

**S.A.L. LEISURE LIMITED**

**Annual Report and Financial Statements**

**For the period 1 November 2013 to 31 December 2014**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2014**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

T Allison  
P Hyman  
Z Mersich  
N Paramore

**COMPANY SECRETARY**

N Paramore (appointed 6 June 2014)

**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  
Chartered Accountants and Statutory Auditor  
Cardiff  
United Kingdom

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the 14 month period ended 31 December 2014.

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.

On 6 June 2014 the company was acquired by Novomatic UK Limited (formerly Astra Games Limited). As a result of the change in ownership, the year end was changed from 31 October to 31 December.

## **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The results for the period are shown in the annexed financial statements.

The directors are pleased with the performance in 2014 which, whilst helped by the UK regulatory triennial review of stakes and prizes in terms of improved machine revenue, investment in new machines and game content also 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 do not recommend the payment of a dividend on the ordinary shares (2013 - £nil)

## **DIRECTORS**

The current directors of the company, who served throughout the financial period and subsequently, unless otherwise stated, are as shown on page 1. Following the change of ownership, T Allison, P Hyman, Z Mersich and N Paramore were appointed as directors on 6 June 2014. D Biesterfield, D Horrocks and I Imrie resigned as directors on 6 June 2014.

**DIRECTORS' REPORT (CONTINUED)**

**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.

Following the change of ownership on 06 June 2014, Deloitte LLP has been appointed as the company's auditor.

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



Z Mersich  
Director

## **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 MEMBERS OF S.A.L. LEISURE LIMITED**

We have audited the financial statements of S.A.L. Leisure Limited for the 14 month period ended 31 December 2014 which comprise the Profit and Loss Account, Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 18. 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **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 2014 and of its profit for the period then ended;
- have been properly prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework; 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S.A.L. LEISURE LIMITED (CONTINUED)**

### **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**  
Chartered Accountants and Statutory Auditor  
Cardiff, United Kingdom

*18 September 2015*



**PROFIT AND LOSS ACCOUNT**  
**For the period ended 31 December 2014**

	Note	14 months to 31 December 2014 £	12 months to 31 October 2013 £
<b>Turnover</b>	3	<b>3,144,287</b>	<b>2,563,088</b>
Cost of sales		(1,555,207)	(1,379,655)
<b>Gross Profit</b>		<b>1,589,080</b>	<b>1,183,433</b>
Administrative expenses		(452,851)	(475,089)
<b>Profit on ordinary activities before taxation</b>	4	<b>1,136,229</b>	<b>708,344</b>
Tax on profit on ordinary activities	7	(247,193)	(106,481)
<b>PROFIT FOR THE PERIOD / YEAR</b>	13	<b>889,036</b>	<b>601,863</b>

All amounts derive from continuing operations.

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


The notes on pages 10 to 21 form an integral part of these financial statements.

**BALANCE SHEET**  
**As at 31 December 2014**

	Note	31 December 2014 £	31 October 2013 £	31 October 2012 £
<b>Fixed assets</b>				
Tangible assets	8	86,116	103,869	115,536
<b>Current Assets</b>				
Debtors	9	2,054,172	1,259,967	701,550
Cash at bank and in hand		120,921	91,931	87,175
		<b>2,175,093</b>	<b>1,351,898</b>	<b>788,725</b>
<b>Creditors: amounts falling due within one year</b>	10	<b>(381,498)</b>	<b>(464,867)</b>	<b>(511,676)</b>
<b>Net current assets</b>		<b>1,793,595</b>	<b>887,031</b>	<b>277,049</b>
<b>Total assets less current liabilities</b>		<b>1,879,711</b>	<b>990,900</b>	<b>392,585</b>
<b>Provisions for liabilities</b>	11	<b>(372)</b>	<b>(597)</b>	<b>(4,145)</b>
<b>Net assets</b>		<b>1,879,339</b>	<b>990,303</b>	<b>388,440</b>
<b>Capital and reserves</b>				
Called up share capital	12	2	2	2
Profit and loss account	13	1,879,337	990,301	388,438
<b>Shareholders' funds</b>		<b>1,879,339</b>	<b>990,303</b>	<b>388,440</b>

The financial statements of S.A.L Leisure Limited, registered number 01675981, were approved by the Board of Directors and authorised for issue on 17 SEPT. 2015.

Signed on behalf of the Board of Directors



N Paramore  
Director

The notes on pages 10 to 21 form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY**  
**As at 31 December 2014**

	Called up share capital (Note 12) £	Profit and loss account (Note 13) £	Total £
<b>Balance at 1 November 2012</b>	<b>2</b>	<b>388,438</b>	<b>388,440</b>
Profit for the year	-	601,863	601,863
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>601,863</b>	<b>601,863</b>
<b>Balance at 31 October 2013</b>	<b>2</b>	<b>990,301</b>	<b>990,303</b>
Profit for the period	-	889,036	889,036
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>889,036</b>	<b>889,036</b>
<b>Balance at 31 December 2014</b>	<b>2</b>	<b>1,879,337</b>	<b>1,879,339</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ended 31 December 2014**

**1. ACCOUNTING POLICIES**

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

**Basis of accounting**

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.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the period ended 31 December 2014 S.A.L. Leisure Limited has changed its accounting framework from UK GAAP to FRS 101 as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. The prior year financial statements were re-stated for material adjustments on adoption of FRS 101 in the current period. For more information see note 18.

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 16 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 16.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**For the period ended 31 December 2014**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Adoption of new and revised Standards**

As explained above, the company has adopted FRS 101 for the first time in the current period. As part of this adoption, the following new and revised Standards and Interpretations have been adopted in the current period. The application of these specific Standards and Interpretations has not had a material effect on the company.

<p>Amendments to IAS 1  <i>Presentation of Financial Statements</i></p> <p>(as part of the Annual Improvements to IFRSs 2009 - 2011 Cycle issued in May 2012)</p>	<p>The Annual Improvements to IFRSs 2009 - 2011 have made a number of amendments to IFRSs. The amendments that are relevant to the company are the amendments to IAS 1 regarding when a statement of financial position as at the beginning of the preceding period (third statement of financial position) and the related notes are required to be presented. The amendments specify that a third statement of financial position is required when a) an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position. The amendments specify that related notes are not required to accompany the third statement of financial position.</p> <p>In the current period, the company has applied a number of new and revised IFRSs (see the discussion above), which has resulted in material effects on the information in the statement of financial position as at 1 January 2013. In accordance with the amendments to IAS 1, the Company has presented a third statement of financial position as at 1 January 2013 without the related notes except for the disclosure requirements of IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> as shown in the table below.</p>
<p>IFRS 13 <i>Fair Value Measurement</i></p>	<p>The company has applied IFRS 13 for the first time in the current period. IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of IFRS 13 is broad; the fair value measurement requirements of IFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).</p> <p>IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements, however the Company has taken advantage of the exemption provided under FRS 101 from providing these disclosures.</p> <p>IFRS 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard.</p>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****For the period ended 31 December 2014****1. ACCOUNTING POLICIES (CONTINUED)****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 strategic 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 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 of accounting in preparing the annual financial statements.

**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.

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 - 5% straight-line

Plant and machinery - 15% on reducing balance

Fixtures and fittings - 15% on reducing balance

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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the period ended 31 December 2014**

**1. ACCOUNTING POLICIES (CONTINUED)**

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the period ended 31 December 2014**

**1. ACCOUNTING POLICIES (CONTINUED)**

**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**

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.

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.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****For the period ended 31 December 2014****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*

There were no critical judgements, apart from those involving estimations that the directors have 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/(crediting):

	14 months to 31 December 2014 £	12 months to 31 October 2013 £
Depreciation of tangible fixed assets:		
owned	17,753	18,061
Operating lease rentals	159,016	111,500
Machine hire charges	112,857	188,973
Property rental charges	130,620	111,944
Staff costs (see note 6)	487,072	451,153
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the period ended 31 December 2014**

**5. AUDITOR'S REMUNERATION**

Fees payable to Deloitte LLP and their associates for the audit of the company's financial statements were £3,661 (2013: fees borne by the parent company).

**6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	<b>14 months to 31 December 2014 £</b>	<b>12 months to 31 October 2013 £</b>
Wages and salaries	456,746	428,643
Social security	30,326	22,510
	<u><b>487,072</b></u>	<u><b>451,153</b></u>
	<b>No.</b>	<b>No.</b>
The average monthly number of employees during the period / year was as follows:		
Sales	<u>29</u>	<u>30</u>

None of the directors received any emoluments for their services to the company (2013: £nil).

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**For the period ended 31 December 2014**

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	14 months to 31 December 2014 £	12 months to 31 October 2013 £
<b>Current taxation</b>		
United Kingdom corporation tax:		
Current tax on income for the period/year at 21.71% (2013: 23.41%)	247,418	125,612
Adjustment in respect of prior years	-	(15,583)
<b>Total current tax</b>	<u>247,418</u>	<u>110,029</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(225)	(4,030)
Adjustment in respect of prior years	-	482
	<u><b>247,193</b></u>	<u><b>106,481</b></u>

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	<u>1,136,229</u>	<u>708,344</u>
Tax on profit on ordinary activities before tax at 21.71% (2013: 23.41%)	246,662	165,850
<b>Factors affecting tax for the period</b>		
Expenses not deductible for tax purposes	512	1,651
Tax rates	19	(19)
Adjustments to tax in respect of prior years	-	(15,131)
Movement in deferred tax not provided for	-	(45,870)
<b>Current tax for the period</b>	<u><b>247,193</b></u>	<u><b>106,481</b></u>

Tax has been calculated using a blended tax rate of 23% to March 2014 and 21% from April 2014. The forthcoming change in the corporation tax rate to 20% will not materially affect the future tax charge.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 December 2014

## 8. TANGIBLE FIXED ASSETS

	Short leasehold property £	Fixtures & fittings £	Total £
<b>Cost or valuation</b>			
At 1 November 2012	260,026	337,673	597,699
Additions	-	6,394	6,394
At 31 October 2013	260,026	344,067	604,093
At 31 December 2014	260,026	344,067	604,093
<b>Depreciation</b>			
At 1 November 2012	242,095	240,068	482,163
Charge for the period	2,023	16,038	18,061
At 31 October 2013	244,118	256,106	500,224
Charge for the period	2,359	15,394	17,753
At 31 December 2014	246,477	271,500	517,977
<b>Net book value</b>			
At 31 December 2014	13,549	72,567	86,116
At 31 October 2013	15,908	87,961	103,869
At 31 October 2012	17,931	97,605	115,536

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****For the period ended 31 December 2014****9. DEBTORS**

	<b>31 December 2014 £</b>	<b>31 October 2013 £</b>	<b>31 October 2012 £</b>
<b>Amounts falling due within one year</b>			
Trade debtors	959	2,126	893
Amounts owed by group undertakings	1,999,904	1,174,313	544,599
Other debtors	57	12,114	18,554
Prepayments and accrued income	53,252	71,414	137,504
	<b><u>2,054,172</u></b>	<b><u>1,259,967</u></b>	<b><u>701,550</u></b>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31 December 2014 £</b>	<b>31 October 2013 £</b>	<b>31 October 2012 £</b>
Trade creditors	12,147	33,049	47,314
Amounts owed to group undertakings	2,994	115,607	354,411
Corporation Tax	166,619	133,356	23,327
Other taxation and social security	124,045	136,823	6,508
Other creditors	18,140	14,476	4,774
Accruals and deferred income	57,553	31,556	75,342
	<b><u>381,498</u></b>	<b><u>464,867</u></b>	<b><u>511,676</u></b>

**11. PROVISIONS FOR LIABILITIES**

Deferred tax is provided as follows:

	<b>Accelerated tax depreciation £</b>
<b>At 1 November 2012</b>	<b>4,145</b>
(Credit) to profit or loss	<b>(3,548)</b>
	<b><u>597</u></b>
<b>At 31 October 2013</b>	<b>597</b>
(Credit) to profit or loss	<b>(225)</b>
	<b><u>372</u></b>
<b>At 31 December 2014</b>	<b>372</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 December 2014

## 12. CALLED-UP SHARE CAPITAL

	31 December 2014 £	31 October 2013 £	31 October 2012 £
Allotted, called-up and fully paid Class £1 ordinary shares	2	2	2

## 13. PROFIT AND LOSS ACCOUNT

	£
Balance at 1 November 2012 as previously stated	388,438
Effect of change in accounting framework (see note 18)	-
Restated balance at 1 November 2012	388,438
Net profit for the period	601,863
Balance at 31 October 2013	990,301
Net profit for the period	889,036
Balance at 31 December 2014	1,879,337

## 14. 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:

	2014		2013	
	Land and buildings £	Other £	Land and buildings £	Other £
- after five years	111,500	-	111,500	-
	<u>111,500</u>	<u>-</u>	<u>111,500</u>	<u>-</u>

The lease for the operating site is for a term of 25 years with 5 year rent reviews. The lease of land and buildings provide for the lessee to pay all insurance, maintenance and repair costs.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****For the period ended 31 December 2014****15. RELATED PARTY DISCLOSURES**

During the period, the company entered into the following trading transactions with related parties:

	<b>Purchase of goods</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Repset	28,396	-

The following amounts were outstanding at the balance sheet date:

	<b>Amounts owed to related parties</b>		
	<b>2014</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Repset	-	2,160	-

Purchases were made at market price discounted to reflect the quantity of goods purchased.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

**16. ULTIMATE PARENT COMPANY**

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.

**17. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Mr Johann F Graf.

**18. EXPLANATION OF TRANSITION TO FRS 101**

This is the first year that the company has presented its financial statements under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. The last financial statements under a previous GAAP (UK GAAP) were for the year ended 31 October 2013 and the date of transition to FRS 101 was therefore 1 November 2012. There were no adjustments to equity at 1 November 2012 or 31 October 2013 on transition to FRS 101. There were no adjustments to total comprehensive income for the year ended 31 October 2013 on transition to FRS 101.