Aspers (Northampton) Limited
(Registered Number: 4691682)

Annual Report and Financial Statements

For the year ended 30 June 2017

Aspers (Northampton) Limited

Strategic Report for the year ended 30 June 2017

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

Principal activity and review of the business

The principal activity of the company is the business of managing licensed gaming establishments. The retained loss for the year was £136,000 (2016 –profit £591,000) and has been transferred to reserves.

The company continued to adapt as it and the industry adjusted to enhanced anti money laundering and know your customer (KYC) processes, together with strengthening its approach to Responsible Gambling. Total revenues declined 22% year on year at £5.5m and EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation), decreased by 75% to £327k primarily due high volatility relating to some key players and wage inflation pressures.

Attendances declined (10)% and spend per head declined by 14% due to the factors above.

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

	2017 £'000	2016 £'000	%
Revenue	5,456	7,015	(22)
EBITDA	327	1,315	(75)
Daily attendance	381	422	(10)
Spend per head	£39.26	£45.54	(14)

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 Northampton 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 (Northampton) Limited

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

Going concern

As at 30 June 2017 and the date of approval of the financial statements, the company had net current liabilities. The financial statements have been prepared on a going concern basis as the company's immediate parent undertaking, Aspers UK Holdings Limited, has indicated its intention to provide sufficient financial support to the company to enable it to meet its liabilities as they fall due for a period of at least 12 months from the date of these financial statements.

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

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

By Order of the Board

D L Playford
Director
8th March 2018

Aspers (Northampton) Limited

Directors' Report for the year ended 30 June 2017

Directors and company information

Directors:	J D A Aspinall M P B Kennedy (resigned 30 June 2017) P A Macpherson (appointed 07 June 2017) P G Zuber (appointed 07 June 2017) D L Playford (appointed 01 July 2017)
Registered office:	1 Hans Street, London SW1X 0JD
Company number:	4691682

JDA Aspinall and DL Playford are directors of Aspers Management Services Limited, a fellow subsidiary of Aspers UK Holdings Limited. Emoluments for these directors are borne by Aspers Management Services Limited.

PA Macpherson and PG Zuber were employed by Kerzner International Management FZ LLC and were not remunerated for their services to the company.

Dividends

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

Future developments

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

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'.

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

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

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

Aspers (Northampton) Limited

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

Political contributions

The company made no political donations during the period. (2016: none)

Employees

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

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

Disabled Persons

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

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

Provision of information to auditors

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

Auditors

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

By Order of the Board

D L Playford
Director
8th March 2018

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

Opinion

We have audited the financial statements of Aspers (Northampton) Limited for the year ended 30 June 2017 which comprise the Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position, the Cash Flow Statement and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

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

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

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Ernst + Young L.L.P.

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

13/03/2018

Aspers (Northampton) Limited

Statement of comprehensive income for the year ended 30 June 2017

	Note	2017 £000	2016 £000
Turnover	*1(a), 2*	**5,456**	7,015
Staff costs	*3*	**(2,007)**	(1,994)
Depreciation and other amounts written off tangible fixed assets and intangible fixed assets		**(455)**	(441)
Gaming duties		**(761)**	(1,023)
Other operating charges		**(2,868)**	(2,780)
		(635)	777
Other operating income		**506**	97
Operating (loss)/profit	*4*	**(129)**	874
Interest payable and similar charges	*6*	**(67)**	(146)
(Loss)/Profit on ordinary activities before taxation		**(196)**	728
Tax charge on profit on ordinary activities	*7*	**60**	(137)
(Loss)/Profit on ordinary activities after taxation		**(136)**	591
Other comprehensive income		**-**	-
Loss/Profit for the financial year		**(136)**	591

All results relate to continuing operations.

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

	Share capital £'000	**Share premium £'000**	**Capital contribution £'000**	**Profit and loss account £'000**	**Total Shareholders' Equity £'000**
At 1 July 2015	2,000	2,000	1,336	(1,878)	3,458
Comprehensive income for the year	-	-	-	591	591
At 30 June 2016	2,000	2,000	1,336	(1,287)	4,049
Comprehensive loss for the year	-	-	-	(136)	(136)
At 30 June 2017	**2,000**	**2,000**	**1,336**	**(1,423)**	**3,913**

Aspers (Northampton) Limited

Statement of financial position at 30 June 2017

	Note	2017 £000	2016 £000
Fixed assets			
Intangible fixed assets	*8*	**479**	522
Tangible fixed assets	*9*	**4,299**	4,561
		4,778	5,083
Current assets			
Stocks	*10*	**35**	27
Debtors	*11*	**670**	520
Cash at bank and in hand		**660**	639
		1,365	1,186
Creditors: amounts falling due within one year	*12*	**(2,230)**	(2,220)
Net current liabilities		**(865)**	(1,034)
Net assets		**3,913**	4,049
Capital and reserves			
Called up share capital	*16*	**2,000**	2,000
Share premium		**2,000**	2,000
Capital contribution		**1,336**	1,336
Profit and loss account		**(1,423)**	(1,287)
Equity shareholders' funds		**3,913**	4,049

The financial statements on pages 8 to 22 were approved by the Board on 8th March 2018 and signed on its behalf by:

D L Playford - Director

Aspers (Northampton) Limited

Cash flow statement for the year ended 30 June 2017

	Note	2017 £'000	2016 £'000
Net cash inflow from operating activities	*14*	**197**	1,388
Investing activities			
Purchase of tangible fixed assets		**(153)**	(133)
Cash outflow from investing activities		**(153)**	(133)
Financing activities			
Interest paid		**(67)**	(71)
Repayments of RBS loan		**-**	(1,700)
Capital repayment of finance lease		**-**	(15)
Cash outflow from financing activities		**(67)**	(1,786)
Increase/(decrease) in cash equivalents in the year		**21**	(531)
Cash equivalents at 1 July		**639**	1,170
Cash equivalents at 30 June		**660**	639

Aspers (Northampton) Limited

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

1 Accounting policies

Statement of compliance

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

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

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

Basis of preparation

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

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

No disclosure exemptions available under FRS 102 have been applied to these financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to the period covered by these financial statements.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' report.

As at 30 June 2017 and the date of approval of the financial statements, the company had net liabilities. The financial statements have been prepared on a going concern basis as the company's immediate parent undertaking, Aspers UK Holdings Limited, has indicated its intention to provide sufficient financial support to the company to enable it to meet its liabilities as they fall due for a period of at least 12 months from the date of these financial statements.

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

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

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) 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.

c) Intangible fixed assets

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

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

Licence costs	: 20 years

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

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

d) Impairment of assets

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

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

1 Accounting policies (continued)

e) Short-term debtors and creditors

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

f) Cash and cash equivalents

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

g) Stocks

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

h) Pension Contributions

Pension contributions payable by the company under its defined contribution schemes are charged to the statement of comprehensive income in the period in which they fall due for payment.

i) Deferred taxation

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

j) Leased assets

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

Operating lease payments: Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease.
Finance lease payments: Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1 Accounting policies (continued)

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 profit or loss 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.

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

2 Turnover

	2017 £000	2016 £000
Gaming revenues	**4,593**	6,102
Catering revenues	**783**	843
Other	**80**	70
	5,456	7,015

All turnover is generated in the United Kingdom.

3. Staff numbers and costs

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

	Number of employees 2017	Number of employees 2016
Total staff numbers	**98**	114

The aggregate payroll costs of these persons were as follows:

	2017 £000	2016 £000
Wages and salaries	**1,853**	1,840
Social security costs	**136**	136
Payments to defined contribution pension plans	**18**	18
	2,007	1,994

4 Operating (loss/)profit

	2017 £000	2016 £000
The operating (loss)/profit is stated after charging:		
Depreciation of tangible fixed assets – owned assets	378	339
Depreciation of tangible fixed assets – leased assets	34	59
Amortisation of intangible fixed assets	43	43
Auditor's remuneration		
- audit of the financial statements	33	24
Operating lease rentals		
- land and buildings	250	250

5 Directors' emoluments

JDA Aspinall, MPB Kennedy and DL Playford are directors of Aspers Management Services Limited, a fellow subsidiary of Aspers UK Holdings Limited. These directors received total remuneration for the year of £1,396,000 (2016 - £1,022,000) all of which was paid by Aspers Management Services Limited. 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.

PA Macpherson and PG Zuber were employed by Kerzner International Management FZ LLC and were not remunerated for their services to the company.

The emoluments (excluding pension contributions) of the highest paid director were £1,001,897 (2016 - £639,674). Pension contributions in respect of the highest paid director were £nil (2016 - £nil).

No pension contributions were payable in respect of money purchase benefit schemes to directors (2016 – £nil).

6 Interest payable and similar charges

	2017	2016
	£000	£000
Intercompany interest	**67**	17
Bank loans	-	54
Loan issue costs	-	75
	67	146

7 Tax on (loss)/profit on ordinary activities

	2017 £000	2016 £000
Current taxation:		
UK corporation tax on (loss)/profit for the year at 19.75% (2016 – 20%)		
- current year	**(20)**	-
	(20)	-
Deferred taxation		
-current year	**(62)**	103
- rate change	**22**	37
- prior year adjustment	**-**	(3)
	(40)	137
Tax on (loss)/profit on ordinary activities	**(60)**	137

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

Tax reconciliation	2017 £000	2016 £000
(Loss)/Profit on ordinary activities before taxation	**(196)**	728
(Loss)/Profit before taxation multiplied by standard rate of Corporation Tax at 19.75% (2016 – 20%)	**(39)**	146
Expenses not allowed for taxation	**(14)**	27
Rate change	**22**	37
Transfer pricing adjustment	**-**	(70)
Prior year adjustment	**(29)**	(3)
Total taxation	**(60)**	137

The company has unrecognised deferred tax assets of £nil (2016: £nil) in respect of losses and £148,000 (2016: £76,000) in respect of other timing differences, which will be recognised when there is sufficient certainty that they can be relieved against future taxable profits.

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

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

8 Intangible fixed assets

	Licence costs £'000
Cost	
At 1 July 2016 and 30 June 2017	**863**
Accumulated amortisation	
At 1 July 2016	341
Charge for the year	43
At 30 June 2017	**384**
Net book value	
At 30 June 2017	**479**
At 30 June 2016	522

9 Tangible fixed assets

	Freehold land £'000	Leasehold improvements £'000	Plant, fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 July 2016	415	5,448	2,248	8,111
Additions	-	33	117	150
At 30 June 2017	**415**	**5,481**	**2,365**	**8,261**
Accumulated depreciation				
At 1 July 2016	-	1,744	1,806	3,550
Charge for the year	-	217	195	412
At 30 June 2017	-	**1,961**	**2,001**	**3,962**
Net book value				
At 30 June 2017	**415**	**3,520**	**364**	**4,299**
At 30 June 2016	415	3,704	442	4,561

Included in the above fixed assets is equipment held under finance leases with a net book value of £9,000 (2016 - £43,000) and capitalised interest of £60,000 (2016: £64,000).

10 Stocks

	2017	2016
	£'000	£'000
Consumables	**35**	27

11 Debtors

	2017	2016
	£000	£000
Sundry debtors	**2**	1
Deferred tax asset	**377**	337
Corporation tax debtor	**20**	-
Amounts due from other group undertakings	**186**	-
Prepayments and accrued income	**85**	182
	670	520

12 Creditors: amounts falling due within one year

	2017	2016
	£000	£000
Trade creditors	**60**	215
Other creditors	**155**	59
Other taxation & social security	**7**	59
Amounts due to other group undertakings	**1,707**	1,429
Gaming duties	**135**	176
Accruals and deferred income	**166**	282
	2,230	2,220

Amounts due to other group undertakings includes loans of £1,413,000 (2016: £1,413,000) that attracts interest at rates between 3.5%- 5 % above LIBOR and is repayable on demand.

13 Obligations under operating leases

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

	Land & buildings 2017 £'000	2016 £'000	Other 2017 £'000	2016 £'000
Within one year	**250**	250	**201**	195
In two to five years	**1,000**	1,000	**410**	611
In over five years	**2,812**	3,062	**-**	-
	4,062	4,312	**611**	806

14 Reconciliation of operating (loss)/profit to net cash flow from operating activities

	2017 £'000	2016 £'000
Operating profit	**(129)**	874
Depreciation of tangible fixed assets	**412**	398
Amortisation of intangible fixed assets	**43**	43
(Increase) in stocks	**(8)**	(1)
(Increase)/decrease in debtors	**(110)**	91
(Decrease) in creditors	**(11)**	(17)
Net cash inflow from operating activities	**197**	1,388

Aspers (Northampton) Limited

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

15 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:-

	Sales to related party £'000	Purchases from related party £'000	Amounts owed to/(due from) related party £'000
Aspers UK Holdings Limited			
- 2017	-	-	-
- 2016	-	-	-
Aspers Group Limited			
- 2017	-	-	-
- 2016	-	-	-
Aspers Finance Limited			
- 2017	-	67	1,579
- 2016	-	17	1,413
Kerzner UK Leisure Operations Holdings Ltd			
- 2017	-	-	45
- 2016	-	-	45
Aspers (Newcastle) Limited			
- 2017	10	34	31
- 2016	13	54	7
Aspers (Milton Keynes) Limited			
- 2017	52	64	14
- 2016	31	29	2
Aspers (Stratford City) Limited			
- 2017	158	240	186
- 2016	65	317	5
Aspers Management Services Limited			
- 2017	6	421	85
- 2016	8	326	2

Aspers UK Holdings 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. Aspers Group Limited, Aspers Finance Limited, Aspers (Newcastle) Limited, Aspers (Stratford City) Limited, Aspers (Milton Keynes) Limited and Aspers Management Services Limited are 100% owned subsidiaries of Aspers UK Holdings 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 a minimum rent of £250,000 is chargeable annually. Kerzner Northampton Limited is related to Kerzner UK Leisure Operations Holdings Limited, a shareholder in the company.

In order that the company is able to accept the business of certain higher staking players, the company has an agreement with Aspers (Stratford City) Limited, a 100% indirect subsidiary of the company's immediate parent company. This agreement gives the company a guaranteed fixed return on these players, in return for a premium paid by the company. The directors consider that this arrangement is on an arms' length basis.

Key management personnel – JDA Aspinall, MPB Kennedy and DL Playford and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Total remuneration in respect of these individuals is £1,396,000 (2016 - £1,312,000)

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

16 Share capital

	2017 £000	2016 £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
	2,000	2,000
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
	2,000	2,000

17 Immediate and ultimate parent undertaking

At 30 June 2017, the immediate parent undertaking of the company was Aspers UK Holdings 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.