COASTBRIGHT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

COMPANY REGISTRATION NUMBER: 05176386

COASTBRIGHT LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2013

Contents

COASTBRIGHT LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

Principal Activities
The principal activity of the Company is the operation of a gaming casino

Business Review and Future Developments
The trading for the year has resulted in a loss of £2,296,000 (2012 £140,000) This was the result of a lower win in 2013, with revenue falling from £8,398,000 in 2012 to £3,239,000 in 2013 This fall was partly offset by a reduction in duty charges

The Company will continue to drive performance through focussing on revenue growth in future periods

The loss incurred in the year has resulted in a reduction in the Company's net assets from £12,458,000 at 31 December 2012 to £10,162,000 at 31 December 2013

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 The key business risks affecting the Company are considered to relate to competition, high roller activity, the taxation regime, and the regulatory framework

Trends and risks are the focus of monthly management meetings where performance is reviewed against budget and the prior year Regulations are constantly monitored to ensure any adverse impacts are minimised and managed The Company aims to offset competitive forces with an emphasis on customer service

Key Performance Indicators
The directors manage the Company's operations on a divisional basis The directors consider the key performance indicators to be attendance and average spend per customer

Total number of casino attendances in the year decreased by 4% to 15,853 Average spend per customer in the year decreased by 59% to £210 58

Financial Risk Management
The Company's approach to financial risk management is detailed in the accounting policies on page 14

Environment
Although the Company is considered to have low environmental risks, it recognises that the business does have an impact on the environment The Company is committed to developing methods of working which are environmentally responsible Energy and water conservation and effective waste management continue to be a central focus

On behalf of the board

Richard Salmond

Richard Robert Salmond
Director
3 June 2014

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2013

The Company is a limited company, number 05176386, incorporated and domiciled in the United Kingdom The registered office is Genting Club, Star City, Watson Road, Birmingham, England, B7 5SA

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

Peter Malcolm Brooks
Tan Sri Kok Thay Lim
Dato' Sri Choong Yan Lee
Richard Robert Salmond

Employees
The Company recognises that the success of its business is fundamentally linked to the contribution made by its employees The Company strives to attract, motivate and retain quality employees by offering competitive salary and benefits packages, investing in employee development and training programmes and encouraging employee involvement and communication The Company's human resources policies and strategies are focused on striking a balance between improving productivity, job enhancement and the ensuing rewards

The Company ensures that employees receive information about the financial and economic factors affecting the business by regular management meetings, a quarterly newsletter and staff conferences The Company has regular consultation with employees so that employees' views can be taken into account in making decisions that are likely to affect their interests

The Company endorses the principles of equal opportunities in the selection, career development and promotion of employees, regardless of gender, orientation, ethnic origin, religion and whether disabled or otherwise

Directors' Third Party Indemnities
The Company maintained a qualifying third party directors' and officers' liability insurance policy throughout the financial year and up to the date of approval of the financial statements

Corporate Social Responsibility
The Company appreciates its responsibilities in respect of social, environmental and ethical matters and upholds the highest standards of operations and conduct As a socially responsible company, Coastbright Limited is focused on contributing positively to the development of the economy and the community in all areas where it operates

The Company actively promotes and supports responsible gaming In advocating responsible gaming in our casinos, we continue to disseminate information on responsible gaming through printed and online channels As a responsible member of the casino gaming industry, we are resolutely committed to the development of awareness, prevention and counseling programmes for problem and underage gambling, both on our premises and in the wider community in which we operate

The Genting UK plc Group, of which Coastbright Limited is a subsidiary, is an active contributor to the Responsible Gambling Trust, which funds research and education into problem gambling in the UK In addition, the Group supports the work of Gamcare, a registered charity, and publicises the services they offer to individuals with gambling problems The Group made a donation of £231,000 in the year to the Responsible Gambling Trust (2012 £210,000)

Going Concern
The directors consider it is appropriate to prepare the financial statements on a going concern basis

Statement of Directors' Responsibilities
The directors are responsible for preparing the directors' report, the strategic 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

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

Statement of Provision of Information to Auditors
The directors confirm that, as far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and all steps have been taken by the directors to make themselves aware of relevant audit information, and to establish that the auditors are aware of that information The above is in accordance with the provisions of section 418 of the Companies Act 2006

On behalf of the board

Richard Salmond

Richard Robert Salmond
Director
3 June 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COASTBRIGHT LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2013

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 December 2013 and of its loss and cash flows for the year then ended,
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, 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 Coastbright Limited, comprise

- the balance sheet as at 31 December 2013,
- the income statement for the year then ended,
- the statement of cash flows for the year then ended,
- the statement of changes in equity for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union

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 ("the annual report") 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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

COASTBRIGHT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COASTBRIGHT LIMITED (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

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

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 3, 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

Mark Foster (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Milton Keynes
3 June 2014

COASTBRIGHT LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £000	2012 £000
Revenue	1, 2	3,239	8,398
Cost of sales		(6,218)	(8,468)
Gross loss		(2,979)	(70)
Administrative expenses		-	-
Loss before tax	3	(2,979)	(70)
Tax credit/(expense)	5	683	(70)
Loss for the year		(2,296)	(140)

All losses are attributable to the owners of the parent company

The loss for the year relates to continuing activities

There are no other gains or losses relating to the retained earnings reserves other than those above in the income statement

The notes on pages 10 to 25 form part of these financial statements

COASTBRIGHT LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	2013 £000	2012 £000
ASSETS			
Non-current assets			
Intangible assets	6	2,505	2,505
Property, plant and equipment	7	5,455	5,573
Deferred tax asset	13	67	24
Total non-current assets		8,027	8,102
Current assets			
Inventories	8	57	65
Trade and other receivables	9	1,459	4,545
Cash and cash equivalents	10	2,501	1,814
Current tax		581	-
Total current assets		4,598	6,424
Total assets		12,625	14,526
LIABILITIES			
Current liabilities			
Trade and other payables	11	(2,463)	(1,945)
Current tax		-	(123)
Total current liabilities		(2,463)	(2,068)
Net current assets		2,135	4,356
Non-current liabilities		-	-
Total liabilities		(2,463)	(2,068)
NET ASSETS		10,162	12,458
CAPITAL AND RESERVES			
Ordinary shares	14	10,500	10,500
Retained earnings		(338)	1,958
TOTAL EQUITY		10,162	12,458

The notes on pages 10 to 25 form part of these financial statements

The financial statements on pages 6 to 25 were authorised for use by the board of directors on June 2014 and were signed on its behalf

Richard Salmond

Richard Robert Salmond
Director
3 June 2014

Coastbright Limited
Registered number 05176386

COASTBRIGHT LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £000	2012 £000
Cash flows from operating activities	A	860	(1,281)
Cash flows from investing activities	B	(173)	(86)
Net increase/(decrease) in cash and cash equivalents		687	(1,367)
Movement in cash and cash equivalents			
Net cash and cash equivalents at the beginning of the year		1,814	3,181
Net increase/(decrease) in cash and cash equivalents		687	(1,367)
Cash and cash equivalents at the end of the year	C	2,501	1,814

A CASH FLOWS FROM OPERATING ACTIVITIES

	2013 £000	2012 £000
CONTINUING OPERATIONS		
Loss before tax	(2,979)	(70)
Depreciation	291	364
Change in work capital	3,612	(1,575)
Tax paid	(64)	-
Cash flows operating activities	860	(1,281)

B CASH FLOWS FROM INVESTING ACTIVITIES

	2013 £000	2012 £000
Purchase of property, plant and equipment	(173)	(86)

C CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the cash flow statements comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less and overdrafts

	2013 £000	2012 £000
CONTINUING OPERATIONS		
Cash at bank and in hand	2,501	1,814

COASTBRIGHT LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Ordinary shares £000	Retained earnings £000	Total equity £000
At 1 January 2012	10,500	2,098	12,598
Loss for the year	-	(140)	(140)
At 31 December 2012	10,500	1,958	12,458
Loss for the year	-	(2,296)	(2,296)
At 31 December 2013	10,500	(338)	10,162

All items above represent non owner changes in equity

1 ACCOUNTING POLICIES

Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS 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 The principal accounting policies are set out below The accounting policies have been consistently applied, other than where new policies have been adopted

Per s390 of the Companies Act 2006, the directors are required to draw up financial statements within 7 days of the Company's accounting reference date The Company's accounting reference date is 31 December Consistent with the normal monthly reporting process, the actual date to which the balance sheet has been drawn up is 29 December 2013 (2012 30 December 2012) For ease of reference in these financial statements all references to the results are for the year to 31 December 2013 and the financial position at 31 December 2013

Critical accounting estimates and judgements
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances The Company makes estimates and assumptions concerning the future The resulting accounting estimates will, by definition, not necessarily equal the related actual results

Changes in accounting policy and disclosures
Interpretations and amendments to published standards effective in 2013
New and amended standards adopted by the Company
IFRS 13, 'Fair value measurement',
IAS 19 (amendments), 'Employee benefits',
IAS 1 (amendment), 'Financial statement presentation' regarding other comprehensive income,
IAS 12 (amendment), 'Income taxes',
IFRS 7 (amendments), 'Financial instruments Disclosures' on asset and liability offsetting, and
Annual IFRS improvements 2011
The adoption of these accounting standards did not have a material impact on the Company's financial statements

Standards amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company
The following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2014 or later periods, but the Company has not early adopted them
IFRS 10, 'Consolidated financial statements' (effective for annual periods beginning on or after 1 January 2014),
IFRS 11, 'Joint arrangements' (effective for annual periods beginning on or after 1 January 2014),
IFRS 12, 'Disclosures of interests in other entities' (effective for annual periods beginning on or after 1 January 2014),
IAS 27 (revised 2011), 'Separate financial statements' (effective for annual periods beginning on or after 1 January 2014),
IAS 28 (revised 2011), 'Associates and joint ventures' (effective for annual periods beginning on or after 1 January 2014),
IAS 32, 'Financial instruments Presentation on asset and liability offsetting' (effective for annual periods beginning on or after 1 January 2014), and
IFRS 9, 'Financial instruments – classification and measurement' (effective for annual periods beginning on or after 1 January 2015)

1 ACCOUNTING POLICIES (CONTINUED)

Exceptional items
The Company defines exceptional items as those items which, by their nature or size, would distort the comparability of the Company's results from period to period

Segmental reporting
The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions

The Company's primary business segment is gaming in London, England The secondary reporting segment is the main geographic areas in which the company operates The Company only operates in the UK

Revenue recognition
Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, in the normal course of business, net of value-added tax, other sales related taxes, rebates and discounts and after eliminating sales within the Company

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement

<u>Gaming</u>
Gaming revenue represents the gross gaming yield received from casino gaming activities (including casino gaming machines) (excluding value added tax) and catering revenues

Although gaming obligations strictly meet the definition of financial instruments under IAS39, in line with industry practice, income derived therefrom is recognised as revenue

<u>Interest income</u>
Interest income is recognised on a time proportion method using the effective interest method

<u>Dividend income</u>
Dividend income is recognised when the right to receive the payment is established

1 ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation

Functional and presentation currency

The financial statements are prepared and presented in the functional currency of the Company which is Sterling (£)

Transactions and balances

Foreign currency transactions in the Company are translated into the functional currency using the exchange rates prevailing at the dates of the transactions Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement

Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses Historical cost includes expenditure that is directly attributable to the acquisition of the items

Depreciation is calculated so as to write off the cost/deemed cost of property, plant and equipment, less their estimated residual values, over the expected useful economic lives of the assets concerned, at the following rates

- Freehold land is not depreciated,
- Freehold buildings are depreciated over 50 years on a straight line basis,
- Fixtures, fittings and equipment are depreciated at rates of 10% - 33% per annum on a straight line basis, and
- Motor vehicles are depreciated over 5 years on a straight line basis

Assets in the course of construction are reclassified to the respective classes of property, plant and equipment upon completion of the project

No depreciation is provided on freehold land or on assets in the course of construction and prior to being commissioned

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably All other repairs and maintenance are charged to the income statement during the financial period that they are incurred

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount (see accounting policy note on impairment of assets)

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are included in the income statement

1 ACCOUNTING POLICIES (CONTINUED)

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable Amortisation charges are included within cost of sales in the income statement

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount The recoverable amount is the higher of an asset's fair value less costs to sell and value in use For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset

Where goodwill forms part of a cash generating unit that is disposed of, this goodwill is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation Impairment loss on goodwill once recognised is not reversed

Financial assets

The Company classifies its financial assets in the following categories loans and receivables, held-to-maturity financial assets and available-for-sale financial assets The classification depends on the purpose for which the financial assets were acquired Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market They are included in current assets, except for maturities greater than 12 months after the balance sheet date These are classified as non-current assets Loans and receivables are included in trade and other receivables in the balance sheet (see accounting policy note on trade receivables)

(b) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date

1 ACCOUNTING POLICIES (CONTINUED)

Financial risk management

The Company seeks to minimise the potential adverse impact arising from fluctuations in exchange rates and the unpredictability of the financial markets

The Company operates within clearly defined guidelines that are approved by the board of directors of the ultimate holding company and do not trade in derivative financial instruments Financial risk management is carried out through risk reviews conducted centrally This process is further enhanced by effective internal controls, a group-wide insurance programme and adherence to the financial risk management policies

The main areas of financial risk faced by the Company are as follows

Credit risk

Financial assets that potentially subject the Company to concentrations of credit risk consist principally of receivables, bank balances and deposits The Company's cash equivalents and short-term deposits are placed with high creditworthy financial institutions Receivables are presented net of provision for impairment Credit risk with respect to trade receivables is limited as the Company does not have any significant exposure to any individual customer or counterparty

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet The Company's major class of financial assets is bank deposits

(1) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies

(2) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired

Liquidity risk

The Company practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities The Company's cash flow is reviewed regularly to ensure that the Company is able to settle its commitments when they fall due

The Company is not exposed to significant foreign currency exchange risk or price risk

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the parent company Capital is calculated as 'total equity' as shown in the balance sheet

1 ACCOUNTING POLICIES (CONTINUED)

Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment A provision for impairment of receivables 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 receivables The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate The amount of the provision is recognised in the income statement Full provision is made in the financial statements for all unrecovered gaming debts at the balance sheet date, net of amounts recovered up to the date of approval of the financial statements

Inventories
Inventories are stated at the lower of cost and net realisable value Cost is determined using the first-in, first-out (FIFO) method The cost of inventories comprises food, beverages and other supplies Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expense

Cash and cash equivalents
Cash and cash equivalents include cash and bank balances (net of bank overdrafts), deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less Bank overdrafts are shown within borrowings in current liabilities on the balance sheet

Trade payables
Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method

Borrowings and borrowing costs
Borrowings are recognised initially at fair value, net of transaction costs incurred Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method

Borrowing costs are expensed in the period in which they are incurred, except for issue costs which are amortised over the period of the borrowing

Tax
Current taxation is determined according to the tax laws of each jurisdiction in which the Company operates and includes all taxes based upon the taxable income and is measured using the tax rates which are applicable at the balance sheet date

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised

Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future

1 ACCOUNTING POLICIES (CONTINUED)

Provisions
Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation Provisions are not recognised for future operating losses

Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset when the reimbursement is virtually certain

Contingent liabilities and contingent assets
The Company does not recognise a contingent liability but discloses its existence in the financial statements A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation When a change in the probability of an outflow of economic resources occurs so that outflow is probable, it will then be recognised as a provision

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Company The Company does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain When inflow of economic resources is virtually certain, the asset is recognised

Employee benefits
a) Short-term employee benefits
Short-term employee benefits include gross wages, salaries, bonuses and paid annual leave These benefits are accrued when incurred

b) Post-employment benefits
i) Defined contribution plan
A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years

The Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis The contributions are recognised in the income statement as employee benefits expense when they are due

ii) Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy

iii) Bonus Plans
The Company recognises a liability and an expense for bonuses The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation

iv) Holiday Pay
The Company recognises an appropriate liability for the cost of holiday entitlements not taken at the balance sheet date

1 ACCOUNTING POLICIES (CONTINUED)

Share Capital
Ordinary shares are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another entity or to exchange financial assets or liabilities with another entity that are potentially unfavourable to the issuer

Incremental costs directly attributable to the issue of new shares, options or for the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium

Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition Goodwill on acquisition of subsidiaries is included in 'intangible assets' Goodwill is tested annually for impairment and carried as cost less accumulated impairment losses

Trademarks and Licences
Separately acquired trademarks and licences are shown at historical cost Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date Trademarks and licences have an indefinite useful life and are tested annually for impairment

Financial Instruments
Financial instruments that are measured at fair value are disclosed in the consolidated financial statements in accordance with the following fair value measurement hierarchy

i) Quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1),

ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices), or indirectly (that is, derived from prices) (level 2), and

iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2

2 REVENUE

At 31 December 2013, the Company is organised into one main business segment, namely a casino operation in London, England

Management have determined the operating segments based upon the reports reviewed by the board of directors that are used to make strategic decisions

3 LOSS BEFORE TAX

	2013 £000	2012 £000
Loss before tax is stated after charging the following		
Inventories – cost of inventories recognised as an expense (included in cost of sales)	226	209
Gaming duty	707	1,570
Depreciation – on property, plant and equipment	291	364

In 2013, there were no administrative expenses (2012 £nil) Auditors' remuneration of £11,000 (2012 £10,000) was borne by other companies in the Genting UK plc Group

4 EMPLOYEES AND DIRECTORS

	2013 Number	2012 Number
The monthly average number of persons employed by the Company during the year was as follows	81	82

	2013 £000	2012 £000
Employee costs were as follows		
Wages and salaries	2,400	2,346
Social security costs	232	225
Other pension costs	89	86
	2,721	2,657

Other pension costs relate to amounts paid to a defined contribution scheme There are no prepaid or accrued contributions at the year end (2012 £nil)

Directors' remuneration and compensation for key management personnel was borne by other companies in the Genting UK plc Group and disclosed in the relevant statutory financial statements No recharge was made to Coastbright Limited All are directors of a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries Accordingly, the above details include no emoluments in respect of the directors

5 INCOME TAX EXPENSE

	2013	2012
	£000	£000
Analysis of charge in the year		
Current tax – UK corporation tax		
Charge in respect of current year	(640)	59
Adjustments in respect of prior years	-	(14)
Total current tax (credit)/charge	(640)	45
Deferred tax		
Current year origination and reversal of timing differences	(43)	25
Total deferred tax (credit)/charge (note 13)	(43)	25
Total tax (credit)/charge	(683)	70

All taxation relates to continuing operations

The tax assessed for the year is higher (2012 higher) than the standard rate of UK corporation tax The differences are explained as follows

	2013	2012
	£000	£000
Loss before tax	(2,979)	(70)
Expected tax at 23 25% (2012 24 5%)	(693)	(17)
Adjustments in respect of prior years	-	(14)
Capital allowance for the year less than depreciation	(14)	79
Change of rate difference	11	4
Other expenses not deductible for tax purposes	13	18
Tax (credit)/charge for the financial year	(683)	70

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 25%

A number of changes to the UK Corporation tax system were announced in the March 2013 UK Budget Statements Legislation reduced the main rate of Corporation tax from 23% to 21% from 1 April 2014 and from 21% to 20% from 1 April 2015 These changes were included in the Finance Act 2013 and received Royal Assent on 17 July 2013 and have therefore been substantively enacted at the balance sheet date The relevant deferred tax balances have therefore been re-measured

6 INTANGIBLE ASSETS

	Trademarks and Licences £000	Goodwill £000	Total £000
Cost and net book value			
At 1 January 2012, 31 December 2012 and 31 December 2013	500	2,005	2,505

6A IMPAIRMENT REVIEW

Impairment review of intangible assets with indefinite lives

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, in accordance with IAS 36 'Impairment of Assets' The Company classifies goodwill and gaming licences as indefinite life assets

The inherent value of the casino licence is deemed to be an intrinsic part of the value of the operation of the casino and is therefore considered as part of the total casino assets in the impairment review An impairment review was performed at each year end and no charge has been made to the income statement in respect of licence in both years

If the pre-tax discount rate applied to cash flow projections were increased by 1% this would have no effect on the carrying value of the assets

Where casinos are located within the same 'permitted' area where the nature of the customers is such that they are transferrable between casinos, the casinos have then been grouped together and treated as a separate cash generating unit (CGU) The recoverable amount of each CGU, including the licence, is determined based on the higher of fair value less cost to sell and value in use Estimates of fair value on property assets have been determined from an independent valuation exercise undertaken in 2010 or where we have received offers for certain properties Value in use has been calculated using cash flow projections The cash flow projections are based on current financial budgets approved by the directors for the next financial year and projections for the following eight years A long term growth rate of 2 25% including inflation was applied thereafter The pre-tax discount rate applied to cash flow projections is 10 15% (2013 9 35%)

Any impairment is allocated firstly to any intangible assets in a cash generating unit and then to property, plant and equipment

Key assumptions used in the value in use calculations

The calculation of the value in use of the casino licence is most sensitive to assumptions for admissions, spend per head, discount rate, casino duty and competition

Admissions are the number of discrete visits by members to the casino and have been based on historical trends adjusted for the effect of casino rebranding and an improved leisure offering If admissions were lower than forecast by 1% this would have no effect on the carrying value of the assets

Spend per head comprises the average amount of money (net winnings) spent by a member on gaming tables, machines and food and beverages This is determined by historical trends adjusted by the effects of an improved leisure offering

Discount rate reflects management's estimates of the market interest rates adjusted for a suitable risk factor which management believes best reflects an appropriate market rate of return

Casino duty is levied in bands of between 15% and 50% depending upon the level of gaming win at each casino The bands and rates have been assumed to remain at current levels without indexation

Competition comprises other casinos located in the same geographical area The impact of this has been assessed

7 PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings	Fixtures, fittings, motor vehicles and equipment	Assets in the course of construction	Total
	£000	£000	£000	£000
Cost				
At 1 January 2012	6,067	2,230	-	8,297
Additions	-	86	-	86
At 31 December 2012	6,067	2,316	-	8,383
Additions	3	149	21	173
Reallocation	(17)	17	-	-
At 31 December 2013	6,053	2,482	21	8,556
Accumulated depreciation				
At 1 January 2012	725	1,721	-	2,446
Charge for the financial year	110	254	-	364
At 31 December 2012	835	1,975	-	2,810
Charge for the financial year	105	186	-	291
At 31 December 2013	940	2,161	-	3,101
Net book amount				
At 31 December 2013	5,113	321	21	5,455
At 31 December 2012	5,232	341	-	5,573

7A IMPAIRMENT REVIEW

Impairment review of property, plant and equipment

If the carrying value of the Company's property, plant and equipment is higher than the estimated recoverable amount, then the value of those assets is written down Property, plant and equipment and intangible assets are grouped into cash-generating units The key assumptions and sensitivities in the impairment reviews are set out in note 6A

The inherent value of casino property, plant and equipment is deemed to be an intrinsic part of the value of the operation of the casino and is therefore considered as part of the total casino assets in the impairment review The cost of casino property, plant and equipment is £8 6m (2012 £8 4m) At the year end date, an impairment review was performed and no charge has been made to the income statement in respect of property, plant and equipment

Where casinos are located within the same 'permitted' area where the nature of the customers is such that they are transferrable between casinos, the casinos have then been grouped together and treated as a separate cash generating unit (CGU) The recoverable amount of each CGU, including the licence, is determined based on the higher of fair value less cost to sell and value in use Estimates of fair value on property assets have been determined from an independent valuation exercise undertaken in 2010 or where we have received offers for certain properties Value in use has been calculated using cash flow projections The cash flow projections are based on current financial budgets approved by the directors for the next financial year and projections for the following eight years A long term growth rate of 2 25% including inflation was applied thereafter The pre-tax discount rate applied to cash flow projections is 10 15% (2012 9 35%)

8 INVENTORIES

	2013 £000	2012 £000
Consumables	57	65

There are no significant inventory provisions in 2013 or 2012

9 TRADE AND OTHER RECEIVABLES

	2013 £000	2012 £000
Trade receivables	515	1,402
Amounts owed by group undertakings	915	3,133
Prepayments and accrued income	29	10
	1,459	4,545

Unrecovered gaming debts are not recognised by the Company £0 2m was credited (2012 £0 2m charged) during the year, net of amounts recovered of £0 3m (2012 £0 2m) relating to gaming income generated during the year

Amounts due from group undertakings are unsecured, interest free and have no fixed date of repayment

10 CASH AND CASH EQUIVALENTS

	2013 £000	2012 £000
Cash at bank and in hand	2,501	1,814

11 TRADE AND OTHER PAYABLES

	2013 £000	2012 £000
Trade payables	1,288	259
Amounts owed to group undertakings	1,114	1,114
Taxation and social security	1	497
Accruals and deferred income	60	75
	2,463	1,945

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method

Amounts due to group undertakings are unsecured, interest free and have no fixed date of repayment

12 FINANCIAL INSTRUMENTS

The followıng analysıs sets out a companson by category of carryıng amounts and faır values of all the Company's financıal ınstruments

	2013		2012	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	£000	**£000**	£000	£000
Assets as per balance sheet				
Trade and other receivables excluding prepayments	1,430	1,430	4,535	4,535
Cash and cash equivalents	2,501	2,501	1,814	1,814
Total	3,931	3,931	6,349	6,349
	Carrying amount	**Fair value**	Carrying amount	Fair value
	£000	**£000**	£000	£000
Liabilities as per balance sheet				
Trade and other payables excluding financial liabilities	2,462	2,462	1,448	1,448
Total	2,462	2,462	1,448	1,448

The faır values of cash and cash equıvalents approxımate to the book value due to theır short term maturıty

Trade and other receıvables and cash and cash equıvalents are classed as loans and other receıvables and total £3 9m (2012 £6 3m)

All trade receıvables ın 2013 and 2012 are ın pounds sterlıng and are past due but not ımpaıred because all monıes have been receıved subsequent to the year end

All financıal lıabılıtıes are expected to mature wıthın 12 months of the year end

13 DEFERRED TAX ASSET

An analysis of the deferred tax provision is as follows

	2013	2012
	£000	£000
CONTINUING OPERATIONS		
Deferred tax assets		
Accelerated capital allowances	67	24
Net deferred tax asset	67	24

The movement on the deferred tax account is shown below

	2013	2012
	£000	£000
Asset at the beginning of the year	24	49
Credit to income statement		
- accelerated capital allowances	54	(21)
Change of rate	(11)	(4)
Asset at the end of the year	67	24

Deferred tax assets and liabilities are offset where there is a legally enforceable right of offset and there is an intention to settle the balances net

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable

14 ORDINARY SHARES

	2013	2012
	£000	£000
Allotted and fully paid		
10,500,002 Ordinary shares of £1 each	10,500	10,500

The authorised share capital of the Company is £12,000,000 divided into ordinary shares of £1 each

15 RELATED PARTY TRANSACTIONS

The Company has a related party relationship with its parent company and with other companies in the Genting Berhad group During the financial year the Company did not enter into any transactions with its parent company (2012 £nil) During the financial year £2,218,000 was repaid to the Company by other group undertakings (2012 £229,000 borrowed from other group undertakings)

Transactions between group undertakings occur in the normal day to day trading of the business and are not subject to interest and have no fixed date of repayment

	2013	2012
	£000	£000
Amounts owed by group undertakings		
Parent company	-	-
Other group undertakings	915	3,133
At 31 December	915	3,133

	2013	2012
	£000	£000
Amounts owed to group undertakings		
Parent company	-	-
Other group undertakings	1,114	1,114
At 31 December	1,114	1,114

16 ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is Genting International (UK) Limited

The ultimate parent undertaking and controlling party is Genting Berhad, a company incorporated in Malaysia and whose shares are listed on the Bursa Malaysia

Genting Berhad is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2013 The consolidated financial statements of Genting Berhad are available from 24th Floor, Wisma Genting, 28 Jalan Sultan Ismail, 50250, Kuala Lumpur, Malaysia

Genting UK Plc is the parent undertaking of the smallest group of undertakings to consolidate these financial statements The consolidated financial statements of Genting UK Plc can be obtained from the head office at Genting Club, Star City, Watson Road, Birmingham, England, B7 5SA