Matchurban

Annual report and financial statements

for the year ended 31 October 2013

Registered number: 2540202

Matchurban

Annual report and financial statements

for the year ended 31 October 2013

Contents

Matchurban

Strategic report for the year ended 31 October 2013

The directors present their strategic report on Matchurban (the "company") for the year ended 31 October 2013.

Review of business

The company did not actively trade during the year, having transferred the trade and assets of the business to Luxury Leisure in the prior year.

The company reported a loss on ordinary activities before taxation of £19,000 (2012: profit of £2,645,000).

Further supporting information to fulfil the company's requirement to present a fair review of business can be found on pages 4 to 15 of the 2013 financial statements.

Future developments

The company disposed of its trade in 2012 and is not expected to trade in future.

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks. These include the statutory framework and smoking bans already referred to above, as well as more general risks associated with high street retailers such as employee retention and the availability of suitable and affordable premises.

Key performance indicators

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

On behalf of the board

D Horrocks
Director

25 July 2014

Directors' report for the year ended 31 October 2013

The directors present their annual report together with the audited financial statements of the company for the year ended 31 October 2013.

Principal activities
The principal activity of the company is the provision of leisure services and entertainment facilities.

Business review
An exceptional item of £nil (2012: £3,000,000) arose on the forgiveness by members of the Red Poppy (UK) Limited group of balances owed to them by other group companies.

Results and dividends
The results of the year are set out on page 8. The directors do not recommend payment of a dividend (2012: £nil).

Principal risks and uncertainties
The management of the business and the execution of the company's strategy are subject to a number of risks and uncertainties.

A discussion of these risks and uncertainties on a group basis, in the context of the Red Poppy (UK) Limited group ("the group"), of which the company is a member, is provided in the directors' report of the consolidated financial statements of Red Poppy (UK) Limited.

Key performance indicators ("KPIs")
Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Financial risk management
The company is exposed to a variety of financial risks which result from both its operating and investing activities. The board is responsible for coordinating the company's risk management and focuses on actively securing the company's short to medium term cash flows.

The company does not actively engage in the trading of financial assets and has no financial derivatives.

The most significant financial risks to which the company is exposed to are described below:

Liquidity risk
The company seeks to manage risks to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Working capital requirements are met principally out of cash.

Credit risk
Credit risk arises from cash and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

Directors' report for the year ended 31 October 2013 (continued)

Employment policy
The company's policy includes, where practicable, the continued employment of those who may become disabled during their employment.

Equal training facilities are provided for disabled and other employees to improve performance, to learn new skills and to qualify for promotion. The company understands the benefits that are gained from keeping employees informed of events and accordingly communicates with them on a regular basis.

Directors
The directors of the company who served during the year and up to the date of signing the financial statements were:

I Imrie
DH Biesterfield (resigned 27 June 2014)
DJ Horrocks

Qualifying third party indemnity provisions
Following shareholder approval, the company has put in place an indemnity for its directors and officers, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. This was in force during the financial year and also at the date of signing the financial statements.

Statement of directors' responsibilities
The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make 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.

Directors' report for the year ended 31 October 2013 (continued)

Disclosure of information to auditors

Each director, as at the date of this report, has confirmed that in so far as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On belhaf of the board

D Horrocks
Director

25 July 2014

Independent auditors' report to the members of Matchurban

Report on the financial statements

Our opinion
In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 October 2013 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited
The financial statements, which are prepared by Matchurban, comprise:

- the balance sheet as at 31 October 2013;
- the profit and loss account for the year ended 31 October 2013 for the year then ended;
- the statement of accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditors' report to the members of Matchurban (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration
Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions
Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Matchurban (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors
As explained more fully in the Statement of directors' responsibilities set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Michael Jeffrey

Michael Jeffrey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
25 July 2014

Matchurban

Profit and loss account for the year ended 31 October 2013

	Note	2013 £'000	2012 £'000
Turnover	1	-	4,631
Cost of sales		-	(3,182)
Gross result/ profit		-	1,449
Administrative expenses		**(19)**	(1,802)
Exceptional item:			
Intergroup balance forgiveness	3	-	3,000
		(19)	1,198
Operating (loss)/ profit		**(19)**	2,647
Loss on disposal of fixed assets		-	-
Interest payable and similar charges	5	-	(2)
(Loss)/ profit on ordinary activities before taxation	2	**(19)**	2,645
Tax on (loss)/ profit on ordinary activities	6	-	(38)
(Loss)/ profit for the financial year	10	**(19)**	2,607

All amounts relate to discontinued operations.

The company has no recognised gains or losses other than those included in the results above, and therefore no statement of total recognised gains and losses has been prepared.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

Matchurban

Balance sheet as at 31 October 2013

	Note	2013	2013	2012	2012
		£'000	**£'000**	£'000	£'000
Current assets					
Debtors	7	**2,065**		3,632	
Cash at bank and in hand		**30**		-	
		2,095		3,632	
Creditors: amounts falling due within one year	8	-		(1,518)	
Net assets			**2,095**		2,114
Capital and reserves					
Called up share capital	9		-		-
Profit and loss account	10		**2,095**		2,114
Total shareholders' funds	11		**2,095**		2,114

The financial statements on pages 8 to 19 were approved by the board of directors on 25 July 2014 and are signed on its behalf by:

DJ Horrocks
Director

Matchurban
Registered number: 2540202

Matchurban

Statement of accounting policies

Basis of accounting
These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Turnover
Turnover represents the receipts from the provision of leisure services and entertainment facilities, exclusive of value added tax, within the United Kingdom. Turnover is recognised at the point of receipt, as the company is a cash business. Advance cash receipts are included as deferred income and recognised over the period of usage of leisure facilities.

Operating leases
Operating lease payments are charged to the profit and loss account on a straight line basis over the term of the lease.

Taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that results in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the year in which timing differences reverse, based on taxation rates and laws substantively enacted at the balance sheet date.

Intangible assets
Goodwill is treated as an intangible asset and the cost written off over the estimated useful life, not exceeding 20 years, in equal instalments.

Goodwill represents the excess of the fair value of the consideration given the fair value of the identifiable net assets acquired.

The company evaluates the carrying value of goodwill in each financial year to determine if there has been impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account.

Statement of accounting policies (continued)

Tangible fixed assets and depreciation
Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives, which are considered to be:

Long leasehold properties	-	term of lease
Short leasehold properties	-	term of lease
Fixtures and fittings	-	10 years

Stocks
Stocks are stated at the lower of cost and net realisable value. Cost is determined using the first-in first-out (FIFO) method. Where necessary, provision is made for slow moving, obsolete and defective stocks.

Cash flow statement
The company is exempt from the requirement of Financial Reporting Standard No. 1 (revised 1996) "cash flow statements" to prepare a cash flow statement as it is a wholly owned subsidiary of Red Poppy (UK) Limited and its cash flows are included within the consolidated financial statements of that company, which are publicly available.

Notes to the financial statements for the year ended 31 October 2013

1 Turnover

The directors of the company consider that the company has one geographical and business segment and therefore is not required to produce additional segmental disclosure. All the activities of the company fall into the principal activity as stated within the directors' report and the activities arise wholly in the United Kingdom.

2 (Loss)/ profit on ordinary activities before taxation

The profit on ordinary activities before taxation is arrived at after charging:

	2013	2012
	£'000	£'000
Depreciation	-	206
Amortisation	-	30
Machine hire charges	-	632
Property rental charges	-	619
Other operating lease rentals	-	291

The audit fee in the current and prior year has been borne by the parent company.

3 Exceptional item

The exceptional item of £nil (2012: £3,000,000) arose on the forgiveness by members of the Red Poppy (UK) Limited group of balances owed to them by other group companies.

Notes to the financial statements for the year ended 31 October 2013 (continued)

4 Staff costs

Staff costs comprise:

	2013	2012
	£'000	£'000
Wages and salaries	-	2,902
Social security costs	-	206
	-	3,108

The average monthly number of employees employed by the company in the provision of leisure services and entertainment facilities during the year was nil (2012: 162), excluding directors.

None of the directors received any emoluments for their services to the company (2012: £nil).

5 Interest payable and similar charges

	2013	2012
	£'000	£'000
Interest on corporation tax	-	2

Notes to the financial statements for the year ended 31 October 2013 (continued)

6 Tax on (loss)/ profit on ordinary activities

(a) Analysis of tax charge in the year

	2013	2012
	£'000	£'000
Current tax		
Adjustments in respect of prior years	-	21
Total current tax	-	21
Deferred tax		
Origination and reversal of timing differences	-	15
Adjustments in respect of prior years	-	2
Changes in tax rates	-	-
Total deferred tax	-	17
Tax on profit on ordinary activities	-	38

Notes to the financial statements for the year ended 31 October 2013 (continued)

6 Tax on (loss)/ profit on ordinary activities

(b) Factors affecting the tax charge for the year

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

	2013	2012
	£'000	£'000
Profit on ordinary activities before taxation	**(20)**	2,645
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.41% (2012: 24.84%)	(5)	657
Effects of:		
Expenses not deductible for tax purposes	-	31
Accelerated capital allowances	-	14
Group relief surrendered not paid	-	43
Post cessation expenses carried forwards	5	-
Adjustments in respect of prior years	-	21
Income not taxable for tax purposes	-	(745)
Current tax charge for the year	-	21

(c) Factors that may affect future tax charges

The standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 23.41%.

In addition to the changes in the rates of corporation tax disclosed above, further changes to the UK corporation tax rates were announced in the Finance Act 2013, such that there will be additional reductions to the main rate to 21% from 1 April 2014 and 20% from 1 April 2015. These were substantively enacted for accounting purposes on 2 July 2013, before the balance sheet date, and a deferred tax rate of 20% is therefore included in the financial statements.

Notes to the financial statements for the year ended 31 October 2013 (continued)

7 Debtors

	2013	2012
	£'000	£'000
Trade debtors	-	23
Amounts owed by group undertakings	-	3,551
Amounts owed by related parties	**2,065**	30
Prepayments and accrued income	-	28
	2,065	3,632

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Amounts owed by related parties are unsecured, interest free and repayable on demand.

8 Creditors: amounts falling due within one year

	2013	2012
	£'000	£'000
Bank loans and overdraft	-	16
Trade creditors	-	90
Amounts owed to group undertakings	-	1,410
Accruals and deferred income	-	2
	-	1,518

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

The company has given a cross guarantee on the obligations by fellow group undertakings under a facilities agreement with the group's bankers. At 31 October 2013 the liability was £nil (2012: £nil).

Notes to the financial statements for the year ended 31 October 2013 (continued)

9 Called up share capital

	2013	2012
	£	£
Authorised		
1,000 (2012: 1,000) ordinary shares of £1 each	**1,000**	1,000
Allotted and fully paid		
100 (2012: 100) ordinary shares of £1 each	**100**	100

10 Profit and loss account

	£'000
At 1 November 2012	2,114
(Loss) for the financial year	**(19)**
At 31 October 2013	**2,095**

Notes to the financial statements for the year ended 31 October 2013 (continued)

11 Reconciliation of movements in shareholders' funds

	2013	2012
	£'000	£'000
(Loss)/ profit for the financial year	(19)	2,607
Opening shareholders' funds/ (deficit)	2,114	(493)
Closing shareholders' funds	2,095	2,114

12 Lease commitments

The company has the following annual commitments in respect of non-cancellable operating leases expiring in the following years for which provision has not been made:

	Land and buildings		Other	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Expiring:				
Within one year	-	5	-	-
Within one to five years	-	38	-	-
After more than five years	481	528	-	-
	481	571	-	-

13 Ultimate parent undertaking

The immediate parent undertaking is DC Gaming Limited, a company registered in England. The ultimate parent undertaking is Red Poppy (Gibraltar) Limited, a company registered in Gibraltar. Red Poppy (UK) Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 October 2013 and Red Poppy (Gibraltar) Limited the parent company of the largest group of undertakings to consolidate these finance statements. The consolidated financial statements of Red Poppy (UK) Limited can be obtained from the Company secretary, 1A Dukesway Court, Team Valley, Gateshead, NE11 0PJ and those of Red Poppy (Gibraltar) Limited from Suite 15 Watergardens 3, PO Box 1105, Gibraltar.

The ultimate controlling party is P Noble.

Notes to the financial statements for the year ended 31 October 2013 (continued)

18 Related party transactions

Transactions with other Red Poppy (Gibraltar) Limited group companies are not disclosed as the company has taken advantage of the exemption available under Financial Reporting Standard No. 8 "related party disclosures", as the company is a wholly owned subsidiary of Red Poppy (Gibraltar) Limited.

Amounts owed by and to related parties are shown in notes 7 and 8 respectively.