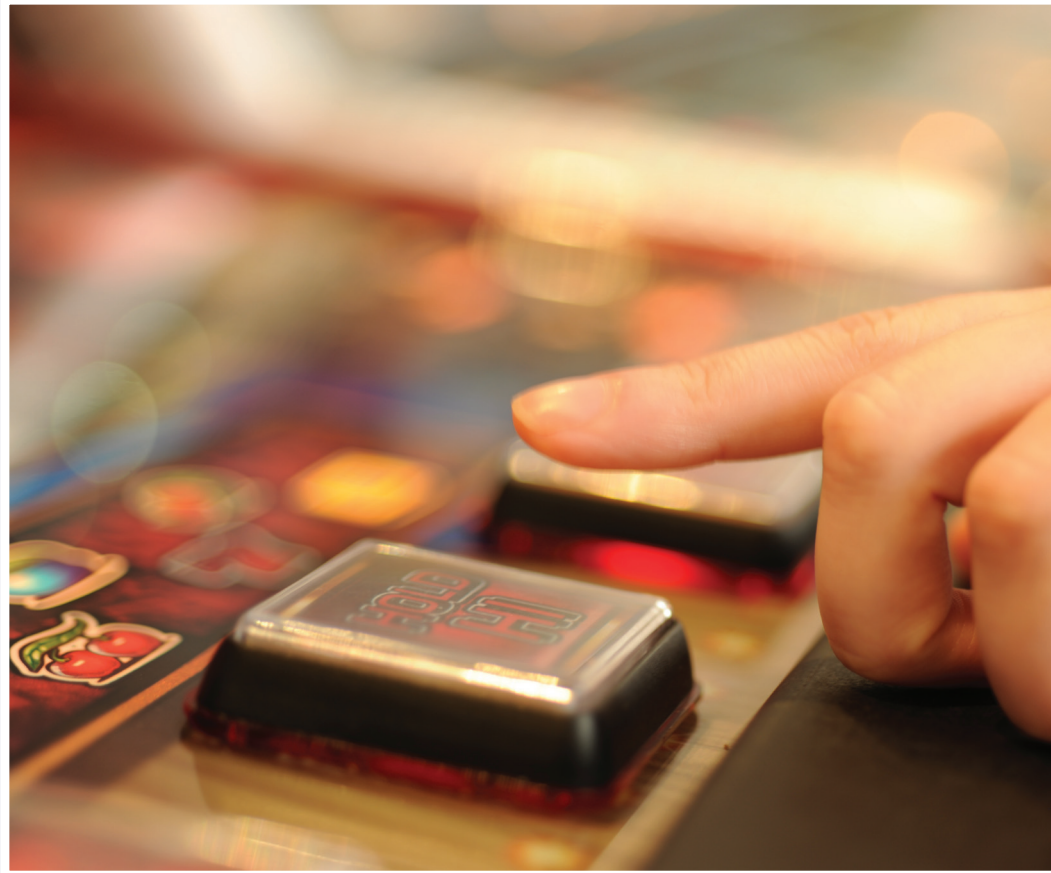


sceptre



SCEPTRE LEISURE PLC



# The business in leisure

Sceptre Leisure plc Interim report 2011

Who we are

# One of only two national operators of gaming and leisure equipment in the UK leisure market

Sceptre Leisure is one of the largest operators of amusement, gaming and leisure equipment in the UK.

With one of the most experienced teams in the industry, we are able to provide our customers with the optimum equipment for their particular locations, thus ensuring maximum income is generated.



Read on to find out how we are delivering excellence and driving growth...

## In this report

### Overview

IFC Who we are

01 Key operational highlights

### Business Review

02 Chairman's statement

03 Chief Executive's review

06 Financial review

### Accounts

08 Condensed consolidated statement of comprehensive income

09 Condensed consolidated balance sheet

10 Condensed consolidated statement of cash flows

11 Condensed consolidated statement of changes in equity

12 Notes

### Other information

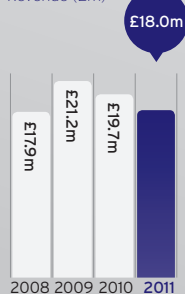
16 Secretary and advisors

## Key operational highlights

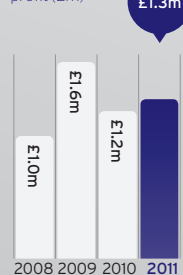
- > Business performing robustly
- > Significant new contract with Rileys
  - > Four-year contract to supply entire estate
  - > In excess of 400 gaming, skill with prizes (SWP) and amusement machines
  - > Deal worth £2.5m over contract term
- > Contracts renewed and extended with existing customers
  - > Marston's
  - > Joseph Holt
  - > De Vere Hotels
  - > McManus Pub Company
- > Net debt reduced by £1.8m to £14.0m (2010: £15.8m)
- > Increased focus on cost control delivering further efficiencies
- > Agreement signed with Gauselmann Group and Blueprint Gaming to develop a digital pub offering

Read more in the Financial Review >> pages 6-7

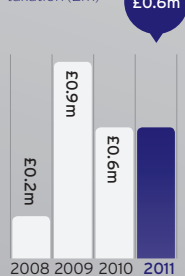
Revenue (£m)



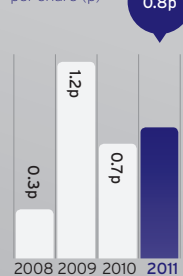
Operating profit (£m)



Profit before taxation (£m)



Basic earnings per share (p)



## Chairman's statement



“”

Our strategic aim remains clear: to continue as the leading operator of amusement and gaming machines in the licensed retail market whilst increasing market share.

Sceptre is once again able to report another profitable start to the financial year, slightly ahead of the previous interim results.

This profitability has been achieved despite reduced income from our skill with prizes (SWP) machines and a reduction in sales to the registered members' club market. The resilience displayed by our core business is based on the efforts of the Sceptre team and they should once again feel proud of their contribution to our continued success.

During the last six months, we have continued to win new business and extend existing contracts, culminating with the award in September 2011 of a four-year, sole-supply contract to provide amusement and gaming machines to Rileys pool and snooker halls nationwide. This new contract

will allow us to build on the good start reported to date as we enter the second half of our financial year, which is traditionally stronger due to seasonal income trends.

We have recently been able to announce an important strategic alliance which will allow Sceptre to strengthen its position in the digital games market over the coming months. Our agreement with Gauselmann Group and Blueprint Gaming puts Sceptre in an enviable position as this new market develops.

Net debt has been reduced over the last twelve months, down to £14.0m from £15.8m a year ago. Whilst this is a slight increase since April 2011, due to investment in our machine estate, we expect the trend of debt reduction to continue in the second half of the financial year.

Our strategic aim remains clear: to continue as the leading operator of amusement and gaming machines in the licensed retail market whilst increasing market share. We will continue to move towards that goal by pursuing growth both through organic gains and selected acquisitions and we look forward to reporting continued success in both areas during the second half of the financial year.

**Douglas Yates**  
Chairman

15 December 2011

## Chief Executive's review



“““

We have continued to develop our core machine rental business with the announcement of new contracts and the strengthening of relationships with existing customers.

### In summary

Continued development of core machine rental business

New four-year contract with Rileys

Contracts renewed and extended with existing customers

I am pleased to report another period of profitable trading for Sceptre Leisure at the interim stage of the current financial year. We have continued to develop our core machine rental business with the announcement of new contracts and the strengthening of relationships with existing customers.

### Performance overview

Group income was £1.7m lower at £18.0m (2010: £19.7m) due to three principal factors: SWP machine income reductions and lower royalty charges on pub company contracts within Sceptre Leisure Solutions, and reduced sales to registered members' clubs by Lotteryking. Whilst the reduced royalty income has no effect on profitability, the other loss of income has been mitigated by a programme of cost review and reduction such that our gross profit is slightly ahead of the same period last year. Administrative and other costs have also been controlled, allowing us to report a profit before tax in line with the previous year.

### Sceptre Leisure Solutions

Sceptre Leisure Solutions has successfully extended contracts with existing customers such as Marston's, Joseph Holt and De Vere Hotels. In addition to this, it has also been awarded a new four-year contract with Rileys to be the sole supplier to its 120 pool and

snooker halls nationwide. This significant contract will begin to deliver income and profit during the second half of the current financial year. This has been achieved against a backdrop of economic turbulence in the UK economy and I would echo the Chairman's praise of our exceptional operations team.

However, as reported above, Sceptre's income was adversely affected by two principal factors.

Firstly in November 2010 HMRC required that certain games should no longer be offered through the SWP terminals. This withdrawal of content reduced the income from our estate of 3,000 SWP machines and resulted in an income reduction of £0.6m over the six months under review. The revenue from these machines has now stabilised and we are adjusting our operating ratios and methodology accordingly to minimise the effect on gross margin.

Secondly there has been an industry-wide move away from the traditional royalty-based model that has affected royalties charged and repaid as part of machine operating contracts. During the period under review this has resulted in a reduction of £0.5m in both revenue and cost of sales when compared to the prior year.

## Chief Executive's review continued

### >> Our goals

**1**

Develop on our market leadership positions

**2**

Create long-term shareholder value

### >> Our strategy

#### **Market focus**

We continue to win high-quality business in all areas of the UK. Our commitment to customer service has led us to be recognised as a leading machine operator by the UK's premium pub companies.

#### **Developing our organisation**

Our growth over the past twelve years has been both organic and acquisitive. We seek to gain new business in geographical areas that complement our nationwide operational infrastructure. Acquisitions are integrated quickly and efficiently so that they can begin to contribute from day one.

#### **Improving our operations**

The combination of our recent acquisition and contract wins gives us a great platform from which to build the business.

Our target is to have 95% of our assets on site at any one time. This high level of utilisation maximises returns from our machine estate.

## 6699

Sceptre will also continue to explore and assess acquisition opportunities as the second strand of its growth strategy. We remain keen to complete such transactions where both the price and the operational fit are right for us.

### Sceptre Leisure Solutions continued

Despite the above factors, our machine rental division is able to report increased profitability, contributing £1.4m (2010: £1.1m) of profit before tax during the six months under review.

### Lotteryking

Trading within Lotteryking has been affected by a sharp downturn in activity within the registered members' club market. Lottery ticket sales to this sector were 27% lower than the same period last year at £0.75m (2010: £1.0m) despite a larger machine estate. This is due to reduced footfall within the clubs and a tightening of spend per visit. We have taken actions to reduce the costs within this division and we believe that we now have a structure that will allow it to trade profitably and continue to contribute cash for the remainder of the year.

### Kelly's Eye

Sales of our full catalogue of indoor gaming and consumables to pubs and through our online e-commerce sites continue to grow year-on-year. Whilst this is not yet a significant contributor to Group revenues or profits, I remain confident that this will become an increasingly important sector for us. We will continue to grow this side of the business whilst maintaining control of the costs associated with it.

### Digital evolution

I am pleased to be able to report that we have signed an agreement with the Gauselmann Group and Blueprint Gaming to develop a digital fruit machine, or amusement with prizes (AWP), offering for the licensed retail market.

Gauselmann is one of the largest manufacturers and operators of digital gaming machines in Europe. They have developed customised hardware specifically for the UK market and Sceptre will act as the sole supplier of their range of digital gaming machines to the UK pub market. Blueprint Gaming has rapidly built a strong reputation in the digital gaming arena and will provide a full range of market-leading software and games content.

The digital market in pubs within the UK has been slow to develop due to a lack of suitable product. However, the dynamics in the predominantly reel-based supply side of the market are changing, creating growing demand for digital content and in turn an opportunity for successful digital product suppliers to succeed. The Gauselmann Group has first-hand experience of such an evolution and was instrumental in managing the migration from reel-based gaming to digital in its domestic market.

This is an important strategic alliance for Sceptre with the market leader in the digital arena. The marketplace is beginning to evolve more quickly

and our tie-up with the Gauselmann Group and Blueprint Gaming positions Sceptre at the forefront of this technology-led area at an exciting time for the industry.

### Outlook

Our contract pipeline within the machine rentals division remains strong and our continued success at winning new business has driven our performance improvements over the six months under review. We will continue to pursue organic growth over the remainder of the year and I am confident of our ability to progress further in this area.

Sceptre will also continue to explore and assess acquisition opportunities as the second strand of its growth strategy. We remain keen to complete such transactions where both the price and the operational fit are right for us.

In summary, we have been able to report further progress towards our target of becoming the largest machine supplier to the UK licensed trade and I look forward to working with my team over the remainder of the financial year to bring Sceptre closer to that goal.



**Kenneth Turner**  
Chief Executive Officer  
15 December 2011

## Financial review



“””

Capital expenditure was £4.3m for the six months ended 31 October 2011, compared with £5.1m in the same period last year.

### In summary

Gross profit maintained in spite of reduced revenue

Operating profit increased by 7.2% to £1.3m

Net debt reduced to £14.0m from £15.8m a year ago

I would like briefly to review the main areas of financial activity during the period under review.

### Revenue and profitability

Group revenue reduced by 8.7% to £18.0m (2010: £19.7m), driven by a combination of reduced income from SWP machines following legislative changes, a reduction in contract royalties charged and lower sales to registered members' clubs from Lotteryking.

SWP income was considerably lower year-on-year with an average weekly income of £17.88 per machine, down from an average of £25.23 last year. When taken across our 3,000-strong estate of SWP machines, this equates to an income shortfall of £0.6m in the period under review and directly affects gross margin.

Royalty income was also reduced year-on-year by £0.5m over the six-month period. This figure is a pass-through charge and therefore does not have an effect on gross profit.

Finally, Lotteryking sales to registered members' clubs were £0.4m, or 25%, lower year-on-year. This sector has been severely affected by the economic downturn.

The reduction in income caused by the factors above led to a programme of cost control across the Group. As a result, we were able to maintain gross profit for the period under review, increasing operating profit by 7.2% to £1.3m (2010: £1.2m).

### Finance costs

Net finance costs charged to income were £629,000, of which £634,000 was cash interest. The balance related to a non-cash interest rate swap gain of £5,000. The derivative contract was a condition of the Group's banking agreements with Lloyds Banking Group and will continue to run alongside this facility until the end of the term loan in April 2014.

## Market overview

Sceptre-operated machines 2011

22,500

UK machines 2010

234,000\*

UK pub sector machines 2010

c.145,000

Total UK prize money 2009

£8.23bn\*

Total UK betting stake 2009

£10.29bn\*

\*Source: BACTA.

### Earnings per share

Basic earnings per share increased to 0.8p (2010: 0.7p).

### Exceptional costs

During the period, the Group incurred certain one-off restructuring costs. These related to redundancy payments and provisions as a result of corporate restructuring and totalled £53,000 (2010: £49,000). These costs are set out in note 10 to these interim results.

### Capital expenditure

Capital expenditure was £4.3m for the six months ended 31 October 2011, compared with £5.1m in the same period last year. £0.8m of the total for the year to date was attributable to the contract win with Rileys, the machines for which were installed during October 2011. This four-year contract will begin to contribute income during the second half of the current financial year.

### Financing

Net debt reduced to £14.0m from £15.8m a year ago and was slightly increased from £13.4m at 30 April 2011.

### Taxation

The effective rate of taxation in these interim statements is 27%, which is higher than the effective rate in the Group's 2011 Annual Report and Accounts of 12.5%. The difference is attributable to the recognition of a gain on bargain purchase and a change in the deferred tax rate in the year ended 30 April 2011.



**Mark White**  
Finance Director  
15 December 2011

## Condensed consolidated statement of comprehensive income for the six months ended 31 October 2011

		<b>Unaudited Six months ended 31 October 2011 £000</b>	Unaudited Six months ended 31 October 2010 £000	Year ended 30 April 2011 £000
Continuing operations	Note			
<b>Revenue</b>	4	<b>18,011</b>	19,735	38,627
Direct costs		<b>(11,934)</b>	(13,762)	(26,683)
<b>Gross profit</b>		<b>6,077</b>	5,973	11,994
Administrative expenses - normal		<b>(4,713)</b>	(4,738)	(9,514)
Administrative expenses - exceptional items	10	<b>(53)</b>	(49)	375
Loss on disposal of property, plant and equipment		<b>(53)</b>	(12)	(59)
<b>Operating profit</b>		<b>1,258</b>	1,174	2,746
Operating profit before exceptional items		<b>1,311</b>	1,223	2,371
Exceptional items	10	<b>(53)</b>	(49)	375
Finance income		<b>5</b>	77	170
Finance costs		<b>(634)</b>	(642)	(1,276)
Net finance expense		<b>(629)</b>	(565)	(1,106)
<b>Profit before taxation</b>	4	<b>629</b>	609	1,640
Tax expense	5	<b>(170)</b>	(193)	(205)
<b>Profit for the financial period and total comprehensive income</b>		<b>459</b>	416	1,435
<b>Profit and total comprehensive income attributable to:</b>				
- Equity holders of the parent		<b>441</b>	398	1,413
- Non-controlling interest		<b>18</b>	18	22
		<b>459</b>	416	1,435
<b>Earnings per ordinary share</b>				
- Basic	6	<b>0.8p</b>	0.7p	2.5p
- Diluted	6	<b>0.7p</b>	0.7p	2.4p

## Condensed consolidated balance sheet at 31 October 2011

	Unaudited 31 October 2011		Unaudited 31 October 2010		30 April 2011	
	£000	£000	£000	£000	£000	£000
<b>Assets</b>						
<b>Non-current assets</b>						
Intangible assets	5,821		5,386		6,231	
Property, plant and equipment	27,740		27,420		27,302	
<b>Total non-current assets</b>		<b>33,561</b>		32,806		33,533
<b>Current assets</b>						
Inventories	1,378		1,309		1,306	
Trade and other receivables	5,534		7,140		5,266	
Cash and cash equivalents	815		635		1,366	
<b>Total current assets</b>		<b>7,727</b>		9,084		7,938
<b>Total assets</b>		<b>41,288</b>		41,890		41,471
<b>Liabilities</b>						
<b>Current liabilities</b>						
Trade and other payables	(7,567)		(6,992)		(7,722)	
Corporation tax	(325)		(287)		(52)	
Interest-bearing loans and borrowings	(8,378)		(7,558)		(8,373)	
<b>Total current liabilities</b>		<b>(16,270)</b>		(14,837)		(16,147)
<b>Non-current liabilities</b>						
Trade and other payables	(509)		(2,287)		(1,289)	
Interest-bearing loans and borrowings	(6,396)		(8,924)		(6,404)	
Deferred taxation	(2,397)		(1,949)		(2,502)	
Derivative financial instruments	(115)		(213)		(120)	
<b>Total non-current liabilities</b>		<b>(9,417)</b>		(13,373)		(10,315)
<b>Total liabilities</b>		<b>(25,687)</b>		(28,210)		(26,462)
<b>Net assets</b>		<b>15,601</b>		13,680		15,009
<b>Equity</b>						
Share capital	5,466		5,394		5,466	
Share premium account	5,168		4,840		5,168	
Merger reserve	(2,232)		(2,232)		(2,232)	
Retained earnings	7,088		5,589		6,514	
<b>Equity attributable to equity holders of the parent</b>		<b>15,490</b>		13,591		14,916
Non-controlling interest	111		89		93	
<b>Total equity</b>		<b>15,601</b>		13,680		15,009

## Condensed consolidated statement of cash flows for the six months ended 31 October 2011

	Unaudited 31 October 2011		Unaudited 31 October 2010		30 April 2011	
	£000	£000	£000	£000	£000	£000
<b>Cash flows from operating activities</b>						
Profit before taxation	629		609		1,640	
Adjustments for:						
Depreciation	3,754		4,512		9,047	
Amortisation	410		289		672	
Recognition of gain on bargain purchase	–		–		(670)	
Impairment of intangible assets (brand names)	–		–		49	
Employee share-based payments	133		25		97	
Loss on disposal of property, plant and equipment	53		12		59	
Finance gain on derivative financial instruments	(5)		(77)		(170)	
Finance costs	634		642		1,276	
<b>Cash flows from operating activities before changes in working capital</b>		<b>5,608</b>		6,012		12,000
Changes in working capital:						
Increase in inventories		(72)		(33)		(30)
(Increase)/decrease in trade and other receivables		(268)		(1,369)		505
(Decrease)/increase in trade and other payables		(936)		1,616		1,348
<b>Cash generated from operations</b>		<b>4,332</b>		6,226		13,823
Finance costs		(634)		(642)		(1,276)
Income tax paid		–		(550)		(622)
<b>Net cash from operating activities</b>		<b>3,698</b>		5,034		11,925
<b>Cash flows from investing activities</b>						
Purchase of business net of cash acquired		–		–		(800)
Purchase of property, plant and equipment		(4,324)		(5,116)		(9,002)
Sale of property, plant and equipment		79		152		383
<b>Net cash used in investing activities</b>		<b>(4,245)</b>		(4,964)		(9,419)
<b>Cash flows from financing activities</b>						
Movement in bank loans and loan notes		(1,674)		(1,387)		(3,200)
Revolving credit facility payments		–		(2,200)		(2,200)
Finance lease rental drawdowns		1,228		112		567
<b>Net cash generated from financing activities</b>		<b>(446)</b>		(3,475)		(4,833)
<b>Net decrease in cash and cash equivalents</b>		<b>(993)</b>		(3,405)		(2,327)
Cash and cash equivalents at start of period		1,366		3,693		3,693
<b>Cash and cash equivalents at end of period</b>		<b>373</b>		288		1,366

## Condensed consolidated statement of changes in equity for the six months ended 31 October 2011

Unaudited 31 October 2011	Share capital £000	Share premium account £000	Merger reserve £000	Retained earnings £000	Equity attributable to equity holders of the parent £000	Non- controlling interest £000	Total equity £000
At 1 May 2011	5,466	5,168	(2,232)	6,514	14,916	93	15,009
Employee share-based payments	–	–	–	133	133	–	133
Transactions with owners	–	–	–	133	133	–	133
Profit for the financial period and total comprehensive income	–	–	–	441	441	18	459
<b>At 31 October 2011</b>	<b>5,466</b>	<b>5,168</b>	<b>(2,232)</b>	<b>7,088</b>	<b>15,490</b>	<b>111</b>	<b>15,601</b>

Unaudited 31 October 2010	Share capital £000	Share premium account £000	Merger reserve £000	Retained earnings £000	Equity attributable to equity holders of the parent £000	Non- controlling interest £000	Total equity £000
At 1 May 2010	5,394	4,840	(2,232)	5,166	13,168	71	13,239
Employee share-based payments	–	–	–	25	25	–	25
Transactions with owners	–	–	–	25	25	–	25
Profit for the financial period and total comprehensive income	–	–	–	398	398	18	416
At 31 October 2010	5,394	4,840	(2,232)	5,589	13,591	89	13,680

30 April 2011	Share capital £000	Share premium account £000	Merger reserve £000	Retained earnings £000	Equity attributable to equity holders of the parent £000	Non- controlling interest £000	Total equity £000
At 1 May 2010	5,394	4,840	(2,232)	5,166	13,168	71	13,239
Shares issued on the acquisition of the trade and assets of RV Smith (Leisure) Limited	72	328	–	–	400	–	400
Employee share-based payments	–	–	–	97	97	–	97
Taxation effect of share-based payments	–	–	–	(162)	(162)	–	(162)
Transactions with owners	72	328	–	(65)	335	–	335
Profit for the financial year and total comprehensive income	–	–	–	1,413	1,413	22	1,435
At 30 April 2011	5,466	5,168	(2,232)	6,514	14,916	93	15,009

## Notes

---

### 1 Reporting entity

Sceptre Leisure plc is a company registered and resident in England and Wales. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 October 2011 are unaudited and comprise the Company and its subsidiaries (together referred to as the "Group").

### 2 General information

These interim consolidated financial statements are for the six months ended 31 October 2011. They have not been prepared in accordance with IAS 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 April 2011. These financial statements have been prepared under the historical cost convention, except for revaluation of financial instruments.

These condensed consolidated interim financial statements were approved by the Board of Directors on 15 December 2011.

### 3 Basis of preparation and accounting policies

The financial information set out in these financial statements does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The consolidated statement of financial position as at 30 April 2011 and the consolidated income statement, consolidated statement of cash flows and associated notes for the year then ended have been extracted from the Group's Financial Statements as at 30 April 2011. Those Financial Statements have received an unqualified report from the auditor and have been delivered to the Registrar of Companies. The 2011 statutory accounts contained no statement under Section 498(2) or Section 498(3) of the Companies Act 2006.

The consolidated interim financial statements for the period ended 31 October 2011 have not been audited or reviewed in accordance with International Standard on Review Engagement 2410 issued by the Auditing Practices Board.

These consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year ended 30 April 2011.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 April 2011.

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Accordingly, the lives of certain plant and machinery assets have been extended during the reporting period. It is estimated that these changes will reduce the depreciation charge by £875,000 during the course of the current financial year. Management will continue to review their estimates of assets' useful lives to ensure that they remain consistent with operational practice.

### 3 Basis of preparation and accounting policies continued

The Directors have prepared trading and cash flow forecasts for a period in excess of one year from the date of approval of these interim results. The forecasts make assumptions in respect of future trading conditions and in particular the Directors' estimates of growth in the number of machines placed. These forecasts have been sensitised to take into account current trading levels and known future machine number growth. The forecasts take into account the amended facilities agreed with Lloyds Banking Group on 28 June 2011, which comprise a working capital facility of £500,000 (due for renewal in June 2012) and a term loan which is due to be repaid by April 2014. Taking into account a number of reasonably foreseeable sensitivities, the forecasts show that the Group will continue to meet its banking covenants and operate within currently available funding facilities for a period in excess of one year from the date of approval of these interim results.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Group's interim results.

### 4 Segmental information

The Board of Directors manages the Group in three business segments:

- machine sales and rental;
- the sale of lottery, indoor gaming and other products; and
- the operation of lotteries on behalf of charities.

During the period under review, over 90% of the Group's activities related to machine sales and rental and therefore the remaining segments have been consolidated due to materiality. All revenue reported in the period under review arose within the United Kingdom.

Segment performance is monitored monthly as part of the management reporting process. The financial performance for each segment is analysed and consolidation adjustments to reach the Group results are shown separately.

Segmental analysis	Machine sales and rental Six months to 31 October		Other Six months to 31 October		Central corporate costs Six months to 31 October		Group Six months to 31 October	
	2011 £000	2010 £000	2011 £000	2010 £000	2011 £000	2010 £000	2011 £000	2010 £000
Revenue	<b>16,592</b>	17,961	<b>1,419</b>	1,774	–	–	<b>18,011</b>	19,735
Profit/(loss) before taxation	<b>1,356</b>	1,105	<b>(85)</b>	19	<b>(642)</b>	(515)	<b>629</b>	609
Segment assets	<b>36,901</b>	37,057	<b>4,387</b>	4,833	–	–	<b>41,288</b>	41,890

## Notes continued

**5 Taxation**

The taxation charge on the profit before taxation for the six months ended 31 October 2011 is calculated by reference to the Directors' best estimate of the effective annual tax rate for the full year of 27.0% (2010: 12.5%). The movement in the effective tax rate is due to the recognition of a gain on bargain purchase and a change in the deferred tax rate in the year ended 30 April 2011.

**6 Earnings per share**

The calculations of earnings per share are based on the following profits and number of shares:

	<b>Six months ended 31 October 2011 £000</b>	Six months ended 31 October 2010 £000	Year ended 30 April 2011 £000
Profit for the financial period	<b>441</b>	398	1,413

	<b>Six months ended 31 October 2011 Number of shares</b>	Six months ended 31 October 2010 Number of shares	Year ended 30 April 2011 Number of shares
<b>Weighted average number of shares</b>			
For basic earnings per share	<b>56,989,585</b>	55,545,542	56,150,853
Share options	<b>4,943,012</b>	3,458,607	3,936,554
For diluted earnings per share	<b>61,932,597</b>	59,004,149	60,087,407

The Group's earnings per share are as follows:

	<b>Six months ended 31 October 2011 pence</b>	Six months ended 31 October 2010 pence	Year ended 30 April 2011 pence
Basic	<b>0.8</b>	0.7	2.5
Diluted	<b>0.7</b>	0.7	2.4

## 7 Share capital and share premium

The Company had 56,989,585 shares in issue as at the balance sheet date.

## 8 Dividends

The Directors do not propose the payment of an interim dividend (2010 interim dividend: nil; 2011 full year dividend: nil).

## 9 Net debt

	<b>Unaudited 31 October 2011 £000</b>	Unaudited 31 October 2010 £000	30 April 2011 £000
Cash and cash equivalents	<b>815</b>	635	1,366
Bank overdrafts	<b>(442)</b>	(347)	–
	<b>373</b>	288	1,366
Current interest-bearing loans and borrowings	<b>(7,936)</b>	(7,211)	(6,404)
Non-current interest-bearing loans and borrowings	<b>(6,396)</b>	(8,924)	(8,373)
	<b>(13,959)</b>	(15,847)	(13,411)

## 10 Exceptional administrative expenses

	<b>Six months ended 31 October 2011 £000</b>	Six months ended 31 October 2010 £000	Year ended 30 April 2011 £000
Restructuring and redundancy	<b>53</b>	49	132
Impairment of intangible assets - brands	–	–	49
Recognition of gain on bargain purchase	–	–	(670)
Professional and financial expenses relating to corporate restructuring	–	–	114
Exceptional administrative cost/(credit)	<b>53</b>	49	(375)

## Secretary and advisors

---

**Company Secretary**

Guy van Zwanenberg

**Registered office**

139 Brookfield Place  
Walton Summit  
Preston PR5 8BF

**Registered number**

3189747

**NOMAD and broker****Panmure Gordon & Co**

155 Moorgate  
London EC2M 6XB

**Statutory auditor****Grant Thornton UK LLP**

Grant Thornton House  
Melton Street  
Euston Square  
London NW1 2EP

**Solicitors****Napthens LLP**

St Andrews House  
Wellington Street  
Blackburn BB1 8DB

**Registrars****Capita IRG**

The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

**Bankers****Bank of Scotland Plc  
(Lloyds Banking Group)**

The Mound  
Edinburgh EH1 1YZ

**Website**

[www.sceptreleisureplc.co.uk](http://www.sceptreleisureplc.co.uk)



designed and produced by  
**the design portfolio**  
**marketing services.**  
[www.design-portfolio.co.uk](http://www.design-portfolio.co.uk)

**Sceptre Leisure plc**  
**Registered Office**

139 Brookfield Place  
Walton Summit  
Bamber Bridge  
Preston PR5 8BF

T 01772 694 242

F 01772 694 243

W [www.sceptreleisureplc.co.uk](http://www.sceptreleisureplc.co.uk)

E [info@sceptreleisureplc.co.uk](mailto:info@sceptreleisureplc.co.uk)