

# **Aspers Finance Limited**

**(Registered Number: 05261534)**

## **Annual Report and Financial Statements**

**For the year ended 30 June 2018**



# **Aspers Finance Limited**

## **Strategic Report for the year ended 30 June 2018**

The directors have pleasure in submitting their Strategic Report, Directors' Report and the audited financial statements of the company for the year ended 30 June 2018.

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

The principal activity of the company is that of a financing company, raising finance on behalf of Aspers UK Holdings Limited (the company's intermediate parent undertaking) and subsidiaries ("the group").

### **Results and dividends**

The company made a loss after taxation of £668,000 (2017 – loss of £467,000), which will be transferred to reserves.

### **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.

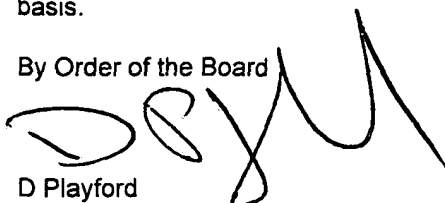
- (a) Interest rates - the company uses interest rate swaps, from time to time, to adjust interest rate exposures in order to guarantee fixed interest payments on its bank loans.
- (b) Liquidity risk – as with all businesses there is a risk that there will be insufficient cash for the company to meet its liabilities as they fall due and a risk that the company may breach its banking covenants. The company manages these risks through cash flow forecasting and the maintaining adequate cash reserves.

### **Going concern**

As at 30 June 2018 and the date of approval of the financial statements, the company had net current and net assets. The directors of Aspers UK Holdings Limited have also 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 of both the group and the company are confident that they demonstrate that the group and the company have appropriate facilities in place to meet their liabilities as they fall due for at least 12 months from the date of approving these financial statements and comply with their banking covenants. On this basis, the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

By Order of the Board



D Playford  
Director

Date: 26 March 2019

# **Aspers Finance Limited**

## **Directors' Report for the year ended 30 June 2018**

### **Directors and company information**

Directors: J D A Aspinall  
D L Playford (appointed 01/07/2017)

Registered office: 1 Hans Street, London SW1X 0JD

Company number: 5261534

### **Dividends**

No interim dividend has been paid and no final dividend is proposed (2017: none).

### **Future developments**

The company will continue to arrange finance on behalf of the group.

### **Financial instruments**

The company seeks to minimise the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets. In June 2016 the company entered into an interest rate swap to hedge its risk to interest rates. The details of the financial instruments are detailed in Note 4.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## **Aspers Finance Limited**

### **Directors' Report for the year ended 30 June 2018 (continued)**

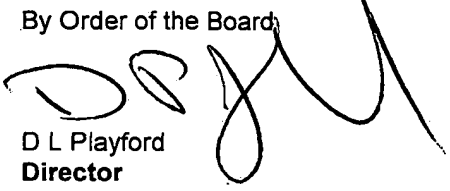
#### **Provision of information to auditor**

So far as the directors are aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

#### **Auditor**

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

By Order of the Board

  
D L Playford  
**Director**  
26 March 2019

# **Aspers Finance Limited**

## **Independent auditor's report to the members of Aspers Finance Limited**

### **Opinion**

We have audited the financial statements of Aspers Finance Limited for the year ended 30 June 2018 which comprise the Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position, and the related notes 1 to 13, 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 including 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 2018 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.

### **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.

## **Aspers Finance Limited**

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

#### **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.

**Independent auditor's report to the members of Aspers Finance Limited**  
(continued)

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

**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.

Ernst + Young LLP

Jon Killingley (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

28 March 2019

## Aspers Finance Limited

### Statement of comprehensive income for the year ended 30 June 2018

	Note	2018 £'000	2017 £'000
Other operating charges		(54)	(87)
<b>Operating (loss)</b>		<b>(54)</b>	<b>(87)</b>
Interest receivable and similar income		2,715	2,999
Interest payable and similar charges	3	(3,296)	(3,737)
Interest on and fair value movement of derivative financial instruments	4	(27)	154
<b>Loss on ordinary activities before taxation</b>	5	<b>(662)</b>	<b>(671)</b>
Tax on loss on ordinary activities	6	(6)	204
<b>Loss on ordinary activities after taxation</b>		<b>(668)</b>	<b>(467)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the financial year</b>		<b>(668)</b>	<b>(467)</b>

All results relate to continuing operations.

### Statement of changes in equity for the year ended 30 June 2018

	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 July 2016	8,348	(3,927)	4,421
Total comprehensive loss for the year	-	(467)	(467)
At 1 July 2017	8,348	(4,394)	3,954
Total comprehensive loss for the year	-	(668)	(668)
<b>At 30 June 2018 (Note 12)</b>	<b>8,348</b>	<b>(5,062)</b>	<b>3,286</b>

# Aspers Finance Limited

## Statement of financial position at 30 June 2018

	Note	2018 £'000	2017 £'000
<b>Current assets</b>			
Debtors	7	59,322	64,799
Cash at bank and in hand		-	29
		<u>59,322</u>	<u>64,828</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(6,897)</u>	<u>(6,355)</u>
<b>Net current assets</b>		<u>52,425</u>	<u>58,473</u>
<b>Total assets less current liabilities</b>		<u>52,425</u>	<u>58,473</u>
<b>Creditors: amounts falling due after more than one year</b>	9	<u>(49,139)</u>	<u>(54,519)</u>
<b>Net assets</b>		<u>3,286</u>	<u>3,954</u>
<b>Capital and reserves</b>			
Called up share capital	12	8,348	8,348
Profit and loss account		<u>(5,062)</u>	<u>(4,394)</u>
<b>Equity shareholders' funds</b>		<u>3,286</u>	<u>3,954</u>

The financial statements on pages 7 to 15 were approved by the Board on 26 March 2019 and signed on its behalf by:

  
D L Playford – Director

# **Aspers Finance Limited**

## **Notes to the Financial Statements for the year ended 30 June 2018**

### **1 Accounting policies**

#### **Statement of compliance**

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

The company's 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 accounting standards, are available to the public and may be obtained from Companies House.

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 thousands of Sterling (£000's).

The following disclosure exemptions available under FRS 102 have been applied to these financial statements:

- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d) to present a statement of cash flows and related notes. The company's intermediate parent company, Aspers UK Holdings Limited, has included the required consolidated cash flow statement within its consolidated financial statements.
- The requirement of Section 33 Related Party Disclosures paragraph 33.5 in respect of transactions with wholly owned subsidiaries within the Aspers UK Holdings Limited group.
- The requirement of Section 33 Key Management Personnel paragraph 33.7 in respect of transactions with wholly owned subsidiaries within the Aspers UK Holdings Limited group

# **Aspers Finance Limited**

## **Notes to the Financial Statements for the year ended 30 June 2018 (Continued)**

### **1 Accounting policies (continued)**

#### **Going concern**

As at 30 June 2018 and the date of approval of the financial statements, the company had net current and net assets. The directors of Aspers UK Holdings Limited have also 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 of both the group and the company are confident that they demonstrate that the group and company have appropriate facilities in place to meet their liabilities as they fall due for a period of at least 12 months from the date of approving these financial statements and comply with their banking covenants. On this basis, the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

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

#### **a) Impairment of assets**

At each reporting date 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 carrying 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.

#### **b) 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.

#### **c) 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.

# Aspers Finance Limited

## Notes to the Financial Statements for the year ended 30 June 2018 (Continued)

### 1 Accounting policies (continued)

#### d) Deferred taxation

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

#### e) Interest

Interest income and interest payable is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

#### f) Financial liabilities

##### *Interest-bearing loans and borrowings*

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance revenue in the statement of comprehensive income.

#### g) Derivative financial instruments

The company uses interest rate swaps to manage interest rate exposures. Derivative financial instruments are initially measured at fair value on the date on which the derivative contract is entered into and are subsequently measured at fair value through the statement of comprehensive income.

#### 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.

##### **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.

##### **Fair value of derivative financial instruments**

Judgement is used in the valuation of the derivative financial instrument as estimated future LIBOR rates are required for the valuation. The company uses publicly available forecast future LIBOR rates in its derivative valuation.

##### **Loan impairment**

Judgement is used whether there has been an impairment since the initial loans to fellow subsidiaries has been made. Judgement is also used to assess the estimated recoverable amount of the loans.

# Aspers Finance Limited

## Notes to the Financial Statements for the year ended 30 June 2018 (Continued)

### 2 Directors emoluments

Other than the directors, the company had no employees. The directors of the company are also directors of Aspers UK Holdings Limited and other group companies ("Aspers Group"). The directors received total remuneration for the year of £1,284,933 (2017: £1,396,000), all of which was paid by other companies within the Aspers Group. The highest paid director received total remuneration of £1,097,433 (2017 £1,001,897). 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 Group.

### 3 Interest payable and similar charges

	2018 £000	2017 £000
Bank interest	2,477	2,935
Loan issue cost amortisation	819	802
	<u>3,296</u>	<u>3,737</u>

### 4 Interest on and fair value movement of derivative financial instruments

	2018 £000	2017 £000
Interest on swaps	(88)	(119)
Fair value movement on interest rate swap	61	273
	<u>(27)</u>	<u>154</u>

On 9 June 2016 the company entered into an interest rate swap for a notional amount of £39.0 million which commenced on 30 June 2016 and matures on 31 March 2019. In respect of this interest rate swap the company pays a fixed interest rate of 0.695% per annum on 30 September, 31 December, 31 March and 30 June. The swap counterparty pays the company interest at a floating rate of three-month Sterling LIBOR on the same dates.

The interest rate swap is recorded at fair value, as described in note 8, with changes in fair value included in the statement of comprehensive income as shown in the table above.

### 5 Operating loss

Operating loss is stated after charging auditor's remuneration of £9,400 (2017 - £9,505).

# Aspers Finance Limited

## Notes to the Financial Statements for the year ended 30 June 2018 (Continued)

### 6 Tax on loss on ordinary activities

	2018 £000	2017 £000
Current taxation:		
UK corporation tax at 19% (2017: 19.75%)		
- current year	(126)	(132)
- prior year adjustment	132	(72)
<b>Total taxation charge/(credit)</b>	<b>6</b>	<b>(204)</b>

The tax assessed on the loss on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 19% (2017: 19.75%).

	2018 £000	2017 £000
<b>Tax reconciliation</b>		
Loss before taxation	(662)	(671)
At standard rate of Corporation Tax at 19% (2017: 19.75%)	(126)	(132)
Prior year adjustment	132	(72)
<b>Total taxation charge/(credit)</b>	<b>6</b>	<b>(204)</b>

The company has an unrecognised deferred tax asset of £1,191,000 (2017: £1,191,000) in respect of losses, which will be recognised when there is sufficient certainty it can be relieved against future taxable profits.

The Finance Act 2016, which was substantively enacted in 15 September 2016, reduced the main rate of tax from 19% to 17% from 1 April 2020. The Company has recognised its deferred tax balances at 17%.

### 7 Debtors

	2018 £'000	2017 £'000
<b>Amounts falling due within one year:</b>		
Group relief receivable	-	132
Amounts due from group undertakings	59,322	64,667
	<b>59,322</b>	<b>64,799</b>

The amounts due from group undertakings are unsecured and are repayable on demand. Interest has been charged on certain of the loans to group undertakings at 4.25% above the LIBOR.

## Aspers Finance Limited

### Notes to the Financial Statements for the year ended 30 June 2018 (Continued)

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

	2018 £'000	2017 £'000
Bank loans (see note 10)	6,200	6,200
Bank overdraft	595	-
Amount due to group undertakings	65	65
Derivative financial instruments	28	88
Other taxation & social security	9	-
Accruals	-	2
	<b>6,897</b>	<b>6,355</b>

As explained in note 4, the company has entered into a swap arrangement in order to manage interest rate volatility. The fair value of derivatives used by the company is the mark to market values as determined by the swap counterparty at 30 June. The interest swaps expire evenly over the next nine months.

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

	2018 £'000	2017 £'000
Bank loan (see note 10)	<b>49,139</b>	<b>54,519</b>

#### 10 Loans

Loans repayable, included within creditors, are analysed as follows:-

	2018 £'000	2017 £'000
Loan repayable in annual instalments	18,600	24,800
Loan repayable other than by annual instalments	39,000	39,000
	<b>57,600</b>	<b>63,800</b>
Less: issue costs	<b>(2,261)</b>	<b>(3,080)</b>
	<b>55,339</b>	<b>60,720</b>

The group entered into a £75m loan and revolving credit facility with a syndicate of banks on 31 March 2016. The facilities are wholly repayable over five years to 31 March 2021.

At 30 June 2018 the entire £70m of the loan facility had been drawn, with repayments of £6.2m made in the year, leaving £57.6m outstanding (2017 - £63.8m). The £5m revolving credit facility was undrawn at both 30 June 2018 and 30 June 2017. The loan bears interest at a rate between 3.00% - 3.75% over LIBOR.

The bank facilities are secured by fixed and floating charges over the properties and assets of the principal wholly owned subsidiaries of the group.

## Aspers Finance Limited

### Notes to the Financial Statements for the year ended 30 June 2018 (Continued)

#### 11 Related party transactions

The company has taken advantage of the provisions in Section 33, FRS 102, which exempt subsidiary undertakings, 100% of whose voting rights are controlled within the group, from disclosing transactions with other entities within the group.

During the year the company entered into transactions, in the ordinary course of business, with Aspers (Northampton) Limited, a fellow group company that is 50.0001% owned by the group. The company advanced no further loans in the year (2017: £100,000), and charged interest of £77,000 (2017: £67,000). At year end the company was owed £1,656,789 (2017: £1,579,382) by Aspers (Northampton) Limited.

#### 12 Share capital

	2018 £'000	2017 £'000
Authorised equity share capital: 10,000,000 £1 ordinary shares	10,000	10,000
Allotted, called up and fully paid equity share capital: 8,348,170 £1 ordinary shares	8,348	8,348

#### 13 Immediate and ultimate parent undertaking

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