

**Aspers (Newcastle) Limited**  
(Registered Number: 04655461)

**Annual Report and Financial Statements**

**For the year ended 30 June 2017**

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# Aspers (Newcastle) Limited

## Strategic Report for the year ended 30 June 2017

The directors have pleasure in submitting the Strategic Report, their Directors' Report and the audited financial statements of Aspers (Newcastle) Limited ("the company") for the year to 30 June 2017.

### Principal activity and review of the business

The principal activity of the company is the business of managing licensed gaming establishments. The retained profit for the year was £1,575,000 (2016 – £1,746,000) and has been transferred to reserves.

The company has a challenging year as it and the industry continues to adjust to enhanced anti money laundering and know your customer (KYC) processes, together with strengthening its approach to Responsible Gambling. Total revenues declined 5% year on year to £17,865,000 and EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation), decreased by 10% to £2,831,000 primarily due to wage inflation pressures.

Attendances declined (3)% due to the factors above, but spend per head ad decreased by 2%.

The company's key financial performance indicators ("KPI's") during the year were as follows:-

	2017 £'000	2016 £'000	%
Revenue	17,865	18,731	(5)
EBITDA	2,831	3,153	(10)
Daily attendance	1,747	1,800	(3)
Spend per head	£28.01	£28.51	(2)

### Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of Aspers UK Holdings Limited and subsidiaries ("the group") and are not managed separately. The principal risks and uncertainties presented below are those group risks that are relevant to the company.

- (a) Employee risk – the Newcastle casino is one of the larger casinos in the UK and the ability of the business to meet anticipated demand may be restricted unless there is a suitable supply of gaming staff available to an industry that is generally characterised by a shortage of good quality staff. Aspers manage this risk by providing training schools that generate a good supply of staff to its casinos and engenders goodwill in the locality.
- (b) Taxation and regulatory risk – the group (and the industry) is subject to changes in government regulation. The group is an active member of the industry trade association and as such, engages in active dialogue with both the industry Regulator and the sponsoring government department. By so doing, the group becomes aware of proposed legislative changes at an early stage and can seek to minimise any adverse effect on the company by acting on a concerted industry-wide basis.
- (c) Loss of licence – the gaming licence is fundamental to the company and so the loss of the licence would have a material adverse effect on the company. Therefore the group has a dedicated compliance department independent of operations, which ensures that the company complies with gaming regulations and industry best practice.

## **Aspers (Newcastle) Limited**

### **Strategic Report for the year ended 30 June 2017 (Continued)**

#### **Going concern**

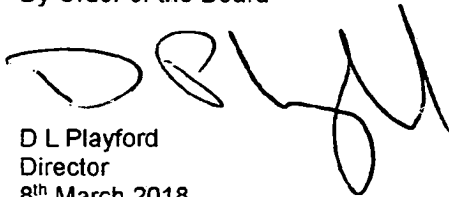
As at 30 June 2017 and the date of approval of the financial statements the company had net current liabilities.

The financial statements have been prepared on a going concern basis as the company's immediate parent undertaking, Aspers UK Holdings Limited, has indicated its intention to provide sufficient financial support to the company to enable it to meet its liabilities as they fall due for a period of at least 12 months from the date of these financial statements.

The directors of Aspers UK Holdings Limited, have reviewed the group's sensitised cash flow forecasts and operating budgets, including the group's ability to manage its controllable costs, and projected compliance with the group's banking covenants.

Based on these sensitised cash flow forecasts and operating budgets the directors are confident that they demonstrate that the parent company can provide sufficient financial support to the company to enable it to meet its liabilities as they fall due for a period of at least 12 months from the date of these financial statements and therefore the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

By Order of the Board



D L Playford  
Director  
8<sup>th</sup> March 2018

# **Aspers (Newcastle) Limited**

## **Directors' Report for the year ended 30 June 2017**

### **Directors and company information**

Directors: J D A Aspinall  
M P B Kennedy (Resigned 30 June 2017)  
D L Playford (Appointed 01 July 2017)

Registered office: 1 Hans Street, London SW1X 0JD

Company number: 04655461

### **Dividends**

No interim dividend has been paid and no final dividend is proposed (2016: none).

### **Future developments**

The directors aim to maintain the management policies that have developed the business to date.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, Directors' Report and 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'.

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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

### **Political contributions**

The company made no political donations during the period. (2016: Nil)

## **Aspers (Newcastle) Limited**

### **Directors' Report for the year ended 30 June 2017 (continued)**

#### **Employees**

The company discusses and consults with employees through a number of different communication channels. Matters likely to affect employees' interests will be discussed in employee meetings and the results of the annual colleague engagement are disseminated to staff. Important financial and economic information is also circulated through team briefings with the aim of raising the general awareness of important factors affecting the company's performance.

The company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status and offers appropriate training and career development for disabled staff. If members of staff become disabled, the company continues employment wherever possible and arranges retraining. The company is also committed to providing employees with information on matters of concern to them on a regular basis, so that the views of employees can be taken into account when making decisions that are likely to affect their interests.

#### **Disabled Persons**

The company recognises its obligations to disabled persons and endeavours to provide as much employment opportunity as the demands of the company and company's operations and abilities of those persons allow.

Applications for employment from disabled persons are reviewed with care and every effort is made to find them and any existing employees who become disabled, appropriate work and training where needed. It is the policy of the company that training, career development and promotion of disabled persons should, as far as possible, be identical to that of a person who does not suffer from a disability.


#### **Provision of information to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Auditors**

Ernst & Young LLP have indicated their willingness to continue in office as auditors and a resolution concerning their appointment will be proposed at the Annual General Meeting.

By Order of the Board



D L Playford  
Director  
8<sup>th</sup> March 2018

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASPERS (NEWCASTLE) LIMITED

### Opinion

We have audited the financial statements of Aspers (Newcastle) Limited for the year ended 30 June 2017 which comprise the Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position, and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2017 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Use of our report

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.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

## Responsibilities of directors

As explained more fully in the directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

*Ernst & Young L.L.P.*

Cameron Cartmell (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

13/03/2018



## Aspers (Newcastle) Limited

### Statement of comprehensive income for the year ended 30 June 2017

	<i>Note</i>	2017 £000	2016 £000
<b>Turnover</b>	1(a), 2	<b>17,865</b>	18,731
Staff costs	3	(3,923)	(3,657)
Depreciation and other amounts written off tangible fixed assets and intangible fixed assets		(905)	(970)
Gaming duties		(3,505)	(4,060)
Other operating charges		(7,607)	(7,861)
<b>Operating profit</b>	4	<b>1,925</b>	2,183
Interest payable and similar charges	6	(5)	(1)
<b>Profit on ordinary activities before taxation</b>		<b>1,920</b>	2,182
Tax charge on profit on ordinary activities	7	(345)	(436)
<b>Profit on ordinary activities after taxation</b>		<b>1,575</b>	1,746
Other comprehensive income		-	-
<b>Profit for the financial year</b>		<b>1,575</b>	1,746

All results relate to continuing operations.

### Statement of changes in equity for the year ended 30 June 2017

	Share capital £'000	Profit and loss account £'000	Shareholders' Equity £'000
At 30 June 2016	-	(771)	(771)
Total comprehensive income for the year	-	1,746	1,746
At 30 June 2017	-	975	975
Total comprehensive income for the year	-	1,575	1,575
<b>At 30 June 2017</b>	<b>-</b>	<b>2,550</b>	<b>2,550</b>

# Aspers (Newcastle) Limited

## Statement of financial position at 30 June 2017

	<i>Note</i>	<b>2017</b> £000	2016 £000
<b>Fixed assets</b>			
Intangible fixed assets	8	90	101
Tangible fixed assets	9	8,687	9,213
		<b>8,777</b>	9,314
<b>Current assets</b>			
Stocks	10	48	37
Debtors	11	2,712	1,630
Cash at bank and in hand		1,076	989
		<b>3,836</b>	2,656
<b>Creditors: amounts falling due within one year</b>	12	<b>(9,815)</b>	(10,713)
<b>Net current (liabilities)</b>		<b>(5,979)</b>	(8,057)
<b>Total assets less current liabilities</b>		<b>2,798</b>	1,257
<b>Provision for liabilities and charges</b>	13	<b>(248)</b>	(282)
<b>Net assets</b>		<b>2,550</b>	975
<b>Capital and reserves</b>			
Called up share capital	16	-	-
Profit and loss account		2,550	975
<b>Equity shareholders' funds</b>		<b>2,550</b>	975

The financial statements on pages 8 to 19 were approved by the Board on 8<sup>th</sup> of March and signed on its behalf by:



D L Playford - Director

# **Aspers (Newcastle) Limited**

## **Notes to the Financial Statements for the year ended 30 June 2017**

### **1 Accounting policies**

#### **Statement of compliance**

Aspers (Newcastle) Limited (the "company") is a company incorporated and registered in England and Wales. The registered address of the company is 1 Hans Street, London SW1X 0JD.

The company's immediate parent undertaking, Aspers UK Holdings Limited, includes the company in its consolidated financial statements. The consolidated financial statements of Aspers UK Holdings Limited are prepared in accordance with Applicable UK Financial Reporting Standards and are available to the public and may be obtained from Companies House, 4 Abbey Orchard Street, Westminster, London, SW1P 2HT.

The following are the principal accounting policies adopted by the company:

#### **Basis of preparation**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Sterling (£000's).

The following disclosure exemptions available under FRS 102 have been applied to these financial statements:

- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d) to present a statement of cash flows and related notes. The company's immediate parent company, Aspers UK Holdings Limited, has included the required consolidated cash flow statement within its consolidated financial statements.
- The requirement of Section 33 Related Party Disclosures paragraph 33.5 in respect of transactions with wholly owned subsidiaries within the Aspers UK Holdings Limited group.
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- The requirement of Section 33 Key Management Personnel paragraph 33.7 in respect of transactions with wholly owned subsidiaries within the Aspers UK Holdings Limited group.
- The accounting policies set out below have, unless otherwise stated, been applied consistently to the period covered by these financial statements.

# Aspers (Newcastle) Limited

## Notes to the Financial Statements for the year ended 30 June 2017 (Continued)

### 1 Accounting policies (continued)

#### Basis of preparation (continued)

##### Going concern

As at 30 June 2017 and the date of approval of the financial statements, the company had net current liabilities.

The financial statements have been prepared on a going concern basis as the company's immediate parent undertaking, Aspers UK Holdings Limited, has indicated its intention to provide sufficient financial support to the company to enable it to meet its liabilities as they fall due for a period of at least 12 months from the date of these financial statements.

The directors of Aspers UK Holdings Limited, have reviewed the group's sensitised cash flow forecasts and operating budgets, including the group's ability to manage its controllable costs, and projected compliance with the group's banking covenants.

Based on these sensitised cash flow forecasts and operating budgets the directors are confident that they demonstrate that the parent company can provide sufficient financial support to the company to enable it to meet its liabilities as they fall due for a period of at least 12 months from the date of these financial statements and therefore the directors believe that it is appropriate to prepare the financial statements on a going concern basis

#### Significant accounting policies

##### a) Revenue Recognition

Turnover represents gaming winnings (net of losses), catering receipts and related income, net of value added tax

Gaming win - Turnover includes the gaming win before deduction of gaming-related duties, but after deduction of the fair value of free bets and prizes, and is recognised when the outcome of the bet is determined.

Catering and other income is recognised at the point of sale as this is the point that the economic benefit is realised.

The accruals basis is applied where timing differences arise between the point of sale and the recognition of turnover.

##### b) Tangible fixed assets

Tangible fixed assets are included at cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful economic life. The rates applied are as follows:

Leasehold improvements	: 25 years
Fixtures, fittings and equipment	: 4 to 10 years

The carrying values of tangible fixed assets are reviewed for impairment in accordance with FRS 102, when events or changes in circumstances indicate the carrying value may not be recoverable.

# Aspers (Newcastle) Limited

## Notes to the Financial Statements for the year ended 30 June 2017 (Continued)

### 1 Accounting policies (continued)

#### c) Intangible fixed assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged in the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful lives are as follows:

Licence costs : 20 years

The useful economic lives were determined based on the time period the company expects to receive the benefit of the asset.

The carrying values of intangible fixed assets are reviewed for impairment in accordance with FRS 102, when events or changes in circumstances indicate the carrying value may not be recoverable.

#### d) Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the statement of comprehensive income.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income.

#### e) Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating charges.

#### f) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprises cash at bank and in hand and short term deposits held at call.

#### g) Stocks

Stocks, which are comprised of consumables, are valued at the lower of cost and estimated net realisable value.

#### h) Pension Contributions

Pension contributions payable by the company under its defined contribution schemes are charged to the profit and loss account in the period in which they fall due for payment.

# Aspers (Newcastle) Limited

## Notes to the Financial Statements for the year ended 30 June 2017 (Continued)

### 1 Accounting policies (continued)

#### i) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

#### j) Leased assets

Leases in which the company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated within fixed assets at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. All other leases are classified as operating leases.

Operating lease payments: Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease.

Finance lease payments: Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### k) Provisions and contingent liabilities

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. A contingent liability is not recognised as a liability but is disclosed in the notes to the financial statements unless the possibility of an outflow of resources is remote.

#### l) Interest

Interest payable is recognised in statement of comprehensive income as it accrues, using the effective interest method.

### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities and the amounts reported for revenues and expenses. Actual results may differ from those estimates.

The estimates and assumptions which have had the most significant effect on the amounts recognised in the financial statements are outlined below.

## Aspers (Newcastle) Limited

### Lease categorisation

In order to categorise leases as finance or operating leases, judgements have been made as to whether the significant risks and rewards of ownership have been transferred to the company.

## Notes to the Financial Statements for the year ended 30 June 2017 (Continued)

### Judgements and key sources of estimation uncertainty (continued)

#### Deferred tax assets

In order to determine whether to recognise a deferred tax asset, management estimation is required as to the timing and level of future taxable profits.

#### Taxation and Gaming Duties

Taxation (including gaming duties) is a complex area in the betting and gaming industry. The company establishes provisions based on reasonable estimates. The amount of such provisions is based on management estimation and professional advice interpretation of the relevant legislation.

## 2 Turnover

	2017 £000	2016 £000
Gaming revenues	16,236	17,101
Catering revenues	1,394	1,491
Other	235	139
	<b>17,865</b>	<b>18,731</b>

All turnover is generated in the United Kingdom

## 3. Staff numbers and costs

The average number of full time equivalent persons employed by the company (including directors) during the period, analysed by category, was as follows:

	Number of employees 2017	Number of employees 2016
Total staff numbers	206	246
The aggregate payroll costs of these persons were as follows:		
	2017 £000	2016 £000
Wages and salaries	3,637	3,358
Social security costs	232	228
Payments to defined contribution pension plans	54	71
	<b>3,923</b>	<b>3,657</b>

## Aspers (Newcastle) Limited

### Notes to the Financial Statements for the year ended 30 June 2017 (Continued)

#### 4 Operating profit

	2017 £000	2016 £000
The operating profit is stated after charging:		
Depreciation of tangible fixed assets – owned assets	844	909
Depreciation of tangible fixed assets – leased assets	50	50
Amortisation of intangible fixed assets	11	11
Auditor's remuneration		
- audit of the financial statements	29	24
Operating lease rentals		
- land and buildings	1,060	629

#### 5 Directors' emoluments

The directors of the company are also directors of Aspers UK Holdings Limited and other group companies. The directors received total remuneration for the year of £1,396,000 (2016 - £1,022,000) in respect of their services to the Aspers UK Holdings Limited group. The highest paid director received total remuneration of £1,001,897 (2016 £639,674). The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of Aspers UK Holdings Limited and other group companies.

#### 6 Interest payable and similar charges

	2017 £000	2016 £000
Finance lease interest	-	1
Capital Goods Interest	5	-
	5	1



# Aspers (Newcastle) Limited

## Notes to the Financial Statements for the year ended 30 June 2017 (Continued)

### 7 Tax on profit on ordinary activities

	2017 £000	2016 £000
Current taxation:		
UK corporation tax on profit for the year at 19.75% (2016 – 20%)		
- current year	396	445
- prior year adjustment	(17)	(292)
	<u>379</u>	<u>153</u>
Deferred taxation		
-current year	(19)	63
- rate change	(15)	(31)
- prior year adjustment	-	251
	<u>(34)</u>	<u>283</u>
<b>Tax on profit on ordinary activities</b>	<b>345</b>	<b>436</b>

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 19.75% (2016 - 20%). The differences are reconciled below:

<b>Tax reconciliation</b>	2017 £000	2016 £000
Profit on ordinary activities before taxation	<u>1,926</u>	<u>2,182</u>
Profit before taxation multiplied by standard rate of Corporation Tax at 19% (2016 – 20%)	379	436
Expenses not allowed for taxation	19	72
Rate change	(15)	(31)
Prior year adjustment	(38)	(41)
<b>Total taxation</b>	<b>345</b>	<b>436</b>

The company has unrecognised deferred tax assets of £nil (2016: £nil) in respect of losses and £248,000 (2016: £282,000) in respect of other timing differences, which will be recognised when there is sufficient certainty that they can be relieved against future taxable profits.

The Finance Act 2015 included legislation to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020. In its 2016 Budget announced on 16 March 2016, the UK Government announced its intention to further lower the main rate of corporation tax to 17% from 1 April 2020. The Company has recognised its deferred tax balances at 17%.

# Aspers (Newcastle) Limited

## Notes to the Financial Statements for the year ended 30 June 2017 (Continued)

### 8 Intangible fixed assets

	Licence costs £'000
<b>Cost</b>	
At 1 July 2016 and 30 June 2017	220
<b>Accumulated amortisation</b>	
At 1 July 2016	119
Charge for the year	11
<b>At 30 June 2017</b>	<b>130</b>
<b>Net book value</b>	
At 30 June 2017	90
At 30 June 2016	101

### 9 Tangible fixed assets

	Short leasehold improvements £'000	Fixtures, fittings & equipment £'000	Total £'000
<b>Cost</b>			
At 1 July 2016	14,327	4,732	19,059
Additions	154	214	368
<b>At 30 June 2017</b>	<b>14,481</b>	<b>4,946</b>	<b>19,427</b>
<b>Accumulated depreciation</b>			
At 1 July 2016	5,401	4,445	9,846
Charge for the year	585	309	894
<b>At 30 June 2017</b>	<b>5,986</b>	<b>4,754</b>	<b>10,740</b>
<b>Net book value</b>			
At 30 June 2017	8,495	192	8,687
At 30 June 2016	8,926	287	9,213

Included in the above fixed assets is equipment held under finance leases with a net book value of £6,000 (2016 - £56,000) and capitalised interest of £78,000 (2016 - £82,000).

# Aspers (Newcastle) Limited

## Notes to the Financial Statements for the year ended 30 June 2017 (Continued)

### 10 Stocks

	2017 £'000	2016 £'000
Consumables	48	37

### 11 Debtors

	2017 £000	2016 £000
Sundry debtors	12	15
Amounts due from group undertakings	2,250	1,189
Prepayments and accrued income	449	426
	2,712	1,630

### 12 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	472	440
Other creditors	177	243
Other taxation & social security	80	114
Amounts due to other group undertakings	7,872	8,470
Gaming duties	751	958
Corporation tax	196	285
Accruals and deferred income	266	203
	9,814	10,713

### 13 Provisions for liabilities and charges

	2017 £'000	2016 £'000
Deferred taxation provision		
At 1 July	(282)	(1)
Profit and loss account	34	283
At 30 June	(248)	(282)

# Aspers (Newcastle) Limited

## Notes to the Financial Statements for the year ended 30 June 2017 (Continued)

### 15 Obligations under operating leases

The minimum lease payment in relation to operating lease liabilities are payable as follows:

	Land & buildings		Other	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Annual amounts payable under operating leases which expire:				
Within one year	629	629	222	204
In two to five years	315	944	72	294
	<b>944</b>	<b>1,573</b>	<b>294</b>	<b>498</b>

### 16 Contingent Assets

The company is subject to a range of taxes and duties including corporate income tax, gaming duty, VAT etc. The company from time to time receives enquiries from revenue authorities in relation to the determination of its tax obligations.

Post the balance sheet date, following one of these ongoing enquiries, the company is raising a claim against HMRC to partly offset an underpayment assessment raised on another Group Company. This claim will be for an overpayment of Gaming Duty of £4.6m, of which £1.4m occurred in the financial year. In conjunction, HMRC have raised an assessment against a related party of the company, Aspers (Stratford City) Limited, for underpayment of Gaming duty of £7.4m, of which £2.1m occurred in the financial year. Aspers (Stratford City) Limited have made a payment to HMRC of this amount to avoid late payment penalty charges which they will seek to recover from HMRC. If Aspers (Stratford City) Limited is successful, the overpayment of Gaming Duty will not be receipted by Aspers (Newcastle) Limited.

The company has taken advice in relation to all matters of interpretation with regard to this matter and based on the advice provided does not believe that a further tax asset should be recognised at 30 June 2017. Based on the advice received, the company believes that while it is possible that further tax receipts could be due from HMRC, further receipts are not probable at this stage

### 17 Share capital

	2017	2016
	£'000	£'000
Authorised equity share capital: 1,000 £1 ordinary shares	1	1
Allotted, called up and fully paid equity share capital: 1 £1 ordinary share	-	-

### 18 Related party transaction

During the year the company made sales of goods and services with Aspers (Northampton) Limited, a 50% owned subsidiary within the Aspers UK Holdings Limited group of £34,000 (2016 - £54,000) and had purchases of goods and services of £10,000 (2016 - £13,000). At 30 June 2017 the company owed the group £31,000 (2015 - £7,000).

### 19 Immediate and ultimate parent undertaking

At 30 June 2017, the immediate parent undertaking of the company was Aspers H Limited, a company registered in England and Wales, and the ultimate parent undertaking was Aspers Holdings (Jersey) Limited ("AHJL"), a company registered in Jersey. The shareholding of AHJL is such that there is no controlling party of AHJL.