

Gaming group Gala in bid for the Tote

The Tote, the state-owned bookmaker founded in 1928 by Winston Churchill, was in the spotlight last night after gaming group Gala Coral confirmed it has made a bid for the business, which values it at GBP 405 million.

Gala said it would prefer to bid solely for the Tote's 540 betting shops, which it values at GBP 325m but would consider other options depending on how the government views its proposals.

Under Gala's alternative plans, it could offer GBP 405m for the entire business – then sell on Tote's on-course betting, telephone betting and internet betting operations. Gala values the division at GBP 80m.

However, it has also said it may offer GBP 325m for the entire business, hold on to the betting shops, then hand over the rest of Tote's operations to the UK racing industry.

Gala has offered to run this part of the business on an at-cost basis.

However, the Department of Culture, Media and Sport said last night that the government „had not yet invited any bids for the Tote“.

It added that it planned to announce how it would meet the government's desire for a sale of the Tote that would benefit the racing industry within the next month.

Labour made a manifesto pledge before the last General Election to sell the Tote to the racing industry. In September, plans by a horse-racing consortium – for a reputed between GBP 310m and GBP 320m – to buy it were thwarted after

the DCMS failed to reach an agreement with the group, which included race track owner Arena Leisure, Racecourse Holdings Trust – the arm of the Jockey Club that owns Aintree and Cheltenham.

Another racing industry consortium is also understood to be preparing a bid to challenge Gala's offer.

Tote operating profits fell 3.3 per cent to GBP 23.4m last year because of poor horse-racing results while turnover grew 16.9 per cent to GBP 2.21 billion.