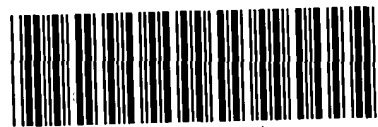


**Aspers (Newcastle) Limited**  
**(Registered Number: 04655461)**

**Annual Report and Financial Statements**

**For the year ended 30 June 2018**

FRIDAY



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29/03/2019  
COMPANIES HOUSE

# Aspers (Newcastle) Limited

## Strategic Report for the year ended 30 June 2018

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 2018.

### Principal activity and review of the business

The principal activity of the company is the business of managing licensed gaming establishments. The profit after taxation for the year was £6,296,000 (2017 – £1,575,000) 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 by 4% to £17,050,000 and EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation before exceptional item), increased by 3% to £2,917,000

Attendances declined 7%.

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

|                                  | 2018<br>£'000 | 2017<br>£'000 | %   |
|----------------------------------|---------------|---------------|-----|
| Revenue (see Note 2)             | 17,050        | 17,865        | (4) |
| EBITDA (before exceptional item) | 2,917         | 2,831         | 3   |
| Daily attendance                 | 1,620         | 1,747         | (7) |
| Spend per head                   | £28.91        | £28.01        | 3   |

### 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 2018 (Continued)**

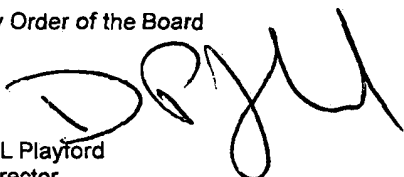
#### **Going concern**

As at 30 June 2018 and the date of approval of the financial statements the company had net current assets and net assets.

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 of both the group and the company are confident that they demonstrate that the group and the company have appropriate facilities in place to meet their liabilities as they fall due for at least 12 months from the date of approving these financial statements. On this basis, 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  
26 March 2019

# **Aspers (Newcastle) Limited**

## **Directors' Report for the year ended 30 June 2018**

### **Directors and company information**

Directors: J D A Aspinall  
D L Playford (Appointed 1 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 (2017: none).

### **Future developments**

The outlook for attendances continues to be challenging, the directors aim to focus on efficiency optimisation to try to stabilise earnings in the medium term.

### **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; 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.

### **Political contributions**

The company made no political donations during the period (2017: Nil).

# Aspers (Newcastle) Limited

## Directors' Report for the year ended 30 June 2018 (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, age, 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.

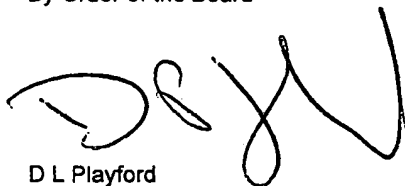
### Provision of information to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

### Auditor

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

By Order of the Board



D L Playford  
Director  
26 March 2019

## **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 2018 which comprise the Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position and the related notes 1 to 18, 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 including 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 2018 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.

### **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.

## **Independent auditor's report to the members of Aspers (Newcastle) Limited (continued)**

### **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, 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.

## **Independent auditor's report to the members of Aspers (Newcastle) Limited (continued)**

### **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.

### **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.

Ernst + Young LLP

Jon Killingley (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

28 March 2019



## Aspers (Newcastle) Limited

### Statement of comprehensive income for the year ended 30 June 2018

|  | <i>Note</i> | 2018         | 2017         |
|--|-------------|--------------|--------------|
|  |             | £000         | £000         |
| Turnover   | 2           | 17,050       | 17,865       |
| Staff costs  | 3           | (3,841)      | (3,923)      |
| Depreciation and other amounts written off tangible fixed assets and intangible fixed assets |             | (842)        | (905)        |
| Gaming duties  |             | (2,487)      | (3,505)      |
| Other operating charges  |             | (7,805)      | (7,607)      |
| <b>Operating profit</b>  | 4           | <b>2,075</b> | <b>1,925</b> |
| Exceptional item   | 6           | 5,812        | -            |
| Interest payable and similar charges   | 7           | -            | (5)          |
| <b>Profit on ordinary activities before taxation</b>   |             | <b>7,887</b> | <b>1,920</b> |
| Tax charge on profit on ordinary activities  | 8           | (1,591)      | (345)        |
| <b>Profit on ordinary activities after taxation</b>  |             | <b>6,296</b> | <b>1,575</b> |
| Other comprehensive income   |             | -            | -            |
| <b>Total comprehensive income for the financial year</b>                                     |             | <b>6,296</b> | <b>1,575</b> |

All results relate to continuing operations.

### Statement of changes in equity for the year ended 30 June 2018

|   | Share capital<br>£'000 | Profit and loss account<br>£'000 | Shareholders' equity<br>£'000 |
|---|------------------------|----------------------------------|-------------------------------|
| At 1 July 2016                          | -                      | 975                              | 975                           |
| Total comprehensive income for the year | -                      | 1,575                            | 1,575                         |
| At 30 June 2017                         | -                      | 2,550                            | 2,550                         |
| Total comprehensive income for the year | -                      | 6,296                            | 6,816                         |
| At 30 June 2018                         | -                      | 8,846                            | 9,366                         |

# Aspers (Newcastle) Limited

## Statement of financial position at 30 June 2018

|   | Note | 2018<br>£000    | 2017<br>£000   |
|---|------|-----------------|----------------|
| <b>Fixed assets</b>                                   |      |                 |                |
| Intangible fixed assets                               | 9    | 79              | 90             |
| Tangible fixed assets                                 | 10   | 8,071           | 8,687          |
|   |      | <b>8,150</b>    | <b>8,777</b>   |
| <b>Current assets</b>                                 |      |                 |                |
| Stocks  | 11   | 62              | 48             |
| Debtors   | 12   | 13,799          | 2,712          |
| Cash at bank and in hand                              |      | 1,252           | 1,076          |
|   |      | <b>15,113</b>   | <b>3,836</b>   |
| <b>Creditors: amounts falling due within one year</b> | 13   | <b>(14,167)</b> | <b>(9,815)</b> |
| <b>Net current assets/ (liabilities)</b>              |      | <b>946</b>      | <b>(5,979)</b> |
| <b>Total assets less current liabilities</b>          |      | <b>9,096</b>    | <b>2,798</b>   |
| <b>Provision for liabilities and charges</b>          | 14   | <b>(250)</b>    | <b>(248)</b>   |
| <b>Net assets</b>                                     |      | <b>8,846</b>    | <b>2,550</b>   |
| <b>Capital and reserves</b>                           |      |                 |                |
| Called up share capital                               | 16   | -               | -              |
| Profit and loss account                               |      | 8,846           | 2,550          |
| <b>Equity shareholders' funds</b>                     |      | <b>8,846</b>    | <b>2,550</b>   |

The financial statements on pages 8 to 19 were approved by the Board on 26 March 2019 and signed on its behalf by:



D L Playford - Director

# **Aspers (Newcastle) Limited**

## **Notes to the Financial Statements for the year ended 30 June 2018**

### **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 intermediate 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 accounting standards, are available to the public and may be obtained from Companies House.

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 thousands of 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 intermediate 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.  
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.

#### **Going concern**

As at 30 June 2018 and the date of approval of the financial statements, the company had net current assets and net assets.

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 of both the group and the company are confident that they demonstrate that the group and the company have appropriate facilities in place to meet their liabilities as they fall due for at least 12 months from the date of approving these financial statements. On this basis, the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

# Aspers (Newcastle) Limited

## Notes to the Financial Statements for the year ended 30 June 2018 (Continued)

### 1 Accounting policies (continued)

#### 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) Exceptional Items

Exceptional items are those items the company considers to be nonrecurring or material in nature that may distort an understanding of financial performance or impair comparability.

##### c) 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.

##### d) 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.

# **Aspers (Newcastle) Limited**

## **Notes to the Financial Statements for the year ended 30 June 2018 (Continued)**

### **1 Accounting policies (continued)**

#### **e) 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.

#### **f) 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.

#### **g) 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 on call.

#### **h) Stocks**

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

#### **i) 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.

#### **j) 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.

# Aspers (Newcastle) Limited

## Notes to the Financial Statements for the year ended 30 June 2018 (Continued)

### 1 Accounting policies (continued)

#### k) 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.

#### 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.

#### Impairment of fixed assets

Judgements are made as to the carrying value of fixed assets. Where there are indicators of impairment, the company performs an impairment assessment by considering key factors such as performance, the condition of the assets, discount rates and long-term growth rates.

#### 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 advisers' interpretation of the relevant legislation.

## Aspers (Newcastle) Limited

### Notes to the Financial Statements for the year ended 30 June 2018 (Continued)

#### 2 Turnover

|                            | 2018<br>£000  | 2017<br>£000  |
|----------------------------|---------------|---------------|
| Land-based casino revenues | 17,050        | 17,865        |
|                            | <b>17,050</b> | <b>17,865</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<br>employees<br>2018 | Number of<br>employees<br>2017 |
|---------------------|--------------------------------|--------------------------------|
| Total staff numbers | 202                            | 206                            |

The aggregate payroll costs of these persons were as follows:

|  | 2018<br>£000 | 2017<br>£000 |
|--|--------------|--------------|
| Wages and salaries                             | 3,542        | 3,637        |
| Social security costs                          | 244          | 232          |
| Payments to defined contribution pension plans | 55           | 54           |
|  | <b>3,841</b> | <b>3,923</b> |

#### 4 Operating profit

|   | 2018<br>£000 | 2017<br>£000 |
|---|--------------|--------------|
| The operating profit is stated after charging:        |              |              |
| Depreciation of tangible fixed assets – owned assets  | 831          | 844          |
| Depreciation of tangible fixed assets – leased assets | -            | 50           |
| Amortisation of intangible fixed assets               | 11           | 11           |
| Auditor's remuneration                                |              |              |
| - audit of the financial statements                   | 26           | 29           |
| - Corporation tax advice                              | 5            | -            |
| Operating lease rentals                               |              |              |
| - land and buildings                                  | 1,085        | 1,060        |
| - other   | 167          | 222          |

## Aspers (Newcastle) Limited

### Notes to the Financial Statements for the year ended 30 June 2018 (Continued)

#### 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 £1,284,933 (2017 - £1,396,000) in respect of their services to the Aspers UK Holdings Limited group. The highest paid director received total remuneration of £1,097,433 (2017 - £1,001,897). Pension contributions in respect of the highest paid director were £nil (2017 - £nil). 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 Exceptional Item

|                                    | 2018<br>£'000 | 2017<br>£'000 |
|------------------------------------|---------------|---------------|
| Gaming duties and associated costs | 5,812         | -             |
|                                    | 5,812         | -             |

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.

In July 2017 the Company made a claim on HMRC for the overpayment of historical Gaming Duty, resulting in a cash receipt in the year of part of the above. Given the historical nature and amount of the assessment, the Company has elected to disclose the gaming duty and associated costs as an exceptional item.

#### 7 Interest payable and similar charges

|                        | 2018<br>£000 | 2017<br>£000 |
|------------------------|--------------|--------------|
| Capital goods interest | -            | 5            |
|                        | -            | 5            |



## Aspers (Newcastle) Limited

### Notes to the Financial Statements for the year ended 30 June 2018 (Continued)

#### 8 Tax on profit on ordinary activities

|  | 2018<br>£000 | 2017<br>£000 |
|--|--------------|--------------|
| Current taxation:  |              |              |
| UK corporation tax on profit for the year at 19% (2017 – 19.75%) |              |              |
| - current year   | 1,589        | 396          |
| - prior year adjustment  | -            | (17)         |
|  | <u>1,589</u> | <u>379</u>   |
| Deferred taxation  |              |              |
| -current year  | 2            | (19)         |
| - rate change  | -            | (15)         |
|  | <u>2</u>     | <u>(34)</u>  |
| <b>Tax on profit on ordinary activities</b>                      | <b>1,591</b> | <b>345</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% (2017 – 19.75%). The differences are reconciled below:

| Tax reconciliation   | 2018<br>£000 | 2017<br>£000 |
|--|--------------|--------------|
| <b>Profit on ordinary activities before taxation</b>   | <b>7,887</b> | <b>1,926</b> |
| Profit before taxation multiplied by standard rate of Corporation Tax at 19% (2017 – 19.75%) | 1,499        | 379          |
| Expenses not allowed for taxation  | 92           | 19           |
| Rate change  | -            | (15)         |
| Prior year adjustment  | -            | (38)         |
| <b>Total taxation</b>  | <b>1,591</b> | <b>345</b>   |

The Finance Act 2016, which was substantively enacted in 15 September 2016, reduced the main rate of tax from 19% 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 2018 (Continued)

### 9 Intangible fixed assets

|                                 | Licence costs<br>£'000 |
|---------------------------------|------------------------|
| <b>Cost</b>                     |                        |
| At 1 July 2017 and 30 June 2018 | 220                    |
| <b>Accumulated amortisation</b> |                        |
| At 1 July 2017                  | 130                    |
| Charge for the year             | 11                     |
| <b>At 30 June 2018</b>          | <b>141</b>             |
| <b>Net book value</b>           |                        |
| At 30 June 2018                 | 79                     |
| At 30 June 2017                 | 90                     |

### 10 Tangible fixed assets

|                                 | Short<br>leasehold<br>improvements<br>£'000 | Fixtures, fittings<br>& equipment<br>£'000 | Total<br>£'000 |
|---------------------------------|---|--|----------------|
| <b>Cost</b>                     |   |  |                |
| At 1 July 2017                  | 14,481                                      | 4,946                                      | 19,427         |
| Additions                       | 8   | 207  | 215            |
| <b>At 30 June 2018</b>          | <b>14,489</b>                               | <b>5,153</b>                               | <b>19,642</b>  |
| <b>Accumulated depreciation</b> |   |  |                |
| At 1 July 2017                  | 5,986                                       | 4,754                                      | 10,740         |
| Charge for the year             | 590   | 241  | 831            |
| <b>At 30 June 2018</b>          | <b>6,576</b>                                | <b>4,995</b>                               | <b>11,571</b>  |
| <b>Net book value</b>           |   |  |                |
| At 30 June 2018                 | 7,913                                       | 158  | 8,071          |
| At 30 June 2017                 | 8,495                                       | 192  | 8,687          |

Included in the above fixed assets is equipment held under finance leases with a net book value of £nil (2017 - £6,000) and capitalised interest of £69,000 (2017 - £78,000).

## Aspers (Newcastle) Limited

### Notes to the Financial Statements for the year ended 30 June 2018 (Continued)

#### 11 Stocks

|             | 2018<br>£'000 | 2017<br>£'000 |
|-------------|---------------|---------------|
| Consumables | 62            | 48            |

#### 12 Debtors

|                                     | 2018<br>£000 | 2017<br>£000 |
|-------------------------------------|--------------|--------------|
| Sundry debtors                      | 36           | 12           |
| Amounts due from group undertakings | 13,395       | 2,250        |
| Prepayments and accrued income      | 368          | 449          |
|                                     | 13,799       | 2,712        |

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

|   | 2018<br>£000 | 2017<br>£000 |
|---|--------------|--------------|
| Trade creditors                         | 560          | 472          |
| Other creditors                         | 106          | 177          |
| Other taxation & social security        | 71           | 80           |
| Amounts due to other group undertakings | 11,771       | 7,872        |
| Gaming duties                           | 423          | 751          |
| Corporation tax                         | 746          | 196          |
| Accruals and deferred income            | 490          | 266          |
|   | 14,167       | 9,814        |

Amounts due to other group undertakings include loans of £187,768 (2017 – £187,768) that attract interest at rates between 3.5% - 5% above LIBOR and are repayable on demand.

#### 14 Provisions for liabilities and charges

| Deferred taxation provision | 2018<br>£'000 | 2017<br>£'000 |
|-----------------------------|---------------|---------------|
| At 1 July                   | (248)         | (282)         |
| Profit and loss account     | (2)           | 34            |
| At 30 June                  | (250)         | (248)         |

## Aspers (Newcastle) Limited

### Notes to the Financial Statements for the year ended 30 June 2018 (Continued)

#### 15 Obligations under operating leases

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

|                      | Land &<br>buildings |            | Other      |            |
|----------------------|---------------------|------------|------------|------------|
|                      | 2018                | 2017       | 2018       | 2017       |
|                      | £'000               | £'000      | £'000      | £'000      |
| Within one year      | -                   | 629        | 167        | 222        |
| In two to five years | 1,050               | 315        | -          | 72         |
| More than five years | 3,074               | -          | -          | -          |
|                      | <b>4,124</b>        | <b>944</b> | <b>294</b> | <b>294</b> |

#### 16 Share capital

|  | 2018  | 2017  |
|--|-------|-------|
|  | £'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 | -     | -     |

#### 17 Related party transaction

a) During the year the company made purchases of goods and services from The Howletts Wild Animal Trust group of £7,700 (2017: £nil). JDA Aspinall is a trustee of The Howletts Wild Animal Trust.

b) 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 £13,000 (2017 - £34,000) and had purchases of goods and services of £16,000 (2017 - £10,000). At 30 June 2018 the company owed the group £199,000 (2017 - £31,000).

#### 18 Immediate and ultimate parent undertaking

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.