

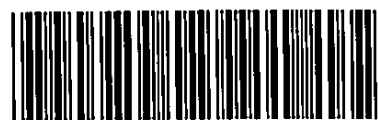
# **Aspers (Northampton) Limited**

**(Registered Number: 4691682)**

## **Directors' Report and Financial Statements**

**For the year ended 30 June 2010**

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# **Aspers (Northampton) Limited**

## **Directors' Report for the year ended 30 June 2010**

The directors have pleasure in submitting their report and the audited financial statements of the company for the year ended 30 June 2010

### **Principal activity and review of the business**

The principal activity of the company is the business of managing licensed gaming establishments

### **Results and dividends**

The loss for the year of £594,000 (2009 £1,542,000) has been transferred to reserves. The directors do not propose the payment of a dividend (2009 £nil)

The company's key financial performance indicators were as follows -

	2010	2009
	£000	£000
Revenue	5,078	4,015
EBITDA	415	(613)
Employees	113	115
Daily Attendance	447	391

The second year's trading has seen a considerable improvement. Revenues have increased by 26%. With the costs of the operation relatively fixed, this increase is matched by a similar increase in EBITDA. The directors expect this improvement, albeit at not the same rate, to continue in the coming financial year.

### **Future developments**

In the future, the directors expect the business to show increased attendances, leading to further revenue growth and a continuing improvement in EBITDA.

## **Aspers (Northampton) Limited**

### **Directors' Report for the year ended 30 June 2010 (Continued)**

#### **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. The principal risks and uncertainties presented below are those group risks that are relevant to the company.

- (a) Competition risk – the group operates in a competitive market. To mitigate this, the company invests heavily in marketing and offers a superior service to its members.
- (b) Volatility risk – all casinos experience periods of volatility in their hold percentage, due to runs of good or bad luck. The group tries to manage this risk by building business volumes and thereby increasing the likelihood of a normalised hold percentage being achieved.
- (c) Employee risk – with the 2005 Act casinos coming on-stream in the next couple of years, full advantage of the opportunities afforded by the 2005 Act 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 manages this risk by providing training schools that generate a good supply of staff to its casinos and engenders goodwill in the locality.
- (d) Regulatory risk – the group (and the industry) is subject to changes in government regulation. For example, the group has been able to mitigate the adverse effects of the recently introduced smoking ban in the casino by incorporating a smoking terrace into the structure of the building.

#### **Going concern**

As a result of underperformance in the first two years of trading, the company breached its banking covenants at 30 June 2009, 31 December 2009 and 30 June 2010. On 4 February 2011, the company renegotiated its banking arrangements and obtained a waiver of all previous breaches.

Further description of the directors' assessment of going concern 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:

J D A Aspinall  
I R Douglas (appointed 2 July 2010)  
M P B Kennedy  
A W Herd (resigned 31 December 2010)  
T Prior (resigned 2 July 2010)

All directors, with the exception of T Prior and I R Douglas, 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 and I R Douglas are employed by Kerzner International Limited and are not remunerated for their services to the company.

#### **Charitable donations**

During the period the company made no charitable donations (2009: £nil).

# **Aspers (Northampton) Limited**

## **Directors' Report for the year ended 30 June 2010 (Continued)**

### **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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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.

### **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



M P Kennedy  
Company Secretary

31 March 2011

## **Aspers (Northampton) Limited**

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

We have audited the financial statements of Aspers (Northampton) Limited for the year ended 30 June 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom General Accepted Accounting Practice).

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 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 auditor**

As explained more fully in the Statement of directors' responsibilities 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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

## Aspers (Northampton) Limited

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*Ernst & Young L.L.P.*

Cameron Cartmell (Senior statutory auditor)  
For and on behalf of Ernst & Young LLP, Statutory auditor  
London  
31 March 2011

# Aspers (Northampton) Limited

## Profit and Loss Account for the year ended 30 June 2010

	<i>Note</i>	<b>2010 £000</b>	<b>2009 £000</b>
<b>Turnover</b>	<b>1</b>	<b>5,078</b>	<b>4,015</b>
Staff costs			
- Wages and salaries		(1,733)	(1,889)
- Social security costs		(144)	(162)
- Pension costs		(6)	-
		<b>(1,883)</b>	<b>(2,051)</b>
Depreciation and other amounts written off intangible and tangible fixed assets		<b>(502)</b>	<b>(455)</b>
Gaming licence duty		<b>(572)</b>	<b>(367)</b>
Other operating charges		<b>(2,208)</b>	<b>(2,210)</b>
<b>Operating loss</b>	<b>4</b>	<b>(87)</b>	<b>(1,068)</b>
Interest receivable and similar income		<b>1</b>	<b>26</b>
Interest payable and similar charges	<b>5</b>	<b>(509)</b>	<b>(477)</b>
<b>Loss on ordinary activities before taxation</b>		<b>(595)</b>	<b>(1,519)</b>
Tax credit/(charge) on loss on ordinary activities	<b>6</b>	<b>1</b>	<b>(23)</b>
<b>Loss on ordinary activities after taxation and for the financial year</b>	<b>14</b>	<b>(594)</b>	<b>(1,542)</b>

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 2010

	Note	2010 £000	2009 £000
<b>Fixed assets</b>			
Intangible fixed assets	7	777	820
Tangible fixed assets	8	6,607	6,936
		<b>7,384</b>	<b>7,756</b>
<b>Current assets</b>			
Stocks	9	28	22
Debtors	10	140	374
Cash at bank and in hand		495	784
		<b>663</b>	<b>1,180</b>
<b>Creditors, amounts falling due within one year</b>	11	<b>(5,703)</b>	<b>(5,998)</b>
<b>Net current (liabilities)</b>		<b>(5,040)</b>	<b>(4,818)</b>
<b>Total assets less current liabilities</b>		<b>2,344</b>	<b>2,938</b>
<b>Creditors amounts falling due after more than one year</b>	12	<b>(250)</b>	<b>(250)</b>
<b>Net assets</b>		<b>2,094</b>	<b>2,688</b>
<b>Capital and reserves</b>			
Called up share capital	13	2,000	2,000
Share premium	14	2,000	2,000
Capital contribution	14	1,336	1,336
Profit and loss account	14	(3,242)	(2,648)
<b>Equity shareholders' funds</b>	14	<b>2,094</b>	<b>2,688</b>

The financial statements on pages 6 to 16 were approved by the Board on 31 March and signed on its behalf by



M P Kennedy - Director



# Aspers (Northampton) Limited

## Cash Flow Statement for the year ended 30 June 2010

	<i>Note</i>	<b>2010</b> £'000	<b>2009</b> £'000
<b>Net cash inflow/(outflow) from operating activities</b>	<b>15</b>	<b>819</b>	<b>(447)</b>
<b>Returns on investments and servicing of finance</b>			
Interest received		1	26
Interest payable		(457)	(424)
		<b>(456)</b>	<b>(398)</b>
<b>Taxation</b>			
UK corporation tax paid		(22)	-
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(130)	(1,070)
		<b>(130)</b>	<b>(1,070)</b>
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		<b>211</b>	<b>(1,915)</b>
<b>Management of liquid resources</b>			
Movement on blocked deposits		135	-
<b>Financing activities</b>			
Bank loans received		-	787
Loan repayments		(500)	-
<b>Cash (outflow)/inflow from financing activities</b>		<b>(500)</b>	<b>787</b>
<b>(Decrease) in cash in the year</b>		<b>(154)</b>	<b>(1,128)</b>
<b>Reconciliation of cash flow to net debt</b>			
		£'000	£'000
(Decrease) in cash in the year		(154)	(1,128)
Movement in liquid resources		(135)	-
Movement in debt		500	(787)
Movement in net debt arising from cash flows		211	(1,915)
Amortisation of loan issue costs		(52)	(53)
Movement in net debt		159	(1,968)
<b>Net debt brought forward</b>		<b>(4,607)</b>	<b>(2,639)</b>
<b>Net debt at 30 June</b>	<b>16</b>	<b>(4,448)</b>	<b>(4,607)</b>

# Aspers (Northampton) Limited

## Notes to the Financial Statements for the year ended 30 June 2010

### 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 2006

#### Going concern

As a result of underperformance in the first two years of trading, the company was in breach of its banking covenants at 30 June 2010. The company refinanced its bank facilities on 4 February 2011 and obtained from its bank a waiver for this covenant breach.

The directors have produced cash flow forecasts for the company for the period until 30 June 2012. These cash flow forecasts assume reasonable growth assumptions, but have also been appropriately sensitised to take account of possible shortfalls in gaming revenue.

Having carefully considered these forecasts, the directors consider that these forecasts demonstrate that the company can meet its liabilities as they fall due and also meet its revised banking covenant requirements, even under sensitised assumptions. Although there remains a risk associated with the company's ability to meet these covenant requirements, management considers it unlikely that any further breach will occur. On this basis the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

#### 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.

#### c) Stocks

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

# Aspers (Northampton) Limited

## Notes to the Financial Statements for the year ended 30 June 2010 (Continued)

### 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 113 (2009: 115).

## 4 Operating loss

	2010 £000	2009 £000
The operating loss is stated after charging		
Auditor's remuneration		
- audit of the financial statements	18	18
Depreciation of tangible fixed assets	459	412
Amortisation of intangible fixed assets	43	43

## 5 Interest payable and similar charges

	2010 £000	2009 £000
Bank loans	402	424
Waiver fee	55	-
Loan issue costs	52	53
	<b>509</b>	<b>477</b>

# Aspers (Northampton) Limited

## Notes to the Financial Statements for the year ended 30 June 2010 (Continued)

### 6 Taxation on loss on ordinary activities

	2010 £'000	2009 £'000
Current taxation		
UK corporation tax at 28% (2009 28%)		
- current year	-	-
- adjustment relating to prior years	1	(23)
Total current taxation	1	(23)
Tax on loss on ordinary activities	1	(23)

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 28% (2009 28%) The differences are reconciled below

Tax reconciliation	2010 £000	2009 £000
Loss before taxation	(595)	(1,519)
Loss before taxation multiplied by standard rate of corporation tax at 28% (2009 28%)	(167)	(425)
Expense not deductible	14	35
Depreciation in excess of capital allowances	129	94
Losses carried forward	24	296
Adjustment in respect of prior years	(1)	23
Total current taxation	(1)	23

The company has an unrecognised deferred tax asset of £519,000 (2009 £522,000) in respect of losses and £138,000 (2009 £94,000) in respect of capital allowances, which will be recognised when there is sufficient certainty it can be relieved against future taxable profits

## Aspers (Northampton) Limited

### Notes to the Financial Statements for the year ended 30 June 2010 (Continued)

#### 7 Intangible fixed assets

	Licence costs £'000
<b>Cost</b>	
At 1 July 2009 and 30 June 2010	863
	£'000
<b>Amortisation</b>	
At 1 July 2009	(43)
Charge for the year	(43)
At 30 June 2010	(86)
<b>Net book value</b>	
At 30 June 2010	777
At 30 June 2009	820

#### 8 Tangible fixed assets

	Freehold land £'000	Leasehold improvements £'000	Plant, fixtures, fittings and equipment £'000	Total £'000
<b>Cost</b>				
At 1 July 2009	415	5,327	1,606	7,348
Additions	-	75	55	130
<b>At 30 June 2010</b>	<b>415</b>	<b>5,402</b>	<b>1,661</b>	<b>7,478</b>
<b>Accumulated Depreciation</b>				
At 1 July 2009	-	183	229	412
Charge for the year	-	213	246	459
<b>At 30 June 2010</b>	<b>-</b>	<b>396</b>	<b>475</b>	<b>871</b>
<b>Net book value</b>				
<b>At 30 June 2010</b>	<b>415</b>	<b>5,006</b>	<b>1,186</b>	<b>6,607</b>
At 30 June 2009	415	5,144	1,377	6,936

Included in the above fixed assets is capitalised interest of £96,000 (2009 £96,000) within Leasehold improvements

# Aspers (Northampton) Limited

## Notes to the Financial Statements for the year ended 30 June 2010 (Continued)

### 9 Stocks

	2010 £'000	2009 £'000
Consumables	28	22

### 10 Debtors

	2010 £000	2009 £000
Other debtors	45	29
Prepayments and accrued income	95	345
	140	374

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

	2010 £'000	2009 £'000
Bank loan	4,693	5,141
Trade creditors	55	296
Other creditors	102	83
Amounts due to group undertakings	535	217
Corporation tax payable	-	23
Other taxation and social security	88	77
Gaming licence duty	161	104
Accruals and deferred income	69	57
	5,703	5,998

The bank loan above has been classified as due within one year due to the breach of banking covenants at 30 June 2010. On 4 February 2011 the company entered into a revised banking arrangement with facilities available until 2013, and was granted a waiver of all previous covenant breaches. This refinancing is described further in note 1.

### 12 Creditors: amounts falling due after more than one year

	2010 £000	2009 £000
Amounts due to group undertakings	250	250
	250	250

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

## Aspers (Northampton) Limited

### Notes to the Financial Statements for the year ended 30 June 2010 (Continued)

#### 13 Share capital

	2010 £000	2009 £000
Authorised equity share capital		
1,000,001 'A' ordinary shares of £1	1,000	1,000
1,000,000 'B' ordinary shares of £1	1,000	1,000
	<b>2,000</b>	<b>2,000</b>
Allotted, called up and fully paid equity share capital		
1,000,001 'A' ordinary shares of £1	1,000	1,000
999,999 'B' ordinary shares of £1	1,000	1,000
	<b>2,000</b>	<b>2,000</b>

#### 14 Reconciliation of shareholders' funds and movements in reserves

	Share capital £'000	Share premium £'000	Capital contribution £'000	Profit and loss account £'000	Total £'000
At 1 July 2008	2,000	2,000	1,336	(1,106)	4,230
Loss for the year	-	-	-	(1,542)	(1,542)
At 30 June 2009	2,000	2,000	1,336	(2,648)	2,688
Loss for the year	-	-	-	(594)	(594)
At 30 June 2010	<b>2,000</b>	<b>2,000</b>	<b>1,336</b>	<b>(3,242)</b>	<b>2,094</b>

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

	2010 £'000	2009 £'000
Operating (loss)	(87)	(1,068)
Depreciation of tangible fixed assets	459	412
Amortisation of intangible fixed assets	43	43
(Increase)/decrease in stocks	(6)	14
Decrease in debtors	234	13
Increase in creditors	176	139
Net cash inflow/(outflow) from operating activities	<b>819</b>	<b>(447)</b>

## Aspers (Northampton) Limited

### Notes to the Financial Statements for the year ended 30 June 2010 (Continued)

#### 16 Analysis of net debt

	At 1 July 2009 £'000	Cash flow £'000	Other changes £'000	At 30 June 2010 £'000
Cash at bank and in hand	519	(154)	-	365
Liquid resources – blocked deposits	265	(135)	-	130
Total cash at bank and in hand	784	(289)	-	495
Debts due within one year	(500)	-	(100)	(600)
Debts due after more than one year	(4,891)	600	(52)	(4,343)
<b>Net debt</b>	<b>(4,607)</b>	<b>311</b>	<b>(152)</b>	<b>(4,448)</b>

Other changes relate to movement in unamortised issue costs and timing differences of debt from after one year to within one year

The blocked deposit may only be used to make scheduled debt service payments

#### 17 Capital and financial commitments

At 30 June 2010, capital expenditure contracted, but not provided for, amounted to £nil (2009 nil)



## Aspers (Northampton) Limited

### Notes to the Financial Statements for the year ended 30 June 2010 (Continued)

#### 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				
- 2010	-	-	250	-
- 2009	-	-	250	-
Kerzner UK Leisure Operations Holdings Ltd				
- 2010	-	-	-	44
- 2009	-	-	-	44
Aspinall's Club Limited				
- 2010	5	12	-	-
- 2009	7	7	-	-
Aspinall's (Newcastle) Limited				
- 2010	233	323	-	-
- 2009	121	90	-	-
Aspinall's (Swansea) Limited				
- 2010	37	45	-	-
- 2009	12	8	-	-
Aspers Management Services Limited				
- 2010	53	144	-	-
- 2009	50	111	-	-

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. Aspinall's Club Limited, Aspinall's (Newcastle) Limited, Aspinall's (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.

#### 19 Immediate and ultimate parent undertaking

At 30 June 2010, the immediate parent undertaking of the company was Aspers Group Limited, a company registered in England and Wales, and the ultimate parent undertaking was Aspinall Holdings (Jersey) Limited ("AHJL"), a company registered in Jersey. The shareholding of AHJL is such that there is no controlling party of AHJL.

The largest and smallest group preparing consolidated financial statements which include the company is Aspers Group Limited for the year ended 30 June 2010. Copies of the financial statements of Aspers Group Limited can be obtained from the registered office of that company at 64 Sloane Street, London, SW1X 9SH.

At the date of approval of the financial statements, the immediate parent company was Aspers UK Holdings Limited, a company registered in England and Wales.