Aspers Online Limited

Report and Financial Statements

Period ended

30 June 2020

Company Number: 10707265

Aspers Online Limited

Report and financial statements
for the period ended 30 June 2020

Contents

Page:

Directors
John Damian Androcles Aspinall
Richard Anthony John Noble
Derek Louis Playford
Jonathan James Martin (appointed 31 December 2019)
Jonathan Plumb (appointed 26 May 2020)
John Patrick O'Reilly (appointed 26 May 2020)

Registered office
Unit 901 Highgate Studios
Highgate Road
Kentish Town
London
NW5 1TL
United Kingdom

Company number
10707265

Auditors
Ernst & Young LLP
G1, 5 George Square
Glasgow
G2 1 DY

Aspers Online Limited

Report of the directors
for the period ended 30 June 2020

The Company changed its accounting reference date to 30 June. The Directors therefore present their report together with the audited financial statements for the 10-month period ended 30 June 2020 and the comparatives for the year ended 31 August 2019.

Principal activities

The principal activity of the Company in the year under review is that of execution and management of marketing services. The Company licences the Aspers Casino brand and the Stride Gaming technology and gambling licence service to execute its marketing services (refer to note 12). As noted below, on 23 September 2021, the Directors and shareholders have confirmed their intention to cease trading and seek an orderly wind-up of the Company over the next 12 months. As a result, adjustments were made to write down to zero the carrying value of intangibles and the deferred tax asset, as these are no longer considered recoverable.

Going concern

For the period from 1 July 2020 the Company continued to operate in its principal activity.

On 23 September 2021, the date of signing of these accounts, the Directors and shareholders have confirmed their intention to cease trading and seek an orderly wind-up of the Company over the next 12 months. Accordingly, the accounts have been prepared on a basis other than going concern.

The parent companies, each holding 50% of the Company, Stride Gaming Limited and Aspers Group Limited, have confirmed their financial support to the Company, so that the Company can continue to fulfil its financial obligations during this period, but in any event, to ensure all liabilities are fully met.

Results and dividends

The Company has achieved a pre-tax loss of £424,026 (2019: pre-tax loss of £445,300).

The directors do not recommend the payment of a divided for the current year (2019: £nil).

On 4 October 2019 one of the Company's ultimate parent companies, Stride Gaming Limited, was acquired by Rank Digital Holdings Limited, a subsidiary of The Rank Group Plc.

Events after reporting date

In August 2020, November 2020 and January 2021, additional funding of £62,593, £64,504 and £58,636 respectively was provided by each JV partner. The Company therefore has a total undrawn facility of £128,536 which can be drawn down in accordance with the terms of the loan agreements between the Company and Stride Gaming Limited and the Company and Aspers Group Limited respectively.

On 23 September 2021, the date of signing of these accounts, the Directors and shareholders have confirmed their intention to cease trading and seek an orderly wind-up of the Company over the next 12 months. As a result, adjustments were made to write down to zero the carrying value of intangibles and the deferred tax asset, as these are no longer considered recoverable.

Principal risk and uncertainties

Throughout the year some new risks have emerged and developed which have been monitored by management and action taken when they started to crystallise, the most significant of these being the impact of, and challenges arising from, the COVID-19 pandemic and the ongoing review of and changes to gambling regulation. Mitigation takes the form of ongoing monitoring and risk assessments, ongoing membership and contribution to trade associations, and continuing to build and maintain relationships with our stakeholders.

A further emerging risk is the impact of Brexit, where the key challenges to the business are likely to be availability of staff and effect on data handling. We have appropriate business continuity arrangements in place for short-term border disruptions affecting the movement of our people and are not otherwise over-exposed to the impact of Brexit in this area. Appropriate data sharing arrangements are in place to allow us to continue to fulfil our data handling obligations. Given the terms of the withdrawal agreement between the UK and the EU, there is not anticipated to be an impact of Brexit for the Company in practice until the end of the transitional period on 31 December 2020.

Charitable and political contributions

During the year, the company made charitable contributions of £60,289 (2019: £nil). There were no political contributions (2019: £nil).

Directors

The Directors of the company during the year and up to the date of these financial statements were:

John Damian Androcles Aspinall
Richard Anthony John Noble
Derek Louis Playford
Jonathan James Martin (appointed 31 December 2019)
John Patrick O'Reilly (appointed 26 May 2020)
Jonathan Plumb (appointed 26 May 2020)
Elliot Berg (resigned 26 May 2020)
Stuart Eitan Boyd (resigned 26 May 2020)
Ronen Kannor (resigned 31 December 2019)

Qualifying third party indemnity provisions

The Company has arranged qualifying third-party indemnity insurance for all of its Directors.

Other information

The Directors have prepared the financial statements on a non-going concern basis.

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial period/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), including FRS 101 "Reduced Disclosure Framework" and applicable law. 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 accounting 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.

Auditors

All of the Directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the Company's auditor is unaware.

Following the acquisition of one of the Company's immediate parent company, Stride Gaming Limited, by The Rank Group Plc on 4 October 2019, Ernst & Young LLP were appointed auditors to the Company. They have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next annual general meeting. In accordance with s487(2) of the Companies act 2006, Ernst and Young LLP will continue as auditors of the Company.

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime within Part 15 of Companies Act 2006.

Approval

This Directors' Report was approved by order of the Board on 23 September 2021.

Derek Playford
Director

Date: 23 September 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASPERS ONLINE LIMITED

Opinion

We have audited the financial statements of Aspers Online Limited (the 'Company') for the year ended 30 June 2020 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of comprehensive income, the Statement of changes in equity and the related notes 1 to 13, 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 101 "Reduced Disclosure Framework (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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report 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.

Emphasis of Matter – financial statements prepared on basis other than going concern

We draw attention to note 1 of the financial statements, which explains that the directors have confirmed their intention to cease trading and seek an orderly wind-up of the company in the near future and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 1.

Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASPERS ONLINE LIMITED (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASPERS ONLINE LIMITED (continued)

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.

Ernst & Young LLP

Annie Graham (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow
23 September 2021

Aspers Online Limited

Profit and loss account
for the period ended 30 June 2020

	Note	10 months to 30 June 2020 £	12 months to 31 August 2019 £
Revenue	1	**6,175,741**	8,610,140
Administrative expenses		**(6,599,767)**	(9,055,440)
Operating loss and loss before tax	3	**(424,026)**	(445,300)
Taxation	4	**(21,830)**	72,015
Loss and total comprehensive loss		**(445,856)**	(373,285)

The notes on pages 10 to 18 form part of these financial statements.

Aspers Online Limited

Company Number: 10707265

Balance sheet

at 30 June 2020

	Note	2020	2019
ASSETS		£	£
Non-current assets			
Intangible assets	5	-	45,735
Deferred Taxation	9	-	21,830
		-	67,565
Current assets			
Trade and other receivables	6	148,067	620,420
Corporation tax receivable		58,196	58,196
Cash and cash equivalents	7	8,797	438,797
		215,060	1,117,413
Total assets		215,060	1,184,978
LIABILITIES			
Current liabilities			
Trade and other payables	8	819,253	1,343,315
Total liabilities		819,253	1,343,315
Net liabilities		(604,193)	(158,337)
Equity			
Share capital	10	1,000	1,000
Retained earnings		(605,193)	(159,337)
TOTAL EQUITY		(604,193)	(158,337)

The financial statements were approved by the Board of Directors and authorised for issue on 23 September 2021.

Derek Playford
Director

The notes on pages 10 to 18 form part of these financial statements.

Aspers Online Limited

Statement of changes in equity
at 30 June 2020

	Share capital £	Retained earnings £	Total Equity £
At 31 August 2018	1,000	213,948	214,948
Total loss and other comprehensive income	-	(373,285)	(373,285)
At 31 August 2019	**1,000**	**(159,337)**	**(158,337)**
Total loss and other comprehensive income	**-**	**(445,856)**	**(445,856)**
At 30 June 2020	**1,000**	**(605,193)**	**(604,193)**

The notes on pages 10 to 18 form part of these financial statements.

1 General information and accounting policies

Aspers Online Limited, a private company limited by shares, is registered and incorporated in the United Kingdom. The financial statements presented are those of the company for the 10-month period ended 30 June 2020 and comparatives for the year ended 31 August 2019.

Basis of preparation

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 Reduced Disclosure Framework. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the periods presented, unless otherwise stated.

The financial statements have been prepared on a basis other than going concern recognising the Directors' and shareholders decision to cease trading and wind-up the Company over the next 12 months.

Comparatives have not been adjusted.

Going concern

For the period from 1 July 2020 the Company continued to operate in its principal activity.

On 23 September 2021, the date of signing of these accounts, the Directors and shareholders have confirmed their intention to cease trading and seek an orderly wind-up of the Company over the next 12 months. Accordingly, the accounts have been prepared on a break-up basis.

The parent companies, each holding 50% of the Company, Stride Gaming Limited and Aspers Group Limited, have confirmed their financial support to the Company, so that the Company can continue to fulfil its financial obligations during this period, but in any event, to ensure all liabilities are fully met.

Disclosure exemptions

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- The requirements of IAS7 'Statement of Cash Flows';
- The requirements of paragraph 17 of IAS24 'Related Party Disclosures';
- The requirements in IAS24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member;
- The requirements of paragraph 45(b) and 46-52 of IFRS2 'Share Based Payments';
- The requirements of IFRS7 'Financial Instruments: Disclosures';
- The requirements of paragraph 134(d) – 134(f) and 135(c) – 135(e) of IAS36 'Impairment of Assets';
- The requirements of paragraphs 10(d) and 134 – 136 of IAS1 'Presentation of Financial Statements'; and
- The requirements of paragraph 38 of IAS1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 73(e) of IAS16 'Property, Plant and Equipment', and paragraph 118(e) of IAS38 'Intangible Assets'.

1 General information and accounting policies *(continued)*

Changes in accounting policies

New standards, interpretations and amendments effective from 1 September 2019

The following accounting standards, interpretations, improvements and amendments have become applicable for the current period:

- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform
- Amendments to References to the Conceptual Framework in IFRS standards
- IFRIC 23 - Uncertainty over Income Tax Treatments

The Company has not been materially impacted by the adoption of any standards and has not early adopted any standard, amendment or interpretation that was issued but is not yet effective.

There are no other new or amended standards or interpretations that became effective in the period which have had a material impact upon the values or disclosures in the consolidated financial statements.

Key judgements and estimates

The preparation of these financial statements requires the company to make estimates and judgements that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Reference is made in this note to accounting policies which cover areas that the Directors consider require estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Foreign currencies

The Company's functional currency is the Great British Pound.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the financial reporting date. Non-monetary assets and liabilities are translated using exchange rates prevailing at the date of the transactions. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Revenue recognition

The Company adopted IFRS 15, Revenue from Contracts with Customers, in the prior reporting period using the full retrospective method of adoption with no material impact on the financial statements of the company.

Revenue is derived from the marketing of online gambling games and is derived from the difference between the amounts of bets received from players in the period less amounts won by players in the period. It is stated after deduction of bonuses, jackpot contributions, prizes granted to players, game royalty fees and gaming taxes recharged by the operator. Revenue is recognised as the marketing service is delivered over time.

All revenue was derived in the UK in both reporting periods.

1 General information and accounting policies *(continued)*

Administrative expenses

Administrative expenses consist primarily of brand and platform fees and marketing costs, all of which are recognised on an accruals basis.

Externally acquired intangible assets

Externally acquired intangible assets including intellectual property rights, developed software applications and licences have historically been initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives which is typically over a period of 3–5 years or over the length of the licence. Amortisation is charged to the profit or loss during the financial period to which it relates.

With the Directors and shareholders decision to cease trading and wind-up the Company in the next 12 months, externally acquired intangible assets have now been written down to zero.

Non derivative financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Non derivative financial assets

Financial assets within the scope of IFRS 9 are classified as financial assets at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit and loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. The company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

For the purposes of subsequent measurement, financial assets are classified as financial assets at amortised cost using the effective interest method, less any impairment (trade receivables, other receivables and amounts due from related parties).

Cash and cash equivalents

Cash and cash equivalents comprise cash held at bank, demand deposits, and other short-term highly liquid investments that have maturities of three months or less from inception, are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Non derivative financial liabilities

Financial liabilities within the scope of IFRS 9 are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables. All financial liabilities are recognised at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables and amounts due to related parties.

1 General information and accounting policies *(continued)*

Non derivative financial liabilities *(continued)*

The subsequent measurement of financial liabilities depends on their classification. The classification depends on the objectives set forth when the financial instruments were purchased or issued, their characteristics and their designation by the company. The company has classified trade and other payables and amounts due to related parties as liabilities measured at amortised cost. Subsequent measurement is at amortised cost using the effective interest method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet.

Impairment of non-derivative financial instruments

Under the forward-looking expected credit loss (ECL) approach, trade and other receivables, are subject to review for impairment at least at each reporting date. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all cash flows that the company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

ECLs on amounts due from related parties are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime CL). For trade and other receivables, the company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses.

Taxation

Current tax is applied to taxable profits at the prevailing tax rate for the year. Deferred tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. However, if deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Share capital

Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends this is when paid and in the case of final dividends, this is when approved by the shareholders at the AGM.

2 Employees

	10 months to 30 June 2020 £	31 August 2019 £
Staff costs		
Wages and salaries	**93,920**	-
Social security costs	**11,761**	-
Other pension costs	**5,833**	-
	111,514	-

None of the 6 (2019:6) directors were remunerated out of Aspers Online Limited in the current or prior year periods. The average number of employees, excluding directors, during the period was 2 (2019: 0).

3 Operating (loss) / profit

	10 months to 30 June 2020 £	12 months to 31 August 2019 £
This has been arrived at after charging/(crediting):		
Auditors' remuneration	**15,830**	19,332
Brand fee	**1,643,449**	2,120,932
Platform fee	**1,643,449**	2,120,932
Marketing costs	**2,771,214**	4,288,688
Amortisation of intangible assets	**15,086**	7,167
Impairment of intangible assets	**89,649**	-
Foreign exchange (gain) / loss	**(385)**	875

4 Taxation on loss from ordinary activities

	10 months to 30 June 2020 £	12 months to 31 August 2019 £
Current tax		
Adjustments in respect of prior periods	-	(50,185)
Total current tax on ordinary activities	-	(50,185)
Deferred tax		
Origination and reversal of timing differences	**26,411**	(21,830)
Effect of tax rate change on opening balance	**(2,780)**	-
Adjustment in respect of prior years	**(1,801)**	-
Taxation charge (credit) on ordinary activities	**21,830**	(72,015)

4 Taxation on loss from ordinary activities (continued)

The tax on the company's profit before tax differs from the standard rate of UK corporation tax of 19.00% (2019: 19.00%). The differences are explained below.

	10 months to 30 June 2020 £	12 months to 31 August 2019 £
Loss on ordinary activities before tax	**(424,026)**	(445,300)
Total tax (credit) for the period on loss from ordinary activities at the standard rate of corporation tax in the UK of 19.0% (2019: 19.0%)	**(80,565)**	(84,607)
Effects of:		
Adjustment in respect of prior year	**(1,801)**	(50,185)
Losses carried back	**-**	58,196
Expenses not deductible for tax purposes	**-**	3,913
Effect of tax rate change on opening balance	**(2,780)**	-
Deferred tax not recognised 1	**106,976**	-
Other differences	**-**	668
Total tax charge (credit) for the period	**21,830**	(72,015)

1. Deferred tax arises on the trading losses of the Company. With the Directors decision to cease training and wind-up the Company, there will be no future profits to recognise the deferred tax and therefore this is not recognised.

Factors affecting future tax charges:

The tax rate for the current year is the same as prior year.

A reduction to the UK corporation tax rate from 19% to 18% (effective from 1 April 2020) was substantively enacted on 26 October 2015. A further reduction in the UK corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016.

On 11 March 2020, the Chancellor of the Exchequer announced that the UK corporation tax rate for the years starting 1 April 2020 and 2021 would remain at 19%. This change was substantively enacted on 17 March 2020.

5 Intangible assets

	Software and Licenses £
Cost or valuation	
At 31 August 2018	-
Additions	52,902
At 31 August 2019	52,902
Additions	59,000
At 30 June 2020	**111,902**
Amortisation	
At 31 August 2018	-
Charge in the year	(7,167)
At 31 August 2019	(7,167)
Charge for the year	(15,086)
Impairment	(89,649)
At 30 June 2020	**(111,902)**
Net book value	
At 31 August 2019	45,735
At 30 June 2020	-

6 Trade and other receivables

	2020 £	2019 £
Trade receivables	**20,912**	541
Other receivables and prepayments	**31,288**	135,977
Amounts owed by related parties	**95,867**	483,902
	148,067	620,420

The carrying value of trade receivables, amounts owed by related parties and other receivables classified as financial assets measured at amortised cost, approximates fair value on a break-up basis. Amounts owed from related parties are unsecured and repayable on demand and therefore have no set maturity date. All amounts shown in short-term trade and other receivables fall due for payment within one year.

As at 30 June 2020 there were no trade or other receivables which were impaired using the simplified approach for lifetime expected credit loss (2019: £nil). There is currently no provision for impairment for any of the outstanding trade and other receivables (2019: £nil) with no bad debt expense being recognised in the year (2019: £nil). As at 30 June 2020, the amount of the provision for impairment on amounts owed by related parties is £nil (2019: £ nil).

7 Cash and cash equivalent

	2020 £	2019 £
Cash at bank and in hand	**8,797**	438,797

8 Trade and other payables

	2020 £	2019 £
Current		
Trade payables	**79,019**	217,771
Amounts due to related parties	**659,000**	1,055,659
Other payables	**81,234**	69,885
	819,253	1,343,315

The carrying amount of trade and other payables and amounts due to related parties classified as financial liabilities measured at amortised cost approximates fair value.

9 Deferred taxation

The deferred tax asset previously recognised related to trading losses carried forward. A deferred tax asset is no longer recognised in respect of these losses at it is not deemed probable that there will be future tax profit available against which these losses can be utilised given the Directors decision to cease trading and seek to wind-up the Company.

The movement on the deferred tax accounts is as shown below.

	Deferred tax asset £
At 31 August 2018	-
Movement during the year	21,830
At 31 August 2019	21,830
Movement during the year	(21,830)
At 30 June 2020	-

10 Share capital

	2020 £	2019 £
Authorised		
1,000 ordinary shares of £1.00 each (issued)	1,000	1,000
Allotted and called up		
1,000 ordinary shares of £1.00 each	1,000	1,000

11 Dividends

No dividends were paid in period ended 30 June 2020 (2019: £ nil).

12 Related party transactions

As at 30 June 2020 the Company's ultimate shareholders, each holding 50% of the issued share capital of the Company were:

- Stride Gaming Limited, a company incorporated in Jersey, with registered number of 117876 and registered address of 12 Castle Street, St Helier, Jersey JE2 3RT; and
- Aspers Group Limited, a company incorporated in England and Wales with registered number of 05261538 and registered address of 1 Hans Street, London, SW1X 0JD.

During the period, the Company paid a total of £1,643,449 (2019: £2,120,932) to Aspers Group Limited, for brand licencing and £7,781 (2019: £126,667) for marketing services. During the prior year, the Company received an interest free loan from Aspers Group Limited of £250,000 which is repayable on demand. As at 30 June 2020, a total of £302,161 (2019: £453,875) was due to Aspers Group Limited, including the loan.

During the prior year, the Company received an interest free loan from Stride Gaming Limited of £250,000 which is repayable on demand. As at 30 June 2020 £251,537 (2019: £251,537) was due to Stride Gaming Limited, including the loan.

Also, during the period, the Company paid a total of £1,643,449 (2019: £2,120,932) of platform service fees to a related party company, by virtue of Stride Gaming Limited having control of the related party. As at 30 June 2020, a total of £95,867 was due from this related party (2019: £483,902 due from this related party).

Finally, during the period, the Company paid a total of £200,317 (2019: £352,654) for marketing services to a related company, by virtue of Stride Gaming Limited having control of the related party. As at 30 June 2020, a total of £105,302 (2019: £350,247) was due to this related party.

13 Events after reporting date

In August 2020, November 2020 and January 2021, additional funding of £62,593, £64,504 and £58,636 respectively was provided by each JV partner. The Company therefore has a total undrawn facility of £128,536 which can be drawn down in accordance with the terms of the loan agreements between the Company and Stride Gaming Limited and the Company and Aspers Group Limited respectively.

On 23 September 2021, the date of signing of these accounts, the Directors and shareholders have confirmed their intention to cease trading and seek an orderly wind-up of the Company over the next 12 months. As a result, adjustments were made to write down to zero the carrying value of intangibles and the deferred tax asset, as these are no longer considered recoverable.