

Company Registration No. 04070861 (England and Wales)

ASH GAMING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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ASH GAMING LIMITED

COMPANY INFORMATION

Directors	A Ambrose A Porter
Secretary	B Moore
Company number	04070861
Registered office	Fourth Floor 61 Southwark Street London SE1 0HL
Auditor	BDO LLP 55 Baker Street London W1U 7EU

ASH GAMING LIMITED

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ASH GAMING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the company continued to be that of game software development services.

Results and dividends

The results for the year are set out on page 5.

Ordinary dividends were paid amounting to £850,000. The directors do not recommend payment of a final dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A Ambrose

A Porter

Auditor

In accordance with the company's articles, a resolution proposing that BDO LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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;
- 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.

ASH GAMING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

In preparing this directors' report advantage has been taken of the small companies' exemption.

On behalf of the board



.....
A Ambrose

Director

.....8/9/17

ASH GAMING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASH GAMING LIMITED

We have audited the financial statements of Ash Gaming Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement Of Financial Position, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 31 December 2016 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.

Opinion on other matter 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the directors' report has been prepared in accordance with applicable legal requirements

ASH GAMING LIMITED

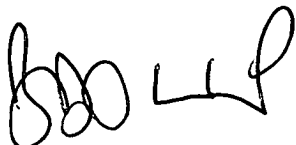
INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ASH GAMING LIMITED

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 directors' report.

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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from preparing a strategic report.



Matthew White (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor

8 September 2017

London
United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

ASH GAMING LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Revenue	2	5,239,122	6,341,102
Cost of sales		(3,642,065)	(4,518,809)
Gross profit		1,597,057	1,822,293
Administrative expenses		(839,974)	(883,488)
Operating profit	3	757,083	938,805
Interest receivable and similar income	6	2,150	1,945
Profit before taxation		759,233	940,750
Tax on profit on ordinary activities	7	(194,880)	(216,312)
Profit for the financial year		564,353	724,438
Total comprehensive income for the year		564,353	724,438

The income statement has been prepared on the basis that all operations are continuing operations.

ASH GAMING LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	31 December 2016 £	31 December 2015 £
Fixed assets			
Property, plant and equipment	9	240,193	285,972
Current assets			
Deferred tax asset	12	39,683	64,678
Trade and other receivables	10	1,510,592	2,525,557
Cash at bank and in hand		468,801	578,710
		2,019,076	3,168,945
Creditors: amounts falling due within one year			
Trade and other payables	11	515,139	1,503,572
Taxation and social security		172,344	163,895
		687,483	1,667,467
Net current assets		1,331,593	1,501,478
Total assets less current liabilities		1,571,786	1,787,450
Net assets		1,571,786	1,787,450
Capital and reserves			
Called up share capital	15	1,510	1,510
Share premium account		334,489	334,489
Share option reserve		487,819	417,836
Profit and loss account		747,968	1,033,615
Total equity		1,571,786	1,787,450

The financial statements were approved by the Board of directors and authorised for issue on 8 September 17
Signed on its behalf by:



A Ambrose
Director

Company Registration No. 04070861

ASH GAMING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £	Share premium account £	Share option reserve £	Retained earnings £	Total £
Balance at 1 January 2015		1,510	334,489	357,344	309,177	1,002,520
Year ended 31 December 2015:						
Profit and total comprehensive income for the year		-	-	-	724,438	724,438
Share based payment transactions		-	-	60,492	-	60,492
Balance at 31 December 2015		1,510	334,489	417,836	1,033,615	1,787,450
Year ended 31 December 2016:						
Profit and total comprehensive income for the year		-	-	-	564,353	564,353
Dividends	8	-	-	-	(850,000)	(850,000)
Share based payment transactions		-	-	69,983	-	69,983
Balance at 31 December 2016		1,510	334,489	487,819	747,968	1,571,786

ASH GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements have been prepared on the historical cost basis.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of Playtech PLC in which the entity is consolidated;
- the requirements of paragraph 33 (c) of IFRS 5 Non current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40 ,111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Where required, equivalent disclosures are given in the group accounts of Playtech PLC. The group accounts of Playtech PLC are available to the public and can be obtained as set out in note 17.

The principal accounting policies adopted are set out below.

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Turnover comprises revenue recognised by the company in respect of licensing income and game software development services, exclusive of value added tax and trade discounts. Income in respect of licensing is recognised on the provision of the service to the customer. Licensing income is recognised at the point a game is made available to the customer.

ASH GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Short term leasehold property	Straight line over the term of the lease
Fixtures, fittings & equipment	33.33% straight line
Plant and machinery	33.33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.5 Impairment of tangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the company from the adoption of IFRS 13.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ASH GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.8 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.9 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

ASH GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

The deferred tax balance has not been discounted.

1.12 Employee benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Share-based payments

The fair value of equity-settled share based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the company's estimate of shares or options that will eventually vest.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases, less any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

1.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

ASH GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

1.17 Progressive and other operators' jackpots

Several of the company's licensees participate in progressive jackpot games. Each time a progressive jackpot game is played, a preset amount is added to a cumulative jackpot for that specific game. The accrual for the jackpot at the balance sheet date is included in progressive and other operators' jackpot liabilities.

2 Revenue

An analysis of the company's revenue is as follows:

	2016 £	2015 £
Licensing income and game development	5,239,122	6,341,102
	<u>5,239,122</u>	<u>6,341,102</u>

Geographical market

	2016 £	2015 £
United Kingdom	125,565	339,623
Europe	5,113,557	6,001,479
	<u>5,239,122</u>	<u>6,341,102</u>

3 Profit for the year

	2016 £	2015 £
Profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditors for the audit of the company's financial statements	12,000	8,475
Non-audit services	19	3,470
Depreciation of property, plant and equipment	113,772	103,492
Loss/(profit) on foreign exchange transactions	9,720	32,823
Share based payment (see note 13)	69,983	60,492
	<u></u>	<u></u>

ASH GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

4 Employees

The average monthly number of employees (including directors) were:

	2016 Number	2015 Number
Employees (Incl. directors)	56	58

Their aggregate remuneration comprised:

Employment costs	2016 £	2015 £
Wages and salaries	2,993,707	3,807,072
Social security costs	254,065	351,220
Pension costs	130,199	159,855
	3,377,971	4,318,147

5 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	295,335	324,475

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	185,480	121,884
Company pension contributions to defined contribution schemes	9,000	12,471

6 Investment income

	2016 £	2015 £
Interest income		
Interest on bank deposits	2,150	1,945

ASH GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

7 Income tax expense

	Continuing operations	
	2016	2015
	£	£
Current tax		
Current year taxation	169,885	177,200
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of temporary differences	24,995	39,112
	<u> </u>	<u> </u>
Total tax charge	<u>194,880</u>	<u>216,312</u>

The charge for the year can be reconciled to the profit per the income statement as follows:

	2016	2015
	£	£
Profit before taxation	759,233	940,750
	<u> </u>	<u> </u>
Expected tax charge based on a corporation tax rate of 20.00%	151,847	190,502
Expenses not deductible in determining taxable profit	12,890	25,810
Depreciation on assets not qualifying for tax allowances	10,372	-
Other short term timing differences	19,771	-
	<u> </u>	<u> </u>
Tax charge for the year	<u>194,880</u>	<u>216,312</u>

8 Dividends	2016	2015	2016	2015
	per share	per share	£	£
Amounts recognised as distributions to equity holders:				
Ordinary shares				
Interim dividend paid	5.63	-	850,000	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ASH GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

9 Property, plant and equipment

	Short term leasehold property £	Fixtures, fittings & equipment £	Plant and machinery £	Total £
Cost				
At 31 December 2015	199,529	114,725	304,391	618,645
Additions	-	36,044	33,369	69,413
Disposals	-	(5,574)	-	(5,574)
At 31 December 2016	199,529	145,195	337,760	682,484
Accumulated depreciation and impairment				
At 31 December 2015	43,948	96,208	192,517	332,673
Charge for the year	44,060	10,679	59,033	113,772
Eliminated on disposal	-	(4,154)	-	(4,154)
At 31 December 2016	88,008	102,733	251,550	442,291
Carrying amount				
At 31 December 2016	111,521	42,462	86,210	240,193
At 31 December 2015	155,581	18,517	111,874	285,972

10 Trade and other receivables

	2016 £	2015 £
Trade receivables	34,272	28,791
Other receivables	10,254	5,623
VAT recoverable	-	119,785
Amounts due from group undertakings	1,349,070	2,220,458
Prepayments	116,996	150,900
	1,510,592	2,525,557

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

11 Trade and other payables

	2016 £	2015 £
Trade payables	12,117	3,038
Amounts due to fellow group undertakings	-	894,290
Accruals	493,715	579,388
Other payables	9,307	26,856
	515,139	1,503,572

ASH GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

12 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	ACAs £	Retention bonuses £	Total £
Deferred tax asset at 1 January 2015	(21,140)	(82,650)	(103,790)
Deferred tax movements in prior year			
Other	8,941	30,171	39,112
Deferred tax asset at 1 January 2016	(12,199)	(52,479)	(64,678)
Deferred tax movements in current year			
Credit to profit or loss	4,924	20,071	24,995
Deferred tax asset at 31 December 2016	<u>(7,275)</u>	<u>(32,408)</u>	<u>(39,683)</u>

13 Retirement benefit schemes

Defined contribution schemes

The total costs charged to income in respect of defined contribution plans is £130,199 (2015 - £159,855).

ASH GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

14 Share-based payment transactions

The ultimate parent company operates a Company Share Option Plan ("CSOP") for certain employees of the Company. Options granted under the Plan vest on the first day on which they become exercisable which is three years after grant date. Further details on the terms of this scheme are discussed in more detail in the Group annual report.

Further details of the share option plans are as follows:

	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
	2016	2016 £	2015	2015 £
Outstanding at 1 January 2016	24,040	7.96	380,000	3.48
Granted	21,128	7.90	24,040	7.96
Exercised	-	-	(300,000)	3.48
Forfeited	(4,592)	7.96	(80,000)	3.48
Outstanding at 31 December 2016	40,576	7.93	24,040	7.96

The exercise price of options outstanding at the end of the year was £7.93 (2015 - £7.96) and their weighted average contractual life was 3 years (2015 - 3 years). Nil of the options outstanding at the end of the year had vested and were exercisable at the end of the year (2015 - nil).

The weighted average share price (at the date of exercise) and weighted average fair value of each option granted during the year was £7.90 (2015 - £7.96).

The comparative information in the above table has been restated to more accurately present the movements in the prior year.

2012

Options pricing model used	Black-Scholes
Weighted average share price at grant date	£1.41
Exercise price	£3.48
Expected volatility	48.88%
Expected dividend growth rate	1.82%
Risk free interest rate	2.95%

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices over the last three years.

The share-based remuneration expense comprises:

ASH GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

14 Share-based payment transactions

(Continued)

	2016 £	2015 £
Equity-settled scheme	69,983	60,492

The company did not enter into any share-based payment transactions with parties other than employees during the current or prior year.

15 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
151,035 Ordinary shares of 1p each	1,510	1,510

16 Operating leases commitments

Lessee

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

	2016 £	2015 £
Minimum lease payments under operating leases	276,733	273,645

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Land and buildings	
	2016 £	2015 £
Within one year	305,256	305,256
Between two and five years	572,355	877,595
	877,611	1,182,851

ASH GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

17 Controlling party

The company's immediate parent company is Technology Trading IOM Limited, a company incorporated in the Isle of Man. The company's ultimate parent company is Playtech PLC, a company incorporated in the Isle of Man, and listed on the London Stock Exchange Main Market.

The largest and smallest group in which the results of the company are consolidated is that headed by Playtech PLC. The consolidated accounts of this company are available to the public and may be obtained from the group's website (www.playtech.com) or from its registered office at Ground Floor, St George's Court, Upper Church Street, Douglas, Isle of Man IM1 1EE . No other group accounts include the results of the company.