Aspers Finance Limited

(Registered Number: 05261534)

Annual Report and Financial Statements

For the year ended 30 June 2023

Aspers Finance Limited

Strategic Report for the year ended 30 June 2023

The directors have pleasure in submitting their Strategic Report, Directors' Report and the financial statements of Aspers Finance Limited (the "Company") for the year ended 30 June 2023.

Principal activity and review of the business

The Company is a subsidiary of the Aspers UK Holdings Limited group of Companies (the "Group") which is domiciled in Great Britain.

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").

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%.

Results

The Company made a profit after taxation of £1,176,000 (2022: loss £15,443,000), 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 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.

Principle Risks and Uncertainties (continued)

(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. 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 intermediate 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 signing the financial statements to 31 January 2025. 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.

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 2023, the Company had net liabilities of £10.3m and net current liabilities of £10.3m, while the Group had net current liabilities of £53.0m and net liabilities of £33.5m.

Aspers UK Holdings Limited consolidated 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 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.

Going concern (continued)

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.

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

Aspers Finance Limited

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

Going concern (continued)

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
31 January 2024

Aspers Finance Limited

Directors' Report for the year ended 30 June 2023

Directors and Company information

Directors:	R Noble – appointed 25 November 2022 N Paramore – appointed 25 November 2022 / resigned 2 June 2023 D L Playford – resigned 31 December 2022 J D A Aspinall – resigned 14 July 2023 T Boyd – appointed 29 November 2023
Registered office:	c/o WB Company Services Limited 4th Floor, 1 Devonshire Street, London W1W 5DR
Company number:	05261534

Dividends

No interim dividend has been paid and no final dividend is proposed (2022: £nil).

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.

By Order of the Board

R A Noble
Director
31 January 2024

Aspers Finance Limited

Statement of comprehensive income for the year ended 30 June 2023

	Note	**2023 £'000**	2022 £'000
Other Income		**-**	-
Other operating charges		**(16)**	(65)
Operating loss	5	**(16)**	(65)
Exceptional items	3	**(237)**	(16,132)
Interest receivable and similar income		**6,677**	4,771
Interest payable and similar charges	4	**(5,248)**	(3,578)
Profit / (loss) on ordinary activities before taxation		**1,176**	(15,004)
Tax on profit / (loss) on ordinary activities	6	**-**	(439)
Profit / (loss) after tax and total comprehensive income / (expense) for the financial year		**1,176**	(15,443)

All results relate to continuing operations.

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

	Share capital £'000	**Profit and loss account £'000**	**Total £'000**
At 1 July 2021	8,348	(4,395)	3,953
Total comprehensive expense for the year	-	(15,443)	(15,443)
At 30 June 2022	8,348	(19,838)	(11,490)
Total comprehensive income for the year	-	1,176	1,176
At 30 June 2023	8,348	(18,662)	(10,314)

Aspers Finance Limited

Statement of financial position at 30 June 2023

	Note	2023 £'000	2022 £'000
Current assets			
Debtors	7	**65,203**	60,300
Cash at bank		**7**	39
		65,210	60,339
Creditors: amounts falling due within one year	8	**(75,524)**	(30,839)
Net current (liabilities) / assets		**(10,314)**	29,500
Total assets less current liabilities		**(10,314)**	29,500
Creditors: amounts falling due after more than one year	9	**-**	(40,990)
Net liabilities		**(10,314)**	(11,490)
Capital and reserves			
Called up share capital	10	**8,348**	8,348
Profit and loss account		**(18,662)**	(19,838)
Equity shareholders' deficit		**(10,314)**	(11,490)

Audit exemption statement

For the year ended 30 June 2023 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 31 January 2024 and signed on its behalf by:

R A Noble
Director
The notes on pages 8 to 16 form part of these financial statements.

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

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 c/o WB Company Services Limited, 4th Floor, 1 Devonshire Street, London W1W 5DR.

The Company's intermediate 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 intermediate 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 31 January 2025. 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.

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 2023, the Company had net liabilities of £10.3m and net current liabilities of £10.3m, while the Group had net current liabilities of £53.0m and net liabilities of £33.5m.

Aspers Finance Limited

Notes to the Financial Statements for the year ended 30 June 2023 (continued)

1. Accounting policies (continued)

Going concern (continued)

Aspers UK Holdings Limited consolidated 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 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.

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.

1. Accounting policies (continued)

Going concern (continued)

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.

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.

1. **Accounting policies (continued)**

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.

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

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.

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.

1. Accounting policies (continued)

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.

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. The directors received total remuneration for the year of £1,505,000 (2022: £1,846,000) in respect of their services to the Group, all of which was paid by other Companies within the Group. The highest paid director received total remuneration of £878,000 (2022: £1,227,000). Pension contributions in respect of the highest paid director were £nil (2022: £nil).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 UK Holdings Limited and other Group companies.

3. Exceptional items

	2023	2022
	£'000	£'000
Provision for impairment on amounts due from group undertakings	-	16,132
Refinancing costs	**237**	-
	237	16,132

A provision for impairment of debtors due from Group undertakings has been recorded in the prior period. See note 7.
Refinancing costs reflect the legal and professional fees incurred in relation to negotiating bank finance arrangements.

4. Interest payable and similar charges

	2023	2022
	£'000	£'000
Bank interest	**4,864**	3,098
Loan issue cost amortisation	**384**	480
	5,248	3,578

5. *Operating loss*

	2023	2022
	£'000	£'000
The operating loss is stated after charging:		
Auditor's remuneration	-	8

6. Tax on profit on ordinary activities

	2023 **£'000**	2022 £'000
Current taxation:		
UK corporation tax at 20.5% (2022 – 19%)		
- current year	-	-
Total current taxation	-	-
Deferred taxation:		
- current year	-	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 20.5% (2022 – 19%). The differences are reconciled below:

	2023 **£'000**	2022 £'000
Tax reconciliation		
Profit / (Loss) before taxation	**1,176**	(15,004)
Profit before taxation multiplied by standard rate of Corporation Tax at 20.5% (2022: 19%)	**241**	(2,851)
Expenses not allowed for taxation	-	3,065
Losses utilised	-	439
Group relief	**(241)**	(214)
Total taxation	-	439

Aspers Finance Limited

Notes to the Financial Statements for the year ended 30 June 2023 (continued)

7. Debtors

Amounts falling due within one year:	2023 £'000	2022 £'000
Amounts due from group undertakings	**81,169**	76,432
Provision for impairment on amounts due from group undertakings	**(16,132)**	(16,132)
Sundry debtors	**166**	-
	65,203	60,300

The amounts due from Group undertakings are unsecured and are repayable on demand.

Interest has been charged on loans to Group undertakings at a rate of 4.25% plus LIBOR.

The directors have assessed the recoverability of debtors due from Group undertakings during the period. There was no further impairment in the current period. In the prior period as a result of this assessment, a number of debtors due from these undertakings were considered to be impaired, and as such, a provision for impairment of £16,132,000 (2022: £16,132,000) was recorded. The impairment has been charged to exceptional items (see note 3).

8. Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Bank loan	**45,648**	-
Amounts due to group undertakings	**29,838**	30,816
Accruals	**38**	23
	75,524	**30,839**

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

Amounts due to other Group undertakings includes loans of £15,597,799 (2022: £15,597,799) that attract interest at rates between 3.5% - 5% above LIBOR and are repayable on demand.

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*

8. **Creditors: amounts falling due within one year (continued)**

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.

9. *Creditors: amounts falling due after more than one year*

	2023 **£'000**	2022 £'000
Bank loans	-	40,990

Loans repayable, included within creditors, are analysed as follows:	**2023** **£'000**	2022 £'000
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 8.

Aspers Finance Limited

Notes to the Financial Statements for the year ended 30 June 2023 (continued)

10. Share capital

	2023 £'000	2022 £'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.

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

12. Post balance sheet events

On 5 September 2023 the Group entered into a loan agreement of £5m with Crown Entertainment Group Holding ty 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.