

Aspers Management Services Limited

(Registered Number: 5808398)

Annual Report and Financial Statements

For the year ended 30 June 2020

FRIDAY



AAABØB1M

A05

06/08/2021

#182

COMPANIES HOUSE

Aspers Management Services Limited

Strategic Report for the year ended 30 June 2020

The directors have pleasure in submitting the Strategic Report, their Directors' Report and the audited financial statements of Aspers Management Services Limited ("the company") for the year to 30 June 2020.

Principal activity and review of the business

The principal activities of the company are to provide central support services to operating subsidiaries of Aspers UK Holdings Limited (the company's intermediate parent undertaking) and subsidiaries ("the group") and to explore development opportunities for new casinos on behalf of the group.

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

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

The retained loss for the year was £2,299,000 (2019 – profit £2,955,000) and has been transferred to reserves.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of Aspers UK Holdings Limited and subsidiaries ("the group") and are not managed separately. The principal risks and uncertainties of the group, which would directly affect the company are:-

- (a) Public health risk – the recent and ongoing COVID-19 pandemic has led to significant restrictions on the company's ability to operate, with a forced temporary closure of the offices and casinos and, on reopening, measures to mitigate the risk of infection through social distancing. The company is exposed to reduced cash inflows through any period of forced closure and on reopening, as well as operational issues around employees being able to attend work. The Directors are managing the risk of reduced revenues through the triggering of incident management plans and daily cash monitoring and forecasting. To manage the costs incurred by the group during this period, the Directors note that there are variable and other costs such as wages and salaries which will need to be actively managed. As the situation continues to evolve at the date of the financial statements, the Directors are continually reviewing their position and contingency plans.
- (b) 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. To mitigate this the group has a dedicated compliance department independent of operations, which ensures that the group complies with gaming regulations and industry best practice.
- (c) 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 and the maintaining adequate cash reserves.

Aspers Management Services Limited

Strategic Report for the year ended 30 June 2020 (Continued)

Going concern

The outbreak of Covid-19 and its continuing impact on the economy, and specifically the gaming sector, has impacted the ability of the Company to trade at historical levels. This has resulted in uncertainty as to the future financial performance and cash flows of the Company.

Given this uncertainty, the Company's immediate parent undertaking, Aspers UK Holdings Limited, has indicated it will provide financial support to the Company to enable it to meet its liabilities as they fall due for 12 months from the date of these financial statements. The Directors of the Company have assessed going concern for a period of 12 months from the date of the financial statements, to 31 July 2022. In doing so, the directors have made enquiries of the management of Aspers UK Holdings Limited as to their review of the latest cash flow forecasts and available financing of the Aspers UK Holdings Limited consolidated group ('Group').

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

At 30 June 2020, the Company had net assets of £1.6m and net current assets of £1.5m, while the group had net current liabilities of £42.4m and net liabilities of £12.8m. In recent years the group has been profitable and cash generative, but the impact of COVID-19 towards the end of the year resulted in the group recording a loss. Significant losses will also be made in the year ending 30 June 2021.

The instructed closure of the casinos by the UK Government in response to the COVID-19 pandemic on 20 March 2020 (with subsequent short periods of reopening and then enforced closure) have provided uncertainty on the group's ability to operate at historical levels. It has been very uncertain how group profitability will evolve during the pandemic and recover in the future. This uncertainty has been mitigated by the UK Vaccination program supporting the UK government reopening plan, and the reopening of the casinos on 17 May 2021.

Cash flow forecasts

Following the COVID-19 pandemic, the group has continued to prepare cash flow forecasts, reflecting the group's directors' expectations following the reopening of the casinos on 17 May 2021. Uncertainty remains regarding the rules and the effects of social distancing on consumer confidence on trading levels after reopening. The group's directors are estimating volumes at 58% of historical levels initially, increasing gradually to 80% by September 2021. The cash flow forecasts then assume 80% for the remainder of the going concern assessment period, until 31 July 2022. These initial volumes levels reflect experiences from the partial openings of 2020 with curfew restrictions. It is expected that these levels will be exceeded following full restrictions lifting from 19 July 2021. Initial trading at the time of signing these accounts is ahead of these expectations.

These cash flow forecasts also include the effects of mitigating actions the group's directors have taken to preserve and reduce cash outflows post reopening, including the benefits from retail business rate scheme from the government - the removal of business rates until June 2021 and reduced, and revised business rates until March 2022, accessing the government's Coronavirus Job Retention Scheme until the reopening of the business, payment deferrals, and the benefits from the restructuring of the business and rent concessions agreed during 2020. All confirmed mitigations are in the reviewed cashflow forecasts, with revenue levels and reopening restrictions remaining the most uncertain, and outside of the group's directors' control. Based on cash on hand across the group at 30 June 2021 together with the bank loan extension obtained (described below), there is sufficient cash to pay the group's liabilities as they fall due for the going concern assessment period, 12 months from the date of the financial statements to 31 July 2022.

Aspers Management Services Limited

Strategic Report for the year ended 30 June 2020 (Continued)

Going concern(continued)

The previously significant uncertainties over these revenue estimates are now partially reduced due to a greater level of certainty on the ability to trade and remain open due to the vaccine program and government policy approach. The pandemic does continue to provide ongoing uncertainty over trading volumes, but the group's directors are more optimistic regarding future performance than they were during the second half of 2020. Another period of forced closure of any or all the casinos or further restrictions on capacity or opening hours, due to a resurgence of the COVID-19 pandemic in the UK would undoubtedly have further negative effects on cash flow and, depending on its severity, could result in a need for further financing or covenant waivers from lenders.

The group's directors continue to consider downside sensitivities to assess what further mitigating actions could be taken to maintain sufficient cash over at least the next 12 months. These include ongoing renegotiations of deferred payments and further funding from shareholders together with further restructuring options. The group's directors acknowledge that not all of these mitigating actions are within their control.

Available banking facilities and covenants

The group has a bank loan facility with a syndicate of banks which, at 30 June 2020 amounted to £50.2m. At the date of approval of these financial statements, the outstanding amount on this loan had reduced to £47.1m following the scheduled repayment of £3.1m in September 2020.

Covenant tests in June and September would have been breached due to the pandemic, and waivers were received from the group's lenders.

The group agreed an extension of the 31 March 2021 maturity by 6 months with its lenders until 30 September 2021, with a possible further extension until 31 March 2022 at the lender's discretion. The covenants have been replaced with a minimum liquidity requirement of £5.0m from April to September 2021. The group's directors believe, based on cash flow forecasts and early trading post reopening, they will meet this minimum liquidity requirement.

At the date of approval of these financial statements, following the receipt of the six months extension described above, and given the historical profitability and cash generation of the group and the positive discussions to date with potential new lenders, the group's directors believe that financing will be agreed to allow the group to continue to operate for the going concern period through to 31 July 2022.

Aspers Management Services Limited

Strategic Report for the year ended 30 June 2020 (Continued)

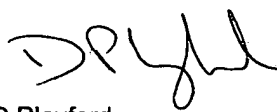
Going concern(continued)

On this basis and considering the letter of support obtained from Aspers UK Holdings Limited, the directors continue to adopt the going concern basis of accounting in preparing these financial statements, recognising that

- (a) the possible need to secure further financing or covenant waivers should the group not achieve forecast operating cash flows over the going concern period, given the uncertainties over the COVID-19 pandemic, government restrictions, social distancing measures, potential further lockdowns and unpredictability of consumer behaviour due to COVID-19; and
 - (b) extending or replacing the bank financing, currently due to mature in September 2021, and complying with any covenants attached to any new financing;
- are material uncertainties that cast significant doubt upon the Company's ability to continue as a going concern.

These financial statements do not contain the adjustments that would result if the company were unable to continue as a going concern.

By Order of the Board



D Playford
Director
29 July 2021

Aspers Management Services Limited

Directors' Report for the year ended 30 June 2020

Directors and company information

Directors: J D A Aspinall
D L Playford

Registered office: 1 Hans Street, London SW1X 0JD

Company number: 5808398

Dividends

No interim dividend has been paid and no final dividend is proposed (2019: £nil).

Future developments

The company plans to continue its existing activities in the forthcoming year.

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 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.

Employees

The company discusses and consults with employees through a number of 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 company's performance.

Aspers Management Services Limited

Directors' Report for the year ended 30 June 2020 (continued)

The company 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 company 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 taken into account when making decisions that are likely to affect their interests.

Disabled persons

The company recognises its obligations to disabled persons and endeavours to provide as much employment opportunity as the demands of the company 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 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 company made a donation of £100,000 to the Conservative party, and also made £10,000 of charitable donations.

Provision of information to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

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

By Order of the Board



D Playford
Director
29 July 2021

Independent auditor's report to the members of Aspers Management Services Limited

Opinion

We have audited the financial statements of Aspers Management Services Limited for the year ended 30 June 2020 which comprise Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainties related to going concern

We draw attention to note 1 in the financial statements which describes that the company is reliant on support from its parent, Aspers UK Holdings Limited, to settle its liabilities as they fall due and has received a letter of support from this parent. Note 1 in the financial statements also describes:

- the impact of uncertainties about the future effects of COVID-19 on the group and its ability to trade, resulting in the possible need to secure further financing or covenant waivers should the group not achieve forecast operating cash flows over the going concern period; and
- the group's need to extend or replace the bank financing, currently due to mature in September 2021, and comply with any covenants attached to any new financing.

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

Independent auditor's report to the members of Aspers Management Services Limited (continued)

Other information

The other information comprises the information included in the annual report set out on pages 1 to 6, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent auditor's report to the members of Aspers Management Services Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

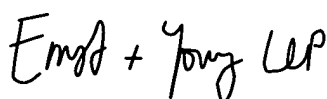
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.



*Jon Killingley (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
30 July 2021*

Aspers Management Services Limited

Statement of comprehensive income for the year ended 30 June 2020

	Note	2020 £'000	2019 £'000
Turnover	2	1,278	6,425
Staff costs	3	(1,577)	(1,091)
Depreciation of tangible fixed assets		(31)	(23)
Amortisation of intangible fixed assets		(15)	(12)
Other Operating Income	4	230	-
Other operating charges		(1,935)	(1,671)
Operating (loss) / profit	5	(2,050)	3,628
Exceptional items	7	(250)	-
Interest payable and similar charges	8	-	(8)
(Loss)/Profit on ordinary activities before taxation		(2,300)	3,620
Tax on profit on ordinary activities	9	1	(665)
(Loss)/Profit on ordinary activities after taxation		(2,299)	2,955
Other Comprehensive income		-	-
Total comprehensive (loss) / income for the financial year		(2,299)	2,955

All results relate to continuing operations.

Statement of changes in equity for the year ended 30 June 2020

	Share capital £'000	Profit and loss account £'000	Total shareholders' equity £'000
At 1 July 2018	-	935	935
Profit and total comprehensive income for the year	-	2,955	2,955
At 30 June 2019	-	3,890	3,890
Loss and total comprehensive income for the year	-	(2,299)	(2,299)
At 30 June 2020	-	1,591	1,591

Aspers Management Services Limited

Statement of financial position at 30 June 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Intangible fixed assets	10	46	45
Tangible fixed assets	11	38	43
		84	88
Current assets			
Debtors	12	14,456	12,947
Cash at bank and in hand		689	491
		15,145	13,438
Creditors: amounts falling due within one year	13	(13,638)	(9,636)
Net current assets		1,507	3,802
Net assets		1,591	3,890
Capital and reserves			
Called up share capital	16	-	-
Profit and loss account		1,591	3,890
Equity shareholders' funds		1,591	3,890

The financial statements on pages 10 to 22 were approved by the Board on 29 July 2021 and signed on its behalf by:



D Playford
Director

Aspers Management Services Limited

Notes to the Financial Statements for the year ended 30 June 2020

1 Accounting policies

Statement of compliance

Aspers Management Services Limited (the "company") is a private company incorporated and registered in England and Wales. The registered address of the company is 1 Hans Street, London SW1X 0JD.

The company's parent undertaking, Aspers UK Holdings Limited, includes the company in its consolidated financial statements. The consolidated financial statements of Aspers UK Holdings Limited are prepared in accordance with applicable UK accounting standards, are available to the public and may be obtained from Companies House.

The following are the principal accounting policies adopted by the company:

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in thousands of Sterling (£000's).

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

- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d) to present a statement of cash flows and related notes. The company's 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 outbreak of Covid-19 and its continuing impact on the economy, and specifically the gaming sector, has impacted the ability of the Company to trade at historical levels. This has resulted in uncertainty as to the future financial performance and cash flows of the Company.

Given this uncertainty, the Company's immediate parent undertaking, Aspers UK Holdings Limited, has indicated it will provide financial support to the Company to enable it to meet its liabilities as they fall due for 12 months from the date of these financial statements. The Directors of the Company have assessed going concern for a period of 12 months from the date of the financial statements, to 31 July 2022. In doing so, the directors have made enquiries of the management of Aspers UK Holdings Limited as to their review of the latest cash flow forecasts and available financing of the Aspers UK Holdings Limited consolidated group ('Group').

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

At 30 June 2020, the Company had net assets of £1.6m and net current assets of £1.5m, while the group had net current liabilities of £42.4m and net liabilities of £12.8m. In recent years the group has been profitable and cash generative, but the impact of COVID-19 towards the end of the year resulted in the group recording a loss. Significant losses will also be made in the year ending 30 June 2021.

Aspers Management Services Limited

Notes to the Financial Statements for the year ended 30 June 2020 (Continued)

1 Accounting policies (continued)

Going concern(continued)

The instructed closure of the casinos by the UK Government in response to the COVID-19 pandemic on 20 March 2020 (with subsequent short periods of reopening and then enforced closure) have provided uncertainty on the group's ability to operate at historical levels. It has been very uncertain how group profitability will evolve during the pandemic and recover in the future. This uncertainty has been mitigated by the UK Vaccination program supporting the UK government reopening plan, and the reopening of the casinos on 17 May 2021.

Cash flow forecasts

Following the COVID-19 pandemic, the group has continued to prepare cash flow forecasts, reflecting the group's directors' expectations following the reopening of the casinos on 17 May 2021. Uncertainty remains regarding the rules and the effects of social distancing on consumer confidence on trading levels after reopening. The group's directors are estimating volumes at 58% of historical levels initially, increasing gradually to 80% by September 2021. The cash flow forecasts then assume 80% for the remainder of the going concern assessment period, until 31 July 2022. These initial volumes levels reflect experiences from the partial openings of 2020 with curfew restrictions. It is expected that these levels will be exceeded following full restrictions lifting from 19 July 2021. Initial trading at the time of signing these accounts is ahead of these expectations.

These cash flow forecasts also include the effects of mitigating actions the group's directors have taken to preserve and reduce cash outflows post reopening, including the benefits from retail business rate scheme from the government - the removal of business rates until June 2021 and reduced, and revised business rates until March 2022, accessing the government's Coronavirus Job Retention Scheme until the reopening of the business, payment deferrals, and the benefits from the restructuring of the business and rent concessions agreed during 2020. All confirmed mitigations are in the reviewed cashflow forecasts, with revenue levels and reopening restrictions remaining the most uncertain, and outside of the group's directors' control. Based on cash on hand across the group at 30 June 2021 together with the bank loan extension obtained (described below), there is sufficient cash to pay the group's liabilities as they fall due for the going concern assessment period, 12 months from the date of the financial statements to 31 July 2022.

The previously significant uncertainties over these revenue estimates are now partially reduced due to a greater level of certainty on the ability to trade and remain open due to the vaccine program and government policy approach. The pandemic does continue to provide ongoing uncertainty over trading volumes, but the group's directors are more optimistic regarding future performance than they were during the second half of 2020. Another period of forced closure of any or all the casinos or further restrictions on capacity or opening hours, due to a resurgence of the COVID-19 pandemic in the UK would undoubtedly have further negative effects on cash flow and, depending on its severity, could result in a need for further financing or covenant waivers from lenders.

The group's directors continue to consider downside sensitivities to assess what further mitigating actions could be taken to maintain sufficient cash over at least the next 12 months. These include ongoing renegotiations of deferred payments and further funding from shareholders together with further restructuring options. The group's directors acknowledge that not all of these mitigating actions are within their control.

Aspers Management Services Limited

Notes to the Financial Statements for the year ended 30 June 2020 (Continued)

1 Accounting policies (continued)

Going concern(continued)

Available banking facilities and covenants

The group has a bank loan facility with a syndicate of banks which, at 30 June 2020 amounted to £50.2m. At the date of approval of these financial statements, the outstanding amount on this loan had reduced to £47.1m following the scheduled repayment of £3.1m in September 2020.

Covenant tests in June and September would have been breached due to the pandemic, and waivers were received from the group's lenders.

The group agreed an extension of the 31 March 2021 maturity by 6 months with its lenders until 30 September 2021, with a possible further extension until 31 March 2022 at the lender's discretion. The covenants have been replaced with a minimum liquidity requirement of £5.0m from April to September 2021. The group's directors believe, based on cash flow forecasts and early trading post reopening, they will meet this minimum liquidity requirement.

At the date of approval of these financial statements, following the receipt of the six months extension described above, and given the historical profitability and cash generation of the group and the positive discussions to date with potential new lenders, the group's directors believe that financing will be agreed to allow the group to continue to operate for the going concern period through to 31 July 2022.

On this basis and considering the letter of support obtained from Aspers UK Holdings Limited, the directors continue to adopt the going concern basis of accounting in preparing these financial statements, recognising that

- (a) the possible need to secure further financing or covenant waivers should the group not achieve forecast operating cash flows over the going concern period, given the uncertainties over the COVID-19 pandemic, government restrictions, social distancing measures, potential further lockdowns and unpredictability of consumer behaviour due to COVID-19; and
- (b) extending or replacing the bank financing, currently due to mature in September 2021, and complying with any covenants attached to any new financing;

are material uncertainties that cast significant doubt upon the Company's ability to continue as a going concern.

These financial statements do not contain the adjustments that would result if the company were unable to continue as a going concern.

Aspers Management Services Limited

Notes to the Financial Statements for the year ended 30 June 2020 (Continued)

1 Accounting policies (continued)

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

Significant accounting policies

a) Revenue recognition

Turnover represents management and consultancy fees for services provided to group companies and third parties, and royalty fees receivable from group companies in respect of intellectual property licensed to the company.

Turnover is recognised in the financial statements at the point at which the services are performed.

b) 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:

Furniture, equipment and plant and machinery: 3 to 5 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.

c) 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:

Software licence costs : 5 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.

d) 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 carry 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.

Aspers Management Services Limited

Notes to the Financial Statements for the year ended 30 June 2020 (Continued)

1 Accounting policies (continued)

e) Foreign currency translation

Transactions denominated in foreign currencies are translated into sterling at the rate applicable on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the year-end rate. Any profits or losses arising on exchange are dealt with in the profit and loss account.

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 income statement 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 at call.

h) Pension contributions

Pension contributions payable by the company under its defined contribution schemes are charged to the profit and loss account in the period in which they fall due for payment.

i) 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.

j) Expenses

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.

k) 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.

Aspers Management Services Limited

Notes to the Financial Statements for the year ended 30 June 2020 (Continued)

1 Accounting policies (continued)

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.

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.

2 Turnover

	2020 £'000	2019 £'000
Royalty fees	1,136	6,420
Consultancy and other fee income	142	5
	1,278	6,425

All turnover is generated in the United Kingdom.

3 Staff numbers and costs

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

	2020 Number of employees	2019 Number of employees
Total staff numbers	59	50

The aggregate payroll costs of these persons were as follows:

	2020 £'000	2019 £'000
Wages and salaries	867	814
Social security costs	548	111
Payments to defined contribution pension plans	162	166
	1,577	1,091

4 Other operating income

	2020 £'000	2019 £'000
Coronavirus Job Retention scheme	230	-

The company has also benefited from cost savings during the year in relation to a business rates holiday on the main trading premises.

Aspers Management Services Limited

Notes to the Financial Statements for the year ended 30 June 2020 (Continued)

5 Operating loss

	2020 £'000	2019 £'000
The operating (loss)/profit is stated after charging:		
Amortisation of intangible fixed assets	15	12
Depreciation of tangible fixed assets – owned assets	31	23
Auditor's remuneration		
- audit of the company's financial statements	26	6
- tax advisory services	52	47
Operating lease rentals		
- land and buildings	101	93
- other	20	20

6 Directors' emoluments

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 £1,157,518 (2019 - £1,234,530) in respect of their services to the Aspers UK Holdings Limited group. The highest paid director received total remuneration of £958,189 (2019 £1,017,189). Pension contributions in respect of the highest paid director were £nil (2019 - £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.

No pension contributions were payable in respect of money purchase benefit schemes to directors (2019 – £nil).

7 Exceptional Item

	2020 £'000	2019 £'000
Handy Cash Machines Limited	(250)	-
	(250)	-

During the year, Handy Cash Machines Limited went into liquidation, the above amount represents the intercompany loan write off.

8 Interest Payable

	2020 £'000	2019 £'000
Other interest	-	8
	-	8

Aspers Management Services Limited

Notes to the Financial Statements for the year ended 30 June 2020 (Continued)

9 Tax on loss on ordinary activities

	2020 £'000	2019 £'000
Current taxation:		
UK corporation tax at 19% (2019 – 19%)		
- current year	-	688
- prior year	-	(79)
Total current taxation	-	609
Deferred taxation:		
- current	52	8
- prior year	(51)	48
Total deferred taxation charge	1	56
Total tax charge	1	665

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK 19% (2019 – 19%). The differences are reconciled below:

	2020 £'000	2019 £'000
Tax reconciliation		
(Loss) / Profit before taxation	(2,300)	3,620
(Loss) / Profit before taxation multiplied by standard rate of Corporation Tax at 19% (2019: 19%)	(437)	688
Non qualifying depreciation	3	2
Expenses not allowed for taxation	-	6
Tax Rate Change	(1)	-
Group Relief	387	-
Prior year adjustment	(1)	(31)
Other	50	-
Total taxation	1	665

The Finance Act 2016, which was substantively enacted in 6 September 2016, reduced the main rate of tax from 19% to 17% from 1 April 2020, but this was cancelled in March 2020. The Company has recognised its deferred tax balances at the current 19% (2019: 17%) rate. Since the year end the 2021 Finance Bill will set the main rate of tax to 25% for Financial Year 2023 onwards.

Aspers Management Services Limited

Notes to the Financial Statements for the year ended 30 June 2020 (Continued)

10 Intangible fixed assets

	Licence costs £'000
Cost	
At 1 July 2019	65
Additions	16
At 30 June 2020	81
Amortisation	
At 1 July 2019	20
Charge for the year	15
At 30 June 2020	35
Net book value	
At 30 June 2020	46
At 30 June 2019	45

11 Tangible fixed assets

	Furniture, equipment, plant & machinery £'000	Total £'000
Cost		
At 1 July 2019	364	364
Additions	26	26
At 30 June 2020	390	390
Depreciation		
At 1 July 2019	321	321
Charge for the year	31	31
At 30 June 2020	352	352
Net book value		
At 30 June 2020	38	38
At 30 June 2019	43	43

Aspers Management Services Limited

Notes to the Financial Statements for the year ended 30 June 2020 (Continued)

12 Debtors

	2020 £'000	2019 £'000
Trade debtors	265	484
Other debtors	352	333
Amounts due from group undertakings	13,772	11,549
Other taxation and social security	-	40
Deferred Tax	16	-
Corporation tax	-	225
Prepayments and accrued income	51	316
	14,456	12,947

The company has recognised a deferred tax asset of £16,000 (2019: £nil) in respect of accelerated capital allowances because they can be offset against deferred tax liabilities within the group.

13 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	218	31
Other creditors	108	100
Other taxation and social security	326	-
Amounts due to other group undertakings	12,595	8,879
Deferred tax	-	37
Accruals and deferred income	391	589
	13,638	9,636

14 Related party transactions

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

During the year the company entered into transactions, in the ordinary course of business, with Aspers (Northampton) Limited, a fellow group company that is 50.0001% owned by the group. The company sold goods and services for £616,044 (2019: £683,605) during the year to Aspers (Northampton) Limited and purchased goods and services for £225,002 (2019: £34,864). At year end the company owed £116,642 by Aspers (Northampton) Limited (2019: was owed £174,234).

The company's landlord is AC Overseas Limited, a company owned by JDA Aspinall. The lease is on commercial terms and continued in the year. During the year the company made rental and service charge payments to AC Overseas Limited totalling £177,225 (2019- £162,527), and £nil (2019 - £nil) was outstanding at the year end.

There were no other related party transactions.

Aspers Management Services Limited

Notes to the Financial Statements of the year ended 30 June 2020 (continued)

15 Obligations under operating leases

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

	Land & buildings 2020 £'000	Land & buildings 2019 £'000	Other 2020 £'000	Other 2019 £'000
Within one year	101	98	-	-
In two to five years	-	101	-	-
In over five years	-	-	-	-
	101	199	-	-

16 Share capital

	2020 £	2019 £
Authorised equity share capital: 1,000 £1 ordinary shares	1,000	1,000
Allotted, called up and fully paid equity share capital: 1 £1 ordinary share	1	1

17 Immediate and ultimate parent undertaking

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

At 30 June 2020, the company's ultimate parent undertaking was Aspers Holdings (Jersey) Limited ("AHJL"), a company registered in Jersey. On the 24 February 2021, Aspers Holdings (Jersey) Limited was redomiciled to Gibraltar and renamed Aspers Holdings (Gibraltar) Limited (AHGL). The shareholding of AHGL remains such that there is no controlling party of AHGL.