – prior years | (2,603) |
| <hr/> | |
| Restated Reserves at 31 December 1999 | 10,610 |
| <hr/> | |

The decision of the Directors to depreciate freehold and leasehold properties in accordance with FRS 15 for the first time is a change of accounting policy, resulting in a prior year adjustment. The comparative figures for 1999 have been adjusted to show the depreciation charge for that year.

The accounting policy is stated on page 29 of these financial statements.

17. Share Capital

| | 31 December 2000 | 31 December 1999 |
|--|------------------|------------------|
| | €'000 | €'000 |
| Authorised equity | | |
| 70,000,000 ordinary shares of €0.10 each | | |
| (1999 – 8,000,000 ordinary shares of IR£1 each) | 7,000 | 10,158 |
| <hr/> | | |
| Allotted, called up and fully paid equity | | |
| 47,144,120 ordinary shares of €0.10 each | | |
| (1999 – 3,646,351 ordinary shares of IR£1 each) | 4,714 | 4,630 |
| <hr/> | | |

On 21 November 2000, the Company passed a special resolution redenominating the Company's authorised and issued shares of IR£1.00 each into ordinary shares of €1.269738 each and renominating such ordinary shares into ordinary shares of €1.20 each. By way of the same special resolution each ordinary share of €1.20 was subdivided in 12 ordinary shares of €0.10 each. When these changes became effective, the sum of €259,589, (representing the amount by which the Company's issued share capital was reduced by the renominating) was transferred to the capital conversion reserve fund. The authorised share capital was amended to €7,000,000, divided into 70,000,000 ordinary shares of €0.10 each.

17. Share Capital *continued*

The movement in shares issued during the year is shown below:

| | No. of shares '000 |
|--|-----------------------|
| At 31 December 1999 (3,646,351 x 12 – split) | 43,756 |
| Share options exercised – 1998 Scheme (Note 18a) | 672 |
| – Executive Share Option Scheme (Note 18b) | 240 |
| Restricted Share Scheme – (Note 18c) | 226 |
| New shares issued – staff share purchase | 47 |
| – share placing | 2,203 |
| <hr/> | |
| Shares in issue at 31 December 2000 | 47,144 |

18. Share Options and Employee Participation

The Company had the following employee share schemes in existence during the year:

(a) The 1998 Scheme

Under the 1998 Scheme options over a total of 672,000 shares were granted at an exercise price of €0.35 per share. These options were exercised in November 2000 and the scheme was terminated.

**(b) The Power Leisure plc May 2000 Executive Share Option Scheme
(the “Executive Share Option Scheme”)**

Under the May 2000 Executive Share Option Scheme options over a total of 3,543,000 shares were granted at an exercise price of €1.16 per share. Options over 240,000 shares were exercised in November 2000.

The remaining options are exercisable as follows:

| Earliest exercise date | No. of shares |
|------------------------|---------------|
| 1 May 2003 | 2,859,000 |
| 1 May 2004 | 177,000 |
| 1 May 2005 | 267,000 |

On 21 November 2000 the shareholders approved the termination of this Scheme so that no new options may be granted pursuant to this scheme.

Notes to the Financial Statements continued

18. Share Options and Employee Participation *continued*

(c) The Power Leisure plc 2000 Restricted Share Scheme (the "Restricted Scheme")

The Restricted Scheme was adopted by shareholders on 21 November 2000 conditional on the Company's shares being listed on the Irish Stock Exchange. Employees eligible to participate in the Restricted Scheme may not be participants in any other Company share option scheme (save for the Sharesave Scheme described below). In addition, to be eligible, a participant must have been an employee at 7 December 2000, must have at least three years continuous service and be listed in the allocation schedule attached to the Rules of the Restricted Scheme. The awards of shares granted under the Restricted Scheme are in the amounts of €3,175, €1,905 or €1,270 per eligible employee. The maximum number of shares which may be subject of an award shall equal €952,306 at market price at the date of grant.

The shares cannot be sold less than five years after the date of the award granted. During this period of five years the shares will be held by the Power Leisure Employee Benefit Trustee Limited for the benefit of the relevant employees.

In December 2000, 225,908 shares were issued under the Restricted Share Scheme at €2.40 per share.

(d) The Power Leisure plc November 2000 Share Option (the "Share Option Scheme")

The Share Option Scheme was adopted by shareholders on 21 November 2000. The Share Option Scheme is available to Directors, other than non-executive Directors, and employees. The exercise price is determined by the Board but shall not be less than the Placing Price in the case of any option granted within 42 days of admission of the shares to the Official List of the Irish Stock Exchange and in any other case the middle market quotation for an ordinary share as derived from the Daily Official List of the Irish Stock Exchange for the dealing day immediately preceding the date of grant or if higher, the nominal value of such ordinary share.

Options may be granted within a period of 10 years from 7 December 2000. Options may not be exercised earlier than three years from the date of grant and can only be exercised if the Group meets certain targets and any further condition on exercise which the Board determines to be appropriate. These targets require real growth (Consumer Price Index plus 5 percent compounded annually) in earnings per share of the Group over a period of not less than three years following the grant of an option.

In December 2000 options on 50,000 shares were granted at an exercise price of €2.40 per share.

(e) The Power Leisure plc Sharesave Scheme (the "Sharesave Scheme")

The Sharesave Scheme was adopted by shareholders on 21 November 2000 and was subsequently approved by the Revenue Commissioners.

All employees (including executive directors) who have not less than 12 months continuous service with the Group or any subsidiary nominated to join the Sharesave Scheme may be invited to apply for options to acquire shares. Options will normally be granted to all eligible employees in the 42 day period after the announcement of the interim or final results of the Company. The purchase price for each ordinary share in respect of which an option is granted shall not be less than 90 percent of the closing price of the shares on the Irish Stock Exchange on the dealing day last preceding the date of grant of the option or its nominal value. The aggregate maximum monthly contribution payable by an employee under a saving contract may not exceed €64.

The maximum number of shares for which options may be granted shall not, when added to the number of shares which have been or remain to be issued pursuant to options granted under the Sharesave Scheme exceed one percent of the issued ordinary share capital of the Company. In addition, the number of shares for which options may be granted under the Sharesave Scheme in any period of ten successive calendar years shall not, when added to the number of shares which have been or remain to be issued pursuant to options in the Sharesave Scheme granted during the same period under any other employee share scheme of the Company, exceed ten percent of the issued share capital of the Company.

19. Share Premium

| | 31 December 2000 |
|---|------------------|
| | €'000 |
| At 31 December 1999 | 305 |
| Premium on shares issued during the year: | |
| 672,000 shares issued under the 1998 Scheme | 163 |
| 240,000 shares issued under the Executive Share Option Scheme | 254 |
| 225,908 shares issued under the Restricted Scheme | 520 |
| 2,250,000 shares issued in the share placing | 5,175 |
| Less: | |
| Cost of share placing and flotation | (2,832) |
| At 31 December 2000 | 3,585 |

The share premium at 31 December 1999 arose on shares issued in 1998.

Included in the cost of the share placing is €0.9 million being the total cost of the Restricted Scheme. This scheme was offered to employees as part of the flotation process and was conditional on the admission of the Company's shares to the Official List of the Irish Stock Exchange. Shareholders who sold shares as part of the placing in December 2000 contributed €0.6 million to the costs of the placing.

*Notes to the Financial Statements continued***20. Capital Redemption Reserve Fund**

Shares in the Company acquired by the Company and subsequently cancelled.

| | Number of ordinary shares of IR£1 each | Value €'000 |
|------------------------------------|--|----------------|
| Balance at 1 January 1999 | 391,467 | 497 |
| 19 May 1999 | 130,000 | 165 |
| Balance at 31 December 2000 | | 662 |

An amount equal to the nominal value of the shares acquired and cancelled is included in the Capital Redemption Reserve Fund.

21. Capital Conversion Reserve Fund

On 7 December 2000 the Company redenominated its existing ordinary shares of IR£1.00 each into ordinary shares of €1.269738 each and then renominialised those ordinary shares into ordinary shares of €1.20 each (and subsequently subdivided into ordinary shares of €0.10 each). The resulting reduction in the issued share capital amounting to €259,590 was transferred to the capital conversion reserve fund.

22. Cash Flows**(a) Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities**

| | 31 December 2000 €'000 | 31 December 1999 €'000 |
|--|---------------------------|---------------------------|
| Operating profit | 10,629 | 7,037 |
| Depreciation | 3,538 | 2,548 |
| Amortisation of goodwill | 121 | 121 |
| Decrease/(increase) in debtors | 237 | (798) |
| Increase in creditors | 5,429 | 388 |
| Loss/(profit) on disposal of fixed assets | 150 | (17) |
| Net cash inflow from operating activities | 20,104 | 9,279 |

22. Cash Flows *continued***(b) Analysis of Changes in Cash During the Year**

| | 31 December 2000 | 31 December 1999 |
|-----------------------------|------------------|------------------|
| | €'000 | €'000 |
| Balance at 1 January 2000 | 5,840 | 5,240 |
| Net cash inflow | 10,214 | 600 |
| Balance at 31 December 2000 | 16,054 | 5,840 |

(c) Analysis of the Balances of Cash as Shown in the Balance Sheet

| | 2000 | 1999 | Change in period |
|-----------------------------|--------|-------|------------------|
| | €'000 | €'000 | €'000 |
| Cash at bank and in hand | 16,537 | 6,266 | 10,271 |
| Bank overdrafts | (483) | (426) | (57) |
| Balance at 31 December 2000 | 16,054 | 5,840 | 10,214 |

23. Intangible Asset – Company

| | 31 December 2000 | 31 December 1999 |
|------------------------------------|------------------|------------------|
| | €'000 | €'000 |
| Goodwill arising on acquisition | 2,421 | 2,421 |
| Amortisation | | |
| Balance at 1 January 2000 | 720 | 599 |
| Amortisation in year | 121 | 121 |
| At 31 December 2000 | 841 | 720 |
| Net book value at 31 December 2000 | 1,580 | 1,701 |

Notes to the Financial Statements continued

24. Tangible Assets - Company

| | Freehold & leasehold property €'000 | Fixtures fittings & equipment €'000 | Computer equipment €'000 | Equipment screens €'000 | Leased equipment screens €'000 | Motor vehicles €'000 | Total €'000 |
|---|--|--|--------------------------------|-------------------------------|---|----------------------------|----------------|
| Cost | | | | | | | |
| Cost at | | | | | | | |
| 1 January 2000 | 11,989 | 9,874 | - | 2,116 | 1,334 | 405 | 25,718 |
| Additions | 968 | 2,932 | 536 | 472 | - | 147 | 5,055 |
| Disposals | (224) | - | - | - | - | (83) | (307) |
| Transfers | - | (439) | 439 | - | - | - | - |
| Cost at 31 December 2000 | 12,733 | 12,367 | 975 | 2,588 | 1,334 | 469 | 30,466 |
| Depreciation | | | | | | | |
| Depreciation | | | | | | | |
| at 1 January 2000 | - | 5,486 | - | 863 | 945 | 118 | 7,412 |
| Prior year adjustment | 3,018 | - | - | - | - | - | 3,018 |
| Depreciation at 1 January 2000 (restated) | 3,018 | 5,486 | - | 863 | 945 | 118 | 10,430 |
| Charge for year | 515 | 1,345 | 193 | 467 | 389 | 85 | 2,994 |
| Disposals | (51) | - | - | - | - | (51) | (102) |
| Transfers | - | (139) | 139 | - | - | - | - |
| Depreciation at 31 December 2000 | 3,482 | 6,692 | 332 | 1,330 | 1,334 | 152 | 13,322 |
| Net book value | | | | | | | |
| At 31 December 2000 | 9,251 | 5,675 | 643 | 1,258 | - | 317 | 17,144 |
| At 31 December 1999 | 8,971 | 4,388 | - | 1,253 | 389 | 287 | 15,288 |

25. Financial Assets – Company

| | 31 December 2000 | 31 December 1999 |
|---|------------------|------------------|
| | € | € |
| Investment in Subsidiaries at Cost | | |
| Shares in Group companies: | | |
| Zephyr Limited | 3 | 3 |
| KOR Enterprises | 12,697 | 12,697 |
| Rexbury Limited | 5 | 5 |
| Q.C. Holdings Limited | 56,502 | 56,502 |
| Pridepark Developments Limited | 3 | 3 |
| Power Leisure (IOM) Limited | 3 | 3 |
| Leisurebet Limited | 127 | 127 |
| Power Leisure (UK) Limited | 3 | 3 |
| Paddy Power Bookmakers (Malta) Limited | 25,515 | – |
| | <hr/> 94,858 | <hr/> 69,343 |

In the opinion of the Directors, the value to the Company of the unlisted investments is not less than the book amount shown above.

All the subsidiaries are wholly owned and incorporated in the Republic of Ireland except Power Leisure (IOM) Limited which is incorporated in the Isle of Man, Power Leisure (UK) Limited which is incorporated in England and Paddy Power Bookmakers (Malta) Limited which is incorporated in Malta. KOR Enterprises, Rexbury Limited, Zephyr Limited, Q.C. Holdings Limited and Pridepark Developments Limited are property holding companies. Power Leisure (IOM) Limited and Paddy Power Bookmakers (Malta) Limited are non-trading companies. Leisurebet Limited and Power Leisure (UK) Limited commenced trading in the year.

26. Debtors – Company

| | 31 December 2000 | 31 December 1999 |
|----------------------------------|------------------|------------------|
| | €'000 | €'000 |
| Other debtors and prepayments | 670 | 847 |
| Amounts due from Group companies | 7,879 | 59 |
| | <hr/> 8,549 | <hr/> 906 |

*Notes to the Financial Statements continued***27. Creditors (Amounts Falling Due Within One Year) – Company**

| | 31 December 2000 | 31 December 1999 |
|---------------------------------|------------------|------------------|
| | €'000 | €'000 |
| Trade creditors | 1,130 | 1,455 |
| Accruals | 4,920 | 938 |
| Customer balances | 687 | 234 |
| Corporation tax | 2,828 | 2,107 |
| PAYE and Social Welfare | 340 | 451 |
| Betting duty | 1,110 | 716 |
| Value added tax | 1,049 | 620 |
| Dividends | 550 | 444 |
| Finance leases | – | 418 |
| Amounts owed to Group companies | 78 | 65 |
| | <hr/> 12,692 | <hr/> 7,448 |

28. Pensions

The Company operates defined contribution schemes for certain employees and executive Directors which the Group finances. The assets of the schemes are held separately from those of the Group in independently administered funds.

| | 31 December 2000 | 31 December 1999 |
|---------------|------------------|------------------|
| | €'000 | €'000 |
| Pension costs | 381 | 320 |
| Prepayment | – | 51 |

29. Contingent Liabilities and Guarantees

The Company has revolving credit and guarantee facilities of €6.98m (IR£5.5m) and €0.8m (Stg£0.5m) respectively with Allied Irish Banks plc. The Company has granted to Allied Irish Banks plc a first fixed charge over the Group's freehold and long leasehold properties as security for the facilities.

30. Capital and Other Financial Commitments

The Group has entered into commitments for capital expenditure not provided for in the financial statements amounting to €0.5 million.

The Group has annual commitments in respect of operating leases on properties:

| | 31 December 2000 | 31 December 1999 |
|-----------------------|------------------|------------------|
| | €'000 | €'000 |
| Leases which expire: | | |
| Within 1 year | 2,091 | 1,915 |
| Between 1 and 2 years | 2,065 | 1,889 |
| Between 2 and 5 years | 5,958 | 5,486 |
| After 5 years | 21,757 | 21,853 |
| | 31,871 | 31,143 |

31. Related Party Transactions

The Company paid rent of €19,046 (1999 – €19,046) and €12,788 (1999 – €12,788) during the year for retail properties occupied by the Company under long term leases owned by Stewart Kenny and David Power respectively, both of whom are Directors.

David Power, a non-executive Director received €3,809 (1999 – €4,000) in respect of consulting fees.

The Company paid Tatoria Limited €39,997 (1999 – nil) during the year for audio-visual services. Peter O'Grady Walshe is a non-executive director of Tatoria Limited.

ICC Bank plc, a licensed bank and shareholder in the Company, has provided leasing finance to the Company and the Company has placed deposits with the bank. Michael Quinn, a non-executive Director of the Company, is a director of the bank.

The Company engaged in hedging transactions with David Power, a non-executive director in his capacity as an on-course bookmaker. In aggregate, bets totalling €3,000 (1999 – €4,000) were placed by the Group with Richard Power On-Course Bookmakers and that firm placed bets totalling €12,793 (1999 – €26,000) with the Company.

All of the above transactions with directors or persons connected with them were conducted on an arms length basis at normal commercial rates.

Notes to the Financial Statements continued

32. Treasury Information

The Group has limited financial risks.

The Group does not have any borrowings and therefore does not have any exposure to interest rate risk.

Transactions are predominantly denominated in Irish pounds and therefore the Group has limited exposure to foreign exchange risk. The Group tends to consistently have surplus cash balances and these are placed on deposit for periods generally not exceeding 90 days. In addition, the Group has working capital and guarantee facilities with Allied Irish Banks plc totalling €6.98m (IR£5.5m) and €0.8m (Stg£0.5m) respectively. On that basis the Group has limited exposure to liquidity risk.

33. Profit Attributable to Power Leisure plc

The profit for the financial year dealt with in the financial statements of the parent Company, Power Leisure plc, was €9.5 million (1999 – €3.7 million).

As permitted by Section 3(2) of the Companies (Amendment) Act, 1986 no separate profit and loss account is presented in respect of the parent Company.

34. Comparative Figures

The comparative figures included in the financial statements are for the year ended 31 December 1999 restated for the prior year adjustment relating to the depreciation charge for that year.

35. Approval of Financial Statements

The Directors approved the financial statements on 20 February 2001.