

Aspers Finance Limited
(Registered Number: 05261534)

Annual Report and Financial Statements

For the year ended 30 June 2021

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Aspers Finance Limited

Strategic Report for the year ended 30 June 2021

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 2021.

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").

On 20 March 2020 the group was directed by the UK Government to suspend operations at its land-based casinos due to the COVID-19 pandemic. This had a material impact on the results of the group for the year under review. The group's Casinos reopened temporarily in September and October 2020, with the remaining two open at the start of November, to be closed shortly thereafter. The casinos have reopened under Stage 3 of the government roadmap on 17 May 2021. Trading will continue to remain uncertain and be impacted post opening by ongoing distancing restrictions in response to the pandemic.

The group has utilised Government support where available and will continue to plan and mitigate lost revenues through ongoing revisions to the group's cost base.

Results

The company made a profit after taxation of £822,000 (2020 – £29,000), which will be transferred to reserves.

Principal risks and uncertainties

The management of the group's activities are subject to several risks and uncertainties, the principal risks and how the group mitigates these risks, are shown below:

- (a) Public health risk – the COVID-19 pandemic has led to significant restrictions on the company's ability to operate, with a forced temporary closure of the casinos and, on reopening, measures to mitigate the risk of infection through social distancing. The group is exposed to reduced cash inflows through any further period of forced closure. As any future situation evolves, the Directors will continually review the Group's activities, cash position and contingency plans.
- (b) Inflation – post year end, significant energy and wage inflation costs will impact cash flows and profitability of the Group. The Director's will mitigate these where possible.
- (c) Taxation and regulatory risk – the group (and the industry) is subject to changes in social attitudes towards gaming and this can lead to changes in government regulation. Changes may arise in the Gambling Act review to be concluded in 2022. The group attempts to mitigate this risk by being 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 can become aware of proposed legislative changes at an early stage and can seek to minimise any adverse effect on the group by acting on a concerted industry-wide basis.
- (d) Loss of licences – the group's gaming licences are fundamental to the group and so the loss of a licence would have a material adverse effect on the business. Therefore, the group has a dedicated compliance department independent of operations, which ensures that the group complies with gaming regulations and industry best practice.

Aspers Finance Limited

Strategic Report for the year ended 30 June 2021 (Continued)

Principle Risks and Uncertainties (continued)

- (e) Employee risk –the ability of the group 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 localities in which it operates.
- (f) Interest rates – the group uses interest rate swaps, and caps, from time to time, to adjust interest rate exposures to guarantee fixed interest payments or limit interest rate exposure on its bank loans.
- (g) Liquidity risk – as with all businesses there is a risk that there will be insufficient cash for the group to meet its liabilities as they fall due and a risk that the group may breach its banking covenants. The group manages these risks through cash flow forecasting, maintenance of adequate cash reserves and regular dialogue with the group's lenders.

Going concern

The Company's immediate parent undertaking, Aspers UK Holdings Limited, has indicated it will provide financial support to the Company to enable it to meet its liabilities as they fall due for 12 months from the date of these financial statements. The Directors of the Company have assessed going concern for a period of 12 months from the date of the financial statements, to 30 June 2023. In doing so, the directors have made enquiries of the management of Aspers UK Holdings Limited as to their review of the latest cash flow forecasts and available financing of the Aspers UK Holdings Limited consolidated group ('Group')

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. The financial position of the company, its cash flows and borrowing facilities are described in these financial statements.

At 30 June 2021, the Company had net assets of £4.0m and net current assets of £4.0m, while the group had net current liabilities of £52.0m and net liabilities of £25.3m.

Aspers UK Holdings Limited consolidated group ('Group') disclosed the following:

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' report. The financial position of the company and the group, its cash flows and borrowing facilities are described in these financial statements.

At 30 June 2021, the group had net current liabilities of £52.0m and net liabilities of £25.3m.

Prior to the COVID-19 pandemic, the group has been profitable and cash generative, but the enforced closures of the Group's casino assets for most of the year resulted in the group recording a loss before tax of £16.8m.

Losses were significantly mitigated by government support of £10.7m, including the receipt of £8.9m of grants through the Coronavirus Job Retention Scheme, and £1.8m in business rate holidays.

The casinos finally reopened under restrictions on 17 May 2021 and have remained open since. They have returned to profitability and are cash generating. Attendances and trading revenues are lower than those experienced pre-pandemic as the night-time leisure customers return to the casinos at a slower rate than originally anticipated.

Aspers Finance Limited

Strategic Report for the year ended 30 June 2021 (Continued)

Going concern (continued)

Available banking facilities and covenants

The group had a bank loan facility with a syndicate of banks which, on 30 June 2021 amounted to £47.4m. In December 2021 the Group refinanced that debt and agreed a six year, £40m term loan and £7m revolving credit facility. The financial covenants on that debt are debt service cashflow coverage and leverage tests.

At the date of approval of these financial statements, the outstanding amount on these loans was £40m and £1.75m of the revolving credit facility and £5.25m revolving credit facility remained undrawn.

Cash flow forecasts

Following the COVID-19 pandemic, the group has continued to prepare a base cash flow forecast, reflecting the directors' expectations for the going concern period to 30 June 2023 and sensitised cash flow forecasts, considering what happens if business volumes do not recover and stay as they currently are, together with a prudent view on interest rate movements over the going concern period. These cash flows show that the Group can meet its obligations as they fall due and meet all covenant requirements on the new loan facility.

The Directors have prepared sensitised cash flow scenarios to consider the effects of any temporary shut-down or curtailment of the Group's activities, possible restrictions on activities that might be imposed by the government in the future, the possibility of any continuing availability of any government support and the effects of longer-term structural changes in the market - such as changes in customer behaviour, due to COVID-19 or economic impacts (inflation, interest rates and their impact on customer demand).

Whilst certain scenarios can be withstood within the existing loan facility agreement, a marginal decline in revenue without mitigating actions from management would require lender support with leverage covenant test waivers. The Group has a much-improved relationship with its new lender than those at the year end, and the Directors would be confident about receiving any waiver required.

On this basis, the directors continue to adopt the going concern basis of accounting in preparing these financial statements but recognising that the possible need to secure covenant waivers should the group not achieve forecast operating cash flows over the going concern period, given the uncertainties over the COVID-19 pandemic, possible future government restrictions or lockdowns and unpredictability of consumer behaviour due to COVID-19 or economic factors.

There is a material uncertainty that casts significant doubt upon the group's ability to continue as a going concern. These financial statements do not contain the adjustments that would result if the company and group were unable to continue as a going concern.

By Order of the Board



D Playford
Director

Date: 28 June 2022

Aspers Finance Limited

Directors' Report for the year ended 30 June 2021

Directors and company information

Directors: J D A Aspinall
D L Playford

Registered office: 1 Hans Street, London SW1X 0JD

Company number: 5261534

Dividends

No interim dividend has been paid and no final dividend is proposed (2020: £Nil).

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.

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 2021 (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

A handwritten signature in black ink, appearing to read 'D L Playford', written over the printed name.

D L Playford
Director
28 June 2022

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 2021 which comprise the Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position and the related notes 1 to 18, 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 2021 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.

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. 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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements which describes the uncertainties about the wider Aspers group's future trading arising from the ongoing effects of COVID-19 and other economic conditions, resulting in the possible need for the Aspers group, which has committed to provide support to the Company, to secure covenant waivers should the group not achieve forecast operating cash flows over the going concern period.

As stated in note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 contained within the annual report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Aspers Finance Limited

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 5, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, employees, data protection and anti-bribery and corruption.

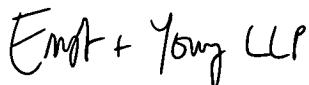
Aspers Finance Limited

- We understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override. We incorporated data analytics into our testing of manual journals, including segregation of duties. We tested specific transactions back to source documentation, ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included testing journals identified by specific risk criteria.

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.

Handwritten signature of Jon Killingley in black ink.

*Jon Killingley (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
4 July 2022*

Aspers Finance Limited

Statement of comprehensive income for the year ended 30 June 2021

	Note	2021 £'000	2020 £'000
Other Income		6	28
Other operating charges		(41)	(103)
Operating loss	4	(35)	(75)
Interest receivable and similar income		3,119	2,905
Interest payable and similar charges	3	(2,701)	(2,795)
Profit before tax from continuing operations		383	35
Tax on profit on ordinary activities	5	439	-
Profit for the year		822	35
Total comprehensive income for the financial year		822	35

All results relate to continuing operations.

Statement of changes in equity for the year ended 30 June 2021

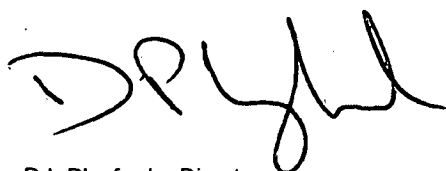
	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 July 2019	8,348	(5,246)	3,102
Loss and total comprehensive loss for the year	-	29	29
At 30 June 2020	8,348	(5,217)	3,131
Profit and total comprehensive income for the year	-	822	822
At 30 June 2021	8,348	(4,395)	3,953

Aspers Finance Limited

Statement of financial position at 30 June 2021

	<i>Note</i>	2021 £'000	2020 £'000
Current assets			
Debtors	6	77,899	75,091
Cash at bank		105	3,839
		78,004	78,930
Creditors: amounts falling due within one year	7	(74,051)	(75,799)
Net current assets		3,953	3,131
Total assets less current liabilities		3,953	3,131
<hr/>			
Net assets		3,953	3,131
<hr/>			
Capital and reserves			
Called up share capital	10	8,348	8,348
Profit and loss account		(4,395)	(5,217)
Equity shareholders' funds		3,953	3,131

The financial statements on pages 9 to 19 were approved by the Board on 28 June 2022 and signed on its behalf by:



D L Playford – Director

Aspers Finance Limited

Notes to the Financial Statements for the year ended 30 June 2021

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

Going concern

The Company's immediate parent undertaking, Aspers UK Holdings Limited, has indicated it will provide financial support to the Company to enable it to meet its liabilities as they fall due for 12 months from the date of these financial statements. The Directors of the Company have assessed going concern for a period of 12 months from the date of the financial statements, to 30 June 2023. In doing so, the directors have made enquiries of the management of Aspers UK Holdings Limited as to their review of the latest cash flow forecasts and available financing of the Aspers UK Holdings Limited consolidated group ('Group')

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. The financial position of the company, its cash flows and borrowing facilities are described in these financial statements.

At 30 June 2021, the Company had net assets of £4.0m and net current assets of £4.0m, while the group had net current liabilities of £52.0m and net liabilities of £25.3m.

Aspers Finance Limited

Notes to the Financial Statements for the year ended 30 June 2021 (continued)

1 Accounting policies

Going concern (continued)

Aspers UK Holdings Limited consolidated group ('Group') disclosed the following:

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' report. The financial position of the company and the group, its cash flows and borrowing facilities are described in these financial statements.

At 30 June 2021, the group had net current liabilities of £52.0m and net liabilities of £25.3m.

Prior to the COVID-19 pandemic, the group has been profitable and cash generative, but the enforced closures of the Group's casino assets for most of the year resulted in the group recording a loss before tax of £16.8m.

Losses were significantly mitigated by government support of £10.7m, including the receipt of £8.9m of grants through the Coronavirus Job Retention Scheme, and £1.8m in business rate holidays.

The casinos finally reopened under restrictions on 17 May 2021 and have remained open since. They have returned to profitability and are cash generating. Attendances and trading revenues are lower than those experienced pre-pandemic as the night-time leisure customers return to the casinos at a slower rate than originally anticipated.

Available banking facilities and covenants

The group had a bank loan facility with a syndicate of banks which, on 30 June 2021 amounted to £47.4m. In December 2021 the Group refinanced that debt and agreed a six year, £40m term loan and £7m revolving credit facility. The financial covenants on that debt are debt service cashflow coverage and leverage tests.

At the date of approval of these financial statements, the outstanding amount on these loans was £40m and £1.75m of the revolving credit facility and £5.25m revolving credit facility remained undrawn.

Cash flow forecasts

Following the COVID-19 pandemic, the group has continued to prepare a base cash flow forecast, reflecting the directors' expectations for the going concern period to 30 June 2023 and sensitised cash flow forecasts, considering what happens if business volumes do not recover and stay as they currently are, together with a prudent view on interest rate movements over the going concern period. These cash flows show that the Group can meet its obligations as they fall due and meet all covenant requirements on the new loan facility.

The Directors have prepared sensitised cash flow scenarios to consider the effects of any temporary shut-down or curtailment of the Group's activities, possible restrictions on activities that might be imposed by the government in the future, the possibility of any continuing availability of any government support and the effects of longer-term structural changes in the market - such as changes in customer behaviour, due to COVID-19 or economic impacts (inflation, interest rates and their impact on customer demand).

Aspers Finance Limited

Notes to the Financial Statements for the year ended 30 June 2021 (continued)

1 Accounting policies

Going Concern (continued)

Whilst certain scenarios can be withstood within the existing loan facility agreement, a marginal decline in revenue without mitigating actions from management would require lender support with leverage covenant test waivers. The Group has a much-improved relationship with its new lender than those at the year end, and the Directors would be confident about receiving any waiver required.

On this basis, the directors continue to adopt the going concern basis of accounting in preparing these financial statements but recognising that the possible need to secure covenant waivers should the group not achieve forecast operating cash flows over the going concern period, given the uncertainties over the COVID-19 pandemic, possible future government restrictions or lockdowns and unpredictability of consumer behaviour due to COVID-19 or economic factors.

There is a material uncertainty that casts significant doubt upon the group's ability to continue as a going concern. These financial statements do not contain the adjustments that would result if the company and group were unable to continue as a going concern.

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 2021(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 2021 (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 £1,110,820 (2020: £1,157,518), all of which was paid by other companies within the Aspers Group. The highest paid director received total remuneration of £911,189 (2020 £958,189). 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

	2021 £'000	2020 £'000
Bank interest	1,948	1,988
Loan issue cost amortisation	753	807
	2,701	2,795

4. Operating loss

	2021 £'000	2020 £'000
The operating loss is stated after charging:		
Auditor's remuneration	13	19

Aspers Finance Limited

Notes to the Financial Statements for the year ended 30 June 2021 (Continued)

5. Tax on loss on ordinary activities

	2021 £'000	2020 £'000
Current taxation:		
UK corporation tax at 19% (2020 – 19%)		
- current year	-	-
Total current taxation	-	-
Deferred taxation (note 6):		
- current	(439)	-
Total deferred taxation charge	(439)	-
Total tax charge	(439)	-

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK 19% (2020 – 19%). The differences are reconciled below:

	2021 £'000	2020 £'000
Tax reconciliation		
Profit / (Loss) before taxation	383	29
Profit / (Loss) before taxation multiplied by standard rate of Corporation Tax at 19% (2020: 19%)	73	6
Effect of the change in tax rate on Deferred Taxation balances	(74)	-
Expenses not allowed for taxation	132	-
Adjustment in respect of prior periods	(365)	-
Group Relief	(205)	(6)
Total taxation	(439)	-

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were enacted through Finance Act 2021 on 10 June 2021 and by the balance sheet date and hence have been reflected in the measurement of deferred tax balances at the period end.

The company has recognised a previously unrecognised deferred tax asset of £1,331,000 from 2020 in respect of tax losses. These are recognised this year because there is sufficient certainty it can be relieved against future taxable profits.

Aspers Finance Limited

Notes to the Financial Statements for the year ended 30 June 2021 (Continued)

6. Debtors

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Amounts due from group undertakings	77,460	75,091
Deferred Tax Asset	439	-
	77,899	75,091

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 4.25% above the LIBOR.

7. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Bank loans (see note 9)	47,245	49,565
Amounts due to group undertakings	26,711	26,196
Other taxation and social security	-	1
Accruals	95	37
	74,051	75,799

Aspers Finance Limited

Notes to the Financial Statements for the year ended 30 June 2021 (Continued)

8. Loans

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

	2021 £'000	2020 £'000
Loan repayable in annual instalments	47,362	50,200
Loan repayable otherwise than by annual instalments	-	-
	47,362	50,200
Less: unamortised issue costs	(118)	(635)
	47,245	49,565

The group entered into a £75m loan and revolving credit facility with a syndicate of banks on 31 March 2016. The facilities were wholly repayable over five years to 31 March 2021. The maturity had been extended to 30 September 2021 and then to 31 March 2022 post year end. The extension bore interest at a rate of 7.6% rising to 7.9%. On 15 December 2021 a replacement facility was secured with a new provider. This loan bears interest at RFR. The necessity of ongoing finance is described further in the Going Concern section of note 1.

At 30 June 2021 the entire £70m of the loan facility had been drawn and the £5m revolving credit facility was fully drawn down in response to the COVID-19 pandemic, leaving £42.2m loan outstanding (2020: £45.2m) and £5m revolving credit facility (2020: £5m). The loan bore interest at a rate between 3.00% - 3.75% over LIBOR. The bank facilities were secured by fixed and floating charges over the properties and assets of the principal wholly owned subsidiaries of the group.

9. 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.

Aspers Finance Limited

Notes to the Financial Statements for the year ended 30 June 2021 (Continued)

10. Share capital

	2021 £'000	2020 £,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 ordinary £1 shares issued	8,348	8,348

11. Immediate and ultimate parent undertaking

The immediate parent undertaking of the company is Aspers Group Limited, a company registered in England and Wales.

At 30 June 2021, the company's ultimate parent undertaking was Aspers Holdings (Gibraltar) Limited ("AHJL"), a company registered in Gibraltar. On the 24 February 2021, Aspers Holdings (Jersey) Limited, a company registered in Jersey, was redomiciled to Gibraltar and renamed Aspers Holdings (Gibraltar) Limited (AHGL). The shareholding of AHGL remains such that there is no controlling party of AHGL.