

**Aspers UK Holdings
Limited**
(Registered Number: 07262042)

**Annual Report and Financial
Statements**

For the year ended 30 June 2023



Aspers UK Holdings Limited

Strategic Report for the year ended 30 June 2023

The directors have pleasure in submitting their Strategic Report, Directors' Report and the audited financial statements of the Group and of the Company for the year ended 30 June 2023.

Principal activity and review of the business

Group trading revenues in the year reduced by 6% compared to FY22 levels, due to a reduction in customer spend levels resulting from the cost-of-living crisis. High inflation coupled with the energy crisis as a result of the war in the Ukraine led to consumers holding back on discretionary spend activities including gambling and eating out. This led to a 15% reduction in spend levels per head. Challenges with staff recruitment further contributed to the declining revenue position with reduced numbers of gaming and food and beverage (F&B) staff resulting in fewer open tables and a less efficient F&B offering. FY22 Revenue also benefitted from a one-time boost post reopening after COVID-19.

On a positive note, attendance figures grew by 11% against prior year, reflecting the delayed return of the leisure player to the business. Attendance was boosted by enhancing the appeal of the casino estate, including the opening of a licensed betting office at Stratford and the successful rollout of Aspers live and delivering live music from local talent. Successful marketing campaigns delivered in the year included Superdraw and Millionaire Maker, promotions aimed at driving up visitation figures by giving customers the opportunity of winning cash prizes. Millionaire Maker enhanced the customer experience further, by providing one lucky customer with the opportunity of winning a life-changing £1 million on a single game of roulette.

Group costs in FY23 were significantly impacted by macro-economic factors including £1.2m of higher energy costs and £0.5m of inflationary related cost increases. The removal of the COVID-19 relief scheme for business rates resulted in £0.6m of additional costs compared to FY22. As a consequence of each of these factors the Group delivered an FY23 EBITDA (before exceptional items) of £2.2m, compared to £8.2m delivered in 2022, representing a decrease of 73%.

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

	2023 £'000	2022 £'000 <i>Restated</i>	% Change
Revenue (see Note 2)	61,022	64,637	-6%
EBITDA (before exceptional items)	2,218	8,209	-73%
Average Daily Casino Attendances (whilst open)	2,988	2,693	11%
Casino Spend per Head (whilst open)	£55.96	£65.76	-15%

The consolidated loss after taxation was £8,444,000 (2022: profit £231,000). The Company had a loss of £45,000 after tax (2022: loss £44,000).

Section 172 Statement

This section describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) Companies Act 2006 in exercising their duty to promote the success of the Company for the benefit of its members. Those matters were addressed as follows:-

a. The likely consequences of any decisions in the long term

The Board remains mindful that its strategic decisions have long term implications for the business and its stakeholders, and these implications are carefully assessed. During the year being reported, in approving the Company's budget the Board balanced the need for investment expenditure with a desire to deleverage the Group. This will support a stronger and more sustainable business for the future.

Aspers UK Holdings Limited

Strategic Report for the year ended 30 June 2023 (continued)

Section 172 Statement (continued)

b. The interests of the Company's employees

The Board takes active steps to ensure that the suggestion, views and interests of staff members are gathered and considered in its decision making.

The Company benefits from having a Board who continue to be actively involved by maintaining regular communication, attendance and meetings with Company staff.

Further examples of how the Board engages with its staff include regular updates through its intranet, linking an element of employee reward to the financial success of the Company, offering the employees the opportunity for career development and regular communication where necessary from the Company's in house human resources department on all major matters of importance.

c. The need to foster the Company's business relationships with suppliers, customers and others

All executive directors work within the business on a daily basis ensuring regular dialogue takes place with customers on the casino floor, key suppliers by way of involvement with visits to their premises and landlords and regulatory authorities through electronic and other means of communication.

The Company regularly measures the quality of its service performance through customer satisfaction, Net Promoter Scores surveys across the four casinos and by critically analysing the results against industry comparatives. In addition, a regular review is undertaken of online reviews, which are fully analysed and acted upon as required.

The Company is continuously working with its gaming equipment suppliers to offer tools to help customers stay in control of their gambling activity. Assessment tools have also been developed to identify possible markers of harm in customer activity, to ensure that prompt and meaningful safer gambling interactions are conducted. The Company are focused on providing customers a safe and enjoyable gambling experience.

During the year, the Group continue to repay payment plans agreed with HMRC and landlords during the COVID-19 pandemic.

d. The impact of the Company's operations on the community and the environment

The Board is committed to supporting the communities throughout the cities and towns where its casinos are based and being environmentally responsible.

In addition to monetary contributions to charitable bodies it also provides gifts in kind for charitable events and encourages branch staff to become involved in local fundraising and awareness events in their local community and where appropriate will support staff actively taking part in these events.

The Company is committed to minimising its environmental impact by reducing both the carbon intensity of its activities and the natural resources it uses through the development and operation of good business practices to manage resources more efficiently through their lifecycle.

The Company continues to liaise with suppliers to eliminate avoidable plastics in product packaging, disposable coffee cups, straws etc.

The Company will continue to keep under review what process changes can be made to its operation to reduce the impact on the environment.

e. The desirability of the Company maintaining a reputation for high standards of business conduct

The Board prides itself on its long history of honesty and integrity in its business dealings. It recognises the importance of operating a robust corporate governance framework and notwithstanding its private Company status strives to adopt as many best practices as possible.

f. To promote the success of the Company for the benefit of its members as a whole

The Company has shareholders with representatives on the Board in the year under review. This involvement assists greatly in ensuring that their interests are not only aligned but also addressed in an effective manner.

Aspers UK Holdings Limited

Strategic Report for the year ended 30 June 2023 (continued)

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 led to significant restrictions on the Company's ability to operate, with measures implemented to mitigate the risk of infection through social distancing. As any future situation evolves, the Directors will continually review the Group's activities, cash position and contingency plans.
- (b) Inflation – during the year, significant energy and wage inflation costs will impact cash flows and profitability of the Group. The Directors 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 following proposals published in the Government's white paper in April 2023. 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.
- (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. The Group 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 Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic and Directors' reports. The financial position of the Company and the Group, its cash flows and borrowing facilities are described in these financial statements.

At 30 June 2023, the Group had net current liabilities of £53.0m and net liabilities of £33.5m. The Group was loss making, recording a loss before tax of £8.4m and cash outflows from operations of £0.6m in FY23. Whilst revenues have dropped, attendance levels encouragingly show an upward trend indicating the leisure player is returning to the business.

Available banking facilities and covenants

In December 2021 the Group refinanced its debt and agreed a six year, £40m term loan and £7m revolving credit facility. On 30 June 2023 the total borrowings under these facilities amounted to £45.7m. At the date of approval of these financial statements, the outstanding amount on the long-term loan was £40m and the £7m revolving credit facility was fully drawn. In September 2023, the Group obtained a further £5m facility from its shareholders to provide additional liquidity. This was fully drawn at the date of approval of these financial statements. These facilities are committed through the going concern period to 31 October 2024, subject to the change of control clauses described below.

Aspers UK Holdings Limited

Strategic Report for the year ended 30 June 2023 (continued)

Going concern (continued)

A key requirement of the banking facilities is for the Group to comply with pre-agreed covenant tests covering liquidity, leverage and cashflow. These covenants were first breached in September 2022, resulting in an initial reset and subsequent deferral during the second half of FY23. At the balance date 30 June 2023, the Group was in breach of some of these covenants, which is further described in note 15. Revised covenants have now been agreed to 30 September 2024, including minimum liquidity and minimum EBITDA covenants, which the Company is forecast to meet.

Cash flow forecasts

Following the COVID-19 pandemic, the Group has continued to prepare cash flow forecasts, reflecting the directors' expectations for the going concern period through to 31 October 2024. Revenue is forecast to grow by 18.8% from FY23 to FY24, driven by a series of specific revenue-generating initiatives overlaying FY23 trading levels. These initiatives include; recruitment of additional table and poker staff to satisfy proven levels of demand, moving Stratford's opening hours to 24/7, renewing Electronic Roulette machines, rolling out shuffleboard and employing additional food and beverage staff. These cash flows show that the Group can meet its obligations as they fall due with the additional liquidity. The Group is required to meet a minimum liquidity covenant during the going concern period, set at a level not expected to impact cash flow. However, it is recognised that the economic and trading environments remain particularly volatile, and it is possible that the revenue-generating initiatives that underpin the cash flow forecast may not be achieved.

Consequently, the directors have also prepared a severe but plausible downside scenario that assumes that revenue does not achieve planned growth levels. In this scenario, the Group would consider additional mitigating actions in order to preserve liquidity headroom, including seeking additional financing from the Group's shareholders and approaching HMRC to agree a deferral of its gaming tax payments under the established 'Time to Pay' programme.

If this severe but plausible downside scenario were to materialise and the Group had not agreed additional financing or a deferral of gaming tax payments, the Group would breach its liquidity requirements and covenants in 2024. Further, if the economic and trading downside risks resulted in cash flows worse than the severe downside scenario modelled, the financing need would come earlier in the going concern period.

The directors are confident of the Group's ability to secure such financing or deferral within the timeframe necessary to ensure continued liquidity throughout the going concern period. However, this facility and an agreement to defer gaming tax payments are not in place as at the date of approval of these financial statements and as such, the ability to achieve forecast cash flows and maintain liquidity represents a material uncertainty that may cast significant doubt on the Group's and Company's ability to continue as a going concern.

Change of control

As a Group partly owned by private equity, the Directors remain mindful that there is the potential for a future exit, in part or in full, of the existing shareholders during the going concern period. At the current stage no commitment, plans or requirement for the shareholders to sell exists. If a sale was to take place, this would represent a change of control as defined in the loan agreement with the lenders, automatically triggering the right for the lenders to request the early payment of the existing facilities. However, the Directors' expectation is that, should a change of control occur, any prospective new shareholder would provide alternative financing to settle the Group's existing debt, as the Directors consider the Group to be a successful and viable business.

On this basis, the directors continue to adopt the going concern basis of accounting in preparing these financial statements, whilst recognising the possible need to secure further financing or agree a deferral of gaming tax payments should the Group not achieve its forecast operating cash flows over the going concern period, given the uncertain macroeconomic environment.

This represents a material uncertainty that casts significant doubt upon the Group's and Company's ability to continue as a going concern. These financial statements do not contain any adjustments that would result if the Company and Group were unable to continue as a going concern.

By Order of the Board

R A Noble
Director
26 October 2023

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Aspers UK Holdings Limited

Directors' Report for the year ended 30 June 2023

Directors and Company information

Directors:	R A Noble M R Branson – appointed 3 January 2023 C J Tynan – appointed 10 May 2023 C P Carruthers – appointed 10 May 2023 J D A Aspinall – resigned 14 July 2023 D J B Taylor – resigned 14 July 2023
Registered office:	c/o WB Company Services Limited, 4 th Floor, 1 Devonshire Street, London W1W 5DR
Company number:	07262042

Dividends

No final dividend is proposed (2022: £nil).

Future developments

The focus of the activities of the Group will remain the Stratford casino. Growth continues to be challenging in all the land-based casinos as recovery from COVID-19 is slower than expected and as a result of the ongoing economic uncertainty in the UK due to continuing wage and energy inflation pressures. These headwinds are further compounded by the ongoing machine number constraints in the UK. The proposals published in the Government's white paper in April 2023 will undoubtedly provide both challenges and opportunities for the Group moving forwards.

Financial instruments

The Company has historically sought to minimise the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets, and at the date of signing the accounts is evaluating options to cap interest rates on its new loan facilities.

Statement of directors' responsibilities

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

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

Under Company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group 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.

Aspers UK Holdings Limited

Directors' Report for the year ended 30 June 2023 (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time, the financial position of the Group and 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 Group and Company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Greenhouse Gas Emissions Statement

Aspers (Stratford City) Limited is the only Company in the Group that falls within scope of GHG emissions reporting, and so the data in this emissions summary relates wholly to this Company.

	2023		2022		2021	
Emissions Type	tCO ₂ e	kWh	tCO ₂ e	kWh	tCO ₂ e	kWh
Scope 1	0	0	0	0	0	0
Scope 2	501	3,056,966	513	3,518,866	466	3,087,753
Scope 3	0	0	0	0	0	0
Total 1, 2 & 3	501	3,056,966	513	3,518,866	466	3,087,753

Intensity Ratios	2023		2022		2021	
Revenue	£39.8m		£41.6m		£8.7m	
Customer Numbers	561,362		488,928		98,887	
Carbon Intensity 1	12.39 tCO ₂ e/£m revenue		12.33 tCO ₂ e/£m revenue		53.56 tCO ₂ e/£m revenue	
Carbon Intensity 2	89.2	kgCO ₂ e/100 Customers	104.9	kgCO ₂ e/100 Customers	471.2	kgCO ₂ e/100 Customers

This carbon summary indicates the fourth year reporting for Aspers (Stratford City) Limited to meet the reporting requirements under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 to implement the UK government's policy on Streamlined Energy and Carbon Reporting (SECR). During the year, there were no significant energy efficiency improvements.

Methodology & Scope:

The adopted methodology used is based on the Greenhouse Gas Protocol Corporate Reporting Standard reporting on equivalent CO₂ emissions from the organisational boundary. Information has been gathered in the same format as for compliance with the ESOS Regulations, collated into kWh for the Stratford City Casino only (i.e. the organisational boundary). These have been converted to equivalent tonnes of carbon dioxide (tCO₂e) using the published UK Government GHG Conversion Factors for Company Reporting for 2023, using Gross Calorific Values (GCV).

Employees

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

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

Aspers UK Holdings Limited

Directors' Report for the year ended 30 June 2023 (continued)

Disabled persons

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

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

Political and Charitable Donations

During the year the Group made no political donations (2022: £nil) and made £5,111 of charitable donations (2022: £19,560).

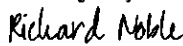
Provision of information to auditor

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, 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

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R A Noble
Director
26 October 2023

Aspers UK Holdings Limited

Independent auditor's report to the members of Aspers UK Holdings Limited

Opinion

We have audited the financial statements of Aspers UK Holdings Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 30 June 2023, which comprise the Group statement of comprehensive income, the Group and Company statements of changes in equity, the Group and Company statements of financial position, the Group statement of cash flows and the related notes 1 to 24 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 group's and of the parent company's affairs as at 30 June 2023 and of the group's 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. 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 uncertainties related to going concern

We draw attention to note 1 in the financial statements which describes the uncertainties about the group's future trading arising from the current macroeconomic conditions, resulting in the possible need to secure further financing and defer gaming tax payments should the group not achieve forecast cash flows over the going concern period.

As stated in note 1, these events or conditions, along with the other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the company and group's ability to continue as a going concern. In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's and group's ability to continue as a going concern.

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.

Aspers UK Holdings Limited

Independent auditor's report to the members of Aspers UK Holdings Limited (continued)

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 group and the parent 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 parent company 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 group's and the parent 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 group or the parent 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.

Aspers UK Holdings Limited

Independent auditor's report to the members of Aspers UK Holdings Limited (continued)

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.

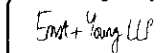
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations. In addition, the Company has to comply with laws and regulations relating to its operations, including UK gambling laws and regulations, health and safety, employees, data protection and anti-bribery and corruption.
- 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, including the Gambling Commission.
- 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 and by assuming revenue to be a fraud risk. We incorporated data analytics into our testing of manual journals, including segregation of duties, and into our testing of revenue recognition. 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.

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Jon Killingley (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
26 October 2023

Aspers UK Holdings Limited

Group statement of comprehensive income for the year ended 30 June 2023

	<i>Note</i>	2023 £'000	2022 £'000 <i>Restated</i>
Turnover	2	61,022	64,637
Staff costs	3	(20,081)	(21,280)
Amortisation of intangible fixed assets	10	(450)	(499)
Depreciation of tangible fixed assets	11	(2,316)	(2,466)
Gaming duties		(13,083)	(14,395)
Other operating income	4	-	687
Other operating charges		(25,640)	(21,440)
Operating (loss) / profit	5	(548)	5,244
Exceptional items	7	(2,572)	1,022
Interest payable and similar charges	8	(5,324)	(3,626)
(Loss) / profit before tax		(8,444)	2,640
Tax on (loss) / profit on ordinary activities	9	-	(2,409)
(Loss) / profit after tax and total comprehensive (expense) / income for the financial year		(8,444)	231

The prior year statement of comprehensive income has been restated to gross up revenue and costs from a small subsidiary of the group, as described in note 24.

Aspers UK Holdings Limited

Statement of changes in equity for the year ended 30 June 2023

Group

	Share capital £'000	Capital reserve £'000	Profit and loss account £'000	Total equity £'000
At 1 July 2021	-	23,562	(48,838)	(25,276)
Profit and total comprehensive income for the year	-	-	231	231
At 30 June 2022	-	23,562	(48,607)	(25,045)
Loss and total comprehensive expense for the year	-	-	(8,444)	(8,444)
At 30 June 2023	-	23,562	(57,051)	(33,489)

The capital reserve arose in the year ended 30 June 2011 following the Company's acquisition of Aspers Group Limited from its immediate parent undertaking, Aspers Holdings (Jersey) Limited, for which merger accounting principles were applied.

Company

	Share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 July 2021	-	87	87
Loss and total comprehensive expense for the year	-	(44)	(44)
At 30 June 2022	-	43	43
Loss and total comprehensive expense for the year	-	(45)	(45)
At 30 June 2023	-	(2)	(2)

Aspers UK Holdings Limited

Group statement of financial position at 30 June 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Intangible fixed assets	10	3,769	4,271
Tangible fixed assets	11	15,700	19,391
Investments	12	-	-
		19,469	23,662
Current assets			
Stocks	13	381	433
Debtors	14	3,688	2,691
Cash at bank and in hand		3,447	5,579
		7,516	8,703
Creditors: amounts falling due within one year	15	(60,474)	(16,420)
Net current liabilities		(52,958)	(7,717)
Total assets less current liabilities		(33,489)	15,945
Creditors: amounts falling due after more than one year	16	-	(40,990)
Net liabilities		(33,489)	(25,045)
Capital and reserves			
Called up share capital	17	-	-
Capital reserve		23,562	23,562
Profit and loss account		(57,051)	(48,607)
Equity attributable to owners of the parent company		(33,489)	(25,045)

Approved by the Board on 26 October 2023 and signed on its behalf by:

DocuSigned by:

 E62AD0ED7CBC4D6...
 R A Noble
 Director

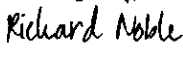
The notes on pages 16 to 31 form part of these financial statements.

Aspers UK Holdings Limited

Company statement of financial position at 30 June 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Investments	12	-	-
Current assets			
Debtors	14	288	330
Cash at bank		4	5
		292	335
Creditors: amounts falling due within one year	15	(294)	(292)
Net current (liabilities) / assets		(2)	43
Total assets less current liabilities		(2)	43
Net (liabilities) / assets		(2)	43
Capital and reserves			
Called up share capital	18	-	-
Profit and loss account		(2)	43
Equity shareholders' (deficit) / funds		(2)	43

Approved by the Board on 26 October 2023 and signed on its behalf by:

DocuSigned by:

 E62AD0ED7CBC4D6...
 R A Noble
 Director

The notes on pages 16 to 31 form part of these financial statements.

Aspers UK Holdings Limited

Group statement of cash flows for the year ended 30 June 2023

	<i>Note</i>	2023 £'000	2022 £'000
Net cash (used in) / generated from operating activities	19	(574)	4,677
Net Taxation received / (paid)		-	-
Net cash (absorbed) / generated from operating activities		(574)	4,677
Investing activities			
Purchase of intangible & tangible fixed assets		(509)	(1,938)
Net cash outflow from investing activities		(509)	(1,938)
Financing activities			
Interest paid		(4,949)	(3,175)
Repayment of bank loans		-	(50,552)
Draw down on bank loans		3,900	43,190
Net cash outflow from financing activities		(1,049)	(10,537)
Decrease in cash equivalents in the year		(2,132)	(7,798)
Cash and cash equivalents at 1 July		5,579	13,377
Cash and cash equivalents at 30 June		3,447	5,579

The notes on pages 16 to 31 form part of these financial statements.

Aspers UK Holdings Limited

Notes to the Financial Statements for the year ended 30 June 2023

1 Accounting policies

Statement of compliance

Aspers UK Holdings Limited is a private Company limited by shares incorporated in the UK and registered in England. The registered address of the Company is c/o WB Company Services Limited, 4th Floor, 1 Devonshire Street, London W1W 5DR.

The following are the principal accounting policies adopted by the Company and its subsidiary undertakings.

Basis of preparation

The financial statements are prepared under the historical cost convention and 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 are presented in thousands of Sterling (£000's).

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

Going concern

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

At 30 June 2023, the Group had net current liabilities of £53.0m and net liabilities of £33.5m. The Group was loss making, recording a loss before tax of £8.4m and cash outflows from operations of £0.6m in FY23. Whilst revenues have dropped, attendance levels encouragingly show an upward trend indicating the leisure player is returning to the business.

Available banking facilities and covenants

In December 2021 the Group refinanced its debt and agreed a six year, £40m term loan and £7m revolving credit facility. On 30 June 2023 the total borrowings under these facilities amounted to £45.7m. At the date of approval of these financial statements, the outstanding amount on the long-term loan was £40m and the £7m revolving credit facility was fully drawn. In September 2023, the Group obtained a further £5m facility from its shareholders to provide additional liquidity. This was fully drawn at the date of approval of these financial statements. These facilities are committed through the going concern period to 31 October 2024, subject to the change of control clauses described below.

A key requirement of the banking facilities is for the Group to comply with pre-agreed covenant tests covering liquidity, leverage and cashflow. These covenants were first breached in September 2022, resulting in an initial reset and subsequent deferral during the second half of FY23. At the balance date 30 June 2023, the Group was in breach of some of these covenants, which is further described in note 15. Revised covenants have now been agreed to 30 September 2024, including minimum liquidity and minimum EBITDA covenants, which the Company is forecast to meet.

Cash flow forecasts

Following the COVID-19 pandemic, the Group has continued to prepare cash flow forecasts, reflecting the directors' expectations for the going concern period through to 31 October 2024. Revenue is forecast to grow by 18.8% from FY23 to FY24, driven by a series of specific revenue-generating initiatives overlaying FY23 trading levels. These initiatives include; recruitment of additional table and poker staff to satisfy proven levels of demand, moving Stratford's opening hours to 24/7, renewing Electronic Roulette machines, rolling out shuffleboard and employing additional food and beverage staff. These cash flows show that the Group can meet its obligations as they fall due with the additional liquidity. The Group is required to meet a minimum liquidity covenant during the going concern period, set at a level not expected to impact cash flow. However, it is recognised that the economic and trading environments remain particularly volatile, and it is possible that the revenue-generating initiatives that underpin the cash flow forecast may not be achieved.

Aspers UK Holdings Limited

Notes to the Financial Statements for the year ended 30 June 2023

1 Accounting policies (continued)

Going concern (continued)

Consequently, the directors have also prepared a severe but plausible downside scenario that assumes that revenue does not achieve planned growth levels. In this scenario, the Group would consider additional mitigating actions in order to preserve liquidity headroom, including seeking additional financing from the Group's shareholders and approaching HMRC to agree a deferral of its gaming tax payments under the established 'Time to Pay' programme.

If this severe but plausible downside scenario were to materialise and the Group had not agreed additional financing or a deferral of gaming tax payments, the Group would breach its liquidity requirements and covenants in 2024. Further, if the economic and trading downside risks resulted in cash flows worse than the severe downside scenario modelled, the financing need would come earlier in the going concern period.

The directors are confident of the Group's ability to secure such financing or deferral within the timeframe necessary to ensure continued liquidity throughout the going concern period. However, this facility and an agreement to defer gaming tax payments are not in place as at the date of approval of these financial statements and as such, the ability to achieve forecast cash flows and maintain liquidity represents a material uncertainty that may cast significant doubt on the Group's and Company's ability to continue as a going concern.

Change of control

As a Group partly owned by private equity, the Directors remain mindful that there is the potential for a future exit, in part or in full, of the existing shareholders during the going concern period. At the current stage no commitment, plans or requirement for the shareholders to sell exists. If a sale was to take place, this would represent a change of control as defined in the loan agreement with the lenders, automatically triggering the right for the lenders to request the early payment of the existing facilities. However, the Directors' expectation is that, should a change of control occur, any prospective new shareholder would provide alternative financing to settle the Group's existing debt, as the Directors consider the Group to be a successful and viable business.

On this basis, the directors continue to adopt the going concern basis of accounting in preparing these financial statements, whilst recognising the possible need to secure further financing or agree a deferral of gaming tax payments should the Group not achieve its forecast operating cash flows over the going concern period, given the uncertain macroeconomic environment.

This represents a material uncertainty that casts significant doubt upon the Group's and Company's ability to continue as a going concern. These financial statements do not contain any adjustments that would result if the Company and Group were unable to continue as a going concern.

Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary undertakings. No profit and loss account is presented for Aspers UK Holdings Limited as permitted by section 408 of the Companies Act 2006.

Significant accounting policies

a) Revenue recognition

Turnover from land based casinos includes the gaming win (net of losses) before deduction of gaming-related duties, but after deduction of the fair value of free bets and is recognised when the outcome of the bet is determined, together with catering and other income recognised at the point of sale as this is the point that the economic benefit is realised, all net of value added tax.

Online turnover represents royalty fees from the Group's former joint venture for use of the Group's name.

The accruals basis is applied where timing differences arise between the point of sale and the recognition of turnover.

Aspers UK Holdings Limited

Notes to the Financial Statements for the year ended 30 June 2023

1 Accounting policies (continued)

b) Exceptional items

Exceptional items are those items the Group considers to be nonrecurring or material in nature that may distort an understanding of financial performance or impair comparability.

c) Tangible fixed assets

Tangible fixed assets are included at cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful economic life. The rates applied are as follows:

Leasehold improvements	: 25 years
Fixtures, fittings and equipment	: 4 to 10 years

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

d) Intangible fixed assets

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

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

Licence costs	: 20 years
---------------	------------

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

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

e) Impairment of assets

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

If an impairment loss subsequently reverses, the 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.

f) 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.

g) 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 on call. For the purposes of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents defined above, net of outstanding bank overdrafts.

h) Stocks

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

Aspers UK Holdings Limited

Notes to the Financial Statements for the year ended 30 June 2023

1 Accounting policies (continued)

i) Pension contributions

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

j) 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.

k) Leased assets

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

Operating lease payments: Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease.

Finance lease payments: Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

l) Provisions and contingent liabilities

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. A contingent liability is not recognised as a liability but is disclosed in the notes to the financial statements unless the possibility of an outflow of resources is remote.

m) Financial liabilities

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 less transaction costs). 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.

n) Interest

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

o) Investments in Joint Ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control; that is, when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. The Group reports its interests in jointly controlled entities using the equity method of accounting. Under the equity method, investments in joint ventures are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment in the value of the investment. Losses of a joint venture more than the Group's interest in that investment are not recognised. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Aspers UK Holdings Limited

Notes to the Financial Statements for the year ended 30 June 2023

1 Accounting policies (continued)

p) Government Grants

A grant that becomes receivable for the purpose of giving immediate financial support with no future related costs is accounted for under the accrual model and is recognised in other operating income, in the same period in which the Group recognises the costs that they relate to.

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.

Impairment of fixed assets

Judgements are made as to the carrying value of fixed assets. Where there are indicators of impairment, the Company performs an impairment assessment by considering key factors such as performance, the condition of the assets, discount rates and long-term growth rates.

Lease categorisation

In order to categorise leases as finance or operating leases, judgements have been made as to whether the significant risks and rewards of ownership have been transferred to the Company.

Deferred tax assets

In order to determine whether to recognise a deferred tax asset, management estimation is required as the timing and level of future taxable profits.

Taxation & Gaming Duties

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

Provisions

Judgements have to be made by management as to whether or not provisions are required to be recognised in the balance sheet. This includes management's determination of the likelihood of an outflow of cash being required, having taken into account any legal advice where applicable.

Aspers UK Holdings Limited

Notes to the Financial Statements for the year ended 30 June 2023

2. Turnover

	2023 £'000	2022 £'000 <i>Restated</i>
Land-based revenues	60,702	63,751
Online revenues	320	886
	61,022	64,637

All turnover is generated in the United Kingdom. The Group's online revenues are royalty revenues in respect of use of the Group's brand by its former joint venture, Aspers Online, which it operated with Rank Group plc during the previous year. The Group sold its investment in Aspers Online Limited to its joint venture partner in April 2022.

The prior year statement of comprehensive income has been restated to gross up revenue and costs from a small subsidiary of the group, as described in note 24.

3. Staff numbers and costs

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

	2023 Number of employees	2022 Number of employees
Total staff numbers	555	593

The aggregate payroll costs of these persons were as follows:

	2023 £'000	2022 £'000 <i>Restated</i>
Wages and salaries	17,905	18,953
Social security costs	1,668	1,809
Payments to defined contribution pension plans	508	518
	20,081	21,280

Government grants received from the COVID-19 Job Retention Scheme are shown in Note 4 below.

The prior year statement of comprehensive income has been restated to gross up revenue and costs from a small subsidiary of the group, as described in note 24.

Aspers UK Holdings Limited

Notes to the Financial Statements for the year ended 30 June 2023

4. Other operating income

	2023 £'000	2022 £'000
COVID-19 Job Retention Scheme	-	57
Premises closure compensation	-	630
	-	687

5 Operating profit

	2023 £'000	2022 £'000
The operating (loss) / profit is stated after charging:		
Amortisation of intangible fixed assets	450	499
Impairment of intangible fixed assets	52	198
Depreciation of tangible fixed assets – owned assets	2,316	2,466
Impairment of tangible fixed assets	1,839	1,858
Auditor's remuneration		
- audit of the company's financial statements	-	20
- audit of the subsidiary companies' financial statements	198	191
- other fees to auditor:		
- Tax advisory services	57	43
Operating lease rentals		
- land and buildings	3,183	1,797
- other	2,838	3,171

6 Directors' emoluments

	2023 £'000	2022 £'000
Aggregate directors' emoluments	1,505	1,846

The emoluments (excluding pension contributions) of the highest paid director were £878,000 (2022: £1,227,000). Pension contributions in respect of the highest paid director were £nil (2022: £nil).

No pension contributions were payable in respect of money purchase benefit schemes to directors (2022: £nil).

Aspers UK Holdings Limited

Notes to the Financial Statements for the year ended 30 June 2023

7 Exceptional items

	2023 £'000	2022 £'000
Restructuring costs	379	167
Refinancing costs	237	-
Change in corporate control costs	66	-
COVID-19 rental relief	-	(1,413)
Historical VAT/duty claims	-	(1,832)
Impairment of assets	1,890	2,056
Net charge / (credit) from exceptional items	2,572	(1,022)

Restructuring costs reflect non-recurring, exceptional costs as the business continues to evolve and restructure in the challenging post COVID-19 trading environment.

Refinancing costs reflect the legal and professional fees incurred in relation to negotiating bank finance arrangements.

Change in corporate control costs reflect the legal and professional fees incurred post the acquisition of Crown by Blackstone.

COVID-19 rental relief represents the agreement with landlords and local authorities for reduced rental costs and associated charges during the COVID 19 pandemic.

Historical VAT/duty claims reflect the net amount received following conclusion of an industry wide issue that led to an historical VAT claim.

An impairment loss was recognised during the current period against the intangible and tangible fixed assets within the Northampton casino and Newcastle casino cash generating units. In the prior period it was just against the Northampton casino cash generating unit. Refer to notes 10 and 11 for further information.

8 Interest payable and similar charges

	2023 £'000	2022 £'000
Bank loans and overdrafts	4,864	3,096
Other interest	76	50
Loan issue costs	384	480
	5,324	3,626

Aspers UK Holdings Limited

Notes to the Financial Statements for the year ended 30 June 2023

9 Tax on profit on ordinary activities

	2023 £'000	2022 £'000
Current taxation:		
UK corporation tax at 20.5% (2022: 19%)		
- current year	-	-
- prior year	-	-
Total current taxation	-	-
Deferred taxation:		
- current year	-	2,409
- prior year	-	-
Total deferred taxation charge	-	2,409
Total tax charge	-	2,409

The tax assessed on the (loss) / profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK 20.5% (2022: 19%). The differences are reconciled below:

	2023 £'000	2022 £'000
Tax reconciliation		
(Loss) / profit before taxation	(8,444)	2,640
Loss / (profit) before taxation multiplied by standard rate of Corporation Tax at 20.5%	(1,731)	502
Non qualifying depreciation	168	198
Deferred tax asset write off	-	604
Fixed asset impairment	388	391
Expenses not allowed for taxation	43	37
Losses carried forward	1,098	-
Losses utilised	-	664
Other	34	13
Total taxation	-	2,409

Deferred tax assets of £4,308,000 (2022: £2,993,000) in relation to tax losses brought forwards have not been recognised. These will be recognised where there is a reasonable expectation of their recovery after the year end. The UK's main corporation tax rate increased to 25%, from 1 April 2023. These changes were enacted through Finance Act 2022 on 10 June 2022 and by the balance sheet date and hence have been reflected in the measurement of current and deferred tax balances at the period end.

At 30 June 2023, the Group had total net deferred tax asset of £nil (2022: £nil), comprising deferred tax assets in respect of losses of £964,000 (2022: £1,005,000) and deferred tax liabilities of £964,000 (2022: £1,005,000) in respect of accelerated capital allowances.

Aspers UK Holdings Limited

Notes to the Financial Statements for the year ended 30 June 2023

10 Intangible fixed assets

Group	Licence costs £'000
Cost	
At 1 July 2022	9,750
Additions	-
At 30 June 2023	9,750
Amortisation and impairment	
At 1 July 2022	5,479
Charge for the year	450
Impairment	52
At 30 June 2023	5,981
Net book value	
At 30 June 2023	3,769
At 30 June 2022	4,271

Licence costs includes capitalised interest of £425,000 (2022: £468,000).

The directors have performed an annual impairment test to assess the recoverability of assets within the Group's cash generating units (CGUs). Revenue within the Northampton casino and Newcastle casino cash generating units (CGUs) have been in decline since the outbreak of COVID-19 and the directors' expectations are that it is likely that revenue will not return to pre COVID-19 levels. As a result, the directors have assessed that the estimated recoverable amount within the Northampton casino and Newcastle casino CGUs no longer supports the carrying amount of assets within those CGUs and subsequently the Group has recorded an impairment charge against intangible fixed assets for an amount of £52,000 (2022: £198,000). The impairment is charged to exceptional items (note 7).

11 Tangible fixed assets

Group	Freehold land & buildings £'000	Short leasehold property £'000	Plant, fixtures, fittings & equipment £'000	Total £'000
Cost				
At 1 July 2022	343	37,969	24,563	62,875
Additions	4	118	387	509
Disposals	-	(3)	(5,617)	(5,620)
At 30 June 2023	347	38,084	19,333	57,764
Depreciation and impairment				
At 1 July 2022	151	21,110	22,249	43,510
Charge for the year	8	1,426	882	2,316
Impairment	-	1,634	205	1,839
Disposals	-	(1)	(5,600)	(5,601)
At 30 June 2023	159	24,169	17,735	42,064
Net book value at 30 June 2023	188	13,915	1,597	15,700
Net Book value at 30 June 2022	195	17,006	2,190	19,391

Included in the above fixed assets is capitalised interest of £536,000 (2022: £566,000) within leasehold property. An impairment loss was recognised for tangible fixed assets within the Northampton casino and Newcastle casino CGUs for £1,839,000 (2022: £1,858,000). The basis for the impairment is explained in note 10

Aspers UK Holdings Limited

Notes to the Financial Statements for the year ended 30 June 2023

11 Tangible fixed assets(continued)

During the year the Group performed an asset verification program in conjunction with the general managers of each casino and assets with a cost of £5,617,000 and net book value of £nil were written off. These assets were no longer in use or were disposed of.

12 Fixed asset investments

	2023 £'000	2022 £'000
Company		
Cost at 30 June 2022 and 30 June 2023	-	-

The investment in the subsidiaries represents:

Subsidiary	Proportion of ordinary shares held %	Principal Activity
Aspers Group Limited*	100	Investment holding company
Aspers H Limited	100	Investment holding company
Aspers Finance Limited	100	Investment holding company
Aspers (Newcastle) Limited	100	Licensed gaming establishment
Aspers (Stratford City) Limited	100	Licensed gaming establishment
Aspers (Milton Keynes) Limited*	100	Licensed gaming establishment
Aspers Management Services Limited	100	Central support services
Aspers (Northampton) Limited*	100	Licensed gaming establishment
Walmestone Growers Limited	100	Supply of vegetables and livestock
Aspers Universal Limited*	100	Dormant
Casino Developments Limited*	100	Dormant
Nash Nursery Limited	100	Dormant
The A Casino (Swansea) Limited	100	Dormant
Aspers Online (Gibraltar) Limited	100	Dormant

* Directly held by the company

All subsidiaries were incorporated in England and Wales, except Aspers Online (Gibraltar) Limited that is registered in Gibraltar.

All subsidiaries listed above will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the period ended 30 June 2023.

	2023 £'000	2022 £'000
Group		
Investment in joint venture	-	-

At 30 June 2023 and 30 June 2022 the Group held no investments in joint ventures. The Group sold its investment in Aspers Online Limited to its joint venture partner in April 2022.

Aspers UK Holdings Limited

Notes to the Financial Statements for the year ended 30 June 2023

13 Stocks

	2023	2022
Group	£'000	£'000
Consumables	381	433

14 Debtors

	2023	2022
Group	£'000	£'000
Trade debtors	156	452
Other debtors	1,046	1,618
Prepayments and accrued income	2,486	621
	3,688	2,691

Company	2023	2022
	£'000	£'000
Amounts due from group undertakings	288	330
	288	330

Aspers UK Holdings Limited

Notes to the Financial Statements for the year ended 30 June 2023

15 Creditors: amounts falling due within one year

Group	2023 £'000	2022 £'000
Bank loan	45,648	-
Trade creditors	4,003	1,530
Other creditors	3,767	5,099
Accruals and deferred income	2,441	1,952
Gaming duties	4,088	7,037
Other taxation and social security	518	782
Corporation tax	9	20
	60,474	16,420

	2023 £'000	2022 £'000
Loans repayable, included within creditors, are analysed as follows:-		
Loan repayable	47,374	-
Less: unamortised issue costs	(1,726)	-
	45,648	-

As at the current and prior periods, the group has utilised some deferment and time to pay arrangements with HMRC to defer some payments of VAT, duties and taxes.

As at 30 June 2023, the Group was in technical breach of some of its covenant requirements resulting in the reclassification of the Group's loan facilities to current liabilities from non current liabilities. The bank has not recalled the loan and covenant waiver agreements have subsequently been put in place. Refer to note 1.

The bank loan is secured by a fixed and floating charge over the assets of the Group. The loan attracts interest with margin added to SONIA, based upon a sliding scale dependent on leverage ratios. The loan is repayable by quarterly instalments of 1% beginning on 30 September 2025 with the remainder of the loan maturing in December 2027. The facilities are subject to debt covenant requirements and a key requirement of the banking facilities is for the Group to comply with pre-agreed covenant tests. These covenants were first breached in September 2022. This is described in more detail in the going concern section of note 1.

Company	2023 £'000	2022 £'000
Amounts due to group undertakings	293	273
Accruals and deferred income	1	19
	294	292

Aspers UK Holdings Limited

Notes to the Financial Statements for the year ended 30 June 2023

16 Creditors: amounts falling due after more than one year

	2023 £'000	2022 £'000
Group		
Bank loan	-	40,990

	2023 £'000	2022 £'000
Loans repayable, included within creditors, are analysed as follows:-		
Loan repayable	-	43,100
Less: unamortised issue costs	-	(2,110)
	-	40,990

The Group's loan facilities have been reclassified to current liabilities as at 30 June 2023. Refer to note 15.

17 Share capital

	2023 £	2022 £
Allotted, called up and fully paid equity share capital:		
100 ordinary £1 shares issued	100	100

18 Reconciliation of operating profit to net cash inflow from operating activities

	2023 £'000	2022 £'000
(Loss) / profit after tax	(8,444)	231
Adjustments for:		
Tax on profit	-	2,409
Net interest expense	5,324	3,626
Exceptional items	2,572	(1,022)
Operating (loss) / profit	(548)	5,244
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of tangible fixed assets	2,316	2,466
Impairment of tangible fixed assets	1,839	1,858
Amortisation of intangible fixed assets	450	499
Impairment of intangible fixed assets	52	198
Exceptional items paid	(682)	(445)
Decrease in stocks	52	18
(Increase) / decrease in receivables	(997)	1,545
Decrease in payables	(3,056)	(6,706)
Net cash (outflow) / inflow from operating activities	(574)	4,677

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19 Pension costs

The Group operates three pension schemes. All the schemes are of a defined contribution nature. At the year-end £84,000 is outstanding (2022: £103,000).

20 Obligations under operating leases

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

	Land & buildings	Land & buildings	Other	Other
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Within one year	2,893	2,764	2,199	2,225
In two to five years	12,086	11,713	5,036	6,792
In over five years	28,197	28,376	319	762
	43,176	42,853	7,554	9,779

The land and buildings are leased under various leases ending June 2026, March 2033, January 2034, September 2036 and May 2038. In addition to rent Stratford pays a revenue share as a percentage of gaming revenues when open.

21 Related party transactions

The Group has taken advantage of the exemption not to disclose transactions with its wholly owned Group undertakings. The Group has undertaken the following other related party transactions in the period:

a) The Group leases office space with AC Overseas Limited, a Company owned by JDA Aspinall. The lease is on commercial terms. During the year the Group made rental and service charge payments to AC Overseas Limited totalling £161,000 (2022: £249,000), and £21,000 (2022: £9,000) was outstanding at the year end. On 27 September 2023 agreement was reached with AC Overseas Limited to terminate the lease. JDA Aspinall ceased to be a director on 14 July 2023.

b) During the year the Company made purchases of goods on commercial terms for £11,000 (2022: £35,000) from Port Lympne, part of the Aspinall Foundation. JDA Aspinall is a trustee and chairman of the Aspinall Foundation. As at 30 June 2023, the Group owed Port Lympne £1,600 (2022: £nil).

c) Key management personnel - All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration in respect of these individuals is £1,505,000 (2022: £1,846,000).

22 Ultimate parent undertaking and controlling party

The Company's immediate and ultimate parent undertaking is Aspers Holdings (Gibraltar) Limited ("AHGL"), a Company registered in Gibraltar. The shareholding of AHGL remains such that there is no controlling party of AHGL.

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Notes to the Financial Statements for the year ended 30 June 2023

23 Post Balance Sheet Events

On 5 September 2023 the Group entered into a loan agreement of £5m with Crown Entertainment Group Holding Pty Ltd and Investec Bank PLC. This was drawn down on 7 September 2023. The loan bears capitalised interest at 20% per annum, and is due for repayment on 9 June 2028.

On 5 September 2023 the Group agreed an amendment to the Senior Facilities Agreement dated 9 December 2021 with its lenders PGIM Inc and Barclays Bank plc. This agreement waived existing covenants until 30 September 2025, but introduced a minimum liquidity covenant commencing September 2023 and a minimum EBITDA covenant commencing quarter expiring 30 September 2024. This is described in more detail in the going concern section of note 1.

24 Prior Period errors

In the financial statements for the year ended 30 June 2022, the statement of comprehensive income for the wholly-owned subsidiary, Walmestone Growers Limited, was not consolidated on materiality grounds. As full information has become available, the directors have corrected this error by restating the group's revenue and certain expenses to reflect the gross amounts in the statement of comprehensive income.

The following table summarises the impact on the Group consolidated financial statements.

The correction of the error results in adjustments to the statement of comprehensive income as follows:

	Impact of correction of error		
	<i>As previously reported</i>	<i>Restatement</i>	<i>As restated</i>
Turnover	63,698	939	64,637
Staff costs	(21,069)	(211)	(21,280)
Amortisation of intangible fixed assets	(499)	-	(499)
Depreciation of tangible fixed assets	(2,466)	-	(2,466)
Gaming duties	(14,395)	-	(14,395)
Other operating income	687	-	687
Other operating charges	(20,712)	(728)	(21,440)
Operating profit	5,244	-	5,244
Exceptional items	1,022	-	1,022
Interest payable and similar charges	(3,626)	-	(3,626)
		-	
Profit before tax	2,640	-	2,640
		-	
Tax on profit on ordinary activities	(2,409)	-	(2,409)
Profit after tax and total comprehensive income for the financial year	231	-	231