

Aspers (Northampton) Limited
(Registered Number: 4691682)

Directors' Report and Financial Statements

For the year ended 30 June 2008



Aspers (Northampton) Limited

Directors' Report for the year ended 30 June 2008

The directors have pleasure in submitting their report and the audited financial statements of the company for the year ended 30 June 2008.

Principal activity and review of the business

The principal activity of the company is intended the business of managing licensed gaming establishments. The construction of the property was completed during the year and the business commenced trading in June 2008.

Results and dividends

The loss for the period of £523,000 (2007: £305,000) has been transferred to reserves. The directors do not propose the payment of a dividend (2007: £nil).

Future developments

The company plans to continue its existing activities in the forthcoming year.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties and the financial instruments management are integrated with the principal risks of Aspers Group Limited and subsidiaries ("the group") and are not managed separately. Accordingly, the principal risks and uncertainties of the group, which include those of the company, are discussed in the Directors' Report of the group's annual report, which does not form part of this report.

The first year's trading has been disappointing. This is not unusual whilst the business seeks to establish itself. The trend in trading has been positive and the directors believe that this positive trend will continue. However as a result of this underperformance, the company breached its banking covenant at 30 June 2009.

At the date of approval of the financial statements the company's loan facility is repayable on demand following the breach of covenant. The company is currently in discussions with its bank concerning a waiver for the covenant breach.

Further description of the uncertainties is included in note 1 to the financial statements.

Directors and their emoluments

The directors who served during the period and up to the date of signing the financial statements were:

T Prior
J D A Aspinall
M P B Kennedy
A W Herd

All directors, with the exception of T Prior, are directors of Aspers Management Services Limited, a fellow subsidiary of Aspers Group Limited. Emoluments for these directors are borne by Aspers Management Services Limited.

T Prior is employed by Kerzner International Limited and is not remunerated for his services to the company.

Aspers (Northampton) Limited

Directors' Report for the year ended 30 June 2008 (Continued)

Charitable donations

During the period the company made no charitable donations (2007: £nil).

Statement of directors' responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Provision of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) 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

On 19 September 2008, PricewaterhouseCoopers LLP resigned as auditors and the directors appointed Ernst & Young LLP as auditors. Ernst & Young LLP have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

By Order of the Board



M P Kennedy
Company Secretary

28 August 2009

Independent auditor's report to the members of Aspers (Northampton) Limited

We have audited the company's financial statements for the year ended 30 June 2008 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditor's report to the members of Aspers (Northampton) Limited (Continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements of circumstances affecting the company's ability to continue as a going concern.

The company's loan facility is repayable on demand following a breach of covenants at 30 June 2009. The company is currently in discussions with its bank concerning a waiver for the covenant breach. It is uncertain whether a waiver for the breach will be agreed with the bank, such that the facility will be continued.

These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Ernst & Young L.L.P.
1st September 2009

Ernst & Young LLP
Registered auditor
London
Date

Aspers (Northampton) Limited

Profit and Loss Account for the year ended 30 June 2008

	<i>Note</i>	Year to 30 June 2008 £000	Period from 1 January 2006 to 30 June 2007 £000
Turnover	1	69	-
Staff costs			
- Wages and salaries		(202)	-
- Social Security costs		(17)	-
		(219)	-
Other operating charges		(457)	(25)
Operating loss	4	(607)	(25)
Loss on disposal of fixed assets	7	-	(280)
Interest receivable and similar income		84	-
Loss on ordinary activities before taxation		(523)	(305)
Tax on loss on ordinary activities	5	-	-
Loss for the period		(523)	(305)

All results relate to continuing operations.

The company had no recognised gains or losses during the period other than those reflected in the above profit and loss account.

Aspers (Northampton) Limited

Balance Sheet as at 30 June 2008

	Note	30 June 2008 £000	30 June 2007 £000
Fixed Assets			
Intangible fixed assets	6	863	827
Tangible fixed assets	7	6,278	797
		7,141	1,624
Current Assets			
Stocks	8	36	-
Debtors	9	387	53
Cash at bank and in hand		1,912	74
		2,335	127
Creditors: Amounts falling due within one year	10	(695)	(153)
Net Current Assets/(Liabilities)		1,640	(26)
Total Assets Less Current Liabilities		8,781	1,598
Creditors: Amounts falling due after more than one year	11	(4,551)	(843)
Net Assets		4,230	755
Capital And Reserves			
Called up share capital	12	2,000	1
Share Premium	13	2,000	1
Capital contribution	13	1,336	1,336
Profit and loss account	13	(1,106)	(583)
Equity Shareholders' Deficit	14	4,230	755

The financial statements on pages 5 to 15 were approved by the Board on **28** August 2009 and signed on its behalf by:

M. Kennedy

M P Kennedy - Director

Aspers (Northampton) Limited

Cash Flow Statement for the year ended 30 June 2008

	<i>Note</i>	2008 £'000	2007 £'000
Net cash (outflow)/inflow from operating activities	14	(479)	93
Returns on investments and servicing of finance			
Interest received		84	-
Loan Issue costs		(262)	-
		(178)	-
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(5,481)	(809)
Purchase of intangible fixed assets		(36)	(11)
Repayment of loan from parent undertaking		(799)	-
		(6,316)	(820)
Net cash outflow before management of liquid resources and financing		(6,711)	(727)
Management of liquid resources			
Movement on blocked deposits		(250)	-
Financing activities			
Bank loans received		4,563	-
Issue of shares		3,998	2
Loan from parent undertaking		250	799
Cash inflow from financing activities		8,811	801
Increase in cash in the year		1,588	74
Reconciliation of cash flow to net debt		£'000	£'000
Increase in cash in the year		1,588	74
Movement in liquid resources		250	-
Movement in debt		(3,752)	(799)
Movement in net debt		(1,914)	(725)
Net debt brought forward		(725)	-
Net debt at 30 June	15	(2,639)	(725)

Aspers (Northampton) Limited

Notes to the Financial Statements for the year ended 30 June 2008

1 Accounting policies

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

a) Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards and Companies Act 1985.

Fundamental uncertainty

As a result of underperformance in the first year of trading, the company breached its banking covenant at 30 June 2009.

At the date of approval of the financial statements the company's loan facility is repayable on demand following the breach of covenant. The company is currently in discussions with its bank concerning a waiver for the covenant breach.

The directors do not believe that it is unusual to have a poor first year of trading whilst the business seeks to establish itself. The trend in trading has been positive and the directors believe that this positive trend will continue. The directors have produced cash flow forecasts for the company for the period until 30 September 2010 to support this position. The cash flow forecasts assume reasonable growth assumptions, but have also been appropriately sensitised to take account of possible shortfalls in gaming revenue. These forecasts demonstrate that the company can meet its liabilities as they fall due, even under these sensitised assumptions.

Whilst discussions with the bank are progressing satisfactorily, there is uncertainty as to whether a waiver for the breach will be agreed with the bank, such that the bank facilities will be continued. The directors have concluded that this gives rise to a material uncertainty which may cast significant doubt upon the ability of the company to continue as a going concern.

Having carefully considered this uncertainty the directors are confident that the cash flow forecasts have been properly prepared and demonstrate that the company can meet its liabilities as they fall due. The directors also believe that discussions with the bank are progressing satisfactorily and that the banking facilities will not be withdrawn in the foreseeable future. On this basis the directors believe that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the going concern basis of accounting being inappropriate.

b) Fixed assets

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

Leasehold property	: over the life of the lease
Licence costs	: 20 years

The carrying values of tangible fixed assets are reviewed for impairment in accordance with FRS 11, when events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation/amortisation is not charged until the respective assets are brought into use.

Aspers (Northampton) Limited

Notes to the Financial Statements for the year ended 30 June 2008 (Continued)

c) Stocks

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

d) 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.

e) Turnover

Turnover represents gaming winnings (net of losses), session fees and catering receipts. Provision is charged to the profit and loss account for doubtful gaming cheques.

2 Segmental information

In the opinion of the directors, turnover and profit are derived from, and the group's net assets are attributable to, gaming activities, which are carried out in the United Kingdom and include the operation of a licensed casino facility and related membership and catering services.

3 Staff numbers

The average number of employees, including directors, during the year was 12 (2007: Nil).

4 Operating loss

	Period from 1 January 2006 to 30 June 2007
Year to 30 June 2008	£000
£000	£000

The operating loss is stated after charging:

Auditor's remuneration		
- audit of the financial statements	8	3

Aspers (Northampton) Limited

Notes to the Financial Statements for the year ended 30 June 2008 (Continued)

5 Taxation on loss on ordinary activities

	2008 £'000	2007 £'000
Total current taxation	-	-
Total deferred taxation	-	-
Total tax on loss on ordinary activities	-	-

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 29.5% (2007: 30%). The differences are reconciled below:

Tax reconciliation

	Year to 30 June 2008 £000	Period to 30 June 2007 £000
Loss before taxation	(523)	(305)
Loss before taxation multiplied by standard rate of Corporation Tax at 29.5% (2007 - 30%)	(154)	(91)
Loss on disposal of fixed assets	-	84
Expense not deductible	12	-
Pre-trading losses not recognised	-	7
Losses carried forward	142	-
Total current taxation	-	-

The company has an unrecognised deferred tax asset of £226,000 (2007: £84,000) relating to pre-trading losses, which will be recognised when there is sufficient certainty it can be relieved against future taxable profits.

6 Intangible fixed assets

	Licence costs £
Cost	
At 1 July 2007	827
Additions	36
At 30 June 2008	863
Net book value	
At 30 June 2008	863
At 30 June 2007	827

Aspers (Northampton) Limited

Notes to the Financial Statements for the year ended 30 June 2008 (Continued)

7 Tangible fixed assets

	Freehold land	Assets under construction £	Leasehold improvements £	Plant, fixtures, fittings and equipment	Total £
Cost					
At 1 July 2007	415	382	-	-	797
Additions	-	4,294	-	1,187	5,481
Transfers	-	(4,676)	4,676	-	-
At 30 June 2008	415	-	4,676	1,187	6,278
Accumulated Depreciation					
At 1 July 2007	-	-	-	-	-
Charge for the period	-	-	-	-	-
At 30 June 2008	-	-	-	-	-
Net book value					
At 30 June 2008	415	-	4,676	1,187	6,278
At 30 June 2007	415	382	-	-	797

Included in the above fixed assets is capitalised interest of £96,000 (2007 - £nil) within leasehold property.

8 Stocks

	2008 £'000	2007 £'000
Consumables	36	-

9 Debtors

	2008 £000	2007 £000
Other debtors	37	26
VAT Recoverable	180	-
Prepayments and accrued income	170	27
	387	53

Aspers (Northampton) Limited

Notes to the Financial Statements for the year ended 30 June 2008 (Continued)

10 Creditors: amounts falling due within one year

	2008	2007
	£	£000
Trade creditors	328	-
Other creditors	48	-
Amounts due to group undertakings	167	-
Other taxation and social security	30	-
Accruals and deferred income	122	153
	695	153

11 Creditors: amounts falling due after more than one year

	2008	2007
	£000	£000
Bank Loan	4,301	-
Amounts due to group undertakings	250	843
	4,551	843

The amounts due to other group undertakings are unsecured and have no fixed repayment dates. No interest has been charged in the period.

12 Share capital

	2008	2007
	£000	£000
Authorised equity share capital:		
1,000,000 'A' ordinary shares of £1	1,000	1
1,000,000 'B' ordinary shares of £1	1,000	-
	2,000	1
Allotted, called up and fully paid equity share capital:		
1,000,000 'A' ordinary shares of £1	1,000	1
1,000,000 'B' ordinary shares of £1	1,000	-
	2,000	1

On 26 November 2007, the Company issued 999,500 A ordinary shares and 999,500 B ordinary shares, each for a consideration of £1,999,000 creating a share premium of £1,999,000 (2007: £1,000).

'A' and 'B' ordinary shares rank pari passu in all respects, except that the holder or holder of a majority of 'A' shares shall have the right to appoint up to three directors of the company, whilst the holder or holder of a majority of 'B' shares shall have the right to appoint up to two directors of the company.

Aspers (Northampton) Limited

Notes to the Financial Statements for the year ended 30 June 2008 (Continued)

13 Reserves

	Share Premium £'000	Capital contribution £'000	Profit and loss account £'000
At 1 July 2007	1	1,336	(583)
Share Issue	1,999	-	-
Loss for the financial year	-	-	(523)
At 30 June 2008	2,000	1,336	(1,106)

14 Reconciliation of movements in shareholders' funds

	2008 £'000	2007 £'000
Loss for the financial period	(523)	(305)
Share Issue	3,998	2
Capital contribution	-	1,336
Opening shareholders' funds	755	(278)
Closing shareholders' funds	4,230	755

15 Reconciliation of operating loss to net cash flow from operating activities

	2008 £'000	2007 £'000
Operating (loss)	(607)	(305)
Loss on disposal of fixed assets	-	280
(Increase) in stocks	(36)	-
(Increase) in debtors	(334)	(19)
Increase in creditors	498	137
Net cash (outflow)/inflow from operating activities	(479)	93

Aspers (Northampton) Limited

Notes to the Financial Statements for the year ended 30 June 2008 (Continued)

16 Analysis of net debt

	At 1 July 2007 £'000	Cash flow £'000	At 30 June 2008 £'000
Cash at bank and in hand	74	1,588	1,662
Liquid resources – blocked deposits	-	250	250
Total cash at bank and in hand	74	1,838	1,912
Debts due after more than one year	(799)	(3,752)	(4,551)
Net debt	(725)	(1,914)	(2,639)

17 Capital and financial commitments

At 30 June 2008, capital expenditure contracted, but not provided for, amounted to £nil (2007: nil).

18 Related party transactions

During the year the company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into and balances outstanding at 30 June, are as follows:-

	Purchases from related party £'000	Amounts owed to related party £'000	Loans due to group undertaking £'000	Loans due to related party £'000
Aspers Group Limited				
- 2008	-	-	250	-
- 2007	-	-	799	-
Kerzner UK Leisure Operations Holdings Ltd				
- 2008	-	-	-	44
- 2007	-	-	-	44
Aspinalls (Newcastle) Limited				
- 2008	26	26	-	-
- 2007	-	-	-	-
Aspinalls (Swansea) Limited				
- 2008	91	91	-	-
- 2007	-	-	-	-
Aspers Management Services Limited				
- 2008	10	10	-	-
- 2007	-	-	-	-

Aspers Group Limited owns 1,000,001 of the 'A' ordinary shares of the company. Kerzner UK Leisure Operations Holdings Limited owns 999,999 of the 'B' ordinary shares of the company. Aspinalls (Newcastle) Limited, Aspinalls (Swansea) Limited and Aspers Management Services Limited are 100% owned subsidiaries of Aspers Group Limited.

The company entered into a 25 year lease on 11 August 2008 with Kerzner Northampton Properties Limited. The terms of the lease provide that no rent is payable for the first five years of the lease, unless certain revenue thresholds are achieved. Kerzner Northampton Limited is related to Kerzner UK Leisure Operations Holdings Limited, a shareholder in the company.

Aspers (Northampton) Limited

Notes to the Financial Statements for the year ended 30 June 2008 (Continued)

19 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking, and the largest and smallest undertaking into which the company is consolidated, is Aspers Group Limited. Copies of the group accounts may be obtained from 64 Sloane Street, London, SW1X 9SH.

At the period end, the company's ultimate parent and controlling undertaking is Aspinall Holdings (Jersey) Limited ("AHJL"), a company registered in Jersey. The shareholding of AHJL is such that there is no controlling party of AHJL.