# Aspers Management Services Limited
## (Registered Number: 05808398)

## Annual Report and Financial Statements

## For the year ended 30 June 2023

# Aspers Management Services Limited

## Strategic Report for the year ended 30 June 2023

The directors have pleasure in submitting the Strategic Report, their Directors' Report and the financial statements of Aspers Management Services Limited (the "Company") for the year to 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 activities of the Company are to provide central support services to the Aspers UK Holdings Limited group of companies and to explore development opportunities for new casinos on behalf of 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%.

The retained loss for the year was £1,655,000 (2022: loss of £3,991,000) 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 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 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 signing 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 ('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 £6.7m and net current liabilities of £6.8m, while the Group had net current liabilities of £53.0m and net liabilities of £33.5m.

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

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the 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.

# Aspers Management Services Limited

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

### Going concern (continued)

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.

R A Noble
**Director**
31 January 2024

# Aspers Management Services Limited

## Directors' Report for the year ended 30 June 2023

### Directors and Company information

| | |
|---|---|
| Directors: | R Noble – appointed 25 November 2022<br>N Paramore – appointed 25 November 2022 / resigned 2 June 2023<br>J D A Aspinall – resigned 14 July 2023<br>D L Playford – resigned 31 December 2022<br>T Boyd – Appointed 29 November 2023 |
| Registered office: | c/o WB Company Services Limited, 4th Floor, 1 Devonshire Street, London W1W 5DR |
| Company number: | 05808398 |

### Dividends

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

# Aspers Management Services Limited

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

### 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.

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 charitable donations of £4,623 (2022: £18,640). The Company made no political donations during the period (2022: nil).

By Order of the Board

R A Noble
**Director**
31 January 2024

# Aspers Management Services Limited

## Statement of comprehensive income for the year ended 30 June 2023

| | *Note* | **2023 £'000** | 2022 £'000 |
|---|---|---|---|
| Turnover | 2 | **1,126** | 2,366 |
| Staff costs | 3 | **(1,477)** | (1,273) |
| Depreciation of tangible fixed assets | | **(32)** | (28) |
| Amortisation of intangible fixed assets | | **(19)** | (20) |
| Other Operating Income | 4 | **-** | 2 |
| Other operating charges | | **(914)** | (2,042) |
| **Operating loss** | 5 | **(1,316)** | (995) |
| Exceptional items | 7 | **(337)** | (2,365) |
| Interest payable and similar charges | 8 | **(2)** | (10) |
| **Loss on ordinary activities before taxation** | | **(1,655)** | (3,370) |
| Tax on loss on ordinary activities | 9 | **-** | (621) |
| **Loss after tax and total comprehensive expense for the financial year** | | **(1,655)** | (3,991) |

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 shareholders' equity £'000** |
|---|---|---|---|
| **At 1 July 2021** | - | (1,080) | (1,080) |
| Loss and total comprehensive expense for the year | - | (3,991) | (3,991) |
| **At 30 June 2022** | - | (5,071) | (5,071) |
| Loss and total comprehensive expense for the year | - | (1,655) | (1,655) |
| **At 30 June 2023** | - | (6,726) | (6,726) |

# Aspers Management Services Limited

## Statement of financial position at 30 June 2023

| | *Note* | **2023** | 2022 |
|---|---|---|---|
| | | **£'000** | £'000 |
| **Fixed assets** | | | |
| Intangible fixed assets | *10* | **27** | 46 |
| Tangible fixed assets | *11* | **73** | 56 |
| | | **100** | 102 |
| **Current assets** | | | |
| Debtors | *12* | **8,384** | 9,395 |
| Cash at bank and in hand | | **40** | 35 |
| | | **8,424** | 9,430 |
| **Creditors: amounts falling due within one year** | *13* | **(15,250)** | (14,603) |
| **Net current liabilities** | | **(6,826)** | (5,173) |
| **Net liabilities** | | **(6,726)** | (5,071) |
| **Capital and reserves** | | | |
| Called up share capital | *16* | **-** | - |
| Profit and loss account | | **(6,726)** | (5,071) |
| **Equity shareholders' deficit** | | **(6,726)** | (5,071) |

**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 9 to 19 form part of these financial statements.

# Aspers Management Services Limited

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

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

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

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

## 1 Accounting policies (continued)

**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*

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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.

### 1 Accounting policies (continued)

**Going Concern (continued)**

*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.

### Significant accounting policies

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

#### 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.

# Aspers Management Services Limited

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

### 1 Accounting policies (continued)

**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.

**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.

## 1 Accounting policies (continued)

### 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.

**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

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Royalty fees | **1,126** | 2,366 |

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:

| | 2023 Number of employees | 2022 Number of employees |
|---|---|---|
| Total staff numbers | **46** | 46 |

The aggregate payroll costs of these persons were as follows:

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Wages and salaries | **882** | 560 |
| Social security costs | **459** | 573 |
| Payments to defined contribution pension plans | **136** | 140 |
| | **1,477** | 1,273 |

## 4 Other operating income

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Coronavirus Job Retention Scheme | **-** | 2 |

## 5 Operating loss

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| The operating loss is stated after charging: | | |
| Amortisation of intangible fixed assets | **19** | 20 |
| Depreciation of tangible fixed assets – owned assets | **32** | 28 |
| Auditor's remuneration | | |
| - audit of the company's financial statements | **-** | 24 |
| - tax advisory services | **-** | 4 |
| Operating lease rentals | | |
| - land and buildings | **103** | 70 |

## 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 £1,505,000 (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..

## 7 Exceptional items

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Group restructuring costs | 337 | 165 |
| Historical VAT/duty claims | - | (169) |
| Provision for impairment on amounts due from group undertakings | - | 2,369 |
| Net charge from exceptional items | 337 | 2,365 |

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

Historic VAT/duty claims reflects the net amount received following conclusion on an industry wide issue that led to historical VAT claim.

A provision for impairment of debtors due from Group undertakings has been recorded in the prior period. See note 12.

## 8 Interest payable

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Other interest | 2 | 10 |

## 9 Tax on loss 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 | - | 621 |
| - prior year | - | - |
| Total deferred taxation charge / (credit) | - | 621 |
| Total tax charge / (credit) | | 621 |

The tax assessed on the loss 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:

| **Tax reconciliation** | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Loss before taxation | (1,655) | (3,370) |
| Loss before taxation multiplied by standard rate of Corporation Tax at 20.5% (2022: 19%) | (339) | (640) |
| Non qualifying depreciation | - | 3 |
| Expenses not allowed for taxation | (3) | 459 |
| Group Relief | 342 | 510 |
| Losses brought forward | - | 31 |
| Write off deferred tax asset | - | 259 |
| Other | - | (1) |
| Total taxation | - | 621 |

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

## 10 Intangible fixed assets

| | Licence costs £'000 |
|---|---|
| **Cost** | |
| At 1 July 2022 | **117** |
| Additions | **-** |
| **At 30 June 2023** | **117** |
| **Amortisation** | |
| At 1 July 2022 | **71** |
| Charge for the year | **19** |
| **At 30 June 2023** | **90** |
| **Net book value** | |
| **At 30 June 2023** | **27** |
| At 30 June 2022 | **46** |

## 11 Tangible fixed assets

| | Leasehold Improvements £'000 | Furniture, equipment, plant & machinery £'000 | Total £'000 |
|---|---|---|---|
| **Cost** | | | |
| At 1 July 2022 | - | 397 | 397 |
| Disposals | - | (81) | (81) |
| Additions | 24 | 25 | 49 |
| **At 30 June 2023** | **24** | **341** | **365** |
| **Depreciation** | | | |
| At 1 July 2022 | - | 341 | 341 |
| Disposals | - | (81) | (81) |
| Charge for the year | 1 | 31 | 32 |
| **At 30 June 2023** | **1** | **291** | **292** |
| **Net book value** | | | |
| **At 30 June 2023** | **23** | **50** | **73** |
| At 30 June 2022 | - | 56 | 56 |

## 12 Debtors

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Trade debtors | - | 23 |
| Other debtors | **43** | 90 |
| Amounts due from group undertakings | **10,642** | 11,552 |
| Provision for impairment on amounts due from group undertakings | **(2,369)** | (2,369) |
| Deferred Tax | - | - |
| Prepayments and accrued income | **68** | 99 |
| | **8,384** | 9,395 |

*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 £2,369,000 (2022: £2,369,000) has been recorded. The impairment has been charged to exceptional items (see note 7).

## 13 Creditors: amounts falling due within one year

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Trade creditors | **413** | 239 |
| Other creditors | **9** | 36 |
| Other taxation and social security | **230** | 453 |
| Amounts due to group undertakings | **14,447** | 13,551 |
| Accruals and deferred income | **151** | 324 |
| | **15,250** | 14,603 |

## 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.

The company 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.

There were no other related party transactions.

## 15 Obligations under operating leases

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

| | **Land & buildings 2023 £'000** | Land & buildings 2022 £'000 | **Other 2023 £'000** | Other 2022 £'000 |
|---|---|---|---|---|
| Within one year | **105** | 105 | **-** | - |
| In two to five years | **229** | 345 | **-** | - |
| | **334** | 450 | **-** | - |

## 16 Share capital

| | **2023 £** | 2022 £ |
|---|---|---|
| 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.

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.

## 18 Post balance sheet events

On 22 August 2021 the Group entered into a 5-year Rental lease agreement with AC Overseas Limited for office space located at 1, Hans Street, London, with the annual rent originally set at £94,500 per annum. On 27 September 2023 agreement was reached with AC Overseas Limited to terminate the lease.