

Praesepe Holdings Limited

Registered number: 07833708

Directors' report and financial statements

For the year ended 31 December 2017



PRAESEPE HOLDINGS LIMITED

COMPANY INFORMATION

Directors	N S Harding (resigned 28 June 2018) A J Hall (resigned 25 March 2017) S Bruns (appointed 28 June 2018) B Lungen (appointed 28 June 2018)
Company secretary	EMW Secretaries Limited
Registered number	07833708
Registered office	Seebeck House 1A Seebeck Place Knowlhill Milton Keynes Buckinghamshire MK5 8FR
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG

PRAESEPE HOLDINGS LIMITED

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PRAESEPE HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Introduction

The Directors presents the strategic report for Praesepe Holdings Limited (the Company) for the year ended 31 December 2017.

Business review

The Company's principal activity is to act as a holding company for Cashino Gaming Limited, Baleday Limited, William Clark (Holdings) Limited, Mirage Centres Limited, Praesepe On-line Limited and Beacon Bingo Limited, providing administration functions to those companies in return for charging a management fee. The subsidiary companies are engaged in the provision of leisure services and entertainment facilities. The Company also acts as a holding company for Praesepe Limited, which in turn acts as a holding company for the Group's non-trading companies.

A list of all companies in the Praesepe Holdings Group ("Group") is shown in note 15 to these financial statements.

At the end of the year Praesepe On-line Limited, which had ceased trading during 2015, was liquidated.

In January 2017, the Company purchased Mirage Centres Limited, a 9 venue Adult Gaming Centre company. Further details about this acquisition can be found in note 15 of these financial statements.

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 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 Company profitability.

Financial 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 profit (including exceptional items) for the year increased to £0.5m (2016: Operating loss of £1.7m).

Creditor days for the Company were 35 for the year (2016: 24 days).

Financial position at the reporting date

The statement of financial position shows that the Company's net assets at the year-end decreased from £38.6m to £38.59m.

PRAESEPE HOLDINGS LIMITED

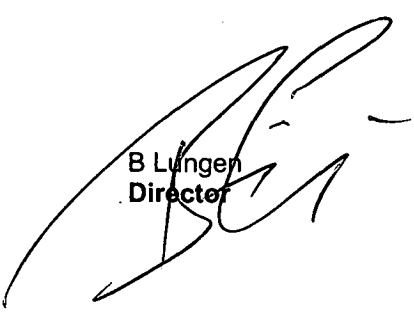
STRATEGIC REPORT (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2017**

Development and financial performance during the year

The Company was well placed to capitalise on the increased investment activity, acquiring another subsidiary consisting 7 arcades based in the Midlands, filling a geographical gap in the estate. The sites have been re-branded and new machines installed to bring them in line with the Cashino standards.

At the end of the year, the number of venues in subsidiary undertakings stood at 178, which included 7 Bingo Clubs.

This report was approved by the board on 10 August 2018 and signed on its behalf.



B Lingen
Director

PRAESEPE HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present the report and the financial statements for the year ended 31 December 2017.

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 Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law 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, Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

Results and dividends

The loss for the year, after taxation, amounted to £13,000 (2015: loss £2,670,000).

The Directors do not recommend the payment of a dividend (2016: £nil).

Directors

The Directors who served during the year were:

N S Harding	(resigned 25 March 2017)
A J Hall	(resigned 25 March 2017)
S Bruns	(appointed 28 June 2018)
B Lungen	(appointed 28 June 2018)

Charitable and political donations

The Company made charitable donations during the year of £18,000 (2016: £186,000).
During the year the Company made no political donations (2016: £Nil).

Future developments

The Directors do not expect any material changes to the business in the future.

PRAESEPE HOLDINGS LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

Regulatory risk

The current political and social environment continues to perceive the gambling industry in a concerned light and there is a risk that such negative publicity may lead to adverse changes in regulation and legislation. The Company works hard to ensure that it actively provides and promotes an environment in which customers play safely. The Company also works with stakeholders, customers and regulators to help public understanding of the gaming offers it provides, participating in trade bodies' representations to political and regulatory bodies to ensure that such stakeholders clearly understand the positive contribution that its business provides to the economy

All staff undertake relevant training for their roles to ensure that a good understanding of the objectives of compliance and the obligations of their role is maintained.

Liquidity risk

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

Interest rate risk

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

Foreign currency risk

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

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 2.2 in the financial statements.

Qualifying third party indemnity provisions

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 cover is in place in respect of all of the Company's Directors.

PRAESEPE HOLDINGS LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

Employee consultation

The Group to which the company belongs routinely provides information to its employees through a variety of mediums, ensuring that information is disseminated regarding financial performance and/or matters affecting the business as a whole.

This is achieved through 1:1, departmental and regional meetings, regular business bulletins, monthly employee newsletters, a bi-annual company magazine and an internal platform allowing open exchange of comments, news, ideas and suggestions via a cloud based website 'Think Tank'.

Performance targets and indicators are published each week to inform employees of financial performance to budget both weekly and cumulatively; and staff participate in incentive and bonus schemes to achieve financial targets throughout the year.

All employees are actively informed and encouraged to participate in activities relating to the organisation's corporate social responsibility agenda which includes the ongoing support of the gaming industry's charity CHiPs (Children's Happiness Involves People) to which the Group have contributed over £0.5m in the past few years by way of local and national fundraising activities and charitable donations.

Employment of disabled persons

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 Company and its subsidiaries. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

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 pages 1 & 2. These matters relate to future developments.

Disclosure of information to auditor

The Directors have confirmed that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Directors have taken all the steps that ought to have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

On 18th May 2018, following a review by the Gambling Commission on the maximum stake for Fixed Odds Betting Terminals (FOBTs), the Government announced that it will cut the maximum stake for FOBTs from £100 to just £2. This change, which is expected to come into force during 2019 does not directly impact on the revenues of the Group.

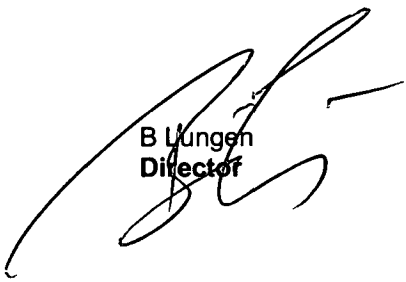
PRAESEPE HOLDINGS LIMITED

DIRECTOR'S REPORT (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2017**

Auditor

Mazars LLP resigned as auditor during 2017 and Grant Thornton UK LLP were subsequently appointed as auditor. Grant Thornton UK LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 10 August 2018 and signed on its



B Lungen
Director

PRAESEPE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PRAESEPE HOLDINGS LIMITED

Opinion

We have audited the financial statements of Praesepe Holdings Limited (the 'company') for the year ended 31 December 2017 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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 auditor's 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

PRAESEPE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PRAESEPE HOLDINGS LIMITED (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

 Grant Thornton UK LLP.

Nicholas Watson BSc ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date: 10th August 2018.

PRAESEPE HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Administrative expenses		(7,853)	(8,245)
Exceptional administrative expenses	12	(255)	(1,746)
Other operating income	4	8,595	8,259
Operating profit / (loss)	5	487	(1,732)
Income from shares in group companies		-	500
Interest receivable and similar income	9	334	256
Interest payable and similar charges	10	(890)	(1,683)
Loss on ordinary activities before taxation		(69)	(2,659)
Taxation on loss on ordinary activities	11	56	(11)
Loss for the financial year		(13)	(2,670)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(13)	(2,670)

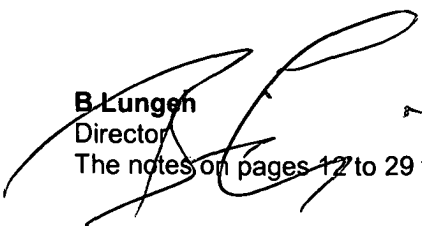
The notes on pages 12 to 29 form part of these financial statements.

PRAESEPE HOLDINGS LIMITED
REGISTERED NUMBER: 07833708

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Fixed assets			
Intangible assets	13	215	238
Tangible assets	14	718	1,184
Investments	15	69,220	59,995
		<u>70,153</u>	<u>61,417</u>
Current assets			
Debtors: Amounts falling due within one year	16	39,091	23,616
Cash at bank and in hand	17	1,203	-
		<u>40,294</u>	<u>23,616</u>
Creditors: Amounts falling due within one year	18	(31,334)	(8,220)
Net current assets		<u>8,960</u>	<u>15,396</u>
Total assets less current liabilities		<u>79,113</u>	<u>76,813</u>
Creditors: Amounts falling due after more than one year	19	(40,227)	(38,170)
Provisions for liabilities			
Other provisions	22	(300)	(44)
		<u>(300)</u>	<u>(44)</u>
Net assets		<u><u>38,586</u></u>	<u><u>38,599</u></u>
Capital and reserves			
Called up share capital	24	-	-
Profit and loss account	23	38,586	38,599
		<u><u>38,586</u></u>	<u><u>38,599</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 August 2018.


B Lungen
 Director

The notes on pages 12 to 29 form part of these financial statements.

PRAESEPE HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2017	-	38,599	38,599
Comprehensive income for the year			
Loss for the year	-	(13)	(13)
Total comprehensive income for the year	-	(13)	(13)
At 31 December 2017	-	38,586	38,586

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2016	-	41,269	41,269
Comprehensive income for the year			
Loss for the year	-	(2,670)	(2,670)
Total comprehensive income for the year	-	(2,670)	(2,670)
At 31 December 2016	-	38,599	38,599

The notes on pages 12 to 29 form part of these financial statements.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies

1.1 Basis of Preparation

The financial statements have been prepared under the historical costs convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2. General information

Praesepe Holdings Limited is a private limited company, limited by shares incorporated in England and Wales. The address of its registered office and principal place of business are disclosed in the company information.

The principal activities of the Company are to act as a holding company for Cashino Gaming Limited, Mirage Centres Limited, Praesepe Limited, Beacon Bingo Limited, Baleday Limited and William Clark (Holdings) Limited.

The financial statements are presented in Sterling, which is also the functional currency of the Company.

2.1 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Merkur Casino UK Limited ("MCUK") as at 31 December 2017 and these financial statements may be obtained from Seebeck House, 1A Seebeck Place, Knowlhill, Milton Keynes, Buckinghamshire, MK5 8FR.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

2.2 Going Concern

After reviewing the Company's and wider MCUK Group's budgets and forecasts for the next 12 months from the date of the 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.

2.3 Intangible Assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. Intangible assets are amortised using the straight-line method. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Software	-	3 to 5 years
Licenses	-	10 years
Lease premiums	-	period of lease

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received, excluding discounts.

Rental Income

Operating lease income from properties is recognised in the Statement of Comprehensive Income on a straight-line basis over the lease term.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

2.5 Tangible Fixed Assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance costs are charged to comprehensive income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Short Term Leasehold Property	- Period of Lease
Plant & Machinery	- 5 years
Motor vehicles	- 4 years
Fixtures & Fittings	- 3 to 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last balance sheet date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

2.6 Investments

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

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

2.8 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 statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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 the useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the statement of comprehensive income 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.

2.9 Finance Costs

Finance costs relating to finance leases and hire purchase contracts are charged to the statement of comprehensive income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds if the associated capital instrument.

Finance costs relating to loans from the Company's overseas parent Casino Merkur Spielothek GmbH, are charged to the statement of comprehensive income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

Finance costs relating to loans from other Group companies are calculated on the average balance outstanding using an estimated market rate of interest, and charged to the Statement of Comprehensive Income.

2.10 Interest Income

Finance income relating to loans to other Group companies are calculated on the average balance outstanding using an estimated market rate of interest, and recognised in the Statement of Comprehensive Income.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

2.11 Financial Instruments

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds basic financial instruments, which comprise cash and cash equivalents, other receivables, trade and other payables and intercompany balances. The Company has chosen to apply the provisions of Section 11 Basic Financial Instruments and Section 12 Other Financial Instruments in full.

Financial assets – classified as basic financial instruments.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held with banks.

(ii) Other receivables

Other receivables are initially recognised at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment.

At the end of each reporting period, the Company assesses whether there is objective evidence that any receivable amount may be impaired. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised immediately in the Statement of Comprehensive Income.

(iii) Trade and other payables and loans and borrowings

Trade and other payables and loans and borrowings are initially measured at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount of the cash expected to be paid.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

2.12 Foreign Currency Translation

The Company's functional currency is Sterling.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.13 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.14 Taxation

Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Full provision is made for deferred tax assets and liabilities arising from all the 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 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.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

2.15 Exceptional Items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.16 Pensions

The Group operates two defined contribution plans into which the employees of Praesepe Holdings Limited are included. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income of the employing Company when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.17 Provisions

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires the use of judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the accounting policies, including intangible fixed assets (2.3), tangible fixed assets (2.5) and provisions (2.17).

Intangible fixed assets, and tangible fixed assets

The application of the accounting policies in these areas requires the use of accounting estimates and judgments in determining the recoverable amount of cash generating units to which the goodwill, intangible assets and tangible assets are associated. The recoverable amount is the higher of the fair value less costs of disposal and value in use. Estimates of fair value less cost of disposal are performed internally by experienced senior management supported by knowledge of similar transactions and advice from external experts where appropriate. Value in use is calculated using estimated cash flows projections from financial budgets, discounted by selecting an appropriate rate.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

3. Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

Provisions

In calculating onerous property lease provisions, estimates are made of the discounted cash flows associated with each property and its associated operations including sub-let income together with any estimate of dilapidation obligations.

In calculating the property dilapidations provision for leases in use in the business, management have estimated a cost per square metre on which to base the future dilapidations cost. The estimate is based on prior experience of dilapidation costs incurred.

4. Other operating income

	2017 £000	2016 £000
Machine rental	816	483
Rents receivable from other group companies	325	435
Sundry income	184	111
Fees receivable	7,270	7,230
	<u>8,595</u>	<u>8,259</u>

5. Operating profit / (loss)

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

	2017 £000	2016 £000
(Profit) /loss on disposal of intangibles	(1)	31
Depreciation of tangible fixed assets - owned	312	182
Depreciation of tangible fixed assets - held under finance leases	127	288
Amortisation of intangible assets	105	72
Defined contribution pension cost	95	122
Other operating leases	<u>424</u>	<u>648</u>

6. Auditor's remuneration

	2017 £000	2016 £000
Fees payable to the Merkur Casino UK Limited Group's auditor and its associates for the audit of the Group's annual accounts	<u>112</u>	<u>93</u>

Audit fees for the current and previous financial years include the audit costs in relation to other group companies. Had the audit fees been borne by the respective companies for 2017, then the audit fee for the Company would have been £5,000 (2016: £10,000).

Fees paid to the auditors in respect of non-audit fees amounted to £12,000 (2016: £112,000).

Details of amounts incurred by the Company on behalf of other group companies can be found in the respective financial statements for each Company.

The prior year audit and non-audit fees were paid to the previous auditors.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

7. Employees

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

	2017 £000	2016 £000
Wages and salaries	2,854	3,969
Social security costs	343	315
Pension costs	95	122
	<u>3,292</u>	<u>4,406</u>

The average monthly number of full time equivalent employees, including the Directors, during the year was as follows:

	Number	Number
Management and administration	<u>58</u>	<u>62</u>

8. Directors' remuneration

	2017 £000	2016 £000
Directors' emoluments	816	786
Company contributions to defined contribution pension schemes	-	5
	<u>816</u>	<u>791</u>

During the year retirement benefits were accruing to no Directors (2016: one) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £498,000 (2016: £507,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £nil (2016: £5,000).

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

9. Interest receivable

	2017 £000	2016 £000
Interest receivable from group companies	334	247
Bank interest receivable	-	9
	<u>334</u>	<u>256</u>

10. Interest payable and similar charges

	2017 £000	2016 £000
Other loan interest payable	-	5
Loans from group undertakings	543	249
Foreign exchange loss on translation of loan	278	1,290
Finance leases and hire purchase contracts	69	138
Other interest	-	1
	<u>890</u>	<u>1,683</u>

11. Taxation

	2017 £000	2016 £000
Corporation tax		
Current tax on profits in the year	-	11
Adjustments in respect of previous periods	(56)	-
Total current tax	<u>(56)</u>	<u>11</u>

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016: higher than) the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%). The differences are explained below:

	2017 £000	2016 £000
Loss on ordinary activities before tax	(69)	(2,659)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	(13)	(532)
Effects of:		
Expenses not deductible for tax purposes	79	353
Depreciation in excess of Capital allowances for year	41	29
Utilisation of tax losses	(25)	(120)
Other differences leading to a decrease in the tax charge	12	-
Adjustment in respect of prior periods	(56)	-
Group relief	(94)	281
Total tax charge for the year	(56)	11

Factors that may affect future tax charges

A deferred tax asset also has not been recognised in relation to other temporary timing differences of £808,000. Details are provided in note 21.

Changes in tax legislation

Under the Finance Act 2016, the rate of Corporation tax has been reduced from 19% to 17% from April 2020. The rate used to calculate deferred tax has been updated to reflect this change.

12. Exceptional items

	2017 £000	2016 £000
Dilapidation provision	255	-
Write off of Praesepe On-line Limited intercompany loan	-	1,291
Closed unit costs	-	(45)
Impairment of investments	-	500
	255	1,746

Dilapidation costs

During the year the Company recognised a provision for property dilapidations based on the charge that could reasonably be expected to arise at the end of, or during, the respective lease terms. The provision represents the accrued charge from the inception of the lease to 31 December 2017. A review of the dilapidations provision at the end of the year resulted in an exceptional charge of £255,000 being recognised in administrative expenses.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

13. Intangible assets

	Software £000	Lease premiums £000	Licences £000	Total £000
Cost				
At 1 January 2017	331	6	-	337
Additions	102	-	3	105
Disposals to other group companies	(37)	(6)	-	(43)
At 31 December 2017	396	-	3	399
Amortisation				
At 1 January 2016	99	-	-	99
Charge for the year	104	1	-	105
Disposals to other group companies	(19)	(1)	-	(20)
At 31 December 2016	184	-	-	184
Net book value				
At 31 December 2017	212	-	3	215
At 31 December 2016	232	6	-	238

The amortisation charge for the year is included in the Statement of Comprehensive Income under administrative expenses.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

14. Tangible fixed assets

	Short Term Leasehold Property £000	Plant & machinery £000	Motor vehicles £000	Fixtures & fittings £000	Total £000
Cost or valuation					
At 1 January 2017	19	1,679	5	837	2,540
Additions	4	35	-	614	653
Disposals to other group companies	(19)	(1,473)	(4)	(395)	(1,891)
At 31 December 2017	4	241	1	1,056	1,302
Depreciation					
At 1 January 2017	3	1,148	2	203	1,356
Charge for the period	4	177	1	257	439
Disposals to other group companies	(6)	(1,157)	(2)	(46)	(1,211)
At 31 December 2017	1	168	1	414	584
Net book value					
At 31 December 2017	<u>3</u>	<u>73</u>	<u>-</u>	<u>642</u>	<u>718</u>
At 31 December 2016	<u>16</u>	<u>531</u>	<u>3</u>	<u>634</u>	<u>1,184</u>

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

	2017 £000	2016 £000
Plant and machinery	-	420
	<u>-</u>	<u>420</u>

Machines with a carrying value of £293,000 held under finance leases were transferred to Cashino Gaming Limited, a subsidiary undertaking, during the year.

Fixed Asset Review

During the year the Group carried out a review of the carrying value of fixed assets in each Company and a physical verification of assets. As a result of the review, assets included in the financial statements which related to other group companies were transferred to the respective Companies at net book value.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

15. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2017	60,495
Additions	9,225
At 31 December 2017	<u>69,720</u>
Impairment	
At 1 January 2017	500
Charge for the year	-
At 31 December 2017	<u>500</u>
Net book value	
At 31 December 2017	<u><u>69,220</u></u>
At 31 December 2016	<u><u>59,995</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Cashino Gaming Limited	Ordinary	100 %	Adult Gaming Centre operator
Baleday Limited	Ordinary	100 %	Adult Gaming Centre operator
Beacon Bingo Limited	Ordinary	100 %	Proprietor of bingo clubs
Praesepe Limited	Ordinary	100 %	Intermediate holding company
Classic Leisure (Northern) Limited*	Ordinary	100 %	Non-trading company
Thomas Holdings Limited*	Ordinary	100 %	Non-trading company
Cashino Gaming (E&J) Limited*	Ordinary	100 %	Non-trading company
United Leisure Limited*	Ordinary	100 %	Non-trading company
William Clark (Holdings) Limited	Ordinary	100 %	Intermediate holding company
Mayfair Acquisitionco Limited *	Ordinary	100 %	Non-trading company
William Clark Limited*	Ordinary	100 %	Adult Gaming Centre operator
Dolphin Gaming Limited*	Ordinary	100 %	Non-trading company
Mirage Centres Limited	Ordinary	100 %	Adult Gaming Centre operator
Merkur Engineering Limited*	Ordinary	66 %	Provider of maintenance services to the gaming industry

*Denotes entities which are not directly owned by Praesepe Holdings Limited.
All subsidiaries are based in the UK.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

15. Fixed asset investments (continued)

Acquisition

On 21 January 2017, the Group acquired 100% of the issued share capital of the Mirage Centres Limited for £9.3m (including fees).

During the year the cost of investment (including fees) in William Clark (Holdings) Limited was reviewed, and a reduction of £82,000 was made to the acquired cost. This adjustment has been included with the figure for additions.

Further details on the acquisition of Mirage Centres Limited and William Clark (Holdings) Limited can be found in the consolidated financial statements of Merkur Casino UK Limited.

16. Debtors

Due within one year	2017 £000	2016 £000
Trade debtors	909	50
Amounts owed by group undertakings	37,610	22,728
Other debtors	364	539
Prepayments and accrued income	208	299
	<u>39,091</u>	<u>23,616</u>

The amounts owed by group undertakings are unsecured at an interest rate of 1.25% (2016: 1.25%), which is estimated to be a market rate and have no fixed terms for repayment. Interest is rolled up into the loan balance.

17. Cash and cash equivalents

	2017 £000	2016 £000
Cash at bank and in hand	1,203	-
Less: bank overdrafts	-	(287)
	<u>1,203</u>	<u>(287)</u>

18. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Bank overdrafts	-	287
Loan from ultimate parent undertaking (note 20)	10,800	6,010
Trade creditors	4,445	346
Amounts owed to group undertakings	14,787	115
Taxation and social security	166	91
Obligations under finance lease and hire purchase contracts	149	271
Other creditors	106	67
Accruals and deferred income	881	1,033
	<u>31,334</u>	<u>8,220</u>

The amounts owed to group undertakings are unsecured at an interest rate of 1.25% (2016: 1.25%), which is estimated to be a market rate and have no fixed terms for repayment. Interest is rolled up into the loan balance.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

	2017 £000	2016 £000
Loan from ultimate parent undertaking (note 20)	40,227	38,026
Net obligations under finance leases and hire purchase contracts	-	144
	<u>40,227</u>	<u>38,170</u>

20. Loans

Analysis of the maturity of loans is given below:

	2017 £000	2016 £000
Amounts falling due within one year		
Loan from ultimate parent company	10,800	6,010
Amounts falling due 2-5 years		
Loan from ultimate parent company	28,800	18,026
Amounts falling due after more than 5 years		
Loan from ultimate parent company	11,427	20,000
	<u>51,027</u>	<u>44,036</u>

Loans from the ultimate parent undertaking are unsecured at an interest rate of 1% per annum on £48,027,000 and 2% per annum on £3,000,000 (note 27).

21. Deferred taxation

A deferred tax asset of £137,000, stated at 17%, (2016: £107,000 stated at 17%) 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.

Unprovided deferred tax consists of accelerated capital allowances of £102,000 (2016: £104,000) and other timing differences of £35,000 (2016: £3,000).

22. Provisions

	Dilapidations £000	Property provisions £000	Total £000
At 1 January 2017	-	44	44
Charge / utilisation during the year	300	(44)	256
At 31 December 2017	<u>300</u>	<u>-</u>	<u>300</u>

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

During the year a provision for the repair of leasehold properties was recognised. The provision is based on the charge that could reasonably be expected to arise at the end of, or during, the respective lease terms. The provision represents the accrued charge from the inception of the lease to 31 December 2017. The provision is expected to be utilised at various dates up to May 2022.

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

23. Reserves

Profit & loss account

The profit and loss reserve represents accumulated profits and losses of the Company.

24. Share capital

	2017 £	2016 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

The Company has one class of ordinary shares which carry voting rights but no right to fixed income.

25. Pension commitments

The Group operates two defined contribution pension schemes into which the employees of Praesepe Holdings Limited are included. The pension charge for the year represents contributions payable by the Company to the funds and amounted to £95,000 (2016: £122,000). At the end of the year there were employer and employee contributions outstanding of £23,000 (2016: £nil).

26. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £000	2016 £000
Not later than 1 year	540	257
Later than 1 year and not later than 5 years	992	813
Later than 5 years	370	429
Total	<u>1,902</u>	<u>1,499</u>

PRAESEPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

27. 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 permitted by Section 33 *Related Party Disclosures*, from disclosing related party transactions with wholly owned entities that are part of the Merkur group.

As at 31 December 2016 £44,036,000 was owed to Casino Merkur Spielothek GmbH ("CMS"), the parent company of Merkur Casino UK Limited. This consisted of a Euro loan of 10,554,264 and Sterling loans of £35,000,000. During the year repayments of 2,931,740 Euros and £2,500,000 respectively were made.

In January 2017 a Sterling loan of £9,600,000 was obtained. Repayments of £800,000 were made against this loan during the year.

On 15 December, the outstanding Euro loan of 7,622,524 was converted into a Sterling loan of £6,727,106, crystallising a loss on translation of £278,000; and the outstanding balances on all Sterling loans with CMS were then consolidated into a single loan of £48,027,000. Interest accrued on loans at 1% per annum and amounted to £533,000 (2016: 247,000). The foreign exchange loss of £278,000 has been charged to the Statement of comprehensive income in the year (2016: £1,290,000).

On 18 December 2017 a further loan of £3,000,000 was obtained. No repayments were made on this loan. Interest accrued at 2% per annum on this loan and amounted to £2,000 by the end of the year (2016: £nil).

28. Post balance sheet events

On 18th May 2018, following a review by the Gambling Commission on the maximum stake for Fixed Odds Betting Terminals (FOBTs), the Government announced that it will cut the maximum stake for FOBTs from £100 to just £2. This change, which is expected to come into force during 2019 does not directly impact on the revenues of the Group.

29. Controlling party

As at 31 December 2017 the immediate parent company was Merkur Casino UK Limited, an intermediate holding company.

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

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