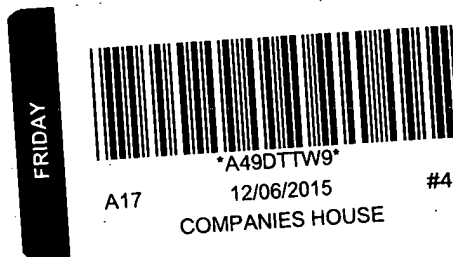


Praesepe Holdings Limited

Registered number: 07833708

Directors' report and financial statements

For the year ended 31 December 2014



PRAESEPE HOLDINGS LIMITED

COMPANY INFORMATION

Directors	N S Harding T Niehenke (resigned 7 March 2014) A J Hall U M Wuseke (resigned 7 March 2014)
Company secretary	EMW Secretaries Limited
Registered number	07833708
Registered office	Seebeck House 1A 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

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 5
Independent Auditors' Report	6 - 7
Profit and Loss Account	8
Statement of Total Recognised Gains and Losses	9
Balance Sheet	10
Notes to the Financial Statements	11 - 22

PRAESEPE HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors present their strategic report for Praesepe Holdings Limited (the Company) for the period ended 31 December 2014:

Review and analysis of business during the current period

The Company's principal activities are to act as a holding company for Cashino Gaming Limited, Praesepe Online Limited, Baleday Limited, Restcare Limited, Praesepe 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.

Principal risks and uncertainties

Management continually monitor the key risks facing the Company together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the Company are as follows:

The changing environment within the gambling and leisure industry, which has arisen as a result of government legislation, represents the principal risk to the future profitability of the company. It is the belief of the directors that appropriate strategies have, and are being further developed, to ensure the company is able to take advantage of favourable circumstances which may arise in the sector, or alternatively to minimise the effect of any adverse developments which could affect the company profitability.

Key performance indicators

Management use a range of performance measures to monitor and manage the business. The performance measures are split into financial and non-financial key performance indicators as set out below.

Operating loss for the period reduced to £0.1M (2013 re-stated: Operating profit of £0.3M).

Creditor days for the company were 25 for the period (2013: 110 days).

Financial position at the reporting date

The statement of financial position shows that the Company's net assets at the period end increased from £6.8m (re-stated) to £34.3m following a reorganisation of companies in the group.

Our overseas parent continued to invest in the UK business during the period, offering support and assistance for new projects such as cashless machines and Online gaming. The Group saw a net inflow of cash during the period from normal operations of £2m.

Development and financial performance during the period

Praesepe Holdings Limited act as a holding company for group companies. The group saw an improvement in activity in the year.

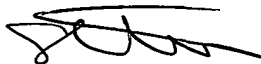
The period saw an improvement in activity from the previous period and the group was well placed to capitalise on the increased activity having invested in the business in the previous years. The economic conditions show signs of continued improvement and the substantial investment in the Group over the period puts the Group in good shape for future development. Overall the directors believe that the Group is well placed in terms of strategic and market position to maximise its ability to generate sales and satisfy customer demand. The Group was able to convert a substantial number of machines within 24 hours of the change in regulations from £70 Jackpots to £100 Jackpots early in 2014.

PRAESEPE HOLDINGS LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

This report was approved by the board on 12.5.15 and signed on its behalf.

**A J Hall
Director**



PRAESEPE HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors present their report and the financial statements for Praesepe Holdings Limited (the Company) for the period ended 31 December 2014.

Financial Instruments

Liquidity risk

The Group manages its cash and borrowing requirements centrally to maximise interest income and minimise interest expense, whilst ensuring that the Group has sufficient liquid resources to meet the operating needs of its business.

Interest rate risk

The Group is exposed to cash flow interest rate risk on floating rate deposits, bank overdrafts and loans.

Foreign currency risk

The Group's principal foreign currency exposures arise from transactions with its German parent. The Group believes the materiality of these transactions do not warrant hedging of foreign currency risks.

Credit risk

The principal activities of the Group mean that cash is generated on a regular and even basis during the year and there is no assumption of credit risk.

Events after the balance sheet date

There were no post balance sheet date events.

Dividends

The directors do not recommend the payment of a dividend.

Directors

The directors set out below have held office during the whole of the period to 31 December 2014 and to the date of this report unless otherwise stated:

N S Harding

T Niehenke (resigned 7 March 2014)

A J Hall

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.

Employment of disabled persons

PRAESEPE HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The Company's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Disabled employees receive appropriate training to promote their career development within the Group. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

Charitable and Political donations and expenditure

The company made charitable donations during the year of £107,000 (2013: £69,000). During the year the Company made no political donations (2013: £nil).

Going concern

The directors have a reasonable expectation that the Company have 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.

Matters covered in the Strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on page 1. These matters relate to future developments

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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;
- 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.

PRAESEPE HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 12.5.15

and signed on its behalf.



A J Hall
Director

PRAESEPE HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PRAESEPE HOLDINGS LIMITED

We have audited the financial statements of Praesepe Holdings Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, 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 4, 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 members 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 members 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 members 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 2014 and of its profit for the year 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 year for which the financial statements are prepared is consistent with the financial statements.

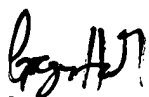
PRAESEPE HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS 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: 13 May 2015

PRAESEPE HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £000	2013 re-stated £000
Cost of sales		-	(70)
Gross profit/(loss)		-	(70)
Administrative expenses		(4,937)	(3,507)
Exceptional administrative expenses		(281)	(391)
Total administrative expenses		(5,218)	(3,898)
Other operating income	2	5,081	4,300
Operating (loss)/profit	3	(137)	332
Income from shares in group undertakings		27,597	-
Interest payable and similar charges	6	(6)	16
Profit on ordinary activities before taxation		27,454	348
Tax on profit on ordinary activities	8	-	23
Profit for the financial year	17	27,454	371

All amounts relate to continuing operations.

The notes on pages 11 to 22 form part of these financial statements.

PRAESEPE HOLDINGS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £000	As restated 2013 £000
Profit for the financial year		27,454	371
Total recognised gains and losses relating to the year		27,454	371
Prior year adjustment	18	54	
Total gains and losses recognised since last financial statements		27,508	

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

The notes on pages 11 to 22 form part of these financial statements.

PRAESEPE HOLDINGS LIMITED

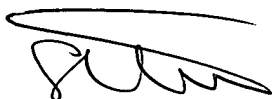
Registered number: 07833708

BALANCE SHEET**AS AT 31 DECEMBER 2014**

	Note	£000	2014 £000	£000	2013 re-stated £000
Fixed assets					
Tangible assets	9		1,581		1,333
Investments	10		25,208		7,576
			<u>26,789</u>		<u>8,909</u>
Current assets					
Debtors	11	15,684		7,921	
Cash at bank		315		-	
		<u>15,999</u>		<u>7,921</u>	
Creditors: amounts falling due within one year	12	(7,679)		(8,887)	
Net current assets/(liabilities)			<u>8,320</u>		<u>(966)</u>
Total assets less current liabilities			<u>35,109</u>		<u>7,943</u>
Creditors: amounts falling due after more than one year	13		(681)		(941)
Provisions for liabilities					
Other provisions	15		(94)		(122)
Net assets			<u><u>34,334</u></u>		<u><u>6,880</u></u>
Capital and reserves					
Called up share capital	16		-		-
Capital redemption reserve	17		-		8,281
Profit and loss account	17		34,334		(1,401)
Shareholders' funds	19		<u><u>34,334</u></u>		<u><u>6,880</u></u>

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

12 MAY 2015

A J Hall
Director


The notes on pages 11 to 22 form part of these financial statements.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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.

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
Amusement machines	-	5 years / term of lease
Fixtures & fittings	-	25% per annum

1.4 Investments

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

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. Accounting Policies (continued)

1.6 Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

1.7 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

1.8 Taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2. Other operating income

	2014	2013
	£000	£000
Income from subsidiary undertakings	5,081	4,300

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

3. Operating (loss)/profit

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

	2014 £000	2013 re-stated £000
Depreciation of tangible fixed assets:		
- owned by the company	68	111
- held under finance leases	10	382
Auditors' remuneration	14	58
Auditors' remuneration - non-audit	21	18
Operating lease rentals:		
- other operating leases	213	242
	<u>213</u>	<u>242</u>

In the prior year, the Company bore all audit fees on behalf of fellow group companies.

4. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2014 £000	2013 £000
Wages and salaries	2,176	1,799
Social security costs	257	153
Other pension costs	196	305
	<u>2,629</u>	<u>2,257</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2014 No.	2013 No.
Management and administration	<u>57</u>	<u>39</u>

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

5. Directors' remuneration

	2014 £000	2013 £000
Remuneration	658	-
Company pension contributions to defined contribution pension schemes	46	-

During the year retirement benefits were accruing to 1 director (2013 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £386,000 (2013 - £NIL).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £46,000 (2013 - £NIL).

In the prior year, directors' remuneration was borne by other group companies.

6. Interest payable

	2014 £000	2013 £000
Loan interest	6	(16)

7. Exceptional items

	2014 £000	2013 £000
Redundancy and staff reorganisation costs	192	196
Closed unit costs	(43)	195
Prior year costs	132	-
	281	391

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 YEAR ENDED 31 DECEMBER 2014

8. Taxation

	2014 £000	2013 £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)
	<u>-</u>	<u>(23)</u>
Tax on profit/(loss) on ordinary activities	<u>-</u>	<u>(23)</u>
Factors affecting tax charge for the year/period		

The tax assessed for the year/period is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	2014 £000	2013 £000
Profit/(loss) on ordinary activities before tax	27,454	348
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	5,903	81
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	60	5
Capital allowances for year/period in excess of depreciation	15	24
Utilisation of tax losses	(55)	(86)
Adjustments to tax charge in respect of prior periods	-	(36)
Group income	(5,922)	-
Fixed asset differences	-	1
Other differences leading to an increase (decrease) in the tax charge	(1)	(12)
	<u>-</u>	<u>(23)</u>
Current tax charge/(credit) for the year/period (see note above)	<u>-</u>	<u>(23)</u>

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.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

9. Tangible fixed assets

	Short Term Leasehold Property £000	Plant & machinery £000	Fixtures & fittings £000	Total £000
Cost				
At 1 January 2014 (re-stated)	7	1,508	311	1,826
Additions	-	97	229	326
At 31 December 2014	7	1,605	540	2,152
Depreciation				
At 1 January 2014 (re-stated)	1	439	53	493
Charge for the year	-	68	10	78
At 31 December 2014	1	507	63	571
Net book value				
At 31 December 2014	6	1,098	477	1,581
At 31 December 2013	6	1,069	258	1,333

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2014 £000	2013 re-stated £000
Plant and machinery	673	996

10. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2014	7,576
Additions	17,632
At 31 December 2014	25,208
Net book value	
At 31 December 2014	25,208
At 31 December 2013	7,576

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

10. Fixed asset investments (continued)

Subsidiary undertakings

The Directors believe that the carrying value of the investments are supported by their underlying value. 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 AGCs	100 %
Praesepe On-Line Limited	Online gaming operator	100 %
Praesepe Limited (formerly Praesepe plc)	Intermediate holding company	100 %
Classic Leisure (Northern) Limited *	Non-trading company	
Thomas Holdings Limited	Non-trading company	
Cashino Gaming (E&J) Limited *	In Members Voluntary Liquidation	100 %
United Leisure Limited *	In Members Voluntary Liquidation	100 %
Restcare Limited	In Members Voluntary Liquidation	100 %
Mayfair Acquisitionco Limited *	In Members Voluntary Liquidation	100 %
Beacon Bingo Online Limited	In Members Voluntary Liquidation	100 %

*these are indirectly owned through an intermediate holding company.

The aggregate of the share capital and reserves as at 31 December 2014 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
Cashino Gaming Limited *	(7,628)	(521)
Baleday Limited	3,993	2,880
Restcare Limited	-	-
Beacon Bingo Limited *	15,037	(2,440)
Beacon Bingo Online Limited #	-	-
Mayfair Acquisitionco Limited *	-	-
Praesepe Limited (formerly Praesepe plc)	19,698	(390)
Cashino Gaming (E&J) Limited *	-	-
United Leisure Limited *	-	-
Praesepe On-Line Limited	-	-
Thomas Holdings Limited	-	-
Classic Leisure (Northern) Limited *	-	-

All entities listed above were incorporated in England and Wales, except for Praesepe On-Line Limited, which is registered in the Isle of Man.

On 31 January 2014, the Company purchased the entire share capital of Beacon Bingo Limited for consideration of £49,000 from Thomas Holdings Limited.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

10. Fixed asset investments (continued)

On 31 January 2014, the Company purchased the entire share capital of Cashino Gaming Limited for £17,583,000.

On 14 February 2014, Praesepe On-Line Limited, a company registered in the Isle of Man, was incorporated. [Praesepe Holdings purchased the ordinary share of £1 at par on 14 February 2014.]

On 31 January 2014 Beacon Bingo On-Line Limited and Riva Gaming Group Limited were put in Members Voluntary Liquidation as part of a group-wide reorganisation. At the balance sheet date the companies are awaiting strike-off from the register of companies, which is scheduled to occur in 2015.

On 4 September 2014 Restcare Limited was put in Members Voluntary Liquidation as part of a group-wide reorganisation. At the balance sheet date the company is still in the process of being liquidated by the Liquidator. No date for the strike-off from the register of companies has been obtained.

During the year, as part of the group-wide reorganisation, some indirect subsidiaries have been dissolved, as follows:

- Details of the dissolution of Issuedepth Limited and Hamsard 3114 Limited are included within the financial statements of Cashino Gaming Limited.
- Details regarding the dissolution of Praesepe Gaming Limited, Beacon Entertainments Limited and Praesepe (UK) Limited are included in the financial statements of Praesepe Limited.
- Details regarding the dissolution of Beacon Gaming Limited and Beacon Casinos Limited can be found in the financial statements of Thomas Holdings Limited.
- Details of the dissolution of Mayfair Gaming Limited are included in the financial statements of Mayfair Acquisitionco Limited.

All financial statements mentioned above are available from the registered office of Praesepe Holdings Limited.

11. Debtors

	2014 £000	2013 £000
Amounts owed by group undertakings	15,400	7,508
Other debtors	63	176
Prepayments and accrued income	198	237
Tax recoverable	23	-
	15,684	7,921

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

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

12. Creditors: Amounts falling due within one year

	2014 £000	2013 £000
Bank loans and overdrafts	-	885
Trade creditors	18	475
Amounts owed to group undertakings	5,917	7,206
Other taxation and social security	1,202	-
Pension fund loan	87	-
Accruals and deferred income	455	321
	<u>7,679</u>	<u>8,887</u>

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

13. Creditors: Amounts falling due after more than one year

	2014 £000	2013 re-stated £000
Net obligations under finance leases and hire purchase contracts	<u>681</u>	<u>941</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2014 £000	2013 re-stated £000
Between one and five years	<u>681</u>	<u>941</u>

The interest relating to the finance lease has been allocated to the respective group entities which utilise the assets included within the finance lease.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

14. Deferred taxation

	2014 £000	2013 £000
At beginning and end of year/period	-	-

A deferred tax asset of £160,000, stated at 20%, (2013: £229,000) 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:

	2014 £000	2013 £000
Accelerated capital allowances	35	21
Other timing differences	91	76
Trading losses	34	132
	<u>160</u>	<u>229</u>

15. Provisions

	Provisions £000
At 1 January 2014	122
Amounts used	(28)
At 31 December 2014	<u>94</u>

Provisions

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

16. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

17. Reserves

	Capital redempt'n reserve £000	Profit and loss account £000
At 1 January 2014 (as previously stated)	8,281	(1,455)
Prior year adjustment (note 18)		54
At 1 January 2014 (as restated)		(1,401)
Profit for the year		27,454
Transfer between Capital redemption reserve and P/L account	(8,281)	8,281
At 31 December 2014	-	34,334

18. Prior year adjustment

The Directors have reviewed the accounting treatment for leases and consider that a number of leases that were previously treated as operating leases are more appropriately shown as finance leases.

A prior period adjustment has been made which restates fixed assets and creditors. The impact of the adjustment on the company Balance Sheet is to increase fixed assets by £995k and increase creditors by £941k for the period ended 31 December 2013. The overall impact on the Profit and Loss account and net assets previously reported at 31 December 2013 is an increase of £54k, as a result of reduced operating lease rentals of £436k, offset by increased depreciation of £382k.

19. Reconciliation of movement in shareholders' funds

	2014 £000	2013 £000
Opening shareholders' funds	6,826	6,509
Prior year adjustments (note 18)	54	
Opening shareholders' funds (as restated)	6,880	
Profit for the financial year/period	27,454	371
Closing shareholders' funds	34,334	6,880

20. 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 incestees in the Merkur group.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

21. Ultimate parent undertaking and controlling party

As at 31 December 2014 the immediate parent company was Merkur Casino UK Limited, an intermediate holding company.

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.

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