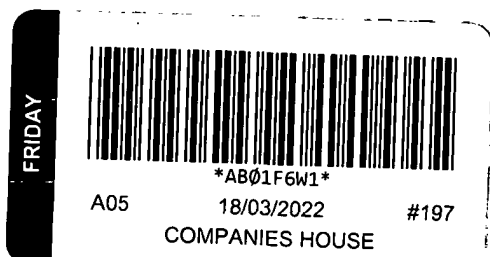


Merkur Slots UK Limited
Annual Report and Financial Statements
For the year ended 31 December 2021



MERKUR SLOTS UK LIMITED

COMPANY INFORMATION

Directors	B Längen S Bruns M S Schertle
Company secretary	Joelson JD LLP
Registered number	01038403
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

MERKUR SLOTS UK LIMITED

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MERKUR SLOTS UK LIMITED

STRATEGIC REPORT *FOR THE YEAR ENDED 31 DECEMBER 2021*

Introduction

The directors present their strategic report for Merkur Slots UK Limited ("the Company") for the year ended 31 December 2021.

Business review

Principal activity

The Company's principal activities are the provision of leisure services and entertainment facilities. There have not been any significant changes in the Company's principal activities in the period under review.

In the normal course of business, the Company closed eight unprofitable Adult Gaming Centres ("AGC's") along with ceasing its tanning business. All site closures will have a positive impact on the profitability of the Company, as only loss-making sites are considered for closure. The Company opened thirty-six new AGC's in 2021 (2020: twenty-one), increasing the market positioning of the business.

During the Coronavirus pandemic, the venues operated by the Company were mandated to close under National and Local lockdowns. This has had a material impact on the business during both 2020 and 2021.

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 monitors the key risks (as disclosed in the directors' report) 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.

Covid-19

Further to the global outbreak of Coronavirus disease (COVID-19) in 2020, the directors of the Company continue to assess the situation within the UK and the potential risk to the operation of the business on a daily basis. Up to 17 May 2021, all Adult Gaming Centres (AGCs) and Bingo venues in the UK were unable to trade due to Government lockdown regulations. All venues have been able to trade normally from that date up to and including the balance sheet date.

Ahead of reopening on 17 May 2021, the directors took all necessary measures advised by the NHS, WHO and the UK government, both within the venues and at head office. This included social distancing; promoting hygiene standards and providing facilities to enable this; appropriate use of PPE; and advising any employees who are showing symptoms of the virus to remain at home.

The Company has accessed all financial support available to it during the pandemic and also has full financial support from the UK group's parent company – Merkur Casino GmbH. As such, the directors do not foresee any impact on the going concern of the company as a result of the Coronavirus pandemic.

Regulation

The changing environment within the gambling and leisure industry, which has arisen as a result of government legislation, represents a key risk to the future profitability of the Company. It is the belief of the directors that appropriate strategies have been put in place, 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.

Further information on the risks and strategies are disclosed in the Directors' report and the consolidated financial statements of Merkur Casino UK Limited, the ultimate parent undertaking in the United Kingdom.

MERKUR SLOTS UK LIMITED

STRATEGIC REPORT (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2021*

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.

Revenue for the year increased by 35.0% to £85.7m (2020: 35.9% decrease to £63.5m).

The result from operating activities before taxation continued to be impacted by Covid-19, this improved by £7.9m to an operating loss of £5.8m for the year (2020: loss of £13.7m).

The continued operating loss is wholly attributable to the impact of the Coronavirus pandemic in the UK. All of the Company's venues remained closed until 17 May 2021 due to lockdown restrictions which were in place.

Creditor days for the Company were 35 for the year (2020: 27 days).

Financial position at the reporting date

The statement of financial position shows that the Company's net liabilities at the year-end have reduced from £17.0m to £2.7m.

During the year, the directors reviewed the share capital of the Company and issued 100,000 Ordinary £1 shares, for a value of £17.0m. The directors also issued 26,000 bonus shares to clear the historic Capital Redemption reserve.

The decrease in the Company's net liabilities at the statement of financial position date results from the issue of shares, although this is partially offset by the loss that occurred as a result of the trading restrictions in the early part of 2021.

Development and financial performance during the year

In 2021, the Company directors continued to focus on improving the profitability of the Adult Gaming Centre ('AGC') estate, despite the uncertainty of the pandemic, which continued into the start of the current financial year. A tremendous effort was applied to managing the period of closure and the negative impact resulting from the measures implemented by the UK government to handle the crisis.

During the year, the Company directors put plans in place to close operations where a profit could not be achieved. As a result, eight sites (2020: six sites) were closed with the relevant closed store provision being recognised in these financial statements. Further details are provided in note 22.

During 2020, the Company commenced a new project ('Merkur Slots') aimed at increasing the presence of the Merkur brand on the High Street. This has had a positive impact on market share and has established a solid growth trajectory across the business. During 2021, a total of thirty-six Merkur Slots venues were opened at an investment cost of £19m (2020: twenty-one sites, at a cost of £5m). In 2022, and beyond, the directors intend to continue with the expansion of the business on the UK High Street.

Alongside the expansion in the number of venues in 2021, the directors of the company also initiated a project to rebrand the existing estate in line with the new branding agreed earlier in the year. This brand change brings the company, and its venues, in line with the Gauselmann groups' overall branding strategy and utilises the internationally recognised Merkur sun logo. When complete, all UK high street AGC's owned by the group will have the Merkur Slots branding. This project will continue into 2022.

Machine mix and content are under continuous review, with the latest, state-of-the-art machines being used in the business. The directors are confident that keeping up to date with the latest machines and content will keep the Company competitive in the market in the future. During 2021, the ratio of owned machines to rented machines has increased further due to the introduction of the super-deduction tax regime brought in by the UK government in April 2021.

The directors of the Company expect that the regulatory regime surrounding customer welfare, pertaining to gambling machines, will strengthen but are confident that the Company will implement any additional social responsibility measures required.

MERKUR SLOTS UK LIMITED

STRATEGIC REPORT (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2021*

Statement by the Directors in performance of their Statutory duties in accordance with s172(1) of the Companies Act 2006

The Directors, in accordance with s172 of the UK Companies Acts 2006, must comply with the duties outlined in summary as follows:

A Director of a company must act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term,
- b) the interests of the company's employees,
- c) the need to foster the company's business relationships with suppliers, customers and others,
- d) the impact of the company's operations on the community and the environment,
- e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- f) the need to act fairly as between members of the company.

In discharging their duties, the directors have regard to such factors and take them into consideration when decisions are made. It is acknowledged that not every decision made will necessarily result in a positive outcome for all stakeholders. However, by considering the Company's purpose, objectives and values together with its strategic priorities and having a process in place for decision-making, the Directors aim to ensure that their decisions are consistent and fair.

In the normal course of business, authority for day-to-day management of the Company is delegated to executives with management engaged in settling, approving and overseeing execution of the business strategy and related policies. We review matters relating to financial and operational performance, business strategy, key risks, stakeholder related matters, diversity and inclusion, health and safety and legal, governance and regulatory matters. This is done through the consideration and discussion of reports which are sent in advance of each Board meeting and through presentations to the Board.

The Company's key stakeholders are its customers, employees, suppliers, the local communities in which it operates and regulators. The views of and the impact of the Company's activities on those stakeholders are an important consideration for the Directors when making decisions. While there are cases where the Board itself judges that it should engage directly with certain stakeholder groups or on certain issues, the size and the spread of both our stakeholders and operations means that generally our stakeholder engagement takes place at an operational level. We find that as well as being a more efficient and effective approach, this also helps us achieve a greater positive impact than by working alone as an individual company.

Customers

Key aspects of the engagement with our customers are the customer experience, player protection and, more recently, Covid-19 safety. The Company is continually investing in the customer experience from new and relevant gaming machines to refreshed and improved gaming environments.

2020 saw the introduction of the 'Merkur Slots' venues which is expanding the Merkur brand and providing new gaming opportunities to customers often in areas where the Group has not previously had a presence. This project for expansion has continued in 2021 adding a further thirty-six Merkur Slots venues to the twenty-one opened in 2020.

The Directors continue to seek improved standards with respect to player protection and safer gambling. Examples of this are noted in the Directors' Report.

Covid-19 has had a significant impact on the Company during the year. Ensuring that the Company's venues remained compliant with related Government guidelines has been a key focus for the Directors and was essential in ensuring a safe environment in which our customers could enjoy their experience.

MERKUR SLOTS UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Statement by the Directors in performance of their Statutory duties in accordance with s172(1) of the Companies Act 2006 (continued)

Employee engagement

The Directors are fully committed to ensuring that engagement with employees, across all regions of the business, is sought and factored into their decision-making process. The measures in place to engage with the Company's employees are described in full in the Directors' Report. Through this engagement the Directors are able to gather opinions and ideas from the wider employee population, identify any gaps in communication or areas of concern and consider these in their decision-making process.

During the Covid-19 pandemic and as a result of Government requirements, we closed all venues at various points during the year which impacted employees directly. Regular communications with employees ensured that we remained in contact with them, kept them aware of the situation with respect to re-opening and Government advice and initiatives, as well as ensuring that the wellbeing of employees was tracked and assessed.

Ensuring that the Company's office and venues remained compliant with related Government guidelines was essential in ensuring a safe environment in which our employees could return to work in following closures.

Suppliers

At a Group level, we have a dedicated procurement function which engages with our suppliers with the aim of optimising the working relationships between the parties.

The strong relationships built with suppliers has been maintained and built on throughout the Covid-19 pandemic as we worked with our suppliers to address the challenges faced by us and them during this time.

Local communities

Community links remain important, and the Directors continue to actively encourage participation in the Company's corporate social responsibility agenda. The Merkur Casino Holdings Group supports a range of local charities as well as four major charities, namely Great Ormond Street Hospital, Days of Sunshine, Teenage Cancer Trust and The Royal Marsden Cancer charity.

During periods when the Company was unable to trade many staff were placed on 'furlough'. Many of these employees participated in local volunteering initiatives to support their local communities during their time on furlough.

Regulators

Throughout 2021, we continued to build relationships and maintain an open dialogue with regulators and local authorities. This has included:

- embedded measures within our venues to support the National strategy to Reduce Gambling Harms,
- working 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.

Environment

The Company is focussed on ensuring that it reduces its impact on the environment. This has seen the use of the period of mandated venue closures to review the maintenance requirements and, where possible, accelerate the replacement of older less efficient or less environmentally friendly equipment with more efficient and environmentally friendly equipment. Further details of this may be seen in the Energy and Carbon Reporting section of the Directors' Report in the Merkur Casino UK Limited financial statements.

This report was approved by the board on 11 March 2022 and signed on its behalf.

Borris Lungen

B Lungen
Director

MERKUR SLOTS UK LIMITED

DIRECTORS' REPORT *FOR THE YEAR ENDED 31 DECEMBER 2021*

The directors present their report and the financial statements for the year ended 31 December 2021.

Future developments

In 2022, the directors will continue to focus on improving the profitability of the AGC estate and put in place plans to close operations where a profit cannot be achieved. The directors are also looking at opportunities to increase the number of AGC venues over the next five years through new lease acquisitions and development of these sites. Potential sites will continue to be reviewed during 2022, with investment being made in suitable sites as leases are agreed.

Results and dividends

The loss for the year, after taxation, amounted to £2,693,000 (2020: loss of £13,399,000). No dividend was paid or proposed during the year (2020: £nil).

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. Additional financial support is also available from the group's parent company if required.

For further information regarding the directors' assessment of the going concern status of the Company, refer to the accounting policies Note 1.4 in the financial statements.

Charitable and political contributions

The Company made charitable donations during the year of £nil (2020: £nil).

During the year the Company made no political donations (2020: £nil).

Business Risk

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 and Group work hard to ensure that it actively provides and promotes an environment in which customers play safely.

The board challenge management and staff to continually raise standards of operation, safer gambling, and player protection initiatives. An example of this is the G4 audit, for which the Company was awarded accreditation in August 2020. The actions taken from this audit have focussed the business to further improve the staff training on Customer Interaction and Gambling Harm, develop machine training to enable staff to advise customers on the types of machine games, how they play and to provide them with an informed choice and to increase resource within our Learning and Development team to support the delivery of the face to face and online training to employees.

We have developed a six-week classroom and in venue induction programme for all new employees, this involves enhanced Customer Interaction training including role play scenarios.

We have engaged with YGAM and Betknowmore to develop City & Guilds accredited training that focuses on identifiers of harm.

Measures embedded within our venues to support the National strategy to Reduce Gambling Harms include:

- Safer Gambling campaigns both internal and participation in Safer Gambling Week
- Point of sale safer gambling machine messaging on B3 and Cat C
- Playright gambling management tool
- Customer Interactions and self-exclusion scheme
- Think 25 Policy
- Age Verification Tests

MERKUR SLOTS UK LIMITED

DIRECTORS' REPORT (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2021*

Business Risk (continued)

Regulatory risk (continued)

The directors also work with stakeholders, customers and regulators to help public understanding of the gaming offerings 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 are maintained.

Financial risk

Liquidity

The management of the Company's cash and borrowing requirements are undertaken by the Group 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

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

On 1 January 2021 the FCA's Interest Rate Benchmark Reform – Phase II came into effect. The Company does not have any IBOR-based funding, nor any fixed-rate funding that is hedged using IBOR based derivatives. Furthermore, the company does not use IBOR in constructing any discount rates used in the calculation of provisions or impairment calculations. It is therefore unaffected by this amendment.

Foreign currency

The Company's foreign currency exposures arise from transactions with its German parent, related party companies and overseas suppliers. The Group believes the materiality of these transactions do not warrant hedging of foreign currency risks.

Credit

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.

Directors

The directors who served during the year and to the date of this report were:

B Längen
S Bruns
M S Schertle

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

Events after the end of the reporting period

There have been no significant events affecting the Company since the year end.

Energy and carbon reporting

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2018 impose requirements on large unquoted companies to include an 'Energy and Carbon Report' within the Directors' Report for each financial year, which includes their energy and carbon information. As permitted by this legislation, the details of this can be found in the directors' report of Merkur Casino UK Ltd – the parent company for the UK Group.

MERKUR SLOTS UK LIMITED

DIRECTORS' REPORT (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2021*

Employee consultation

The Merkur Casino UK Limited ("MCUK") 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 and weekly or monthly employee newsletters. 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 has previously included support of the gaming industry's charity CHiPs (Children's Happiness Involves People) to which the Group has contributed over £1m in past years by way of local and national fundraising activities and charitable donations. From 2019, the Group supported the BACTA charitable trust, which allowed the Group to support more local charities, as well as four major charities including Great Ormond Street Hospital, Days of Sunshine, Teenage Cancer Trust and The Royal Marsden Cancer charity.

The constituent members of the MCUK Group ("Group") are shown in the consolidated financial statements of Merkur Casino UK Limited, which are publicly available.

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 Group. 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 principal risks & uncertainties and key performance indicators.

Statement of directors' responsibilities

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 Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements 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.

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.

MERKUR SLOTS UK LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Disclosure of information to auditor

The directors confirm 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 a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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 11 March 2022 and signed on its behalf.

Bernis Lungen

B Lungen
Director

MERKUR SLOTS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MERKUR SLOTS UK LIMITED

Opinion

We have audited the financial statements of Merkur Slots UK Limited (the 'company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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 2021 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual 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.

MERKUR SLOTS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MERKUR SLOTS UK LIMITED (CONTINUED)

Other information (continued)

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.

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 have 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, 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.

MERKUR SLOTS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MERKUR SLOTS UK LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below

- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes.
- We assessed the susceptibility of the company's Financial Statements to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business to understand where management considered there was a susceptibility to fraud.
- Audit procedures performed by the engagement team included:
 - evaluation of the programmes and controls established to address the risks related to irregularities and fraud;
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions; and
 - identifying and testing related party transactions.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the client operates; and
 - understanding of the legal and regulatory requirements specific to the entity/regulated entity including:
 - the provisions of the applicable legislation;
 - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules; and
 - the applicable statutory provisions.
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Use of our report

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.



Nicholas Watson BSc ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date: 11 March 2022

MERKUR SLOTS UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Turnover	3	85,672	63,483
Cost of sales		<u>(31,555)</u>	<u>(24,812)</u>
Gross profit		54,117	38,671
Administrative expenses		(70,198)	(62,090)
Exceptional administrative income	4	91	1,211
Other operating income	5	<u>10,234</u>	<u>8,486</u>
Operating loss	6	(5,756)	(13,722)
Non-operating income	9	2,450	-
Interest receivable and similar income	10	753	12
Interest payable and expenses	11	<u>(1,453)</u>	<u>(1,443)</u>
Loss before tax		(4,006)	(15,153)
Tax on loss	12	<u>1,313</u>	<u>1,754</u>
Loss for the year		<u>(2,693)</u>	<u>(13,399)</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u>(2,693)</u>	<u>(13,399)</u>

The notes on pages 15 to 34 form part of these financial statements.

MERKUR SLOTS UK LIMITED
REGISTERED NUMBER: 01038403

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	13	3,540	4,529
Tangible assets	14	56,720	48,262
Investments	15	270	270
		<u>60,530</u>	<u>53,061</u>
Current assets			
Stocks	16	120	73
Debtors: amounts falling due after more than one year	17	997	814
Debtors: amounts falling due within one year	17	9,912	11,267
Cash at bank and in hand	18	8,729	648
		<u>19,758</u>	<u>12,802</u>
Creditors: amounts falling due within one year	19	(24,962)	(69,226)
Net current liabilities		<u>(5,204)</u>	<u>(56,424)</u>
Total assets less current liabilities		<u>55,326</u>	<u>(3,363)</u>
Creditors: Amounts falling due after more than one year	20	(46,668)	(997)
Provisions for liabilities			
Other provisions	22	(11,351)	(12,640)
		<u>(58,019)</u>	<u>(13,637)</u>
Net liabilities		<u><u>(2,693)</u></u>	<u><u>(17,000)</u></u>
Capital and reserves			
Called up share capital	24	200	74
Share premium	23	4,800	-
Capital redemption reserve	23	-	26
Other reserves	23	-	2,440
Profit and loss account	23	(7,693)	(19,540)
		<u><u>(2,693)</u></u>	<u><u>(17,000)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 March 2022.

Bornis Lungen

B Lungen
 Director

The notes on pages 15 to 34 form part of these financial statements.

MERKUR SLOTS UK LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share Premium	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2021	74	-	26	2,440	(19,540)	(17,000)
Comprehensive loss for the year	-	-	-	-	(2,693)	(2,693)
Loss for the year	-	-	-	-	(2,693)	(2,693)
Total comprehensive loss for the year	-	-	-	-	(2,693)	(2,693)
Share issue	100	16,900	-	-	-	17,000
Bonus issue	26	-	(26)	-	-	-
Transfer to distributable reserves	-	(12,100)	-	(2,440)	14,540	-
At 31 December 2021	<u>200</u>	<u>4,800</u>	<u>-</u>	<u>-</u>	<u>(7,693)</u>	<u>(2,693)</u>

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2020	74	26	2,440	(6,141)	(3,601)
Comprehensive income for the year					
Loss for the year	-	-	-	(13,399)	(13,399)
Total comprehensive income for the year	-	-	-	(13,399)	(13,399)
At 31 December 2020	<u>74</u>	<u>26</u>	<u>2,440</u>	<u>(19,540)</u>	<u>(17,000)</u>

The notes on pages 15 to 34 form part of these financial statements.

MERKUR SLOTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies

1.1 General information

Merkur Slots UK 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 is disclosed in the company information.

The principal activity of the Company is the provision of leisure services and entertainment facilities.

These financial statements are presented in Sterling, which is also the functional currency of the Company, and rounded to the nearest £'000.

1.2 Basis of preparation of financial statements

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

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements as the Company is included within the consolidated accounts of Merkur Casino UK Limited, which are publicly available. These financial statements present information about the Company as an individual undertaking and not about its group.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

In preparing these financial statements, the Company has taken advantage of disclosure exemptions, as permitted by FRS 102 paragraph 1.12 (b) and (e).

The following principal accounting policies have been applied:

1.3 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 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 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- 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 as at 31 December 2021 and these financial statements may be obtained from Seebeck House, 1A Seebeck House, Knowlhill, Milton Keynes, Buckinghamshire, MK5 8FR, United Kingdom.

MERKUR SLOTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.4 Going concern

The directors have reviewed the Company's and wider MCK Group's budgets and forecasts for the next 12 months from the date of this report, its liquid resources and its medium-term plans. In considering the going concern status of the Company, sensitivity testing has been performed, which included a range of downside scenarios being applied to the latest forecast position.

To further strengthen the going concern position of the Company, the directors have received a letter of support from Merkur Casino GmbH, an intermediate parent company, confirming ongoing financial support for at least 12 months from the approval of these financial statements. The directors are satisfied that Merkur Casino GmbH is able to provide this support.

On the basis of the above and notwithstanding the fact that the Company has net current liabilities and net liabilities, the directors have prepared the financial statements on the going concern basis.

1.5 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 and value added tax (where appropriate).

Machine income

Turnover primarily represents receipts from gaming machines, excluding value added tax (where appropriate). Machine revenue represents machine cash receipts, net of machine pay-outs.

Sunbed income

Turnover primarily represents receipts from the rental of sunbeds, net of value of added tax.

Other income

Turnover primarily represents receipts from the sale of consumable items and tanning products, net of value of added tax.

1.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the fair value of its identifiable assets and liabilities at the date of acquisition. Goodwill is amortised on a straight-line basis to the Statement of Comprehensive Income over its useful economic life which is estimated to be 15 to 20 years.

Other 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. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation 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:

Software	-	3 to 5 years
Licences	-	10 years
Lease premiums	-	Period of lease

MERKUR SLOTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.7 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 the Statement of 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:

Freehold property	- 20 to 50 years
Short leasehold buildings	- Period of lease
Plant & machinery	- 3 to 10 years
Fixtures & fittings	- 3 to 10 years

Land is not depreciated.

Assets under construction are carried at historical cost and depreciated over their estimated useful life from the date they are brought into use.

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 Statement of Financial Position 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.

1.8 Operating leases: the Company as a lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

1.9 Operating leases: the Company as lessor

Rental income from operating leases is credited to other operating income in the Statement of Comprehensive Income on a straight-line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight-line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

1.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

MERKUR SLOTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

1.12 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, trade and 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) Trade and other receivables

Trade and 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 – classified as basic financial instruments

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.

MERKUR SLOTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.13 Foreign currency translation

Functional and presentation currency

The Company's functional currency is Sterling.

Transactions and balances

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'.

1.14 Pensions

The Group operates two defined contribution plans for its employees into which Merkur Slots UK employees 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 Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

1.15 Government Grants

Government Grants are recognised using the accrual model, where there is reasonable assurance that the grant will be received. The Company measures Grants at the fair value of the asset received or receivable.

Grants that compensate the Company for expenses incurred are recognised in the Statement of Comprehensive Income, in other operating income, in the periods in which the expenses are recognised by the Company.

A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs shall be recognised in other operating income in the period in which it becomes receivable.

MERKUR SLOTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.16 Current and deferred taxation

The tax credit for the year comprises current and deferred tax. 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 Statement of Financial Position date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

1.17 Provisions

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that requires probable settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation. The provision is discounted using the risk-free rate of interest pertaining to the duration of the provision. Where a provision represents the present value of the obligation, it is not discounted.

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 date of the Statement of Financial Position of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are made, they are charged to the provision held in the Statement of Financial Position.

1.18 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.

1.19 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1.20 Interest expense

Interest expense is recognised in the Statement of Comprehensive Income in the period in which it is incurred using the effective interest method.

MERKUR SLOTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. 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 assets (1.6), tangible fixed assets (1.7) and provisions (1.17).

Intangible 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.

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, where applicable, 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. The provision is not discounted as it represents the present value of the obligation based on current estimates of the cost of repairs.

3. Turnover

An analysis of turnover by class of business is as follows:

	2021 £000	2020 £000
Machine income	85,459	63,191
Sunbed income	191	256
Other income	22	36
	<u>85,672</u>	<u>63,483</u>

All turnover arose within the United Kingdom.

MERKUR SLOTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Exceptional items

	2021	2020
	£000	£000
Closed site credits	(107)	(1,446)
Onerous lease provision release	(222)	-
Insurance proceeds	(328)	-
Impairment of intangible fixed assets	566	-
Loss on disposal of fixed assets	-	235
	<u>(91)</u>	<u>(1,211)</u>

Closed site costs

The closed site provision represents the leasehold costs of closed sites, net of rental income where the site could be sub-let, plus other associated costs of closure.

During the year, the Company was successful in negotiating a sublet of two venues, which were previously included in the closed store provision. The release from the closed store provision for these sites was in excess of the addition to the provision in year from new venue closures. This has resulted in a credit to the Statement of Comprehensive Income in the current year.

In 2020, fewer additions to the provision, combined with the Company's successful negotiation of early lease exits with respect to four venues, resulted in the significant credit to the Statement of Comprehensive Income.

Onerous lease costs

The Company recognises a provision for loss-making venues equal to the leasehold costs less the expected net trading income. A provision has been made for the net lease costs for 5 years on the basis that the loss-making sites will either be closed or become profitable within that timeframe.

The review of the provision at the balance sheet date resulted in a net credit to the Statement of Comprehensive Income.

Insurance proceeds

During the year, the Company received insurance income to the value of £167,000 with respect to a venue which had been flooded in 2019 and £161,000 with respect to an insurance claim against a former director.

Impairment of intangible fixed assets

At the year-end date, a review of the carrying value of goodwill identified an impairment in the carrying value of the goodwill in a former acquisition – "Vineyard". The impairment booked in 2021 amounted to £566,000.

Loss on disposal of fixed assets

In November 2020 the Company sold the business and assets relating to its three venues in Hunstanton for £1.3m of which £300,000 was deferred equally over three years. The asset disposal included freehold buildings, various gaming and other entertainment machines, intangible assets and goodwill associated with the venues. The net loss on disposal of this transaction was £235,000.

MERKUR SLOTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5. Other operating income

	2021	2020
	£000	£000
Intra-group rents receivable	183	-
Third party rents receivable	307	228
Other Income	35	-
Government grants receivable	9,709	8,258
	<u>10,234</u>	<u>8,486</u>

Third party rents receivable relate to properties which are surplus to requirements for the business at the current time and have been sub-let.

Other income includes £20,000 of insurance proceeds, £9,000 from the sale of owned vehicles and £6,000 in kickstart (apprenticeship) grants.

Government grants receivable include £5,203,000 received and receivable under the Coronavirus Job Retention Scheme (CJRS) (2020: £7,045,000), £2,007,000 in Local Restriction Support Grants (2020: £498,000), £2,141,000 in Restart Grants (2020: £nil), £358,000 in Additional Restriction Support Grant (2020: £nil) and £nil of Retail, Hospitality & Leisure Grants (2020: £715,000).

See note 28 for further details on Government Grants and Assistance.

6. Operating loss

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

	2021	2020
	£000	£000
Depreciation of tangible fixed assets: owned	11,164	7,920
Depreciation of tangible fixed assets: held under finance lease	2,205	2,050
Amortisation of intangible assets, including goodwill	664	733
Impairment of intangible assets	566	-
Operating lease rentals: other	9,996	9,080
Operating lease rentals: plant and machinery	10,555	8,153
Defined contribution pension cost	438	375
Provision for the impairment of tangible fixed assets	(103)	(231)
Loss on disposal of fixed assets	257	304

Other Operating lease rentals include property lease costs related to closed sites of £208,000 (2020: £131,000).

7. Auditor's remuneration

Audit fees of £60,700 (2020: £52,000) for the current and previous financial years have been borne by Merkur Casino Holdings UK Limited, the immediate parent undertaking. Fees paid to the Company's auditor in respect of non-audit work amounted to £nil (2020: £12,000) for the year, which was also borne by Merkur Casino Holdings UK Limited.

MERKUR SLOTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Employees

Staff costs were as follows:

	2021 £000	2020 £000
Wages and salaries	22,460	19,706
Social security costs	1,689	1,305
Cost of defined contribution pension scheme (note 26)	438	375
	<u>24,587</u>	<u>21,386</u>

Amounts received under the Coronavirus Job Retention Scheme ('Furlough') are accounted for as Government Grants and are included within other operating income (note 5). Employees designated as 'furloughed workers' are eligible to have up to 80 per cent of their wage costs, up to a maximum of £2,500 per month, paid through a Government contribution. The Company had no staff on the scheme after July 2021.

The total values of these Grants claimed by the Company in the period to 31 December 2021 were:

	2021 £000	2020 £000
Wages and salaries	5,203	6,767
Social security costs	-	230
Pension	-	48
	<u>5,203</u>	<u>7,045</u>

B Lungen and M S Schertle are also directors of other group companies. Their remuneration in the current year and preceding year has been paid by other group companies.

The detail of the remuneration paid to the directors is included within the disclosures given in the financial statements of Merkur Casino Holdings UK Limited.

S Bruns is not remunerated through any company in the MCKUK group. His costs are not recharged to the Company.

The Company is not able to accurately allocate the directors' remuneration between Companies benefitting from their services.

During the period retirement benefits were not accruing to any directors (2020: nil).

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

	2021 Number	2020 Number
Operations	1,256	1,239
Management and administration	4	6
	<u>1,260</u>	<u>1,245</u>

MERKUR SLOTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Non-operating income

During the year the Company was successful with an appeal in respect of a historic VAT claim (see note 25). This resulted in the recognition of income of £3,090,000. Of this, £2,450,000 has been recognised in non-operating income and £640,000 has been recognised in interest receivable and similar income (see note 10).

10. Interest receivable and similar income

	2021 £000	2020 £000
Interest receivable from group companies	99	-
Release of interest discount	14	12
Other interest receivable (see note 9)	640	-
	<u>753</u>	<u>12</u>

Interest on all Group balances is at an interest rate of 1.25% (2020: 1.25%) and interest is rolled up into the total balance with the Group company.

11. Interest payable and similar charges

	2021 £000	2020 £000
Unwinding of discount on provisions	150	66
Interest payable to Group companies	1,303	1,377
	<u>1,453</u>	<u>1,443</u>

Interest on balances relating to finance leased assets are unsecured at an interest rate of 4.22% (2020: 4.22%). Interest on all other Group balances is at an interest rate of 1.25% (2020: 1.25%) and interest is rolled up into the total balance with the Group company.

12. Taxation

	2021 £000	2020 £000
Corporation tax		
Current tax on loss for the year	-	(535)
Adjustments in respect of prior periods	(160)	(135)
Total current tax	<u>(160)</u>	<u>(670)</u>
Deferred tax		
Origination and reversal of timing differences	(215)	(1,012)
Arising on rate change	(114)	(37)
Deferred tax assets recognised in the current year	(467)	-
Adjustments in respect of prior periods	(357)	(35)
Total deferred tax	<u>(1,153)</u>	<u>(1,084)</u>
Taxation on loss on ordinary activities	<u>(1,313)</u>	<u>(1,754)</u>

MERKUR SLOTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 £000	2020 £000
Loss on ordinary activities before tax	<u>(4,006)</u>	<u>(15,153)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(761)	(2,879)
Effects of:		
Expenses not deductible for tax purposes	667	576
Other timing difference leading to a decrease in taxation	(261)	(37)
Group relief	26	289
Unutilised losses	-	467
Deferred tax assets recognised in the current year	(467)	-
Adjustments in respect of prior year	(517)	(170)
Total tax credit for the year	<u>(1,313)</u>	<u>(1,754)</u>

Factors that may affect future tax charges

At the reporting date the Company had unutilised tax losses of £22,191,000 (2020 as amended: £9,520,000) available for offset against future taxable profits of the Company. Details of the provided and unprovided deferred tax asset are shown in note 21 to these financial statements.

Changes in tax legislation

Under the Finance Act 2021 the rate of Corporation Tax is set to increase from 19% to 25% from April 2023. The change to the Corporation Tax rate of 25% from April 2023 has been substantively enacted. Deferred tax has been measured using the tax rates applicable at the date any timing differences are expected to unwind.

MERKUR SLOTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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13. Intangible assets

	Software and Other Intangibles £000	Lease premiums £000	Licences £000	Goodwill £000	Total £000
Cost					
At 1 January 2021	241	226	676	11,350	12,493
Additions	-	-	247	-	247
Disposals	(4)	-	(20)	-	(24)
At 31 December 2021	<u>237</u>	<u>226</u>	<u>903</u>	<u>11,350</u>	<u>12,716</u>
Amortisation					
At 1 January 2021	174	137	497	7,156	7,964
Charge for the year	37	12	74	541	664
Disposals	(4)	-	(14)	-	(18)
Impairment	-	-	-	566	566
At 31 December 2021	<u>207</u>	<u>149</u>	<u>557</u>	<u>8,263</u>	<u>9,176</u>
Net book value					
At 31 December 2021	<u>30</u>	<u>77</u>	<u>346</u>	<u>3,087</u>	<u>3,540</u>
At 31 December 2020	<u>67</u>	<u>89</u>	<u>179</u>	<u>4,194</u>	<u>4,529</u>

Amortisation charge for the year is included within administrative expenses in the Statement of Comprehensive Income.

Following an impairment review at the year-end date, an impairment charge has been recognised in the financial statements. The goodwill impaired relates to the goodwill recognised in respect of 14 venues which were acquired as a single CGU in 2011.

MERKUR SLOTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Tangible fixed assets

	Freehold property £000	Short Leasehold Property £000	Plant & machinery £000	Fixtures & fittings £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 January 2021	4,195	5,756	39,408	31,004	2,753	83,116
Additions	-	453	11,521	9,343	100	21,417
Additions from group undertakings	-	-	428	29	1,131	1,588
Disposals	-	(518)	(2,265)	(762)	-	(3,545)
Disposals to group undertakings	-	-	(551)	-	(76)	(627)
Transfers	-	183	(342)	339	-	180
At 31 December 2021	<u>4,195</u>	<u>5,874</u>	<u>48,199</u>	<u>39,953</u>	<u>3,908</u>	<u>102,129</u>
Depreciation						
At 1 January 2021	353	5,010	18,996	10,495	-	34,854
Charge for the year	36	193	7,036	6,104	-	13,369
Additions from group undertakings	-	-	319	-	-	319
Disposals	-	(516)	(1,833)	(671)	-	(3,020)
Disposals to group undertakings	-	-	(113)	-	-	(113)
Transfers	-	-	(105)	105	-	-
At 31 December 2021	<u>389</u>	<u>4,687</u>	<u>24,300</u>	<u>16,033</u>	<u>-</u>	<u>45,409</u>
Net book value						
At 31 December 2021	<u>3,806</u>	<u>1,187</u>	<u>23,899</u>	<u>23,920</u>	<u>3,908</u>	<u>56,720</u>
At 31 December 2020	<u>3,842</u>	<u>746</u>	<u>20,412</u>	<u>20,509</u>	<u>2,753</u>	<u>48,262</u>

The entity has taken advantage of exemption 35.10(c) of FRS 102 to use fair value as deemed cost for freehold property. The last valuation of freehold property was performed at the end of 2013 by the directors, valuing the land and building on an existing use basis.

In 2015 an external valuation was performed by Colliers International, a qualified professional valuer, in accordance with RICS valuation professional standards, published by the Royal Institution of Chartered Surveyors. The fair value of the freehold property was determined using the market comparable. This means that calculations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property.

The 2015 valuation was not materially different to the valuation performed by the directors. No valuation has been performed since this date.

MERKUR SLOTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Tangible fixed assets (continued)

During the year, the Company acquired £nil (2020: £1,199,000) assets under finance lease arrangements.

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

	2021	2020
	£000	£000
Plant & Machinery	<u>4,746</u>	<u>7,337</u>

During the year a review of the carrying value of fixed assets was carried out. As a consequence of the review, a previously recognised impairment provision of £103,000 was released (2020: £231,000).

15. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2021	<u>5,224</u>
At 31 December 2021	<u>5,224</u>
Impairment	
At 1 January 2021	<u>4,954</u>
At 31 December 2021	<u>4,954</u>
Net book value	
At 31 December 2021	<u><u>270</u></u>
At 31 December 2020	<u><u>270</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Dolphin Gaming Limited	Ordinary	100%	Provision of leisure and entertainment services

16. Stock

	2021	2020
	£000	£000
Finished goods and goods for resale	<u>120</u>	<u>73</u>
	<u><u>120</u></u>	<u><u>73</u></u>

Stock recognised as an expense in the period was £154,000 (2020: £146,000). During the year, stock with a value of £nil was impaired (2020: £17,000).

There was no material difference between the value of stock in the Statement of Financial Position and its replacement cost.

MERKUR SLOTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17. Debtors

	2021 £000	2020 £000
Due after more than one year		
Trade debtors	119	-
Other debtors	878	814
	<u>997</u>	<u>814</u>
Due within one year		
Trade debtors	105	503
Amounts owed by Group undertakings	3,476	4,846
Corporation tax	505	346
Other debtors	370	1,372
Deferred taxation (see note 21)	2,515	1,362
Prepayments and accrued income	2,941	2,838
	<u>9,912</u>	<u>11,267</u>

The amounts owed by Group undertakings are unsecured, at an interest rate of 1.25% (2020: 1.25%) and have no fixed terms for repayment. Interest is rolled into the loan balance.

Other debtors include £1,036,000 (2020: £762,000) relating to deposits which have been made to landlords in respect of quarterly rental charges in advance. Of this total, the value of rent deposits which are repayable in more than 1 year is £878,000 (2020: £589,000). The value of rent deposits repayable in less than one year is £158,000 (2020: £173,000).

The quarterly rental liabilities are secured by a fixed charge on deposits. The deposits are repayable at the end of each respective lease, which end at various dates up to and including 2037 (2020: 2034).

18. Cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	8,729	648
	<u>8,729</u>	<u>648</u>

19. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Bank overdraft	-	8,698
Trade creditors	3,583	3,816
Amounts owed to Group undertakings	9,981	44,942
Finance leases	204	206
Taxation and social security	4,392	7,229
Other creditors	535	433
Accruals and deferred income	6,267	3,902
	<u>24,962</u>	<u>69,226</u>

The amounts owed to Group undertakings relating to finance leased asset are unsecured at an interest rate of 4.22% (2020: 4.22%); all other amounts owed to Group undertakings are unsecured at an interest rate of 1.25% (2020: 1.25%). All have no fixed terms for repayment, and interest is rolled up into the total loan balance.

MERKUR SLOTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

	2021 £000	2020 £000
Amounts owed to group undertakings	46,000	-
Net obligations under finance leases and hire purchase contracts	668	997
	<u>46,668</u>	<u>997</u>

The obligations under finance leases due after more than one year are split £172,000 (2020: £214,000) due between one and two years, £496,000 (2020: £783,000) due between two and five years and £nil (2020: £nil) due after more than five years.

During the year, £46,000,000 of the Company's balance with Merkur Casino Holdings UK Limited was formalised into a loan agreement. The loan carries interest at 1.25% and no portion of this loan is repayable before 1 January 2023.

21. Deferred tax asset

	2021 £000	2020 £000
At 1 January	1,362	278
Credited in the year	1,153	1,084
At 31 December	<u>2,515</u>	<u>1,362</u>

A deferred tax asset in relation to tax losses of £470,000 at 19%, was not recognised in the prior year due to uncertainty surrounding the timing of the reversal of this temporary difference.

At 31 December 2021 a deferred taxation asset of £2,515,000 (2020: £1,362,000) has been recognised. This relates to losses of £4,216,000 and other timing differences of £23,000 recognised at 19%, other timing differences of £160,000 recognised at 25% (2020: £150,000 recognised at 19%) and a deferred tax liability of £1,884,000 recognised at 25% (2020: asset of £260,000 recognised at 19%) relating to accelerated capital allowances.

22. Provisions

	Closed site £000	Onerous lease £000	Dilapidation Provision £000	Total Provisions £000
At 1 January 2021	5,692	2,219	4,729	12,640
Addition	890	1,055	441	2,386
Utilisation	(1,069)	(509)	(49)	(1,627)
Released	(775)	(1,198)	(75)	(2,048)
Transfers	79	(79)	-	-
At 31 December 2021	<u>4,817</u>	<u>1,488</u>	<u>5,046</u>	<u>11,351</u>

Closed site

Where leasehold properties cease trading and become vacant, the Company provides for all costs, net of anticipated income, to the end of the lease or the anticipated days of the disposal or sublease. The provision, which is discounted at 1.21% (2020: 1.21%) reflecting the risk-free rate of interest, is expected to be utilised at various dates up to 2033.

In 2021, the value of the closed site provision released, results from the Company being able to negotiate sublet arrangements on properties which have previously been subject to a closed site provision.

MERKUR SLOTS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

22. Provisions (continued)

Onerous lease

During the year the Company recognised a provision for loss-making venues where EBITDA results suggest the potential for onerous lease charges. In such cases, future expected cash flow performance of those individual venues is reviewed and discounted over the applicable term of the lease and compared to the committed rent payments for the corresponding period. Where there is a deficit between the cash flow and the committed rent then the net cost is recorded as an onerous lease charge. A provision has been made for the net lease costs for 5 years on the basis that the loss-making sites will either be closed or become profitable within that timeframe.

The provision is discounted at 1.21%, reflecting the risk-free rate of interest.

In 2021, the value of the onerous lease provision released, results either from venues no longer requiring an onerous lease provision or where the Company has exited a lease contract relating to a venue which has previously been subject to an onerous lease provision.

Dilapidation provision

As part of the Company's property leasing arrangements there is an obligation to repair damages which occur during the life of the lease, such as wear and tear. The provision is based on the charge that could reasonably be expected to arise at the end of, or during, the respective lease terms and represents the accrued charge from the inception of the lease to 31 December 2021. The provision is expected to be utilised at various dates up to 2041.

The provision is not discounted as it represents the present value of the obligation based on current estimates of the cost of repairs.

23. Reserves

Share Premium

This reserve represents the amount above the nominal value received for issued share capital, less transaction costs.

During the year, the Company issued 100,000 Ordinary £1 Shares, at a premium of £16.9m. A subsequent Capital reduction scheme was carried out by the directors to reduce the share premium account to £4.8m.

Capital redemption reserve

This reserve was set up in July 2008 when the Company purchased 26,000 of its own 'A' ordinary shares from Shipley Investments Limited, a group company at that date.

During the year, the directors of the Company elected to issue 26,000 bonus shares from this reserve. The balance remaining on the reserve at the Statement of Financial Position date is £nil.

Other reserves

Other reserves represent a capital contribution made by the former shareholders of the Company's immediate parent undertaking, Merkur Casino Holdings UK Limited, prior to the acquisition of Merkur Casino Holdings UK Limited by Merkur Casino UK Limited in October 2012.

During the year, the directors considered that this reserve was realised and transferred the balance on the reserve to retained earnings.

Profit & loss account

This reserve represents cumulative profits and losses.

MERKUR SLOTS UK LIMITED

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24. Share capital

	2021 £000	2020 £000
Shares classified as equity		
Allotted, called up and fully paid		
200,000: Ordinary shares of £1 each (2020: 74,000)	<u>200</u>	<u>74</u>

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

25. Contingent assets

The Company has submitted requests for the repayment of VAT on certain gaming machines for the period 2006-2012 ("Rank II"). The case relating to the Rank II claims which was heard at first tier tribunal in November 2020 was found in favour of the taxpayer on 30 June 2021. In August 2021 HM Revenue and Customs decided not to appeal the decision. The Company is currently submitting claims to HMRC for the VAT overpaid, with the expectation that all successful claims will be received in 2022. The value of the Rank II claims (excluding potential statutory interest), which is being claimed from HMRC in relation to the Merkur Slots UK historic trade, which has not been recognised in these financial statements, is £8.5m (2020: £9.3m), of which £5.1m (2020: £6.4m) would be due to the previous shareholders of the Company.

In addition, it is possible that claims relating to businesses transferred to the Company since 2012 will also be recognised in this Company's accounts when it is received. The value of claims potentially due to the Company under business transfers is £5.2m, of which £2.0m is payable to the previous shareholders of those companies.

26. Pension commitments

The Group operates two defined contribution pension schemes, into which Merkur Slots UK Limited employees are included. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £438,000 (2020: £375,000). There were outstanding employer and employee contributions of £92,000 (2020: £153,000) at the year end, which were payable on behalf of the Company.

27. Commitments under operating leases

At 31 December 21 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £000	2020 £000
Not later than 1 year	11,617	3,513
Later than 1 year and not later than 5 years	40,797	11,316
Later than 5 years	49,192	11,130
	<u>101,606</u>	<u>25,959</u>

During 2021, the Company continued to enter into operating leases for new venues as a part of the Merkur Slots project. The majority of these new leases have a lease term of 15 years.

Income from Operating leases

Future minimum lease receipts due are split £257,000 (2020: £101,000) due within one year, £928,000 (2020: £392,000) due later than 1 year and not later than 5 years and £382,000 (2020: £192,000) due later than 5 years.

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28. Government Grants and Assistance

The Company received the following Government Grants:

	2021	2020
	£000	£000
Coronavirus Job Retention Scheme (see note 5)	5,203	7,045
Retail Hospitality & Leisure Grant (see note 5)	-	715
Local Restriction Support Grant (see note 5)	2,007	498
Additional Restriction Support Grant (see note 5)	358	-
Restart Grant (see note 5)	2,141	-
	<u>9,709</u>	<u>8,258</u>

In addition to Government Grants, the Company has also benefited from Business Rates relief during 2021. This relief applied to all trading venues, for the period from 1 January to 31 December 2021. This has taken the form of full business rates relief to 30 June 2021 and a partial relief from 1 July to 31 December 2021.

No business rates relief applies to the Company's venues in Wales.

29. Related party transactions

The Company is a wholly owned subsidiary of Merkur Casino UK Limited ("MCUK") and is included in the consolidated financial statements of that company. Consequently, the Company has taken advantage of the exemption, under the terms of FRS 102 Section 33 Related Party Disclosures, from disclosing related party transactions with wholly owned entities that are part of the MCUK Group.

During the year, the Company entered into transactions with other group companies which are under the common control of the Ultimate Parent company, Gauselmann AG. Under the terms of FRS 102 Section 33 Related Party Disclosures, an exemption from disclosing these transactions has been taken.

30. Controlling party

The immediate parent of the Company at the Statement of Financial Position date is Merkur Casino Holdings UK Limited, an intermediate holding company. The parent undertaking of Merkur Casino Holdings UK Limited is Merkur Casino UK Limited ("MCUK").

The immediate parent and the controlling party of MCUK is Merkur Casino GmbH, a Company registered in Germany.

The largest group in which the results of the Company are consolidated is that headed by Gauselmann AG. 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, MK5 8FR.