

*Company Registration No. 13584636 (England and Wales)*

**ASPEN NEWCO 1 LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

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**ASPEN NEWCO 1 LIMITED**  
**COMPANY INFORMATION**  
**PERIOD ENDED 31 DECEMBER 2022**

**Director** Mr B Singh (Appointed 25 August 2021)

**Company number** 13584636

**Registered office** 6th Floor Capital Tower  
91 Waterloo Road  
London  
SE1 8RT

**Auditor** Mercer & Hole LLP  
Trinity Court  
Church Street  
Rickmansworth  
Hertfordshire  
WD3 1RT

**ASPEN NEWCO 1 LIMITED**  
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**PERIOD ENDED 31 DECEMBER 2022**

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**ASPEN NEWCO 1 LIMITED  
STRATEGIC REPORT  
PERIOD ENDED 31 DECEMBER 2022**

**Introduction**

The director presents his Strategic Report for the period ended 31 December 2022.

**Review of the business**

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size of our business and is written in the context of the risks and uncertainties we face.

This is the first set of consolidated financial statements presented for Aspen Newco 1 Limited ('Aspen'). The consolidated turnover for the period was \$20.8m. Operating loss was \$4.1m. Our adjusted earnings before interest, tax, depreciation amortisation and impairment of non-financial assets was a profit of \$4.8m.

Aspen is focused on controlling overheads; however, some cost increases have been out of the company's control. Costs have increased across wages and web hosting, partially driven by wider price inflation in the global economy. Depreciation, amortisation, and impairment of non-financial assets was \$9.2m. The gross profit margin was 81%. The net liability position of Aspen is \$3.5m.

**Strategic and operational review**

The two largest business units in Aspen are principally driven by advertising revenue, derived from partnerships with large brands. As part of these partnerships our businesses develop consumer-facing gaming apps and experiences for their partners. During the period the business prioritised investing in the business for future growth over short-term revenue and profit metrics.

2022 was a year of investment and operational work to drive future revenues for Edujoy / Tellmewow, the two largest business units, which required additional investment of time and capital to bolster the business' IP assets, significant progress was made to integrate the business with the wider group, unifying all app development capabilities in Edujoy / Tellmewow.

The business has also invested substantially in harmonisation and integration of multiple operational functions, which are now organised in more rational and scalable ways. Marketing and game development functions were unified to reduce duplication and improve scalability; similarly the business harmonised content management systems across its various business units. Such investments were made with a view to realising benefits over the medium term as the business scales.

Performance in traffic and CPMs (Cost per Mille; or advertising revenue received per thousand impressions) declined year on year, partly as a result of a slow-down in growth of global advertising spend, although the business was effective in monetising its usage and so mitigated the impact of these declines.

**ASPEN NEWCO 1 LIMITED**  
**STRATEGIC REPORT**  
**PERIOD ENDED 31 DECEMBER 2022**

**Strategic and operational review**

The other large unit in Aspen, Poptropica was pivoted to maintenance mode to free up time and resources for other growth initiatives, scaling back user acquisition efforts and thus reducing overall revenue. Nonetheless, exciting new partnerships were agreed with leading kids' gamified learning brands which will likely begin to yield benefits in FY23.

Other business units within Aspen also saw substantial investment of time and resources in 2022 to yield future growth: for instance operations across several K12-focussed properties were consolidated into one regional office to improve scalability, efficiency and knowledge-sharing.

Aspen continues to use both financial and operational KPIs to monitor and manage the business. The main KPIs used were revenue, profitability, productivity and cash flow related. The principal operational KPIs used in the business are downloads (paid and organic), impressions and advertising spend; however the consolidated tracking of some of these metrics has not been carried out in full for previous years, meaning year-on-year comparisons are difficult.

**Principal risks and uncertainties**

The principal risks facing Aspen are:

- Margin erosion resulting from continued inflation and depressed market pricing in advertising. This will be mitigated by active cost control and development of ways to increase unit pricing
- Risk of IT and / or website failure, which would halt or slow down the functioning of our main business units and stop users accessing our sites and apps
- Continued impact of sanctions on Russia causing longer-term reductions in revenue associated with Russian IP. This risk is being mitigated by ongoing efforts to form new IP partnerships to replace lost revenue
- Global market uncertainty resulting in large fluctuations in exchange rates

This strategic report was approved by the Board on 6 June 2023 and signed on its behalf.

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Mr Bhav Singh  
Director

**ASPEN NEWCO 1 LIMITED**  
**DIRECTOR'S REPORT**  
**PERIOD ENDED 31 DECEMBER 2022**

The director submits his report and the audited group financial statements for the period ended 31 December 2022.

**Director of the company**

The following director has held office between the date of incorporation and the signing of these financial statements:

Mr B Singh (Appointed 25 August 2021)

**Dividends**

No ordinary dividends were paid. The director does not recommend payment of a final dividend in respect of the period.

**Principal Risks And Uncertainties**

The director of the company has overall responsibility for the establishment and oversight of the company's risk management framework.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are renewed regularly to reflect changes in market conditions and in the company's activities.

The group headed by Aspen Newco 1 Limited is exposed to financial risk through the credit risk associated with day to day operations of the operating businesses and through liquidity risk associated with the provision of banking facilities to the group. The group seeks to mitigate these risks through rigorous debtor control, placing cash balances with quality financial institutions and through maintaining a positive relationship with the group's bankers.

**Foreign currency risk**

The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. There has been no hedging transaction activities in the period ending 31 December 2022 to reduce any currency risk.

Included in the consolidated accounts are the UK based subsidiaries Sandbox Learning Limited ('SLL') and CodeBR Limited ('CodeBR'), whose functional currency is sterling; and Spanish based subsidiaries Happy NewCo, TellmeWow and Edujoy, whose functional currency is euro. Upon conversion to reporting currency these subsidiaries are subject to movements in their assets, liabilities and profits during the year, dependent on the exchange rates at the time.

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices principally comprise interest rate risk, currency risk and equity price risk. Financial instruments affected by market risk include bank deposit, investments, debtors and creditors.

**Interest Risk**

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans. The company uses interest rate swaps to manage the mix of fixed and variable rate debt so as to reduce its exposure to changes in interest rates.

**ASPEN NEWCO 1 LIMITED**  
**DIRECTOR'S REPORT *(continued)***  
**PERIOD ENDED 31 DECEMBER 2022**

**Liquidity Risk**

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

As at 31 December 2022, the group held the following significant liabilities:

<b>Current loans and borrowings</b>			<b>31 December</b>
	Interest rate	Maturity	<b>2022</b>
			<b>\$'000</b>
Related party loans	nil	On demand	5,888
<b>Non- current loans and borrowings</b>			
Bank loan	LIBOR plus 4.25%	Resets every reporting period	12,662

**ASPEN NEWCO 1 LIMITED**

**DIRECTOR'S REPORT *(continued)***

**PERIOD ENDED 31 DECEMBER 2022**

**Director's Responsibilities**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Under company law the director 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 and loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies, as described on pages 22 to 28, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. The director is 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.

**Disabled Persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

**Employee Involvement**

The company's policy is to consult and discuss with employees, through staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present.

**Statement of disclosure to auditor**

So far as the director is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.



**ASPEN NEWCO 1 LIMITED**  
**DIRECTOR'S REPORT (*continued*)**  
**PERIOD ENDED 31 DECEMBER 2022**

**Future Developments And Going Concern**

The Company's and the Group's financial statements have been prepared under the going concern basis, which assumes the realisation of assets and settlement of liabilities in the ordinary economic activity of the group. In addition to the continuous development and enhancement of the group's products and services, the group is actively diversifying and expanding its access to users.

**Auditors**

The company's auditor, Mercer & Hole, incorporated on 1 October 2022 to become Mercer & Hole LLP. The directors have consented to treating the incorporation of Mercer & Hole LLP as a continuation of the existing audit arrangement and in accordance with the company's articles, a resolution proposing that Mercer & Hole LLP be reappointed as auditor of the company will be put at a General Meeting.

» Signed and approved on behalf of the Director

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Mr B Singh  
Director  
6/6/2023  
.....

**Company Registration No. 13584636 (England and Wales)**

**ASPEN NEWCO 1 LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASPEN NEWCO 1 LIMITED**

**PERIOD ENDED 31 DECEMBER 2022**

**Opinion**

We have audited the financial statements of Aspen Newco 1 Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2022 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Company Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

**In our opinion:**

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022, and of the group's loss and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the United Kingdom;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the United Kingdom and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

**ASPEN NEWCO 1 LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASPEN NEWCO 1 LIMITED**

**(continued)**

**PERIOD ENDED 31 DECEMBER 2022**

**Conclusions relating to going concern (continued)**

- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**ASPEN NEWCO 1 LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASPEN NEWCO 1 LIMITED**

**(continued)**

**PERIOD ENDED 31 DECEMBER 2022**

Audit procedures performed by engagement team include:

- Our responses to significant audit risks over management override of controls, which are intended to sufficiently address the risk of fraudulent manipulation. Specifically we review the manual adjustments made to the financial statements and evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures;
- Discussions with management, including considerations of known or suspected instances of noncompliance with laws and regulations or the identification of fraud;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.; and
- Evaluation of the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing noncompliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**ASPEN NEWCO 1 LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASPEN NEWCO 1 LIMITED**

**(continued)**

**PERIOD ENDED 31 DECEMBER 2022**

**Responsibilities of director**

As explained more fully in the director's responsibilities statement set out on page 5, the director is 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 director determines 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 director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

**Explanations as to what extent the audit was considered capable of detecting irregularities, including fraud**

We gained an understanding of the legal and regulatory framework applicable to the group and the parent company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.


**ASPEN NEWCO 1 LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASPEN NEWCO 1 LIMITED  
(continued)**

**PERIOD ENDED 31 DECEMBER 2022**

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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**Mark Cassidy (Senior Statutory Auditor)  
For and on behalf of Mercer & Hole LLP**

**Chartered Accountants  
Statutory Auditor**

**6/6/2023**

Date: .....

Trinity Court  
Church Street  
Rickmansworth  
Hertfordshire  
WD3 1RT

**ASPEN NEWCO 1 LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**PERIOD ENDED 31 DECEMBER 2022**

	<b>Notes</b>	<b>2022 \$'000</b>
Revenue		20,759
Cost of sales		(3,844)
<b>Gross Profit</b>		<b>16,915</b>
Other income		290
Administrative Expenses		(10,752)
Other Expenses		(10,556)
<b>Operating Loss</b>	<b>3</b>	<b>(4,103)</b>
Finance costs	<b>4</b>	(1,131)
<b>Loss before Taxation</b>		<b>(5,234)</b>
Taxation	<b>6</b>	(471)
<b>Loss for the Year</b>		<b>(5,705)</b>
<b>Other comprehensive gain:</b>		
<i>Items that will or may be reclassified to the profit or loss</i>		
Exchange gains arising on translation of foreign operations		(90)
<b>Total comprehensive gain</b>		<b>(90)</b>
		<b>(5,796)</b>
<b>Profit/loss for the year attributable to</b>		
Equity holders of the parent		(6,203)
Non-controlling interests		498
<b>Total comprehensive profit/loss attributable to:</b>		
Equity holders of the parent		(6,294)
Non-controlling interests		498

The income statement has been prepared on the basis that all operations are continuing operations.

**ASPEN NEWCO 1 LIMITED**  
**COMPANY STATEMENT OF COMPREHENSIVE INCOME**  
**PERIOD ENDED 31 DECEMBER 2022**

	Notes	2022 \$'000
Revenue		-
Cost of sales		-
<b>Gross Profit</b>		<u>-</u>
Administrative Expenses		(18)
Other Expenses		(274)
<b>Operating Loss</b>		<u>(292)</u>
Finance costs		(859)
<b>Loss before Taxation</b>		<u>(1,151)</u>
Taxation		-
<b>Loss for the Year</b>		<u><u>(1,151)</u></u>

The income statement has been prepared on the basis that all operations are continuing operations.

There are no recognised gains or losses other than those passing through the income statement.



**ASPEN NEWCO 1 LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Notes	2022 \$'000
<b>Non-Current Assets</b>		
Intangible assets	8	18,353
Property, plant and equipment	9	43
Goodwill	8	23,435
Deferred Tax	6, 15	629
Investments	10	3,788
		<u>46,248</u>
<b>Current Assets</b>		
Trade and other receivables	11	3,879
Other current assets		6,348
Cash and cash equivalents		4,251
Related party balances	17	7,958
		<u>22,436</u>
<b>Total Assets</b>		<u>68,684</u>
<b>Current Liabilities</b>		
Trade and other payables	12	4,484
Accruals		1,698
Deferred Revenue		1,152
Related party balances	17	5,888
Other Liabilities		23,172
		<u>36,394</u>
<b>Net Current Liabilities</b>		<u>(13,957)</u>
<b>Non-Current Liabilities</b>		
Loans and borrowing	14	35,674
Deferred Income	13	155
		<u>35,829</u>
<b>Total Liabilities</b>		<u>72,223</u>
<b>Net Liabilities</b>		<u>(3,541)</u>
<b>Equity</b>		
Issued share capital		-
Retained Loss		(6,203)
Other equity		49
Translation Reserves		(90)
Non-controlling interest		2,704
<b>Total Equity</b>		<u>(3,541)</u>

**ASPEN NEWCO 1 LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*continued*)**  
**AS AT 31 DECEMBER 2022**

The financial statements were approved by the director and authorised for issue on **6/6/2023** and are signed on its behalf by:

DocuSigned by:  
  
9188CCF8ED73478...  
Mr B Singh  
Director  
6/6/2023  
.....

**Company Registration No. 13584636 (England and Wales)**


**ASPEN NEWCO 1 LIMITED**  
**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Notes	2022 \$'000
<b>Current Assets</b>		
Cash and cash equivalents		1,294
Other current assets		3,222
Related party balances	17	<u>8,272</u>
		12,788
<b>Non-Current Assets</b>		
Investments		-
<b>Total Assets</b>		<u><b>12,788</b></u>
<b>Current Liabilities</b>		
Trade and other payables	12	1,241
Accruals		37
Other liabilities		<u>-</u>
		1,277
<b>Net Current Assets</b>		<u><b>11,511</b></u>
<b>Non-Current Liabilities</b>		
Bank Loan	14	<u>12,662</u>
		12,662
<b>Total Liabilities</b>		<u><b>13,939</b></u>
<b>Net Liabilities</b>		<u><b>(1,151)</b></u>
<b>Equity</b>		
Share Capital/Premium		-
Retained earnings		-
Net loss		(1,151)
<b>Total Equity</b>		<u><b>(1,151)</b></u>

**ASPEN NEWCO 1 LIMITED**  
**COMPANY STATEMENT OF FINANCIAL POSITION (*continued*)**  
**AS AT 31 DECEMBER 2022**

6/6/2023

The financial statements were approved by the director and authorised for issue on ..... and are signed on its behalf by:

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.....91B8CCE8E073A78.....

Mr B Singh  
Director

6/6/2023  
.....

**Company Registration No. 13584636 (England and Wales)**

**ASPEN NEWCO 1 LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31 DECEMBER 2022**

	Share Capital \$'000	Share Premium \$'000	Translation Reserves \$'000	Equity Reserve \$'000	Retained Earnings \$'000	Non- controlling Interest \$'000	Total Equity \$'000
Balance at 25 August 2021	-	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-	-
Retained earnings	-	-	-	-	-	2,206	2,206
Profit/(Loss) for the year	-	-	(90)	-	(6,203)	498	(5,796)
Other Equity	-	-	-	49	-	-	49
Balance at 31 December 2022	-	-	(90)	49	(6,203)	2,704	(3,541)

**ASPEN NEWCO 1 LIMITED**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31 DECEMBER 2022**

	<b>Share Capital \$'000</b>	<b>Share Premium Account \$'000</b>	<b>Retained Losses \$'000</b>	<b>Total \$'000</b>
<b>Balance at 25 August 2021</b>	-	-	-	-
Issue of shares	-	-	-	-
Loss for the period	-	-	(1,151)	(1,151)
<b>Balance at 31 December 2022</b>	<u>-</u>	<u>-</u>	<u>(1,151)</u>	<u>(1,151)</u>

**ASPEN NEWCO 1 LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Notes	2022 \$'000
<b>Cash flows from operating activities</b>		
Operating loss for the period before finance cost and tax		(4,103)
Depreciation & amortisation		9,206
Finance cost	4	(1,131)
(Increase) in receivables	11	(3,879)
Increase in payables	12	30,703
(Increase) in other current assets		(6,348)
Tax paid		<u>(1,100)</u>
<b>Net cash inflow from operating activities</b>		23,349
<b>Cash flows from investing activities</b>		
Purchase of intangible assets and fixed assets	8	(49,320)
Purchase of investments	10	(3,788)
Proceeds allocated to NCI		<u>498</u>
<b>Net cash (outflow) from investing activities</b>		(52,610)
<b>Cash flows from financing activities</b>		
Loan issue	14	35,674
Issue of shares		-
Proceeds from related party loans		5,888
Payment to related party loans		<u>(7,958)</u>
<b>Net cash inflow from financing activities</b>		33,604
<b>Foreign exchange movement (OCI)</b>		(90)
<b>Net increase in cash and cash equivalents</b>		<u>4,251</u>
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period		<u><u>4,251</u></u>

**ASPEN NEWCO 1 LIMITED**  
**COMPANY STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

	<b>2022</b>
	<b>\$'000</b>
<b>Cash flows from operating activities</b>	
Operating loss	(292)
Finance cost	(859)
Increase in payables	1,277
(Increase) in other current assets	<u>(3,222)</u>
<b>Net cash outflow from operating activities</b>	<b>(3,096)</b>
 <b>Cash flows from investing activities</b>	 <b>-</b>
 <b>Net cash inflow from investing activities</b>	 <b>-</b>
 <b>Cash flows from financing activities</b>	
Proceeds from issue of share capital	0
Proceeds from long-term borrowings	12,662
Payment of related party loans	<u>(8,272)</u>
<b>Net cash inflow from financing activities</b>	<b>4,390</b>
 <b>Net increase in cash and cash equivalents</b>	 <b>1,294</b>
 Cash and cash equivalents at beginning of year	 <b>-</b>
 Cash and cash equivalents at end of year	 <b><u>1,294</u></b>



**ASPEN NEWCO 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

**1 Accounting Policies**

**Company Information**

Aspen Newco 1 Limited is a private company limited by shares and is incorporated in England and Wales. The address of the Company's registered office is 6th Floor, Capital Tower, 91 Waterloo Road, London, SE1 8RT. The company's principal activities and nature of its operations are disclosed in the strategic report.

**1.1 Reporting period**

These financial statements present the results of the group company for a 16 month period from date of incorporation until the accounting year end date. There are no comparative amounts presented in the financial statements (including the related notes). The following accounting year will not be comparable to this period for that reason.

**1.2 Accounting Convention**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements are prepared in United States Dollars (\$), which is considered to be the functional currency of the company and group. Monetary amounts in these financial statements are rounded to the nearest \$1,000.

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date with all differences taken to the profit and loss account. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

The financial statements have been prepared on the historical cost basis, modified to include certain financial instruments at fair value. The principal accounting policies are set out below.

**1.3 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes effectively.

The basis for consolidation is adjusted, where appropriate, to conform to group accounting policies including those adopted by the director as being necessary for the financial statements to give a true and fair view.

**ASPEN NEWCO 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS *(continued)***  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

**1.4 Business combinations**

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

**1.5 Going concern**

The director has at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

The group is continuing to develop and enhance its range of products and services. The group is also diversifying and expanding its access to the market.

**1.6 Non-current investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss. A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**1.7 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.8 Revenue recognition**

The group recognises revenue when a customer obtains control of promised goods or services in an amount that reflects the consideration expected to be received in exchange for those goods and services. The group measures revenue by estimating the transaction price based on the consideration specified in the client arrangement. Revenue is recognised as the performance obligations are satisfied.

**ASPEN NEWCO 1 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS *(continued)***  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

**1.9 Financial assets**

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in the income statement. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

***Financial assets at fair value through profit and loss***

Financial assets are classified as at fair value through profit or loss when the financial asset is held for trading. This is the case if:

- the asset has been acquired principally for the purpose of selling in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Interest and dividends are included in 'Investment income' and gains and losses on re-measurement included in 'other gains and losses' in the statement of comprehensive income.

***Financial assets held at amortised cost***

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

***Impairment of financial assets***

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

***De-recognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

**ASPEN NEWCO 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

**1.10 Financial liabilities**

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

***Financial liabilities at fair value through profit or loss***

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

***Other financial liabilities***

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Remaining financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Accordingly, proceeds received on issue of the Company's convertible debt (of which there are two instruments: convertible redeemable preference shares and convertible loan notes) are allocated into their liability and equity components and presented separately in the statement of financial position. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert.

The difference between the net proceeds of the convertible debt and the amount allocated to the debt component is credited directly to equity and is not subsequently re-measured. On conversion, the debt and equity elements are credited to share capital and share premium as appropriate.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

Liabilities are reviewed for impairment on an annual basis to identify if there are any factors that may indicate the carrying amount may be impaired.

**ASPEN NEWCO 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

**1.11 Equity instruments**

All equity investments are to be measured at fair value in the statement of financial position, with value changes recognised in profit or loss.

**1.12 Foreign exchange**

Transactions in currencies other than United States Dollars are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

**1.13 Intangible assets**

**Goodwill**

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less impairment losses.

The gain on a bargain purchase is recognised in profit or loss in the period of the acquisition.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not subsequently reversed.

**Websites**

Website costs are carried at cost less accumulated amortisation. When the website is available for its intended use, these costs are amortised on a straight-line basis over the estimated useful life of the website, being 5 - 15 years. The website is periodically assessed for any change to the estimated useful life which could indicate impairment.

**Trade names**

Trade names are carried at cost less accumulated amortisation. These costs are amortised on a straight-line basis over the estimated useful life of the trade names, being 15 years. Trade names are periodically assessed for any change to the estimated useful life which could indicate impairment.

**ASPEN NEWCO 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

**1.14 Fixed assets**

**Computer software development**

Computer software development costs are carried at cost less accumulated amortisation. When the software is available for its intended use, these costs are amortised on a straight-line basis over the estimated useful life of the software, being 3 years.

**Computer software development - Work-in-progress**

Computer software development, work-in-progress relates to development projects in progress but not yet completed nor available for use at the period end. These assets are stated at cost and not amortised. Amortisation on work-in-progress commences when the assets are ready for their intended use, at which point the carrying value is transferred to computer software development.

**Property plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	20% Straight Line
IT & Office equipment	33% Straight Line
Right-of-use asset	Period of lease term
Fixtures and fittings	20% Straight line
Game licenses	Straight line over useful life

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

**1.15 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**ASPEN NEWCO 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

**Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**3 Group operating loss**

	<b>2022</b>
	<b>\$'000</b>
This is stated after charging:	
Foreign exchange differences	116
Depreciation & amortisation	(9,206)
Group structure consultancy	(850)
Management and global service agreements	<u>(616)</u>

**ASPEN NEWCO 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

**4 Finance costs**

	<b>2022</b>
	<b>\$'000</b>
Interest on bank loans	1,131

**5 Employees**

The average monthly number of employees during the period was made up as follows:

<b>2022</b>
<b>Number</b>
61

Their aggregate remuneration comprised:

	<b>2022</b>
	<b>\$'000</b>
Wages and salaries	3,709
National insurance costs	249
Pension costs	31
Private medical	507
	4,496

**6 Taxation**

The tax charge comprises:

	<b>2022</b>
	<b>\$'000</b>
<b>Current tax on profit</b>	
Happy NewCo 1, S.L.U	286
TellMeWow Studios, S.L	591
Edujoy Games, S.L.U	504
Sandbox Networks Inc	6
	1,388
<b>Deferred tax</b>	
TellMeWow Studios, S.L	16
Sandbox Networks Inc	(932)
	(916)



**ASPEN NEWCO 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

**7 Business acquisitions**

**Group current period acquisitions**

During the current period on 8 November 2021, the Company Aspen Newco 2 Limited, a wholly owned subsidiary of Aspen Newco 1 Limited, acquired all the shares of Happy Newco 1 S.L.U, a company incorporated in Spain for the purchase price of approximately \$21.25 million.

The fair value of the purchased net assets of Happy Newco 1 S.L.U at acquisition were:

	<b>\$'000</b>
Applications	853
Customer contracts	15,785
Goodwill	4,466
	<u>21,104</u>

During the current year on 8 November 2021, the Company Sandbox Gaming Ltd, a wholly owned subsidiary of Aspen Newco 1 Limited, acquired all the shares of CodeBR Limited and Poptropica Limited, companies incorporated in England and Wales for the purchase price of approximately \$6.2 million.

The fair value of the purchased net assets of Code BR Limited and Poptropica Limited at acquisition were:

	<b>\$'000</b>
Debtors	1,287
Goodwill	4,836
Cash	595
Platform	1,260
Customer contracts	1,028
Liabilities	<u>(2,809)</u>
	<u>6,197</u>

**ASPEN NEWCO 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS *(continued)***  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

**7 Business acquisitions**

**(Continued)**

**Company current period acquisitions**

During the current period on 8 November 2021, the Company Aspen Newco 1 Limited acquired 100% of the share capital of Sandbox Gaming Ltd, Aspen Newco 2 Ltd and Sandbox Learning Ltd, three companies incorporated in England and Wales.

Purchase prices were as follows:

Aspen Newco 2 Ltd (incorporated 26 August 2021) 100 shares at a nominal value of \$1 per share

Sandbox Gaming Ltd (incorporated 19 January 2021) 100 shares at a nominal value of \$1.36 per share

Sandbox Learning Ltd (incorporated 30 May 2020) 100 shares at a nominal value of \$1.21 per share

**ASPEN NEWCO 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

**8 Intangible assets**

	Intangibles \$'000	Goodwill \$'000	Total \$'000
<b>Cost</b>			
Additions	25,807	23,435	49,242
<b>At 31 December 2022</b>	<b>25,807</b>	<b>23,435</b>	<b>49,242</b>
<b>Amortisation</b>			
Amortisation for the year	9,169	-	9,169
<b>At 31 December 2022</b>	<b>9,169</b>	<b>-</b>	<b>9,169</b>
<b>Carrying amount</b>			
<b>At 31 December 2022</b>	<b>16,638</b>	<b>23,435</b>	<b>40,073</b>

**9 Property, Plant and Equipment**

	IT & Office Equipment	Total
<b>Cost</b>		
Additions	83	83
FX	(5)	(5)
<b>At 31 December 2022</b>	<b>78</b>	<b>78</b>
<b>Depreciation</b>		
Depreciation for the year	36	36
FX	(1)	(1)
<b>At 31 December 2022</b>	<b>35</b>	<b>35</b>
<b>Carrying amount</b>		
<b>At 31 December 2022</b>	<b>43</b>	<b>43</b>

**ASPEN NEWCO 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

**10 Investments**

<u>Group</u>	<b>Subsidiary undertakings \$'000</b>	<b>Investment in associate \$'000</b>	<b>Total \$'000</b>
At 25 August 2021	-	-	-
Additions	-	3,788	3,788
<b>at 31 December 2022</b>	<b>-</b>	<b>3,788</b>	<b>3,788</b>

Subsidiary undertakings include the following entities, all of which are included in the Aspen Newco 1 Limited group financial statements:

<b>Name</b>	<b>Nature of business</b>	<b>Country of incorporation</b>	<b>Proportion Held</b>
Aspen Newco 2 Limited	Holding company	England and Wales	100%
Happy NewCo 1 S.L.U	Digital Education	Spain	75%*
TellmeWow Studios S.L	Digital Education	Spain	75%*
Edujoy Games S.L.U	Digital Education	Spain	60.25%*
Sandbox Gaming Limited	Holding company	UK	100%
Poptropica Limited	Digital Education	UK	100%*
CodeBR Limited	Digital Education	UK	100%*
Sandbox Learning Limited	Digital Education	UK	100%
Sandbox Networks Inc	Digital Education	UK	100%*

\* Indirect holding held through subsidiaries

Poptropica Limited, CodeBR Limited, Sandbox Gaming Limited and Aspen Newco 2 Limited have claimed exemption from audit in accordance with Section 479a of the Companies Act 2006 and Aspen Newco 1 Limited has provided an unlimited guarantee of the liabilities of these entities as at 31 December 2022.

**ASPEN NEWCO 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

**11 Current Trade and other receivables**

	<b>Group</b>	<b>Company</b>
	<b>2022</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade receivables	3,879	-
Other receivables	6,348	3,222
Related party balances	7,958	8,272
	<u>18,184</u>	<u>11,494</u>

The director considers that the carrying amount of current and non current trade receivables approximates to their fair value.

**12 Current Trade and other payables**

	<b>Group</b>	<b>Company</b>
	<b>2022</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade payables	4,484	1,241
Accruals and deferred income	2,850	37
Related party balances	5,888	-
Other Liabilities	23,172	-
	<u>36,395</u>	<u>1,278</u>

The director considers that the carrying amount of current and non current trade payables approximates to their fair value.

**13 Non Current Trade and other payables**

	<b>Group</b>	<b>Company</b>
	<b>2022</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Deferred income	155	-
	<u>155</u>	<u>-</u>

The director considers that the carrying amount of current and non current trade payables approximates to their fair value.

**ASPEN NEWCO 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

**14 Borrowings**

	<b>Group 2022 \$'000</b>	<b>Company 2022 \$'000</b>
Bank loans	12,662	12,662
Amounts due to shareholders	<u>23,012</u>	<u>-</u>
	35,674	12,662

**Analysis of borrowings**

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	<b>Group 2022 \$'000</b>	<b>Company 2022 \$'000</b>
Non-current liabilities	<u>35,674</u>	<u>12,662</u>
	35,674	12,662

On 3 November 2021 the Company entered into a Senior Facilities Agreement ("the Agreement") with National Westminster Bank PLC ("the Bank"). The Agreement provides a \$19.5 million Term Loan Facility. The proceeds of the Agreement were used to fund the acquisition of Happy Newco 1 S.L.U and subsidiaries. The Term Loan Facility is repayable on the final maturity date in September 2026.

The interest rate within the Agreement for both the Term Loan Facility and the revolving loan facility is 4.25% above LIBOR. Interest is paid semi-annually in March and September.

As part of the Agreement the Company provided security over its investments in its subsidiaries.

**ASPEN NEWCO 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

**15 Deferred taxation**

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	<b>Group 2022 \$'000</b>	<b>Company 2022 \$'000</b>
Net deferred tax asset in respect of timing differences	629	-
	<b>\$'000</b>	<b>\$'000</b>
Deferred tax provided at 25 August 2021	-	-
Deferred tax asset arising in respect of losses available	1,214	-
Deferred tax liability arising in respect of accelerated tax allowances	-585	-
Deferred tax provided at 31 December 2022	629	-

**16 Share Capital**

	<b>\$'000</b>	<b>\$'000</b>
Allotted, called up and fully paid		
100 Ordinary shares of \$1 each	-	-

The Company has one class of ordinary shares which has attached to it full voting, dividend and capital distribution (including winding up) rights. These ordinary shares do not confer any rights of redemption. 100 A shares were issued on 25 August 2021 with a nominal value of \$1 per share.

As at the 31 December 2022, all shares have been issued and fully paid.

**ASPEN NEWCO 1 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS *(continued)***  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

**17 Controlling party & related party transactions**

The group was under the control of its Board of Directors throughout the current period. In 2021, the majority of the shares in the immediate parent company, Sandbox International Holdings Limited were transferred from Figjam Edutainment Group Limited to Figjam Group Limited, who became the ultimate controlling parent.

Related party transactions between wholly owned entities are exempt from disclosure and are therefore not disclosed in these consolidated financial statements.

At 31 December 2022, the company owes net of \$5.9m to Figjam Limited, a related party. There is no interest payable on this loan.

At 31 December 2022, the company owes \$23m to Sandbox International Holdings Limited who is the sole shareholder of the company. There is no interest payable on this loan. There is no scheduled repayment dates on the loan. To date no interest or principal amounts of this loans has been paid.

There were no transactions with the company's Director and the director received no remuneration from the group during the year.