

S.A.L. LEISURE LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2016

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ANNUAL REPORT AND FINANCIAL STATEMENTS 2016

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

T Allison
P Hyman
Z Mersich
N Paramore

COMPANY SECRETARY

N Paramore

REGISTERED OFFICE

362C Dukesway
Team Valley Trading Estate
Gateshead
Tyne and Wear
United Kingdom
NE11 0PZ

BANKERS

Barclays Bank PLC
Barclays House
5 St Ann's Street
Newcastle Upon Tyne
Tyne and Wear
United Kingdom
NE1 3DX

AUDITOR

Deloitte LLP
Statutory Auditor
Bristol
United Kingdom

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

This directors' report has been prepared in accordance with the provisions applicable to small companies entitled to the small companies' exemption.

ACTIVITIES

The principal activity of the company in the period under review was the provision of leisure services and entertainment facilities.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The results for the year are shown in the profit and loss account.

The directors are satisfied with the performance in 2016, investment in new machines and game content ensured the business remained strong in a competitive market.

PRINCIPAL RISKS AND UNCERTAINTIES

The company operates in a highly competitive UK adult gaming market, which is a continuing risk to the company which could result in losing revenue to its key competitors. The company manages this risk by improving equipment, machine game content and maintaining strong relationships with its customers.

GOING CONCERN

The directors have assessed the balance sheet and likely future cash flows of the company as at the date of approving the financial statements, taking into account reasonably possible changes in trading performance. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

DIVIDENDS

The directors recommend the payment of a dividend on the ordinary shares £292,000 (2015 - £165,540 dividend paid). This equates to a dividend per share of £146,000 (2015: £82,770 per share).

DIRECTORS

The directors of the company, who served throughout the financial year and subsequently, are as shown on page 1.

AUDITOR

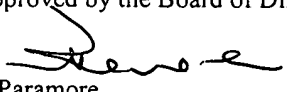
In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated its willingness to continue in office as the company's auditor and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board


N Paramore
Director

19 September 2017

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual 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 Financial Reporting Standard 101 Reduced Disclosure Framework 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 described 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF S.A.L. LEISURE LIMITED

We have audited the financial statements of S.A.L. Leisure Limited for the year ended 31 December 2016 which comprise the Profit and Loss Account, Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 101 Reduced Disclosure Framework.

This report is made solely to the company's member 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 member those matters we are required to state to it 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 member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.
- the directors were not entitled to take advantage of the small companies' exemption from preparing a Strategic Report and in preparing the Directors' Report.

Andrew Wright

Andrew Wright (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Bristol, United Kingdom

21 September 2017

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	2,755,603	2,667,103
Cost of sales		(1,431,724)	(1,322,182)
Gross Profit		1,323,879	1,344,921
Administrative expenses		(437,556)	(398,628)
Operating Profit		886,323	946,293
Interest receivable		-	51
Profit on ordinary activities before taxation	4	886,323	946,344
Tax on profit on ordinary activities	7	(179,248)	(69,426)
PROFIT FOR THE YEAR		707,075	876,918

All amounts derive from continuing operations.

There have been no recognised gains and losses for the current or the prior financial year other than as stated in the profit and loss account and, accordingly, no separate Statement of Comprehensive Income is presented.

The notes on pages 8 to 15 form an integral part of these financial statements.

BALANCE SHEET
As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	8	70,286	85,959
Current Assets			
Debtors	9	3,406,819	2,622,618
Cash at bank and in hand		109,071	174,758
		3,515,890	2,797,376
Creditors: amounts falling due within one year	10	(580,384)	(292,105)
Net current assets		2,935,506	2,505,271
Total assets less current liabilities		3,005,792	2,591,230
Provisions for liabilities	11	-	(513)
Net assets		3,005,792	2,590,717
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account		3,005,790	2,590,715
Shareholder's funds		3,005,792	2,590,717

The financial statements of S.A.L Leisure Limited, registered number 01675981, were approved by the Board of Directors and authorised for issue on 19 September 2017

Signed on behalf of the Board of Directors



N Paramore
 Director

The notes on pages 8 to 15 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
As at 31 December 2016

	Called up share capital (note 12) £	Profit and loss account (note 12) £	Total £
Balance at 1 January 2015	2	1,879,337	1,879,339
Profit for the year	-	876,918	876,918
Dividend paid	-	(165,540)	(165,540)
Balance at 31 December 2015	2	2,590,715	2,590,717
Profit for the financial year	-	707,075	707,075
Dividend paid	-	(292,000)	(292,000)
Balance at 31 December 2016	2	3,005,790	3,005,792

The notes on pages 8 to 15 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2016**1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding period.

S.A.L. Leisure Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the review of the business on page 2.

Basis of accounting

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements, because it is included in the group financial statements of Novomatic AG. Details of the parent in whose consolidated financial statements the company is included are shown in note 14 to the financial statements.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are given in the group financial statements of Novomatic AG. The group financial statements of Novomatic AG are available to the public and can be obtained as set out in note 14.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors Report. The strategic report also describes the financial position of the Company; its liquidity position; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities.

The company meets its day to day working capital requirements through an on-going overdraft facility that is reviewed annually. The current economic conditions create uncertainty, particularly over the availability of bank finance in the foreseeable future. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facility.

Tangible fixed assets

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at their revalued amounts as described below. Depreciation on revalued buildings is charged to income. On the subsequent sale or scrapping of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets (continued)

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Short leasehold properties - 10% straight line

Plant and machinery - 10% straight line

Fixtures and fittings - 10% straight line

Residual value is calculated on prices prevailing at the date of acquisition or revaluation. Useful lives and residual values are reviewed at the end of every reporting period.

Impairment of tangible assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2016****1. ACCOUNTING POLICIES (continued)****Taxation (continued)**

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Finance costs

As explained below, where financial liabilities are measured at amortised cost using the effective interest method, interest expense is recognised on an effective yield basis in profit or loss within finance costs.

Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and released to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. ACCOUNTING POLICIES (continued)

Provisions (continued)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

The directors do not deem there to be any critical judgements made in the process of applying the company's accounting policies.

Key sources of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. TURNOVER

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.

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

Profit on ordinary activities before taxation is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
owned	22,224	13,708
Other lease rentals	134,278	115,460
Machine hire charges	115,685	129,645
Staff costs (see note 6)	252,148	378,043

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

5. AUDITOR'S REMUNERATION

Fees payable to Deloitte LLP and their associates for the audit of the company's financial statements were £4,000 (2015: £3,865).

Non-audit fees payable to Deloitte LLP and their associates during the year were £nil (2015: £nil).

6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2016 £	2015 £
Wages and salaries	237,788	362,427
Social security	14,360	15,616
	<u>252,148</u>	<u>378,043</u>
The average monthly number of employees during the year was as follows:	No.	No.
Arcade operations	<u>27</u>	<u>27</u>

All employees of SAL Leisure Ltd transferred to Luxury Leisure at the end of August 2016. The company receives a recharge from Luxury Leisure for staff related costs.

None of the directors received any emoluments for their services to the company (2015: £nil).

Z Mersich, N Paramore and T Allison were remunerated by the parent company, Novomatic UK Limited for their services to the Group. P Hyman was remunerated by a fellow subsidiary, Luxury Leisure, for his services to the Group. It is not possible to split amounts between services to each company individually.

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2016 £	2015 £
Current taxation		
United Kingdom corporation tax:		
Current tax on income for the year at 20% (2015: 20.25%)	180,641	192,426
Adjustment in respect of prior years	(83)	(123,141)
Total current tax	<u>180,558</u>	<u>69,285</u>
Deferred tax		
Current year credit	(2,509)	141
Effect of tax rate changes	298	-
Adjustment in respect of prior years	901	-
Total tax on profit on ordinary activities	<u>179,248</u>	<u>69,426</u>

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2016****7. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)****Factors affecting the tax charge for the current period**

The difference between the current taxation shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	£	£
Profit on ordinary activities before tax	886,323	946,344
Tax on profit on ordinary activities before tax at 20% (2015: 20.25%)	177,265	191,602
Factors affecting tax for the year		
Expenses not deductible for tax purposes	867	1,024
Change in tax rates	298	(59)
Prior period adjustment	818	(123,141)
Current tax for the year	179,248	69,426

The change in the corporation tax rate to 19% from April 2017 and then to 17% from April 2020 will not materially affect the future tax charge.

8. TANGIBLE FIXED ASSETS

	Short leasehold property £	Fixtures & fittings £	Total £
Cost or valuation			
At 1 January 2016	260,026	357,618	617,644
Additions	5,483	1,088	6,571
At 31 December 2016	265,509	358,706	624,215
Depreciation			
At 1 January 2016	248,500	283,185	531,685
Charge for the year	4,373	17,871	22,244
At 31 December 2016	252,873	301,056	553,929
Net book value			
At 31 December 2016	12,636	57,650	70,286
At 31 December 2015	11,526	74,433	85,959

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2016

9. DEBTORS

	2016 £	2015 £
Amounts falling due within one year		
Trade debtors	2,598	885
Amounts owed by group undertakings	3,341,696	2,571,577
Deferred tax (see note 11)	798	-
Other debtors	35	69
Prepayments and accrued income	61,692	50,087
	<u>3,406,819</u>	<u>2,622,618</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Bank overdraft	273,474	-
Trade creditors	12,177	6,905
Amounts owed to group undertakings	957	2,088
Corporation tax	81,641	117,123
Other taxation and social security	132,514	131,417
Other creditors	1,805	-
Accruals and deferred income	77,816	34,572
	<u>580,384</u>	<u>292,105</u>

The bank overdraft is secured by a cross-company guarantee. The guarantee was entered into on 18 September 2015 and covers a number of UK entities under the ownership and control of Novomatic UK Limited. The overdraft is repayable on demand with interest charged at base rate (or equivalent), plus a margin of 1.5% for GBP.

11. DEFERRED TAX

	Accelerated tax depreciation £
Deferred tax is provided as follows:	
At 1 January 2016	513
Credit to profit and loss	(1,311)
At 31 December 2016	<u>(798)</u>

12. CALLED-UP SHARE CAPITAL AND RESERVES

	2016 £	2015 £
Allotted, called-up and fully paid		
Class £1 ordinary shares	<u>2</u>	<u>2</u>

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

13. FINANCIAL COMMITMENTS

At the balance sheet date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	Land and	Land and
	buildings	buildings
	£	£
- within one year	111,500	111,500
- between two and five years	446,000	446,000
- after five years	428,893	540,393
	<hr/>	<hr/>
	986,393	1,097,893
	<hr/>	<hr/>

The lease for the operating site is for a term of 25 years with five-year rent reviews. The lease of land and buildings provide for the lessee to pay all insurance, maintenance and repair costs.

14. ULTIMATE PARENT COMPANY

The immediate parent company is S.A.L. Leisure Holdings Limited, a company registered in the UK.

The ultimate parent company is Novo Invest GmbH, a company registered in Austria.

Novomatic AG is the parent of the smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the group financial statements of Novomatic AG can be obtained from Novomatic AG, Wiener Strasse 158, A-2352 Gumpoldskirchen, Austria.

Novo Invest GmbH is the parent of the largest group of which the company is a member and for which group financial statements are drawn up. Copies of the group financial statements of Novo Invest GmbH can be obtained from Novo Invest GmbH, Wiener Strasse 158, A-2352 Gumpoldskirchen, Austria.

15. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr Johann F Graf.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

20. FINANCIAL COMMITMENTS (continued)

Annual commitments under non-cancellable operating leases are as follows:

	31 December 2016 Land and buildings £	31 December 2016 Other £	31 December 2015 Land and buildings £	31 December 2015 Other £
Operating leases which expire:				
Within one year	-	-	-	3,000
In the second to fifth years inclusive	63,484	-	63,484	350,261
	<u>63,484</u>	<u>-</u>	<u>63,484</u>	<u>353,261</u>

21. DEFINED CONTRIBUTION SCHEMES

The company operates defined contribution retirement benefit schemes for all qualifying employees.

The total expense charged to profit or loss in the period ended 31 December 2016 was £172,803 (2015: £176,079).

22. RELATED PARTY DISCLOSURES

During the year the company traded with Empire Games Limited, a company in which Novomatic UK Limited did not hold a 100% interest for the entire year. Purchases from Empire Games Limited amounted to £87,570 (2015: £20,880).

During the year, management fees of £nil (2015: £25,407) were paid to Palatine Private Equity LLP which was the ultimate controlling party of the company prior to 18 September 2015.

23. ULTIMATE PARENT COMPANY

The immediate parent company is Novomatic UK Limited, a company registered in the United Kingdom.

The ultimate parent company is Novo Invest GmbH, a company registered and domiciled in Austria.

Novomatic AG is the parent of the smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the group financial statements of Novomatic AG can be obtained from Novomatic AG, Wiener Strasse 158, A-2352 Gumpoldskirchen, Austria.

Novo Invest GmbH is the parent of the largest group of which the company is a member and for which group financial statements are drawn up. Copies of the group financial statements of Novo Invest GmbH can be obtained from Novo Invest GmbH, Wiener Strasse 158, A-2352 Gumpoldskirchen, Austria.

24. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr Johann F Graf.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2016

20. FINANCIAL COMMITMENTS (continued)

Annual commitments under non-cancellable operating leases are as follows:

	31 December 2016 Land and buildings £	31 December 2016 Other £	31 December 2015 Land and buildings £	31 December 2015 Other £
Operating leases which expire:				
Within one year	-	-	-	3,000
In the second to fifth years inclusive	63,484	-	63,484	350,261
	<u>63,484</u>	<u>-</u>	<u>63,484</u>	<u>353,261</u>

21. DEFINED CONTRIBUTION SCHEMES

The company operates defined contribution retirement benefit schemes for all qualifying employees.

The total expense charged to profit or loss in the period ended 31 December 2016 was £172,803 (2015: £176,079).

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

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