

CENTURY CASINOS INC /CO/
Form 10-Q
May 10, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-22290

CENTURY CASINOS, INC.
(Exact name of registrant as specified in its charter)

DELAWARE 84-1271317
(State or other (I.R.S. Employer
jurisdiction of Identification No.)
incorporation or
organization)

2860 South Circle Drive, Suite 350, Colorado Springs, Colorado 80906
(Address of principal executive offices)
(Zip Code)

(719) 527-8300
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
		(Do not check if a smaller reporting company)	

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date:

23,809,368 shares of common stock, \$0.01 par value per share, were outstanding as of April 30, 2010.

CENTURY CASINOS, INC.

FORM 10-Q INDEX

	Page Number
PART I	FINANCIAL INFORMATION
Item 1.	Condensed Consolidated Financial Statements (unaudited)
	Condensed Consolidated Balance Sheets as of March 31, 2010 and December 31, 2009
	<u>3</u>
	Condensed Consolidated Statements of Earnings for the Three Months ended March 31, 2010 and 2009
	<u>4</u>
	Condensed Consolidated Statements of Comprehensive Earnings (Loss) for the Three Months ended March 31, 2010 and 2009
	<u>6</u>
	Condensed Consolidated Statements of Cash Flows for the Three Months ended March 31, 2010 and 2009
	<u>7</u>
	Notes to Condensed Consolidated Financial Statements
	<u>9</u>
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations
	<u>16</u>
Item 3.	Quantitative and Qualitative Disclosures About Market Risk
	<u>28</u>
Item 4.	Controls and Procedures
	<u>28</u>
PART II	OTHER INFORMATION
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds
	<u>29</u>
Item 5.	Other Information
	<u>29</u>
Item 6.	Exhibits
	<u>30</u>
	SIGNATURES
	<u>30</u>

PART I – FINANCIAL INFORMATION

Item 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

CENTURY CASINOS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

Amounts in thousands, except for share information	March 31, 2010	December 31, 2009
ASSETS		
Current Assets:		
Cash and cash equivalents	\$27,803	\$36,992
Receivables, net	423	752
Prepaid expenses	711	356
Inventories	277	235
Other current assets	33	1,031
Deferred income taxes – foreign	198	261
Total Current Assets	29,445	39,627
Property and equipment, net	99,490	88,241
Goodwill	5,968	4,697
Equity investment	2,537	2,372
Other assets	398	373
Total Assets	\$137,838	\$135,310
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	\$1,822	\$1,738
Accounts payable and accrued liabilities	4,895	4,920
Accrued payroll	2,209	1,675
Taxes payable	2,270	2,651
Total Current Liabilities	11,196	10,984
Long-term debt, less current portion	14,718	14,739
Deferred income taxes – foreign	2,873	1,298
Total Liabilities	28,787	27,021
Commitments and Contingencies		
Shareholders' Equity:		
Preferred stock; \$.01 par value; 20,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock; \$.01 par value; 50,000,000 shares authorized; 23,925,180 shares issued; 23,809,368 and 23,866,698 shares outstanding, respectively	239	239
Additional paid-in capital	74,534	74,391
Accumulated other comprehensive earnings	4,200	3,570
Retained earnings	30,360	30,230

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	109,333	108,430
Treasury stock – 115,812 and 58,482 shares at cost, respectively	(282)	(141)
Total shareholders' equity	109,051	108,289
Total Liabilities and Shareholders' Equity	\$ 137,838	\$ 135,310

See notes to condensed consolidated financial statements.

-3-

CENTURY CASINOS, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (Unaudited)

Amounts in thousands, except for share information	For the three months ended March 31,	
	2010	2009
Operating revenue:		
Gaming	\$12,582	\$11,472
Hotel, food and beverage	2,765	1,899
Other	579	409
Gross revenue	15,926	13,780
Less promotional allowances	1,789	1,781
Net operating revenue	14,137	11,999
Operating costs and expenses:		
Gaming	5,433	4,469
Hotel, food and beverage	2,110	1,540
General and administrative	4,943	4,331
Depreciation	1,489	1,572
Total operating costs and expenses	13,975	11,912
Earnings from equity investment	188	89
Operating earnings from continuing operations	350	176
Non-operating income (expense):		
Interest income	8	9
Interest expense	(291)	(900)
Gains (losses) on foreign currency transactions and other	243	(525)
Non-operating (expense), net	(40)	(1,416)
Earnings (loss) from continuing operations before income taxes	310	(1,240)
Income tax provision	180	219
Earnings (loss) from continuing operations	130	(1,459)
Discontinued operations:		
Earnings from discontinued operations	-	1,288
Gain on disposition of Century Casino Millennium	-	877
Income tax provision	-	263
Earnings from discontinued operations	-	1,902
Net earnings	130	443
Less: Net loss attributable to the noncontrolling interests (continuing operations)	-	(18)
Net earnings attributable to the noncontrolling interests (discontinued operations)	-	116
Net earnings attributable to Century Casinos, Inc. and subsidiaries	\$130	\$345

See notes to condensed consolidated financial statements.

-Continued on following page-

CENTURY CASINOS, INC. AND SUBSIDIARIES-
 CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (Unaudited) - CONTINUED

	For the three months ended March 31,	
	2010	2009
Basic earnings per share:		
Earnings (loss) from continuing operations	\$0.01	\$(0.07)
Earnings from discontinued operations	-	0.08
Net earnings	\$0.01	\$0.01
Diluted earnings per share:		
Earnings (loss) from continuing operations	\$0.01	\$(0.07)
Earnings from discontinued operations	-	0.08
Net earnings	\$0.01	\$0.01
Amounts attributable to Century Casinos, Inc. and subsidiaries common shareholders:		
Earnings (loss) from continuing operations	\$130	\$(1,441)
Earnings from discontinued operations	-	1,786
Net earnings	\$130	\$345

See notes to condensed consolidated financial statements.

CENTURY CASINOS, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS) (Unaudited)

Amounts in thousands	For the three months ended March 31,	
	2010	2009
Net earnings	\$ 130	\$ 443
Foreign currency translation adjustments	630	(2,270)
Comprehensive earnings (loss)	760	(1,827)
Less: Comprehensive loss attributable to noncontrolling interest	-	(29)
Comprehensive earnings (loss) attributable to Century Casinos, Inc. and subsidiaries	\$ 760	\$(1,856)

See notes to condensed consolidated financial statements.

CENTURY CASINOS, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

Amounts in thousands	For the three months ended March 31,	
	2010	2009
Cash Flows from Operating Activities:		
Net earnings	\$ 130	\$ 443
A—adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation	1,489	1,572
Gain on disposition of Century Casino Millennium	-	(877)
Loss (gain) on disposition of fixed assets	2	(25)
Amortization of share-based compensation	143	349
Amortization of deferred financing costs	8	147
Deferred tax expense	141	268
Earnings from unconsolidated subsidiary	(188)	(89)
Changes in operating assets and liabilities, net of acquisition:		
Receivables	301	7
Prepaid expenses and other assets	(109)	(170)
Accounts payable and accrued liabilities	(490)	529
Accrued payroll	306	(3)
Taxes payable	(477)	(519)
Net cash provided by operating activities	1,256	1,632
Cash Flows from Investing Activities:		
Purchases of property and equipment	(753)	(237)
Proceeds from disposition of Century Casino Millennium (net of cash balance of \$0.5 million assumed by buyer in 2009)	200	1,391
Acquisition of Silver Dollar Casino (less cash acquired of \$1.2 million)	(9,301)	-
Proceeds from disposition of assets	-	176
Other	-	(12)
Net cash (used in) provided by investing activities	(9,854)	1,318

(continued)

CENTURY CASINOS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) - CONTINUED

Amounts in thousands	For the three months ended March 31,	
	2010	2009
Cash Flows from Financing Activities:		
Proceeds from borrowings	\$-	\$72
Principal repayments	(423)	(3,718)
Deferred financing charges		