

ISLE OF CAPRI CASINOS INC
Form 11-K
July 16, 2007
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 11-K

x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2006

or

.. **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____.

Commission file number: 000-20538

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:
ISLE OF CAPRI CASINOS, INC.

RETIREMENT TRUST AND SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:
ISLE OF CAPRI CASINOS, INC.

600 Emerson Road, Suite 300

St. Louis, Missouri 63141

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ISLE OF CAPRI CASINOS, INC.

RETIREMENT TRUST AND SAVINGS PLAN

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ISLE OF CAPRI CASINOS, INC.

RETIREMENT TRUST AND SAVINGS PLAN

Item 4. FINANCIAL STATEMENTS OF THE PLAN

The Financial Statements of the Isle of Capri Casinos, Inc. Retirement Trust and Savings Plan (the Plan) for the fiscal year ended December 31, 2006, together with the report of RubinBrown LLP, an independent registered public accounting firm, are attached to this Annual Report on Form 11-K as Annex A, and are by specific reference incorporated herein and filed as a part hereof. The Financial Statements and the Notes thereto are presented in lieu of the financial statements required by Items 1, 2 and 3 of Form 11-K. The Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974.

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**ISLE OF CAPRI CASINOS, INC.
RETIREMENT TRUST AND SAVINGS PLAN**

Annex A

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Report of Independent Registered Public Accounting Firm

To the Plan Administrator

Isle of Capri Casinos, Inc. Retirement

Trust and Savings Plan

We have audited the accompanying statement of net assets available for benefits of the Isle of Capri Casinos, Inc. Retirement Trust and Savings Plan as of December 31, 2006, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Isle of Capri Casinos, Inc. Retirement Trust and Savings Plan as of December 31, 2006, and the changes in net assets available for benefits for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ RubinBrown LLP

St. Louis, Missouri

July 12, 2007

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Report of Independent Registered Public Accounting Firm

To the Plan Administrator

Isle of Capri Casinos, Inc. Retirement

Trust and Savings Plan

Biloxi, Mississippi

We have audited the accompanying statements of net assets available for benefits of the Isle of Capri Casinos, Inc. Retirement Trust and Savings Plan as of December 31, 2006 and 2005, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements, referred to above present fairly, in all material respects, the net assets available for benefits of Isle of Capri Casinos, Inc. Retirement Trust and Savings Plan as of December 31, 2006 and 2005, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule H, line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2006, is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Piltz, Williams, LaRosa & Company
Certified Public Accountants

Biloxi, Mississippi
July 11, 2006

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Isle of Capri Casinos, Inc. Retirement

Trust and Savings Plan

Statements of Net Assets Available for Benefits

| | December 31, | |
|--|-------------------|-------------------|
| | 2006 | 2005 |
| Assets | | |
| Investments | | |
| Cash | \$ 72,339 | \$ |
| Participant-directed investment accounts | 50,463,888 | 52,553,908 |
| Participant loans | 3,190,718 | 4,370,343 |
| Total investments | 53,726,945 | 56,924,251 |
| Receivables | | |
| Employer contribution | 1,460,162 | 2,199,508 |
| Participants contributions | 593,717 | 801,621 |
| Accrued interest | | 22,022 |
| Accrued dividends | | 9,349 |
| Total receivables | 2,053,879 | 3,032,500 |
| Total assets | 55,780,824 | 59,956,751 |
| Liabilities | | |
| Accrued expenses | 21,484 | 14,625 |
| Net assets available for benefits | \$ 55,759,340 | \$ 59,942,126 |

See Notes to Financial Statements

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Isle of Capri Casinos, Inc. Retirement

Trust and Savings Plan

Statements of Changes in Net Assets Available for Benefits

| | Year Ended December 31, | |
|--|-------------------------|---------------|
| | 2006 | 2005 |
| Additions to net assets | | |
| Investment income: | | |
| Net appreciation in fair value of investments | \$ 5,829,162 | \$ 1,294,782 |
| Interest & Dividends | 756,272 | 1,871,107 |
| Total investment income | 6,585,434 | 3,165,889 |
| Contributions: | | |
| Employer s | 1,653,042 | 2,200,518 |
| Participants | 7,694,050 | 8,985,787 |
| Participants rollovers | 375,439 | 167,740 |
| Total contributions | 9,722,531 | 11,354,045 |
| Total additions | 16,307,965 | 14,519,934 |
| Deductions from net assets | | |
| Distributions paid to participants | 20,364,417 | 8,378,403 |
| Other expenses | 126,334 | 189,620 |
| Total deductions | 20,490,751 | 8,568,023 |
| Net increase (decrease) in Plan assets | (4,182,786) | 5,951,911 |
| Net assets available for benefits, beginning of year | 59,942,126 | 53,990,215 |
| Net assets available for benefits, end of year | \$ 55,759,340 | \$ 59,942,126 |

See Notes to Financial Statements

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Isle of Capri Casinos, Inc. Retirement

Trust and Savings Plan

Notes to Financial Statements

1. Description of Plan

The following description of the Isle of Capri Casinos, Inc. Retirement Trust and Savings Plan (the Plan) provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan covering the employees of Isle of Capri Casinos, Inc. and its subsidiaries who are age 21 or older and have completed one year of service as defined by the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions and participants' accounts - Each participant's account is credited with the participant's elective deferral contribution up to 15% of their salary not to exceed the limits under Internal Revenue Code Section 402(g), an employer matching contribution equal to 25% of the participant's elective deferral contribution, rollover contributions, transfers from other plans, voluntary contributions, employer vacation contributions, and an allocation of (a) employer's qualified nonelective contributions, if made; (b) employer's discretionary contributions, if made; (c) Plan earnings; and (d) forfeitures of terminated participants' nonvested accounts. Allocations are based on compensation or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting - Participants are immediately vested in their elective deferral contributions, rollover contributions, transfers in from other plans, voluntary contributions, qualified nonelective employer contributions, employer matching contributions, employer vacation contributions, and actual earnings thereon. Participants are vested in discretionary employer contributions, including forfeitures, if any, after the completion of seven years of service or earlier attainment of the normal retirement age or death while employed by the employer.

Payment of benefits - Upon termination of service, or at normal retirement age, participants can receive a lump sum amount equal to the vested portion of their account. Participants may request to receive installment payments instead of the normal lump sum distribution. Benefits are recorded when paid.

Participant loans receivable - Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. Loan terms range from 1 to 5 years or up to 10 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined quarterly by the Plan Administrator. Interest rates range from 5% to 10.5%. Principal and interest is paid ratably through monthly payroll deductions.

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Isle of Capri Casinos, Inc. Retirement

Trust and Savings Plan

Notes to Financial Statements

(Continued)

2. Summary of Accounting Policies

Basis of accounting - The financial statements of the Plan are prepared using the accrual basis of accounting.

Investment valuation and income recognition - The Plan's investments are stated at fair value and represent the Plan's share of the market value of fund holdings or are based on quoted market prices. Loans to participants, which are subject to various interest rates, are carried at cost (original loan less repayments), which approximates fair value. Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date.

Payment of withdrawals - Withdrawals are recorded when paid.

Forfeited Accounts - These accounts will be reallocated to participants in the same manner as employer contributions. At December 31, 2006 and 2005, there were no forfeited nonvested accounts.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan Administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions to and deductions from net assets during the reporting period. Actual results could differ from those estimates.

Administrative expenses - Legal and audit expenses are paid by the Plan Sponsor and other administrative expenses are paid by the Plan.

Risks and uncertainties - The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

3. Participants Investments Held by ABN AMRO Trust Services Company and Principal Financial Group.

During the year ended December 31, 2005, ABN AMRO Trust Services Company was acquired by the Principal Financial Group. The investments, held by ABN AMRO Trust Services Company, were transferred to Principal Financial Group during the blackout period of February 17-20, 2006.

Table of Contents**Isle of Capri Casinos, Inc. Retirement****Trust and Savings Plan****Notes to Financial Statements***(Continued)***3. Participants Investments Held by ABN AMRO Trust Services Company and Principal Financial Group (Continued)**

Upon investment in the Plan, participants may direct both employer and employee contributions into any of the funds listed below. Principal Financial Group (Principal), (formerly ABN AMRO Trust Services Company), holds the Plan's investments and executes transactions therein. Financial information relating to the Plan's assets is included in the financial statements and is based on information provided by Principal. This information is summarized below:

| | December 31, | |
|---|----------------|---------------|
| | 2006 | 2005 |
| Participant directed investments accounts | | |
| Held by ABN AMRO Trust Services Company: | | |
| Collective trust fund: | | |
| ABN AMRO Income Plus Fund | *\$ 13,296,830 | \$ 15,768,375 |
| Registered investment companies (mutual funds): | | |
| PIMCO Real Return A | *2,885,821 | 3,209,914 |
| Aston/Montag & Caldwell Growth Fund | *4,637,709 | 4,966,953 |
| AXA Enterprise Small Company Value Portfolio | *5,129,050 | 4,885,798 |
| American Funds EuroPacific Growth Fund | *6,224,386 | 5,918,381 |
| American Funds Income Fund of America | *6,127,578 | 5,794,761 |
| MFS Value Fund | *8,576,133 | 8,658,914 |
| Columbia Acorn Fund | 2,185,775 | 1,678,049 |
| Isle of Capri Casinos Stock Fund | 1,400,606 | 1,672,763 |
| Totals | \$ 50,463,888 | \$ 52,553,908 |

* Investment represents 5% or more of net assets available for benefits at December 31, 2006.

During the years ended December 31, 2006 and 2005, the Plan's investments appreciated (depreciated) in value as follows:

| | December 31, | |
|--|--------------|------------|
| | 2006 | 2005 |
| ABN AMRO Income Plus Fund | \$ 641,022 | \$ 588,813 |
| ABN AMRO Bond Fund | | (5,016) |
| PIMCO Real Return A | (93,652) | (100,551) |
| Aston/Montag & Caldwell Growth Fund | 338,717 | 245,587 |
| AXA Enterprise Small Company Value Portfolio | 999,651 | (51,549) |
| American Funds EuroPacific Growth Fund | 1,128,454 | 758,674 |
| American Funds Income Fund of America | 888,701 | (141,560) |
| MFS Value Fund | 1,531,955 | 7,501 |
| Columbia Acorn Fund | 258,860 | 89,186 |
| Isle of Capri Casinos Stock Fund | 135,454 | (96,303) |

| | | |
|-------|--------------|--------------|
| Total | \$ 5,829,162 | \$ 1,294,782 |
|-------|--------------|--------------|

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Isle of Capri Casinos, Inc. Retirement

Trust and Savings Plan

Notes to Financial Statements

(Continued)

4. Related Parties

Certain Plan investments are shares of collective trust funds managed by ABN AMRO Asset Management. ABN AMRO Trust Services Company, an affiliate of ABN AMRO Asset Management, served as Trustee of the Plan until February 17, 2006. The payment by the Plan of compensation with respect to both services, as Trustee and as an investment company, is exempt from the party-in-interest prohibitions under Internal Revenue Service Code Section 4975(d)(2) because the services are necessary for the establishment and operation of the Plan. Fees paid to ABN AMRO Trust Services Company for the years ended December 31, 2006 and 2005 totaled \$5,584 and \$189,620, respectively.

Common stock of Isle of Capri Casinos, Inc., the Plan Sponsor, is held in the Isle of Capri Casinos Stock Fund, a unitized fund available as one of the investment options within the Plan. The shares of the Plan Sponsor in the unitized fund held by the Plan as of December 31, 2006 and 2005 had a market value of \$1,400,606 and \$1,672,704, respectively. The Plan purchased \$453,948 and sold \$792,564 of the Plan Sponsor's common stock during the year ended December 31, 2006. The Plan purchased \$92,770 and sold \$40,114 of the Plan Sponsor's common stock during the year ended December 31, 2005.

Certain participant contributions deposited by the Company did not comply with the Department of Labor's regulations concerning the timely remittance of participant and employer contributions. These amounts constitute non-exempt party-in-interest transactions. The Plan Sponsor is calculating the lost earnings related to the non-timely remittance and is in the process of restoring all lost profit.

5. Plan Amendment

On March 28, 2005, the Plan was amended to state that in the event of a mandatory distribution greater than \$1,000, if the participant does not elect to have such distribution paid directly to an eligible retirement plan or to receive the distribution directly, then the Administrator shall pay the distribution in a direct rollover to an individual retirement plan designated by the Administrator.

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Isle of Capri Casinos, Inc. Retirement

Trust and Savings Plan

Notes to Financial Statements

(Continued)

6. Income Tax Status

The Plan obtained its latest determination letter on February 11, 2005, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code and, therefore, the related trust is exempt from taxation. The Plan has been amended since receiving the determination letter. However, the Plan Administrator and the Plan's tax counsel believe that the Plan, as amended, is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code and, therefore, believes the Plan, as amended, is qualified and the related trust is tax-exempt.

7. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of the Plan's termination, participants will become 100% vested in their accounts.

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Report Of Independent Registered Public

Accounting Firm On Supplementary Information

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets held at end of year and delinquent contributions are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ RubinBrown LLP

St. Louis, Missouri

July 12, 2007

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Isle of Capri Casinos, Inc. Retirement Trust and Savings Plan

Form 5500

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

EIN 41-1659606 - PN 001

December 31, 2006

| Identity of Issue | Description of Investment | Current Value |
|--|--|----------------------|
| * ABN AMRO Income Plus Fund | Collective Trust Fund - 2,166,031 shares | \$ 13,296,830 |
| Aston/Montag & Caldwell Growth Fund | Mutual Fund - 181,942 shares | 4,637,709 |
| PIMCO Real Return A | Mutual Fund - 270,969 shares | 2,885,821 |
| American Funds EuroPacific Growth Fund | Mutual Fund - 133,685 shares | 6,224,386 |
| American Funds Income Fund of America | Mutual Fund - 300,962 shares | 6,127,578 |
| AXA Enterprise Small Company Value Portfolio | Mutual Fund - 413,967 shares | 5,129,050 |
| MFS Value Fund | Mutual Fund - 320,364 shares | 8,576,133 |
| Bankers Trust | Interest Bearing Cash | 72,339 |
| Columbia Acorn Fund | Mutual Fund - 75,319 shares | 2,185,775 |
| * Isle of Capri Casinos Stock Fund | Unitized Stock Fund - 39,431 shares | 1,400,606 |
| Participant Loans | Interest rates range from 5.00% - 10.5% | 3,190,718 |
| | | \$ 53,726,945 |

* Represents a party-in-interest

The above information is a required disclosure for IRS Form 5500, Schedule H, Part IV, line 4i.

See the accompanying report of independent registered public accounting firm on supplementary information.

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Isle of Capri Casinos, Inc. Retirement Trust and Savings Plan

EIN: #41-1659606 PLAN: 001

Schedule Of Delinquent Contributions

December 31, 2006

| Participant Contributions Transferred Late To Plan | Total That Constitute Nonexempt Prohibited Transactions |
|---|--|
| \$ 1,312,554 | \$ 1,312,554 |

The above information is a required disclosure for IRS Form 5500, Schedule H, Part IV, line 4a.

See the accompanying report of independent registered public accounting firm on supplementary information.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the Plan) have duly caused this Annual Report on Form 11-K to be signed on its behalf by the undersigned hereunto duly authorized.

ISLE OF CAPRI CASINOS, INC.
RETIREMENT TRUST AND SAVINGS PLAN

Date: July 16, 2007

By: /s/ Robert Boone
Robert Boone
Plan Administrator

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INDEX TO EXHIBITS

| Exhibit No. | Description |
|--------------------|---|
| 23.1 | Consent of RubinBrown, LLP, Independent Registered Public Accounting Firm |
| 23.2 | Consent of Piltz, Williams, LaRosa & Company, Independent Registered Public Accounting Firm |