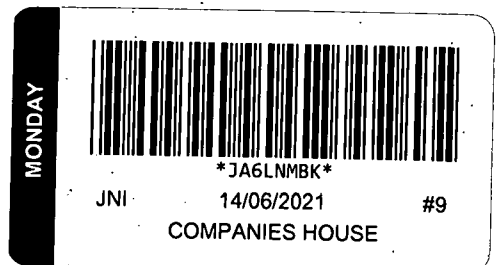


Registered number: 03207287

**ARISTOCRAT TECHNOLOGIES EUROPE LIMITED**  
**Annual report and financial statements**  
**For the year ended 30 September 2020**



# **ARISTOCRAT TECHNOLOGIES EUROPE LIMITED**

Registered number: 03207287

## **Annual report and financial statements**

**For the year ended 30 September 2020**

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# **ARISTOCRAT TECHNOLOGIES EUROPE LIMITED**

Registered number: 03207287

## **Directors and advisers**

### **Executive directors**

C Sheffield  
M Bowen  
C Toner

### **Registered office**

1 Chamberlain Square CS  
Birmingham  
B3 3AX  
England

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
40 Clarendon Road  
Watford  
Hertfordshire  
WD17 1JJ

### **Bankers**

Citibank UK  
Citigroup Centre  
33 Canada Square  
Canary Wharf  
London  
E14 5LB

# ARISTOCRAT TECHNOLOGIES EUROPE LIMITED

Registered number: 03207287

## Strategic report

For the year ended 30 September 2020

The directors present the strategic report of Aristocrat Technologies Europe Limited ("the company") for the year ended 30 September 2020.

### Review of business and future activities

Revenue was down by 33% (2019: 13% increase) and profit for the year was down 32% (2019: 23% increase) driven by the impact of COVID-19 with customer venue closures and social distancing restrictions during the second half of the year. Net assets have risen by 11% (2019: 16% increase).

Despite the turbulence faced in 2020, our market share across our tier 1 markets have remained strong due to strong performance across the company and our customer centric assist programme. Casino units under contract increased by 418 units or 12.6% to 3,744 units (2019: increased 614 units or 22.6%). Dragon Link and Lightning Link continue to perform strongly across EMEA and are the bedrock of the EMEA Gaming Operations business. At ICE 2020, we launched three new cutting edge Class III cabinets, Mars X Upright, Edge X and Relm Stepper. All three were received very well by the market with strong placements of Mars X Upright (Fu Dai Lian Lian and Mighty Cash Ultra) and Edge X (Farmville and Mad Max Fury Road). Note, Relm Stepper was held back due to the COVID19 lockdown and market conditions, focus will be on penetrating in FY2021. Our new product, Neptune Double is scheduled for commercialisation in the first quarter of FY22 across key approved markets within EMEA.

Our investment in South Africa Bingo has seen units under contract increase from 637 to 783. The Company have continued to take market share from our competitors and our Helix Upright/Slant Hardware continues to perform strongly. We remain confident we can secure 30% of the market over the coming years having launched in 2018.

As part of BREXIT risk mitigation procedure, the company moved stocks to strategic European Sites to maintain customer supply within the EUROZONE.

### Key performance indicators (KPIs)

The key performance indicators of the business are:

- Core Momentum – extracting maximum value from core markets and ensuring realignment with right product for the right segments. Improve growth in all key metrics; revenue, profitability and working capital.
  - ASP for Class III units decreased by 3.99% year on year (2019: +4.04%)
  - Class III unit sales decreased by 45.48% year on year (2019: +1.56%)
  - Recurring Revenue FPD decreased by 5.90% year on year (2019: +2.38%)
- Industry and Business Transformation – to enable our technology and leverage our content in high-growth, emerging distribution channels.
  - Bingo install base has increased by 22.92% year on year (2019: 246%)
- People and Culture – Ongoing transformation into a high performance culture.
  - Headcount have remained the same year on year (2019: +15.13%)
  - Training spend decreased by 31.55% year on year (2019: +27.92%)

# ARISTOCRAT TECHNOLOGIES EUROPE LIMITED

Registered number: 03207287

## Strategic report (continued) For the year ended 30 September 2020

### Principal risks and uncertainties

The principal risks and uncertainties to the business are:

#### Changing economic conditions and other factors affecting the gaming industry

Demand for our products is highly sensitive to player's disposable income and discretionary spending on entertainment activities, which could decline for reasons beyond our control.

#### Increasing competition

Competition in the gaming industry has intensified from the consolidation of existing competitors and the entry of new competitors. Increasingly, price, reliability and product innovation are among the factors affecting a provider's success.

#### Government gaming regulation

The gaming industry is subject to extensive legislation. Changes in local laws or regulations could restrict the company's ability to operate or execute our strategies.

#### Ability to manage and introduce innovative products on a timely basis

The company's success is dependent on its ability to develop and sell new products that are attractive to casino operators and other gaming enterprises and their customers. If our gaming content does not meet or sustain revenue and profitability expectations, it may be replaced, or we may experience a reduction in revenue and an increased exposure to obsolete inventory.

#### Coronavirus (Covid-19) pandemic

On 30 January 2020, the World Health Organisation declared the outbreak of the Coronavirus (Covid-19) pandemic to be a public health emergency of international concern. In March 2020, customer venues of Land-based businesses in Europe and Africa were closed by order of governments in the jurisdictions in which they operate, they resumed back in June 2020 but with social distancing measures in place. This has had a significant impact on the revenue recognised in the period March to September 2020, and while the impact is expected to be temporary, there is expected to be an impact for many months to come.

#### How we manage risk

Our risk management approach involves the on-going assessment, monitoring and reporting of risks which could impede our progress in delivering our strategic priorities. Key management and staff are responsible for the day-to-day management of risks. The Group also has an Internal Audit and Risk Management function which, supported by external advisers, provides independent and objective assurance on the effectiveness of our governance, risk management and internal control processes.

The Group ("Aristocrat Leisure Limited") has established a formal risk management framework, which is based on ISO3100 Risk Management and the ASX Principles and Recommendations. This framework is supported by the Group's Code of Conduct and risk management policy. The policy defines material business risks which, once identified, are captured on the global risk register. Material business risks are regularly reported to the Aristocrat Leisure Limited Board via the Audit Committee along with their controls and treatments.

It is the responsibility of the company Directors and Executive Leadership Team to identify risks which may have an impact on the business performance both Macro & Micro. The business has an effective Business Continuity Plan which is updated and reviewed regularly taking into account the changing society issues. The business also has a management system which considers the impact to the business performance of a specific business risks, such as customer, product, commercial and Legal & Compliance. These are highlighted on a regular basis and presented to the Aristocrat Group Executive Leadership Team.

# ARISTOCRAT TECHNOLOGIES EUROPE LIMITED

Registered number: 03207287

## Strategic report (continued) For the year ended 30 September 2020

### Statutory duties in accordance with s172(1) Companies Act 2006

The board of directors of Aristocrat Technologies Europe Limited considers that they have acted in the way they consider, in good faith, would be the most likely to promote the success of the company for the benefits of its members as a whole (having regard to the stakeholders and matters set out in s172(1) of the Act) in the decisions taken during the year ended 30 September 2020. The following paragraphs summarise how the directors fulfil their duties:

#### The likely consequences of any decision in the long term

As the board of directors, our intention is to ensure that management operate the business in a responsible manner and ensures that the business is compliant with the highly regulative requirements of the different regions we operate in. More on how we manage risk can be found on page 3.

#### The interests of the company's employees

Our employees are the beating heart of our business and we prioritise their safety and well-being. As a direct impact of the COVID 19 lockdown restrictions most of our employees have transitioned to working from home since March 2020. The company immediately introduced and shared Business Continuity and COVID safety measures to ensure that all employees were well looked after, especially their mental health and working environment, supporting them in every way possible.

#### The need to foster the company's business relationships with key stakeholders

Fostering business relationships with key stakeholders is of great importance to the company's success. During the year, the company engaged very closely with our customers, we pride ourselves on being Customer Centric. We were there every step of the way to support our customers in dealing with the impact of COVID-19. Recurring Revenue contractual payments were paused whilst casinos remained closed and our technical services team were available to support them during the closures and when they reopened, providing immediate guidance and support whilst adhering to social distancing rules.

#### The impact of the company's operations on the community and environment

Being a responsible business and a good corporate citizen is one important way we can help ensure the games industry has a long-term, sustainable and vibrant future. Our company is focused on embedding environmental considerations within our global supply chain and other core business operations. Key environmental focus areas at Aristocrat include product design and development (hardware and software), waste and recycling, transport (freight, company vehicles), travel (air travel and hotel stays), energy and water consumption.

#### The company maintaining a reputation for high standards of business conduct

Aristocrat strongly supports having rigorous rules in place that strive to ensure every aspect of the design and operation of gambling games and video games are appropriate, transparent and fair, and gives players, customers and the community confidence that this is so. Aristocrat's approach to promoting responsible gameplay is built on three pillars: rigorous compliance with the rules, a focus on empowerment and education, and an ongoing effort to improve our products and environment over time.

#### The need to act fairly as between members of the company

When making decisions, the directors consider which course of actions best enables the delivery of our strategy, whilst considering the impacts on all our stakeholders.

Approved on behalf of the board of directors

DocuSigned by:



3982416CF13040F...  
C Sheffield

Director

7<sup>th</sup> May 2021

# **ARISTOCRAT TECHNOLOGIES EUROPE LIMITED**

Registered number: 03207287

## **Directors' report**

**For the year ended 30 September 2020**

The directors present their annual report and the audited financial statements of the company for the year ended 30 September 2020.

### **Principal activities**

The profit and loss account for the year is set out on page 11.

The principal activities of the company during the financial year under review were the assembling, marketing and selling of electronic gaming machines (EGM) and related equipment and services. The company's objective is to be the leading European provider of gaming solutions. There were no significant changes in the nature of those activities during the year ended 30 September 2020.

### **Review of business and future activities**

A review of the business and future activities is included in the strategic report.

The company's profit for the financial year was €1,505,544 (2019: €2,222,033) which will be added to reserves. The results for the year are shown on page 11.

### **Financial risk management**

The financial risk management objectives and policies of the company are the same as for the ultimate parent undertaking, Aristocrat Leisure Limited ("Group"). The company complies with the Group financial risk management policies as the directors consider these to be appropriate. These are set out below.

The company is exposed to a variety of financial risks which are reviewed on a regular basis in order to limit the adverse effects on the financial performance of the company. The principal risks facing Aristocrat Technologies Europe Limited are foreign exchange risk, credit risk, price risk and liquidity risk.

#### **Foreign exchange risk**

Foreign exchange risk is the risk of loss arising from an unfavourable move in market exchange rates. Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The company operates internationally and is exposed to foreign exchange risk arising from currency exposures.

Foreign exchange transactions are managed at Group level. External foreign exchange contracts are designated at the Group level as hedges of foreign exchange risk on specific foreign currency denominated transactions.

#### **Credit risk**

The company has no significant concentrations of credit risk. The company has policies in place to ensure that the sales of products and services are made to customers with an appropriate credit history.

#### **Price risk**

The company's price risk arises from competition in the market. The company minimises this risk by operating in a number of markets across Europe with a defined pricing strategy and structure.

#### **Liquidity risk**

The company ensures availability of funding through appropriate cash management and access to the Group's committed bank facilities.

### **Dividends and transfers to reserves**

The directors do not recommend the payment of a dividend (2019: nil). The profit for the financial year will be transferred to reserves.

# ARISTOCRAT TECHNOLOGIES EUROPE LIMITED

Registered number: 03207287

## Directors' report (continued)

For the year ended 30 September 2020

### Directors of the company

The directors of the company during the financial year and up to the date of signing the financial statements, unless otherwise indicated, are as follows:

D Holley	resigned 31 <sup>st</sup> December 2019
M Murphy	resigned 31 <sup>st</sup> December 2019
J Boje	resigned 30 <sup>th</sup> September 2020
M Bowen	appointed 31 <sup>st</sup> December 2019
C Toner	appointed 31 <sup>st</sup> December 2019
C Sheffield	appointed 1 <sup>st</sup> October 2020

### New branch

A new branch, Aristocrat Technologies Europe Limited - Cyprus Branch was set up in Cyprus to facilitate the employment of a technician. There are no operations in Cyprus.

### Post balance sheet events

The BREXIT Transition phase ends 1<sup>st</sup> January 2021 and the trade agreement between the UK and EU has now been published. The company's plans have been implemented to minimize the impacts of exporting products into Europe.

Refer to note 21 for more details.

### Going concern

Despite the current conditions surrounding COVID-19 and the uncertainties it presents, based on the projected forecasts the directors believe they have sufficient resources to continue as a going concern.

The company has received a commitment of financial support from its ultimate parent undertaking, Aristocrat Technologies Pty, and, therefore the directors have a reasonable expectation that the company has adequate resources to continue to meet its liabilities as they fall due for a period of at least 12 months from the date the financial statements are signed. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

### Statement on engagement with stakeholders

Engaging and building trust with the broad range of stakeholder that interact with, or are impacted by, our business is key to delivering our strategy and ensuring our success over the long term. Listed below are our key stakeholder groups, their material issues and how the company engage with them:

**Shareholders:** Our main shareholder is our parent company, we ensure that we follow the policies and procedures set out by the parent company. We have regularly meetings with the parent company and regular leadership meetings to ensure that our strategy and performance is understood and aligned.

**Customers:** It matters to our customers that we continue to provide machines with cutting-edge technology and that we continue to provide support to them whenever required. We have regular



# ARISTOCRAT TECHNOLOGIES EUROPE LIMITED

Registered number: 03207287

## Directors' report (continued)

For the year ended 30 September 2020

### Statement on engagement with stakeholders (continued)

contact with our customers through our account managers, customer services and technical services teams. We engage with them to understand their needs, identify opportunities and help resolve challenges. We are continuously working hard to bring new innovative machines and games into the market.

**Players:** Aristocrat strives to empower people to make informed choices about gameplay. Across our portfolio, we're doing more to educate and empower, because we believe player choice and empowerment is fundamental to satisfied customers and a vibrant business and industry.

**Employees:** We strive to attract, motivate and retain the brightest talents in our industries as we invest strongly in culture-building, diversity and inclusion and the engagement of our people. Measuring, growing and maintaining engagement has been a key priority for Aristocrat. We engage our employees through our regular pulse surveys and providing a raft of communication events and channels to ensure that everyone remains connected and informed. These includes regular virtual town halls presented by senior leaders, online communication portals, employee Apps and online social events.

**Governing bodies and regulators:** It is imperative that we comply with the gaming laws applicable in all jurisdictions where we operate, as well as ensuring that we work with other regulatory bodies for taxation and health and safety. We engage with the regulators and tax authorities by having regular contact and discussions, always acting with integrity and transparency, providing our annual statutory reports and keeping abreast of all changes to the law.

**Suppliers:** We operate in conjunction with a wide range of suppliers to deliver services to our customers. The success of our company matters to our suppliers. We conduct business with suppliers who share our high quality standards and our directors maintain oversight of the management of our most important suppliers. Our Board reviews the actions we have taken to prevent modern slavery and associated practices in any part of our supply chain and approves our Modern Slavery Statement each year.

### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting 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 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.

**ARISTOCRAT TECHNOLOGIES EUROPE LIMITED**

Registered number: 03207287

**Directors' report (continued)****For the year ended 30 September 2020****Statement of Disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps that they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Streamline energy and carbon reporting (SECR)**

For the year ended 30 September 2020, the company consumed Electricity of 163,210kWh and Gas of 91,527kWh, this is based on the consumption recorded by our suppliers. We are conscious of how much energy we are consuming and are striving to keep reducing our consumptions. In FY20, the company began to ensure that the gaming machines available on site are turned off when not in use.

Energy Use and Greenhouse Gas Emissions:

<b>For the financial year ended 30 September 2020</b>	<b>Energy Use kWh</b>	<b>Tonnes CO<sub>2</sub>e</b>
Scope 1 energy use & emissions from stationery combustion gas	91,527	16.83
Scope 1 energy use & emissions from transport	-	-
Scope 2 energy use & emissions from electricity	163,210	38.05
Scope 3 energy use from business mileage	-	-
<b>Total energy use &amp; greenhouse gas emissions</b>	<b>254,737</b>	<b>54.88</b>
<b>Greenhouse gas emissions per £100,000 revenue</b>	<b>689</b>	<b>0.1</b>


This is the first year of reporting under Streamlined Energy and Carbon Reporting, no comparative prior period data.

**Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the board of directors

DocuSigned by:



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C Sheffield

Director

7<sup>th</sup> May 2021

# ARISTOCRAT TECHNOLOGIES EUROPE LIMITED

Registered number: 03207287

## *Independent auditors' report to the members of Aristocrat Technologies Europe Limited*

### **Report on the audit of the financial statements**

---

#### **Opinion**

In our opinion, Aristocrat Technologies Europe Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 30 September 2020; the profit and loss account and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report and Financial Statement other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

# ARISTOCRAT TECHNOLOGIES EUROPE LIMITED

Registered number: 03207287

## ***Independent auditors' report to the members of Aristocrat Technologies Europe Limited (continued)***

### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

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### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

#### *Auditors' 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 auditors' 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Hannes Verwey (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Watford  
7 May 2021

**ARISTOCRAT TECHNOLOGIES EUROPE LIMITED**

Registered number: 03207287

**Profit and loss account****For the year ended 30 September 2020**

	Note	2020 €	2019 €
Turnover	3	36,981,914	55,339,584
Cost of sales		(19,082,617)	(25,471,331)
<b>Gross profit</b>		<b>17,899,297</b>	<b>29,868,253</b>
Administrative expenses		(16,124,165)	(27,211,953)
<b>Operating profit</b>	4	<b>1,775,132</b>	<b>2,656,300</b>
Interest payable and similar expenses	8	(37,971)	-
<b>Profit before taxation</b>		<b>1,737,161</b>	<b>2,656,300</b>
Tax on profit	6	(231,617)	(434,267)
<b>Profit for the financial year</b>		<b>1,505,544</b>	<b>2,222,033</b>

All activities relate to continuing operations.

The company has no recognised income or expense other than those included in the results above, and therefore, no separate statement of comprehensive income has been presented.

There is no material difference between the profit before taxation and the profit for the financial year and their historical cost equivalents.

The notes on pages 14 to 31 are an integral part of these financial statements.

**ARISTOCRAT TECHNOLOGIES EUROPE LIMITED**

Registered number: 03207287


**Balance sheet****As at 30 September 2020**

	Note	2020 €	2019 €
<b>Fixed assets</b>			
Tangible assets	7	7,470,256	8,461,056
Right of use assets	8	884,699	-
Investments	9	63,006	63,006
		<b>8,417,961</b>	<b>8,524,062</b>
<b>Current assets</b>			
Stocks	10	9,171,608	4,572,178
Debtors: amounts falling due within one year	11	16,466,678	25,055,719
Debtors: amounts falling due after more than one year	11	2,494,099	434,972
Cash at bank and in hand		10,618,969	9,166,607
		<b>38,751,354</b>	<b>39,229,476</b>
<b>Creditors: amounts falling due within one year</b>	12	<b>(26,742,823)</b>	<b>(29,676,960)</b>
<b>Net current assets</b>		<b>12,008,531</b>	<b>9,552,516</b>
<b>Total assets less current liabilities</b>		<b>20,426,492</b>	<b>18,076,578</b>
<b>Provisions for liabilities</b>	13	<b>(396,158)</b>	<b>(344,158)</b>
<b>Creditors: amounts falling due after more than one year</b>	8	<b>(423,419)</b>	<b>-</b>
<b>Net assets</b>		<b>19,606,915</b>	<b>17,732,420</b>
<b>Capital and reserves</b>			
Called up share capital	16	2,813	2,813
Other reserves	17	(131,128)	(500,079)
Profit and loss account		19,735,230	18,229,686
<b>Total shareholders' funds</b>		<b>19,606,915</b>	<b>17,732,420</b>

The company has applied IFRS 16 effective 1 October 2019, using the modified retrospective approach

The notes on pages 14 to 31 are an integral part of these financial statements.

The financial statements on pages 11 to 31 were approved by the board of directors on 7<sup>th</sup> May, 2021 and were signed on its behalf by:

DocuSigned by:  
  
 3982416CF13040F...  
 C Sheffield

Director

**ARISTOCRAT TECHNOLOGIES EUROPE LIMITED**

Registered number: 03207287

**Statement of changes in equity****For the year ended 30 September 2020**

	Called up share capital €	Other reserves €	Profit and loss account €	Total shareholders' funds €
<b>Balance at 1 October 2018</b>	2,813	(711,409)	16,007,653	15,299,057
Profit for the financial year	-	-	2,222,033	2,222,033
<b>Total comprehensive income for the year</b>	-	-	2,222,033	2,222,033
<b>Transactions with owners in their capacity as owners:</b>				
Net movement in share-based payment reserve	-	211,330	-	211,330
<b>Balance at 30 September 2019</b>	2,813	(500,079)	18,229,686	17,732,420
<b>Balance at 1 October 2019</b>	2,813	(500,079)	18,229,686	17,732,420
Profit for the financial year	-	-	1,505,544	1,505,544
<b>Total comprehensive income for the year</b>	-	-	1,505,544	1,505,544
<b>Transactions with owners in their capacity as owners:</b>				
Net movement in share-based payment reserve	-	368,951	-	368,951
<b>Balance at 30 September 2020</b>	2,813	(131,128)	19,735,230	19,606,915

The notes on pages 14 to 31 are an integral part of these financial statements.

# ARISTOCRAT TECHNOLOGIES EUROPE LIMITED

Registered number: 03207287

## Notes to the financial statements

For the year ended 30 September 2020

### 1 General information

Aristocrat Technologies Europe Limited ("the company") is a private limited company, limited by shares and is incorporated and domiciled in the UK. The address of its registered office is 1 Chamberlain Square CS, Birmingham, B3 3AX, England. The immediate parent undertaking of the company is Aristocrat Technologies Europe (Holdings) Limited, a company incorporated in the UK. Aristocrat Leisure Limited, a company incorporated in Australia, is the ultimate parent undertaking and ultimate controlling party.

The company's principal activities include assembly, marketing and sale or lease of electronic gaming machines (EGM) and related equipment and services throughout the UK and Europe.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. The financial statements have been prepared on a going concern basis in accordance with the Companies Act 2006 as applicable to companies using FRS101.

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions available under that standard:

Standard	Disclosure exemptions applied
IAS 1 ' <i>Presentation of financial statements</i> '	Paragraph 38: comparative information requirements in respect of: <ul style="list-style-type: none"> <li>Paragraph 79(a)(iv) of IAS 1: reconciliation of number of shares outstanding at the beginning and end of the reporting period.</li> <li>Paragraph 73(e) of IAS 16 '<i>Property, plant and equipment</i>': reconciliations between the carrying amount at the beginning and end of the period.</li> </ul>
	Paragraph 10(d): requirement for a statement of cash flows.
	Paragraph 10(f): requirement for a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.
	Paragraph 16: a statement of compliance with all IFRS.
	Paragraph 38A: the requirement for minimum of two primary statements, including cash flow statements.
	Paragraphs 38B-D: requirement for additional comparative information.
	Paragraphs 40A-D: requirements for a third balance sheet.
	Paragraph 111: requirement for cash flow statement information.
	Paragraphs 134-136: requirement for capital management disclosures.
IFRS 2 ' <i>Share-based payment</i> '	Paragraphs 45(b) and 46 to 52: Details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined.



**ARISTOCRAT TECHNOLOGIES EUROPE LIMITED**

Registered number: 03207287

**Notes to the financial statements (continued)****For the year ended 30 September 2020****2 Summary of significant accounting policies (continued)**

IFRS 7 ' <i>Financial Instruments: Disclosures</i> '	All disclosure requirements. Equivalent disclosures are included in the consolidated financial statements of the ultimate parent.
IAS 7 ' <i>Statement of cash flows</i> '	All requirements of the standard.

**Basis of preparation**

<b>Standard</b>	<b>Disclosure exemptions applied</b>
IAS 8 ' <i>Accounting policies</i> '	Paragraph 30 and 31: changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
IFRS 13 ' <i>Fair value measurement</i> '	Paragraphs 91 to 99: Disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities. Equivalent disclosures are included in the consolidated financial statements of the ultimate parent.
IAS 24 ' <i>Related party disclosures</i> '	Paragraph 17 and 18A: disclosure of key management compensation; and the requirements in IAS 24 to disclose related party transactions entered into between two or more members of a group.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

**Consolidation**

In accordance with Section 401 of the Companies Act 2006, the company is exempt from the preparation of group financial statements as it is a wholly owned subsidiary of Aristocrat Leisure Limited, a company incorporated in Australia. The results and financial position of the company are included in the consolidated financial statements of Aristocrat Leisure Limited. Copies of the consolidated financial statements are available from Aristocrat Leisure Limited, Building A, Pinnacle Office Park, 85 Epping Road, North Ryde, NSW, 2113, Australia.

Accordingly, these financial statements present information about the company as an individual undertaking and not about its group.

**Foreign currency translation****(a) Functional and presentation currency**

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Euros' (€), which is also the company's functional currency.

**(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are

# ARISTOCRAT TECHNOLOGIES EUROPE LIMITED

Registered number: 03207287

## Notes to the financial statements (continued)

For the year ended 30 September 2020

### 2 Summary of significant accounting policies (continued)

#### *(b) Transactions and balances (continued)*

recognised in the profit and loss account. All other foreign exchange gains and losses are presented in the profit and loss account within 'Other operating income'.

#### **Tangible assets**

Tangible fixed assets are stated at historical cost less accumulated depreciation. The cost of tangible fixed assets includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit and loss account during the financial period in which they are incurred.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the estimated useful economic lives of the assets concerned. The estimated useful economic lives are listed below:

- Fixtures, fittings and equipment 4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### **Fixed asset investments**

Fixed asset investments include investments in subsidiaries and are stated at historic cost, less any accumulated impairment losses.

#### **Impairment of non-financial assets**

Non-financial assets not ready to use are not subject to amortisation and are tested annually for impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of nonfinancial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

#### **Financial assets**

The company classifies its financial assets at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if it is acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading, unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current investments.

**ARISTOCRAT TECHNOLOGIES EUROPE LIMITED**

Registered number: 03207287

**Notes to the financial statements (continued)****For the year ended 30 September 2020****2 Summary of significant accounting policies (continued)****Financial assets (continued)**

Regular way purchases and sales of financial assets are recognised on the trade date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account within interest income or expenses in the period in which they arise.

**Impairment of financial assets**

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

**Stocks**

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Where necessary, provision is made for obsolete, slow moving and defective stocks.

Stocks on consignment and their related obligations are recognised in current assets and creditors respectively on adoption of the consignment stock when the risks and rewards of ownership pass to the company.

**Debtors**

Debtors include trade debtors, related party receivables, other debtors, prepayments, accrued income and deferred taxes.

Trade debtors are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Related party debtors are amounts owed by group undertakings, recognised at fair value, less provision for impairment. These amounts are unsecured, interest free and repayable on demand.

**Creditors**

Creditors include trade creditors, related party payables, amounts owing to taxation and social security authorities, lease liabilities, other creditors, and accrued and deferred income.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Related party creditors are amounts owed to group undertakings, recognised at fair value. These amounts are unsecured, interest free and repayable on demand.

# ARISTOCRAT TECHNOLOGIES EUROPE LIMITED

Registered number: 03207287

## Notes to the financial statements (continued)

For the year ended 30 September 2020

### 2 Summary of significant accounting policies (continued)

#### Provisions for liabilities

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from 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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### Pension costs

The company operates a defined contribution pension scheme. A defined contribution scheme is a pension plan under which the company pays fixed contributions into a separate entity. The assets of the scheme are held separately from those of the company in independently administered funds. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The company pays contributions to independently administered funds on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

# ARISTOCRAT TECHNOLOGIES EUROPE LIMITED

Registered number: 03207287

## Notes to the financial statements (continued)

For the year ended 30 September 2020

### 2 Summary of significant accounting policies (continued)

#### Share based payments

Share-based compensation benefits are provided to employees via the Performance Share Plan, Deferred Equity Employee Plan and Key Employee Equity Program.

The fair value of rights granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which includes any market performance conditions and the impact of non-vesting conditions that excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the group (i.e. Aristocrat Leisure Limited and its controlled entities) revises its estimates of the number of rights that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity.

#### Turnover

Turnover is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The company recognises turnover when the amount can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the company's activities, as described below. The company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Turnover where right of return exists is deferred to the balance sheet.

##### (a) Sale of goods - electronic gaming machines

The company sells electronic gaming machines within Europe, which is the only class of business of the company. Sale of an electronic gaming machine is recognised when control of the goods has transferred, usually upon delivery of goods to the customers or on ex-works London or Australia based on terms agreed on a sales order.

##### (b) Sale of goods – Gaming Operations

Participation – revenue is a variable consideration that is recognised over time on a monthly basis. The amount of revenue recognised monthly is calculated by an agreed fee based upon a percentage of turnover or the net win of participating machines.

Fixed fee lease income – Operating leases rental income is recognised on a straight-line basis over the term of the lease contract. Rental income is calculated by multiplying a daily fee by the total number of days the machine has been operating on the venue floor.

##### (c) Sale of goods - Licence Income

When all obligations in accordance with the agreement have been met, which may be at the time of sale or over the life of the agreement.

##### (d) Sale of goods – Multiple element arrangements

The transaction price for multiple element arrangements is allocated to each performance obligation based on the proportion of their stand-alone selling prices.

# ARISTOCRAT TECHNOLOGIES EUROPE LIMITED

Registered number: 03207287

## Notes to the financial statements (continued)

For the year ended 30 September 2020

### 2 Summary of significant accounting policies (continued)

#### *(d) Sale of goods – Multiple element arrangements (continued)*

Stand-alone selling prices are determined based on the current market price of each of the performance obligations when sold separately. Where is a discount on the arrangement, such discounts are allocated proportionally between the performance obligations. Revenue is then recognised for each performance obligation as control passes to the customer. Multiple element arrangements may include revenue from sales of goods as well as gaming operations revenue.

#### **New accounting standards and interpretations**

IFRS 16 is a new accounting standard that is effective for the year beginning 1 October 2019 and has had a material impact on the company's financial statements – see note 8. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year beginning 1 October 2019 that have had a material impact on the company's financial statements.

#### **Leases**

The company has applied IFRS 16 Leases for the first time from 1 October 2019. Comparatives for the 2019 reporting period have not been restated, as permitted under the specific transition provisions in the Standard. A contract is a lease if it contains a right to control an identified asset for a period of time for consideration. Non-lease components of the contract, such as outgoings are not accounted for as part of the lease accounting, and remain unchanged. As a result of the first time application of the standard, right-of-use assets representing the right to use the underlying assets, and lease liabilities, representing the obligation to make lease payments have been recognised.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is recognised at cost, less accumulated amortisation and impairment losses. Adjustments are made for remeasurements of the lease liabilities. Right-of-use assets are amortised on a straight-line basis over the respective lease terms ranging from 1 to 3 years.

Lease liabilities are recognised at the present value of lease payments at the commencement date, discounted using the company's incremental borrowing rate. The lease liability is subsequently measured by decreasing it for lease payments made, and increasing it for interest expenses. The liability is remeasured for changes in indexes or rates where applicable.

The lease term includes lease options if they are reasonably certain to be exercised. The assessment of this criteria requires judgement, and considers any economic incentives, such as below market rents, or leasehold improvements that have a useful life beyond the minimum lease term. Practical expedients for leases under 12 months have been applied, use of this does not have a material impact on the financial statements.

Lease liabilities are recognised at the present value of future payments from the lease commencement date, discounted at the incremental borrowing rate. The weighted average incremental borrowing rate used was 4.00%. On adoption of IFRS 16, the right-of-use assets were equal to the lease liabilities, adjusted for existing lease incentives, straight line rent accruals and onerous lease provisions. The method used to adopt the new standard does not result in any changes to opening retained earnings.

**ARISTOCRAT TECHNOLOGIES EUROPE LIMITED**

Registered number: 03207287

**Notes to the financial statements (continued)****For the year ended 30 September 2020****2 Summary of significant accounting policies (continued)****Critical accounting estimates and judgments**

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.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

*(a) Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

*(b) Stock provisioning*

When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of goods.

*(c) Impairment of trade receivables*

The company measures expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due. A provision matrix is then determined based on the historic credit loss rate for each group, adjusted for forward looking information on factors affecting the ability of the customers to settle trade receivables.

**3 Turnover**

	2020 €	2019 €
EGM Sales		
- Europe	13,535,657	24,597,522
- Rest of World	8,613,040	12,565,055
Recurring Revenue		
- Europe	10,822,088	13,283,408
- Rest of World	2,192,161	2,495,760
Other Sales		
- Europe	1,325,616	1,891,976
- Rest of World	493,352	505,863
<b>Total Sale of goods, services, and rental income</b>	<b>36,981,914</b>	<b>55,339,584</b>

**ARISTOCRAT TECHNOLOGIES EUROPE LIMITED**

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**Notes to the financial statements (continued)****For the year ended 30 September 2020****4 Operating profit**

Administrative expenses included all operating costs including selling, marketing and general and administration and net freight costs.

Operating profit is stated after charging/(crediting):

	2020 €	2019 €
Wages and salaries	4,019,943	4,118,196
Social security costs	630,089	719,401
Other pension costs	87,719	92,214
Share-based payments (note 15)	368,951	211,330
Staff costs	5,106,702	5,141,141
Depreciation of own tangible assets	4,444,123	3,613,452
Right of use asset amortisation	297,886	-
Auditors' remuneration		
- audit	45,672	52,928
- non audit company secretarial services	5,746	4,500
Foreign exchange loss	1,609,191	430,416
Bad debt expense	-	1,349
Operating lease charges – plant and machinery	9,281	17,813
Operating lease charges – other	(443)	345,512

**5 Employees and directors****Employees**

The average monthly number of persons (including executive directors) employed by the company during the financial year was:

	2020 (Number)	2019 (Number)
<i>By activity</i>		
Office and management	28	21
Sales and distribution	24	31
	52	52

**Directors**

The directors' emoluments were as follows:

	2020 €	2019 €
Aggregate emoluments	1,026,232	1,112,064
Amounts paid to defined contribution scheme	1,790	7,016
	1,028,022	1,119,080

Defined contribution scheme pension contributions have been made on behalf of 1 director (2019: 1). None of the directors exercised any share options in the year.

Compensation for loss of office paid out in 2020 was €237,186 (2019: nil).



**ARISTOCRAT TECHNOLOGIES EUROPE LIMITED**

Registered number: 03207287

**Notes to the financial statements (continued)****For the year ended 30 September 2020****5 Employees and directors (continued)****Highest paid director**

The highest paid director's emoluments were as follows:

	2020 €	2019 €
Remuneration for management services	889,191	863,672
Amounts paid to defined contribution scheme	-	-

**6 Tax on profit**

	2020 €	2019 €
Current tax:		
UK corporation tax on profit for the financial year	807,401	761,196
Adjustments in respect of prior periods	(297,870)	(186,097)
Total current tax	509,531	575,099
Deferred tax:		
Origination and reversal of timing differences	(400,771)	(204,481)
Adjustments in respect of prior periods	122,857	63,649
Total deferred tax	(277,914)	(140,832)
<b>Tax on profit</b>	<b>231,617</b>	<b>434,267</b>

**Factors affecting tax charge for the financial year**

The tax assessed for the year is lower (2019: lower) than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 €	2019 €
Profit before taxation	1,737,161	2,656,300
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.0% (2019: 19%)	330,061	504,697
Effects of:		
Expenses not deductible for tax purposes	76,568	52,018
Adjustments in respect of prior periods	(175,012)	(122,448)
<b>Tax charge</b>	<b>231,617</b>	<b>434,267</b>

**ARISTOCRAT TECHNOLOGIES EUROPE LIMITED**

Registered number: 03207287

**Notes to the financial statements (continued)****For the year ended 30 September 2020****6 Tax on profit (continued)****Deferred tax**

The deferred tax asset of €629,679 (2019: deferred tax asset of €351,765) is in relation to depreciation in excess of capital allowances.

	<b>Fixtures, fittings and equipment €</b>	<b>Total €</b>
At 1 October 2018	210,933	210,933
Deferred tax charged in profit and loss account for the year	140,832	140,832
<b>At 30 September 2019</b>	<b>351,765</b>	<b>351,765</b>
Deferred tax charged in profit and loss account for the year	277,914	277,914
<b>At 30 September 2020</b>	<b>629,679</b>	<b>629,679</b>

The Finance Bill 2016 was substantively enacted on 7 September 2016 and reduced the main rate of corporation tax to 19% from 1 April 2017. In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements, nor are they material.

**7 Tangible assets**

	<b>Fixtures, fittings and equipment €</b>	<b>Total €</b>
<b>Cost</b>		
At 1 October 2019	19,399,592	19,399,592
Additions	3,788,319	3,788,319
Disposals	(357,147)	(357,147)
<b>At 30 September 2020</b>	<b>22,830,764</b>	<b>22,830,764</b>

**Accumulated depreciation**

At 1 October 2019	10,938,536	10,938,536
Depreciation charge in the year*	4,742,009	4,742,009
Disposals	(320,037)	(320,037)
<b>At 30 September 2020</b>	<b>15,360,508</b>	<b>15,360,508</b>

**Net book value**

At 30 September 2019	8,461,056	8,461,056
<b>At 30 September 2020</b>	<b>7,470,256</b>	<b>7,470,256</b>

\* Depreciation charge in the year is comprised of €149,059 depreciation expense (2019: €477,277) included in Cost of Sales and €4,592,950 depreciation expense (2019: €3,136,175) included in Administrative expenses.

**ARISTOCRAT TECHNOLOGIES EUROPE LIMITED**

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**Notes to the financial statements (continued)****For the year ended 30 September 2020****8 Leases**

The company has lease contracts for the office building and equipment. The amounts recognised in the financial statements in relation to the leases are as follows

**(i) Amounts recognised in the statement of financial position**

The balance sheet shows the following amounts relating to leases:

	30 Sep 2020 €	1 Oct 2019 €
<b>Right-of-use-asset</b>		
Buildings and equipment	884,699	1,182,585
<b>Lease liabilities</b>		
Current	327,342	472,469
Non-Current	423,419	710,116
	<b>750,761</b>	<b>1,182,585</b>

Additions to right-of-use assets during the 2020 financial year was nil.

**(ii) Amounts recognised in the income statement**

The income statement shows the following amount relating to leases

	2020 €
<b>Depreciation charge of right-of-use-asset</b>	
Buildings and equipment	297,886
	<b>297,886</b>
Interest expense (included in finance cost)	37,971
Expense relating to building repairs and short-term leases (included in administrative expense)	37,183
<b>Future minimum lease payments as at 30 September 2020</b>	
Not later than one year	336,383
Later than one year and not later than five years	482,385
<b>Total gross payments</b>	<b>818,768</b>
<b>Impact of finance expenses</b>	<b>(68,007)</b>
<b>Carrying amount of liability</b>	<b>750,761</b>

The total cash outflow for leases in 2020 was €393,854 (2019: €363,889).

**ARISTOCRAT TECHNOLOGIES EUROPE LIMITED**

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**Notes to the financial statements (continued)****For the year ended 30 September 2020****9 Investments**

	2020 €	2019 €
<b>Cost</b>		
At 1 October	149,618	149,618
<b>At 30 September</b>	<b>149,618</b>	<b>149,618</b>
<b>Provision</b>		
At 1 October	86,612	86,612
<b>At 30 September</b>	<b>86,612</b>	<b>86,612</b>
<b>Net Book Value, as at 30 September</b>	<b>63,006</b>	<b>63,006</b>

The directors believe that the carrying value of investments at 30 September 2020 is supported by their underlying net assets.

The company has investments in the following companies:

<b>Company</b>	<b>Place of incorporation</b>	<b>Principal Activity</b>	<b>Holding</b>
Aristocrat Technologies Spain, S.L.	Madrid, Spain	Selling gaming machines	100%

Aristocrat Technologies Spain, S.L. was incorporated on October 26, 2007, and the company holds ordinary shares in this entity. The registered address is Centre d'Empreses de Noves Technologies, Avinguda del Parc Tecnològic, 3 // Parc Tecnològic del Vallès.

**10 Stocks**

	2020 €	2019 €
<b>Finished goods</b>	<b>9,171,608</b>	<b>4,572,178</b>

Stocks are stated after provisions for impairment of €729,763 (2019: €182,000).

**11 Debtors**

	2020 €	2019 €
<b>Amounts falling due within one year</b>		
Trade debtors	10,552,865	19,286,809
Amounts owed by group undertakings	4,698,886	4,529,672
Other debtors	423,126	525,619
Prepayments and accrued income	162,122	361,854
Deferred tax (see note 6)	629,679	351,765
	<b>16,466,678</b>	<b>25,055,719</b>
<b>Amounts falling due after more than one year</b>		
Trade debtors	2,494,099	434,972

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.  
Trade debtors are stated after provisions for impairment of €1,454,995 (2019: €869,058).

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**Notes to the financial statements (continued)****For the year ended 30 September 2020****12 Creditors: amounts falling due within one year**

	2020 €	2019 €
Trade creditors	306,622	1,322,390
Amounts owed to group undertakings	24,763,375	25,964,925
Lease liabilities (note 8)	327,342	-
Taxation and social security	153,416	282,820
Other creditors	130,249	162,839
Accruals and deferred income	1,061,819	1,943,986
	<b>26,742,823</b>	<b>29,676,960</b>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

**13 Provisions for liabilities**

	Dilapidation €	Warranty €	Total €
At 1 October 2019	216,158	128,000	344,158
Charged to the profit and loss account	-	52,000	52,000
<b>At 30 September 2020</b>	<b>216,158</b>	<b>180,000</b>	<b>396,158</b>

**Dilapidation**

The company occupies leasehold premises. A provision of €216,158 has been made for the costs of potential dilapidation charges for when the leases expire. The provision is based on management's estimate of costs at the end of the lease.

**Warranty**

The provision is made for the estimated liability on all products still under warranty at the balance sheet date. The provision is the estimated cash flows expected to be required to settle the warranty obligations, having regard to the service warranty experience and the risks of the warranty obligations. The provision is not discounted to its present value as the effects of discounting are not material.

**14 Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost of €87,719 (2019: €92,214) charge represents contributions payable by the company to the fund. The amount outstanding to the fund at the yearend was €13,501 (2019: €14,731).

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**Notes to the financial statements (continued)****For the year ended 30 September 2020****15 Share based payments****Performance Share Plan (PSP)**

The PSP is a long-term employee share scheme that provides for eligible employees to be offered conditional entitlements to fully paid ordinary shares in the parent entity ('Performance Share rights'). Performance Share Rights issued under the PSP are identical in all respects other than performance conditions and periods, which are detailed below.

Timing of grants of rights	Performance period start date	Performance period expiry date	Performance condition	Accounting valuation date	Accounting valuation AUD
2018 financial year	01/10/2017	30/09/20	TSR <sup>(1)</sup>	27/04/18	20.22
	01/10/2017	30/09/20	EPSG <sup>(1)</sup>	27/04/18	25.73
	01/10/2017	30/09/20	Service	27/04/18	25.73
2019 financial year	01/10/2018	30/09/21	TSR <sup>(1)</sup>	22/03/19	10.38
	01/10/2018	30/09/21	EPSG <sup>(1)</sup>	22/03/19	23.20
	01/10/2018	30/09/21	Service	22/03/19	23.20
2020 financial year	01/10/2019	30/09/22	TSR <sup>(1)</sup>	29/01/20	23.88
	01/10/2019	30/09/22	EPSG <sup>(1)</sup>	29/01/20	34.19
	01/10/2019	30/09/22	Service	29/01/20	34.19

(1) TSR – Total Shareholder Return model; EPSG – Earnings Per Share Growth model

The accounting valuation represents the independent valuation of each tranche of performance share rights at their respective grant dates, performed by Deloitte.

As at 30 September 2020, 1 employee (2019: 1 employee) was entitled to 20,342 (2019: 24,364) Performance Share Rights under this plan. The Performance Share Rights are detailed in the table below:

Grant date	Performance period expiry date	Rights at start of year (Units)	Add: new rights issues (Units)	Less: rights vested (Units)	Less: rights lapsed (Units)	Rights at year end (Units)
28/03/17	30/09/19	10,059	-	(10,059)	-	-
27/04/18	30/09/20	8,102	-	-	-	8,102
22/03/19	30/09/21	6,203	-	-	-	6,203
29/01/20	30/09/22	-	6,037	-	-	6,037
		<b>24,364</b>	<b>6,037</b>	<b>(10,059)</b>	<b>-</b>	<b>20,342</b>

**ARISTOCRAT TECHNOLOGIES EUROPE LIMITED**

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**Notes to the financial statements (continued)****For the year ended 30 September 2020****15 Share based payments (continued)****Deferred equity employee plan**

Certain eligible employees are offered incentives of being granted share rights that are based on individual and company performance, subject to continued employment. Should the performance criteria be met an amount of share rights are granted. No performance shares rights are outstanding as at 30 September 2020 (2019: 7,938). The outstanding rights are subject to the respective employees remaining with the Group until October 2019.

**Key employee equity program**

Certain eligible employees are offered incentives of share rights that are based on individual performance, subject to continued employment for two years. There are 26,523 shares outstanding at 30 September 2020 (2019: 7,093).

**Deferred short term incentive plan**

Upon the vesting of short term incentives, Executive Leadership Team members receive the incentives as 50% cash, with 50% deferred as performance share rights. These share rights are expensed over the vesting periods, being two and three years. The number of rights outstanding at 30 September 2020 was nil (2019: 3,377).

**Share-based payments expense**

Total expenses arising from share-based payment transactions recognised during the financial year as part of employee benefit expense were as follows:

	2020	2019
	€	€
Performance share plan (PSP)	118,283	97,945
Deferred equity employee plan	-	3,475
Key employee equity program	247,346	116,740
Deferred short term incentive plan	-	(7,256)
Other grant	3,322	426
	<b>368,951</b>	<b>211,330</b>

**16 Called up share capital**

	2020	2019
	€	€
<b>Authorised, allotted and fully paid</b>		
1,000 (2019: 1,000) ordinary shares of € 2.81 each	<b>2,813</b>	<b>2,813</b>

# ARISTOCRAT TECHNOLOGIES EUROPE LIMITED

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## Notes to the financial statements (continued)

For the year ended 30 September 2020

### 17 Other reserves

	Share-based payments reserve	Foreign currency translation reserve	Total other reserves
	€	€	€
At 1 October 2018	1,258,304	(1,969,713)	(711,409)
Employee share based compensation	211,330	-	211,330
<b>Other reserves at 30 September 2019</b>	<b>1,469,634</b>	<b>(1,969,713)</b>	<b>(500,079)</b>
Employee share based compensation	368,951	-	368,951
<b>Other reserves at 30 September 2020</b>	<b>1,838,585</b>	<b>(1,969,713)</b>	<b>(131,128)</b>

#### Foreign currency translation reserve

In the 2016 financial year, the company decided to change its functional and presentation currency from GBP to EUR, given the EUR was considered to best reflect the economic substance of the underlying transactions, events and circumstances of the company. The resulting exchange differences were recognised in other comprehensive income and are presented within equity as a foreign currency translation reserve.

### 18 Effect of adoption of IFRS 16 – Leases

The company has adopted IFRS 16 Leases retrospectively from 1 October 2019 but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 October 2019

#### Measurement of lease liabilities

	€
Operating lease commitments disclosed as at 30 September 2019	313,502
<b>Total lease commitments as at 30 September 2019</b>	<b>313,502</b>
Adjustment as a result of different treatment of extension for land & buildings	913,959
Short term leases	(44,876)
<b>Gross lease commitments at 1<sup>st</sup> October 2019</b>	<b>1,182,585</b>
Less: future finance charges	-
<b>Lease liabilities under IFRS16 at 1 October 2019</b>	<b>1,182,585</b>
Right-of-use assets current year depreciation	(297,886)
<b>Total lease commitments as at 30 September 2020</b>	<b>884,699</b>

### 19 Ultimate parent undertaking and ultimate controlling party

Aristocrat Leisure Limited, a company incorporated in Australia, is the ultimate parent undertaking and ultimate controlling party. The smallest and largest group to consolidate these financial statements is Aristocrat Leisure Limited.

Copies of the consolidated financial statements are available from Aristocrat Leisure Limited, Building A, Pinnacle Office Park, 85 Epping Road, North Ryde, NSW, 2113, Australia.

The immediate parent undertaking is Aristocrat Technologies Europe (Holdings) Limited, a company incorporated in England.



# **ARISTOCRAT TECHNOLOGIES EUROPE LIMITED**

Registered number: 03207287

## **Notes to the financial statements (continued)**

**For the year ended 30 September 2020**

### **20 Contingent liabilities**

As at 30 September 2020, the company had no contingent liabilities (2019: nil).

### **21 Events after the end of the reporting period**

The BREXIT Transition phase ended on 1<sup>st</sup> January 2021 and the trade agreement between the UK and EU has now been published. To minimize the immediate potential impacts of exporting into Europe, the company moved stocks to strategic European Sites in order to maintain customer supply within the EUROZONE.