

Praesepe Holdings Limited

Registered number: 07833708

Directors' report and financial statements

For the period ended 31 December 2013

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PRAESEPE HOLDINGS LIMITED

COMPANY INFORMATION

Directors	N S Harding A J Hall
Company secretary	EMW Secretaries Limited
Registered number	07833708
Registered office	1A Seebeck House Seebeck Place Knowlhill Milton Keynes Buckinghamshire MK5 8FR
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF

PRAESEPE HOLDINGS LIMITED

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PRAESEPE HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2013

The Directors present their report and the financial statements for the period ended 31 December 2013.

Activities and review of the business

The Company's principal activities are to act as a holding company for Baleday Limited, Praesepe Limited, Cashino Gaming Limited and Beacon Bingo Limited. These companies are engaged in the provision of leisure services and entertainment facilities. The Directors are not aware, at the date of this report, of any likely major changes in the Company's principal activities in the forthcoming year.

Group reorganisation

As part of a reorganisation of the Groups corporate structure, on 31 January 2014, the Company acquired the entire share capital of Beacon Bingo Limited and Cashino Gaming Limited from other Group undertakings, namely Thomas Holdings Limited and Praesepe Gaming Limited respectively. On 31 January 2014 a subsidiary of the Company, Beacon Bingo Online Limited was entered into member's voluntary liquidation.

Results and dividends

The profit for the period after taxation amounted to £317,000 (2012: loss 1,772,000).

The Directors do not recommend the payment of a final dividend in respect of the period ended 31 December 2013 (2012: £nil).

Principal risks and uncertainties

Information about the principal risks and uncertainties facing the Company are given in the consolidated financial statements of Merkur Casino UK Limited.

Directors

The Directors who served during the period and to the date of this report were:

N S Harding

A J Hall

T Niehenke (resigned 7 March 2014)

U M Wuseke (resigned 7 March 2014)

Directors' indemnity

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted or alleged to have been done or omitted, by them as officers or employees of the Company.

Appropriate directors' and officers' liability insurance cover is in place in respect of all of the Company's directors.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, therefore they continue to adopt the going concern basis for accounting in preparing the annual financial statements.

For further information regarding the Directors' assessment of the going concern status of the Company, refer to the accounting policies Note 1.2 in the financial statements.

PRAESEPE HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2013 (continued)

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption provided by section 414B(b) of the Companies Act 2006.

This report was approved by the board on 18 June 2014 and signed on its behalf.



A J Hall
Director

PRAESEPE HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF PRAESEPE HOLDINGS LIMITED

We have audited the financial statements of Praesepe Holdings Limited for the period ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the Company's member as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

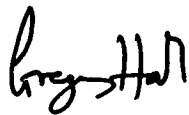
PRAESEPE HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF PRAESEPE HOLDINGS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report.



Gregory Hall (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: 20 June 2014

PRAESEPE HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2013

		Period ended 31 December 2013 £000	60 weeks ended 30 December 2012 £000
	Note		
Cost of sales		(70)	-
Gross loss		(70)	-
Administrative expenses		(3,561)	(525)
Exceptional administrative expenses	7	(391)	(425)
Total administrative expenses		(3,952)	(950)
Other operating income	2	4,300	-
Operating profit/(loss)	3	278	(950)
Interest payable and similar charges	6	16	(822)
Profit/(loss) on ordinary activities before taxation		294	(1,772)
Tax on profit/(loss) on ordinary activities	8	23	-
Profit/(loss) for the financial year	16	317	(1,772)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and Loss Account.

There are no material differences between the profit/(loss) on ordinary activities before taxation and the retained profit/(loss) for the financial period stated above and their historical cost equivalents.

The notes on pages 7 to 17 form part of these financial statements.

PRAESEPE HOLDINGS LIMITED

Registered number: 07833708

BALANCE SHEET AS AT 31 DECEMBER 2013

		31 December 2013		30 December 2012	
	Note	£000	£000	£000	£000
Fixed assets					
Tangible assets	9		338		-
Investments	10		<u>7,576</u>		<u>7,576</u>
			7,914		7,576
Current assets					
Debtors	11	7,921		21	
Creditors: amounts falling due within one year	12	<u>(8,887)</u>		<u>(663)</u>	
Net current liabilities			<u>(966)</u>		<u>(642)</u>
Total assets less current liabilities			6,948		6,934
Provisions for liabilities					
Other provisions	14		<u>(122)</u>		<u>(425)</u>
Net assets			<u>6,826</u>		<u>6,509</u>
Capital and reserves					
Called up share capital	15		-		-
Other reserves	16		8,281		8,281
Profit and loss account	16		<u>(1,455)</u>		<u>(1,772)</u>
Shareholder funds	17		<u>6,826</u>		<u>6,509</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 June 2014.



A J Hall
Director

The notes on pages 7 to 17 form part of these financial statements.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The Company is a wholly owned subsidiary of Merkur Casino UK Limited ("Merkur"), and is included in those consolidated financial statements which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

The Company is also exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

1.2 Going concern

After reviewing the Company's and wider Group's budgets and forecasts for the next 12 months from the date of this report, its liquid resources and its medium-term plans, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and, accordingly, consider that it is appropriate to adopt the going concern basis in preparing these financial statements.

Notwithstanding the fact that the Company has net current liabilities, the Directors have prepared the financial statements on a going concern basis. The Directors have received a letter of support from Merkur confirming on-going financial support for at least 12 months from the approval of these financial statements.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short Term Leasehold Property	-	Period of lease
Fixtures & fittings	-	25% per annum

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013 (continued)

1. Accounting Policies (continued)

1.5 Pensions

The Group operates a defined contribution pension scheme, the funds of which are held externally and are administered by trustees. The amounts charged against profits represent the contributions payable to the scheme in respect of each year.

1.6 Taxation

Current UK corporation tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. Other operating income

	Period ended 31 December 2013 £000	60 weeks ended 30 December 2012 £000
Income from subsidiary undertakings	<u>4,300</u>	<u>-</u>

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013 (continued)

3. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	Period ended 31 December 2013 £000	60 weeks ended 30 December 2012 £000
Depreciation of tangible fixed assets:		
- owned by the Company	111	-
Auditors' remuneration	58	-
Auditors' remuneration - non-audit	18	48
Operating lease rentals:		
- other operating leases	242	-
	<u>242</u>	<u>-</u>

During the period, no Director received any emoluments (2012: £nil).

Included in the audit fee is £55,100 and non-audit auditors' remuneration of £17,100 in relation to the audit of other entities within the group.

4. Staff costs

Staff costs were as follows:

	Period ended 31 December 2013 £000	60 weeks ended 30 December 2012 £000
Wages and salaries	1,799	-
Social security costs	153	-
Other pension costs	305	-
	<u>2,257</u>	<u>-</u>

The average monthly number of employees, including the Directors, during the period was as follows:

	Period ended 31 December 2013 number	60 weeks ended 30 December 2012 number
Management and administration	<u>39</u>	<u>-</u>

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013 (continued)

5. Directors' remuneration

No Directors' remuneration was paid by the Company during the year (60 weeks ended 30 December 2012: £nil).

N S Harding and A J Hall are Directors of other Companies within the group and their remuneration in the current year has been paid by other companies. Details of remuneration paid to N S Harding and A J Hall are included within the disclosures given in the financial statements of Cashino Gaming Limited.

The Company is not able to accurately split the Directors remuneration between companies benefiting from their services.

6. Interest payable

	Period ended 31 December 2013 £000	60 weeks ended 30 December 2012 £000
Interest payable on loan notes	(16)	585
Early repayment charge	-	237
	<u>(16)</u>	<u>822</u>

Costs incurred on the repayment of the loan notes

On 30 September 2012, the Company settled the loan notes early, giving rise to an early repayment charge.

7. Exceptional items

	Period ended 31 December 2013 £000	60 weeks ended 30 December 2012 £000
Redundancy and staff reorganisation costs	196	-
Provision for closed unit costs	195	-
Provision for reorganisation costs	-	425
	<u>391</u>	<u>425</u>

Closed unit costs are the costs incurred regarding the closure of individual venues. This includes the anticipated onerous lease costs on sites that were closed during the period, based on ongoing costs arising and expected sub-let potential where appropriate.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013 (continued)

8. Taxation

	Period ended 31 December 2013 £000	60 weeks ended 30 December 2012 £000
Analysis of tax credit in the period		
UK corporation tax charge on profit/ (loss) for the period	-	-
Adjustments in respect of prior periods	(23)	-
Tax on profit/(loss) on ordinary activities	(23)	-

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2012: higher than) the standard rate of corporation tax in the UK of 23.25% (2012: 24.7%). The differences are explained below:

	Period ended 31 December 2013 £000	60 weeks ended 30 December 2012 £000
Profit/(loss) on ordinary activities before tax	294	(1,772)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.7%)	68	(438)
Effects of:		
Expenses not deductible for tax purposes	7	74
Capital allowances for period in excess of depreciation	24	-
Utilisation of tax losses	(86)	-
Adjustments to tax charge in respect of prior periods	(23)	-
Other timing differences leading to an increase (decrease) in taxation	(12)	109
Unutilised excess management expenses	-	255
Current tax credit for the period (see note above)	(23)	-

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013 (continued)

8. Taxation (continued)

Factors that may affect future tax charges

During the year, as a result of the changes in the UK main corporation tax rate to 20% from 1 April 2015 which was substantively enacted on 3 July 2013 and effective from 1 April 2015, the relevant deferred tax assets have been re-measured.

9. Tangible fixed assets

	Short Term Leasehold Property £000	Fixtures & fittings £000	Total £000
Cost			
At 31 December 2012	-	-	-
Additions	7	442	449
At 31 December 2013	7	442	449
Depreciation			
At 31 December 2012	-	-	-
Charge for the period	1	110	111
At 31 December 2013	1	110	111
Net book value			
At 31 December 2013	6	332	338
At 30 December 2012	-	-	-

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013 (continued)

10. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 31 December 2012 and 31 December 2013	<u>7,576</u>
Net book value	
At 31 December 2013	<u>7,576</u>
On 31 At 30 December 2012	<u>7,576</u>

The Directors believe that the carrying value of the investments are supported by their underlying value.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Holding
Cashino Gaming Limited *	AGC operator	100%
Baleday Limited	AGC operator	100%
Beacon Bingo Limited *	Proprietor of bingo clubs and adult gaming centres	100%
Mayfair Acquisitionco Limited *	Intermediate holding company	100%
Praesepe Limited (formerly Praesepe plc)	Intermediate holding company	100%
Restcare Limited	Dormant company	100%
Beacon Bingo Online Limited	Dormant company	100%
Cashino Gaming (E&J) Limited *	Dormant company	100%
United Leisure Limited *	Dormant company	100%

* these are indirectly owned through an intermediate holding company.

All entities listed above were incorporated in England and Wales.

On 31 January 2014, Thomas Holdings Limited sold Beacon Bingo Limited to Praesepe Holdings Limited for £49,000.

On 31 January 2014, Praesepe Gaming Limited sold Cashino Gaming Limited to Praesepe Holdings Limited for £17,582,639.

On 31 January 2014 a subsidiary of the Company, Beacon Bingo Online Limited was entered into member's voluntary liquidation.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013 (continued)

11. Debtors

	31 December 2013 £000	30 December 2012 £000
Amounts owed by Group undertakings	7,508	-
Other debtors	176	21
Prepayments and accrued income	237	-
	<u>7,921</u>	<u>21</u>

The amounts owed by Group undertakings are unsecured, interest free and have no fixed terms for repayment.

12. Creditors: Amounts falling due within one year

	31 December 2013 £000	30 December 2012 £000
Bank loans and overdrafts	885	-
Trade creditors	475	-
Amounts owed to Group undertakings	7,206	132
Accruals and deferred income	321	531
	<u>8,887</u>	<u>663</u>

The amounts owed to Group undertakings are unsecured, interest free and have no fixed terms for repayment.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013 (continued)

13. Deferred taxation

	31 December 2013 £000	30 December 2012 £000
At beginning and end of period	-	-

A deferred tax asset of £229,000, stated at 20%, (2012: £nil) has not been recognised in the financial statements of the Company due to uncertainty surrounding the timing of the reversal of the temporary differences in accordance with the Company's accounting policy.

The unprovided deferred tax asset comprises:

	2013 £000	2012 £000
Accelerated capital allowances	21	-
Other timing differences	76	-
Trading losses	132	-
	<u>229</u>	<u>-</u>

14. Provisions

	Provisions £000
At 30 December 2012	425
Additions	122
Amounts used	<u>(425)</u>
At 31 December 2013	<u>122</u>

Provisions

A provision has been recognised in the financial statements in relation to property costs, relating to closed sites and onerous leasehold costs.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013 (continued)

15. Share capital

	31 December 2013 £	30 December 2012 £
Allotted, called up and fully paid		
1 Ordinary Share of £1	<u>1</u>	<u>1</u>

16. Reserves

	Other Reserves £000	Profit and Loss Account £000
At 31 December 2012	8,281	(1,772)
Profit for the period	-	317
	<u>8,281</u>	<u>(1,455)</u>
At 31 December 2013		

Other reserves relate to a capital contribution reserve. On the 31 January 2014 the board of directors approved the transfer of the capital contribution reserve to the profit and loss reserve.

17. Reconciliation of movement in shareholder funds

	31 December 2013 £000	30 December 2012 £000
Opening shareholder funds	6,509	-
Profit/(loss) for the financial period	317	(1,772)
Capital contribution	<u>-</u>	<u>8,281</u>
Closing shareholder funds	<u>6,826</u>	<u>6,509</u>

18. Capital commitments

The Company had no capital commitments at 31 December 2013 (2012: £nil).

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013 (continued)

19. Related party transactions

The Company is a wholly owned subsidiary of Merkur Casino UK Limited, and is included in the consolidated financial statements of that Company. Consequently the Company has taken advantage of the exemption, under the terms of Financial Reporting Standard 8, from disclosing related party transactions with wholly owned entities that are part of the Merkur Group or investees in the Merkur Group.

20. Ultimate parent undertaking and controlling party

As at 31 December 2013 the immediate parent company was Merkur Casino UK Limited, an intermediate holding company.

The immediate parent and ultimate controlling party of Merkur Casino UK Limited is Casino Merkur Spielothek GmbH, a Company registered in Germany.

The largest and smallest group in which the results of the Company are consolidated is that headed by Merkur Casino UK Limited. Copies of the Merkur financial statements may be obtained from The Secretary, Merkur Casino UK Limited, Seebeck House, 1A Seebeck Place, Knowlhill, Milton Keynes, MK5 8FR.

21. Post balance sheet events

On 14 February 2014 a new subsidiary Praesepe On-Line Limited was incorporated in the Isle of Man.