

REGISTERED NUMBER: SC069140 (Scotland, United Kingdom)

**SPORTECH LIMITED (FORMERLY SPORTECH PLC)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**SPORTECH LIMITED**

**Contents of the Financial Statements**  
**for the Year Ended 31 December 2024**

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## **SPORTECH LIMITED**

### **Annual Report and Financial Statements for the Year Ended 31 December 2024**

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<b>DIRECTORS:</b>	R McGuire C Whiley P Humphreys
<b>REGISTERED OFFICE:</b>	Collins House Rutland Square, Edinburgh, EH1 2AA
<b>REGISTERED NUMBER:</b>	SC069140 (Scotland, United Kingdom)
<b>INDEPENDENT AUDITORS:</b>	Sumer Auditco Limited, Chartered Accountants & Statutory Auditors 14th Floor, 33 Cavendish Square, London, W1G 0PW

#### **Cautionary statement**

Sections of this annual report, including but not limited to the Strategic Report and the Directors' Report may contain forward-looking statements with respect to certain of the plans and current goals and expectations relating to the future financial condition, business performance and results of the Company. These have been made by the Directors in good faith using information available up to the date on which they approved this report. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond the control of the Company and depend upon circumstances that may or may not occur in the future. There are a number of factors that could cause actual future financial conditions, business performance, results or developments of the Company to differ materially from the plans, goals and expectations expressed or implied by these forward-looking statements and forecasts. Nothing in this document should be construed as a profit forecast.

**SPORTECH LIMITED**  
**Strategic Report**  
**for the Year Ended 31 December 2024**

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The Director presents the Strategic Report of the Company for the financial year ended 31 December 2024.

## **REVIEW OF BUSINESS**

Sportech Limited, a private company incorporated in Scotland (formerly Sportech PLC), operates in the U.S. gaming market, focusing on pari-mutuel wagering and sports betting in Connecticut, alongside online betting platforms. The 2024 Annual Report outlines the company's financial performance, strategic developments, and operational focus for the year, reflecting a period of stabilization and strategic realignment post-delisting from AIM in 2023.

Sportech has two main businesses. Firstly, it runs Sports Bars and other betting venues in Connecticut, USA, where it has an exclusive license to offer pari-mutuel wagering, it also has a distribution agreement with the Connecticut Lottery Corporation to provide retail sports betting across retail locations. Secondly, Sportech provides online gaming through two separate lines of business. Mywinners.com operates under an exclusive license to offer pari-mutuel betting online in Connecticut, while 123bet.com offers pari-mutuel betting outside of Connecticut.

## **FINANCIAL OVERVIEW**

The financial performance for the year ended 31 December 2024 reflects a year of stabilization and strategic focus, with the following key figures:

Revenue	£23.1m	(2023 £26.5m restated)
Gross Profit	£12.7m	(2023 £14.1m restated)
Adjusted EBITDA <sup>1</sup>	£1.5m	(2023 £ 1.6m)
Profit/(Loss) before Tax	£0.1m	(2023 £(0.8)m)
Cash <sup>2</sup>	£3.6m	(2023 £ 3.8m (restated))

<sup>1</sup>Adjusted EBITDA includes exceptional items

<sup>2</sup> Excludes customer balances

The revenue decline in 2024 was primarily driven by a lower Pari-Mutuel (Tote) betting handle, as competition for discretionary wagering dollars intensified with the continued expansion of Sports Betting, iCasino gaming, and the launch of online lotteries in Connecticut. Additionally, Food and Beverage sales at three locations saw a slight dip, while adverse weather conditions in the early and late parts of the financial year impacted both the quality of available betting products we received and customer footfall at physical venues.

Despite these challenges, Sportech was successful in largely mitigating the impact through our growth in Sports Betting net commission, growth in other diversified income streams and aggressively managed costs, resulting in only a modest reduction in reported EBITDA.

The Group's Connecticut Venues business recorded a Gross Betting Handle of \$179.5 million\*, with sports betting contributing 49.7% and the remainder from Sportech's long-standing core Tote (Pari-Mutuel or Pool) retail betting. With nine physical locations and a digital platform, the average annual betting handle per retail venue remained strong at approximately \$17.6 million, with the additional \$21.5 million wagered through Sportech's digital channel. Outside of Connecticut, the company's digital platform handled a further \$9.8 million in betting activity during the period.

Corporate initiatives in 2024 were focused on delivering further capital returns to shareholders through rigorous cost management, expanding business partnerships, divesting non-core assets, implementing key maintenance initiatives, and returning surplus capital to shareholders. While these strategic actions reduced EBITDA by approximately £200,000, they helped counterbalance the £3.9 million revenue decline.

As part of its ongoing commitment to shareholders, Sportech returned a further £3.4 million in 2024, bringing the total returned since 2017 to £124.6 million. The Group's year-end cash position remained stable at £3.6 million, (2023 £3.8m) reflecting prudent financial management and a solid foundation for further capital returns to shareholders.

*\* Sportech Revenue recorded is not the betting handle we manage through our physical locations and Pari-Mutuel digital channels. For Sports Betting revenue booked is the commission received under agreement with the Connecticut Lottery Corporation. For Pari-Mutuel, the revenue booked is the net 'take-out' of each betting pool, this is approximately 20% of the Handle (the remaining c 80% is the pool shared among successful winners. The \$179.5 million referenced is the customer betting handle through Sportech retail venues, plus its pari-mutuel digital channel in Connecticut.*

## **BUSINESS MODEL**

Sportech Limited is an international betting business that owns and operates restaurant/bars and retail gaming venues in Connecticut, USA, alongside online pari-mutuel betting platforms across the U.S. where legally permitted. The Group aims to maximize long-term shareholder value by leveraging its exclusive gaming licenses, advanced technologies, and established brand relationships, while pursuing strategic investments, trading opportunities, and divestitures to enhance its asset base and deliver tangible returns.

### **Venues**

Since exiting several legacy business lines in 2021, Sportech has streamlined its operations into a more efficient and focused entity, emphasizing growth in Connecticut and the broader U.S. market. Its Connecticut venues, enhanced by the 2021 legalization of sports betting, offer a unique combination of pari-mutuel wagering, Food and Beverage services, and sports betting, positioning Sportech as a pioneer in the U.S. sports bar and betting sector.

### **Online**

Mywinners.com complements Sportech's Connecticut venues with pari-mutuel betting, focusing on innovative products to differentiate from competitors and meet customer needs. Meanwhile, the non Connecticut digital channel, 123Bet.com has expanded its pan-U.S. pari-mutuel platform, growing its handle from approximately \$2.7 million in 2019 to \$9.8 million in 2024. Management's 2025 initiative to consolidate these online operations under unified management promises enhanced growth and cost efficiencies.

## **Strategy**

In 2024, Sportech continued its strategic transformation, building on the 2023 delisting from AIM, the exit from international legacy agreements, and cost reductions that will benefit the Group in 2025 and beyond. Management remains laser-focused on managing the challenges of a physical retail consumer business, generating positive operational cash flow, and delivering tangible returns to shareholders, as evidenced by the £3.4 million capital distribution in 2024.

Under the updated sports betting agreement with the Connecticut Lottery Corporation (CLC), Sportech transitioned its sports book provider to Fanatics Sportsbook in December 2023 and in 2024 successfully transitioned its pari-mutuel betting provider, entering new commercial arrangements with leading U.S. betting operators. These partnerships strengthen Sportech's position in the U.S. gaming market, driving valuation growth and supporting further capital returns.

### **The Group's strategic aims for 2025 remain:**

1. Delivering further shareholder capital returns
2. Executing further corporate opportunities
3. Effectively managing corporate cost base
4. Maximising further growth opportunities and partnerships across gaming sector

## **GROUP DEVELOPMENTS**

**Disposals:** As outlined in the FY 2023 Annual Report and subsequent shareholder communications, the Company was approached by an independent third party expressing interest in acquiring the Group's major operating assets. While discussions continued throughout 2024, no binding offer was presented, and no agreement was reached. As a result, that particular initiative is now closed. During the year the Group sold and leased back the freehold premises at its Windsor Locks, CT location.

Management continue to explore opportunities to divest non-core operational assets and will update shareholders when appropriate.

**Corporate:** During 2024 the Group returned £3.4 million to shareholders and continues to evaluate the required cash to effectively manage the business, balancing maintenance and growth capital investment against shareholder capital returns. During 2024 there were some senior management changes within the Connecticut Venues business. The costs savings from the 2023 delisting, further management changes and general cost saving initiatives should benefit net performance and cash flow in 2025 and beyond.

**Connecticut Venues:** The Group's core business line remains Pari Mutuel betting on horse racing. This sector of the US gaming market noted an industry decline of between 8-10%, the variation depending on specific States. In Connecticut we noted a similar decline on a like-for-like basis. The weather in north east of the US in the early and later months of 2024 unfortunately impacted our betting product and customer handle. Throughout the year, the Group focused on investing in building a solid foundation to expand opportunities for delivering Sports Betting to retail customers. We continued to invest in maintenance across our locations during the year and further marketing in Q4 should deliver digital channels improved performance.

**Sports Betting:** In late 2023, the sports betting licensee the Connecticut Lottery Corporation (CLC) changed sports betting platform from Rush Street to Fanatics Sportsbook. This change had a negative impact in Q1 2024 as the new sportsbook sought to rebuild market share. Q1 2024 retail sports betting handle declined 22%, however the retail handle improved during the year to close down 12% vs. FY 2023. However, due to a marginally higher hold and improved digital performance, the net 2024 performance was an increase in commission to Sportech from Sports Betting and we are confident of future growth under our agreement with CLC. The gross retail sports betting handle during the year was a healthy \$89.2 million (2023 \$101.9m), from which Sportech received a percentage of the 10.03% net hold.

**The Company continues to remind investors of the different risk in fixed odds sports betting versus its traditional pari-mutuel or 'pool' business which does not carry the risks of being exposed to the results of the sporting events.**

The key difference in risk between Pari-Mutuel (Tote) betting and Fixed-Odds Sportsbook betting lies in how liabilities are managed and the exposure to financial risk:

#### 1. Pari-Mutuel (Tote) Betting Risk

Low Risk for Sportech as Operator: In pari-mutuel betting, all wagers go into a pool, and pay-outs are determined by the total amount wagered minus the take-out (gross commission).

Guaranteed Margin: Sportech as the operator does not have direct financial exposure to the outcome since it takes a percentage of the pool regardless of the results.

Risk Spread Among Bettors: Since pay-outs fluctuate based on how much is bet on each outcome, the risk is borne by the bettors, not Sportech.

Key Risk Factors:

Declining betting pools can reduce profitability.

Competition from fixed-odds sportsbooks and other gambling opportunities may impact pari-mutuel handle.

#### 2. Fixed-Odds Sportsbook Risk

Higher Risk for the Operator: In fixed-odds betting, the sportsbook sets odds and accepts bets at predetermined prices. If the sportsbook misprices an outcome, it can suffer significant losses. Sportech is exposed to these results.

Direct Exposure: The sportsbook must pay out at the agreed odds, meaning it can take a financial hit if too many bettors win on a particular outcome.

Requires Risk Management: Operators use tools like odds adjustments, betting limits, and hedging to balance their books and mitigate large losses. Sportech have initiated a hedging policy and utilised this on two occasions only during FY 2024.

Key Risk Factors:

Liability Management: A sportsbook must balance bets on both sides to minimize exposure.

Sharp Bettors & Line Movements: Professional bettors can exploit mispriced odds.

Unpredictable Outcomes: Unexpected results (e.g., major upsets) can lead to significant payouts and financial losses.

Summary:

Pari-Mutuel betting is lower risk for operators because they take a percentage of the pool regardless of the outcome.

Fixed-Odds sportsbooks assume direct financial risk, as they must pay out at fixed odds, requiring active risk management to remain profitable.

**Digital:** In recent years the Company has advanced two online pool betting sites in the US, both of which delivered revenue growth in the year. The 2025 initiative is to bring these separate business under single management creating further opportunities and efficient cost management.

**Sportech Limited Board:** The Board continues to provide valuable support and guidance to the management team as the Company's evaluates and executes its core strategy.

## CHAIRMAN STATEMENT

Sportech's 2024 performance demonstrates resilience in a challenging market environment, supported by strategic cost management, asset optimization, and key that helped offset revenue pressures. The company's debt-free position, stable cash reserves, and exclusive licensing arrangements provide a solid platform for 2025, as it pursues operational streamlining and opportunities in the expanding U.S. gaming sector. Nevertheless, sustained progress will require proactive management of ongoing competitive pressures and external challenges, including regulatory developments and weather-related impacts.

2024 marked another year of consolidation for Sportech Limited, transitioning further from a listed entity to a private company while deepening partnerships with leading U.S. betting and lottery operators. Positive progress enabled the Group to return an additional £3.4 million to shareholders through distributions, bringing total shareholder repayments to £124.6 million since 2017. The Group maintains a debt-free position, with a net cash balance of c.£3.6 million.

The 2023 delisting from AIM, driven by the unfeasibility of listing costs for a smaller Group post-2021 disposals, continues to yield cost savings into 2024, enhancing operational efficiency. Looking ahead to 2025, Sportech remains committed to executing core strategies, fostering growth in its operating businesses, and creating opportunities for shareholder value.

I extend gratitude to our dedicated employees and Board colleagues for their efforts during this transformative period, as well as to our shareholders and stakeholders for their ongoing support. Above all, I thank our customers, whose engagement drives our business, as we strive to enhance our offerings in the coming years.

## GROUP OUTLOOK

Sportech Limited stands as a resilient retail consumer operator, having navigated recent global challenges without issuing equity or increasing debt, delivering superior products to customers in 2024.

Our employees' passion and purpose inspire the Board, fostering a culture of pride and ownership that enabled consolidation in 2023 and redefined growth opportunities in 2024. Operating within an attractive U.S. gaming segment, Sportech leverages its exclusive licenses and builds commercial partnerships, positioning for sustained growth in 2025.

## PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Company's strategy are subject to a number of risks. The principal risks that the Company faces relate to the value of its investments. This value is at risk

from the principal risks that affect those subsidiaries. Those risks are:

- Industry competition - this is mitigated through maintaining good customer relationships with current and potential customers, providing a first-class service to our customers, and developing new and innovative products to differentiate the Company from the competition.
- Third party technology - the Company mitigates the risk of dependency on third parties for technology provision through having punitive clauses in service agreements and also having the option to novate provisions at the end of contract terms if needed.
- Regulation – the Company mitigates the risk by ensuring compliance with the requirement of licences and to oversee regulatory and legal compliance and the Company engages third-party specialist legal counsel to provide specialist local advice. Regular updates and training are provided to employees and policies and procedures are in place to which staff are required to adhere.
- Fixed odds sports betting carries higher financial risk for the Group given the significant handle exposure to sports betting, compared to the Groups historical pari-mutuel betting significance. In fixed odds, the operator sets odds and must pay out winnings regardless of the betting pool, exposing them to significant losses if outcomes deviate from predictions or if they misprice bets. In our case the group is exposed to its share of the sports book gross gaming revenue or gross profit.



## **SPORTECH LIMITED**

### **Strategic Report (continued)** **for the Year Ended 31 December 2024**

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#### **PRINCIPAL RISKS AND UNCERTAINTIES (continued)**

- Product – the Company mitigates the risk by investing significant amounts in developing new and innovative products and constructing new Venues with diverse product offerings.
- Foreign exchange – the Group considers hedging to mitigate significant fluctuations.
- Political marginalisation in Connecticut – the Group retains lobbying resources in Connecticut.

#### **Directors' statement of compliance with duty to promote the success of the Group**

##### Section 172(1) statement

The board of directors of Sportech Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1) of the Companies Act 2006.

The Board regularly reviews the Group's principal stakeholders and how it engages with them. This is achieved through information provided by management and by direct engagement by all of the Group's Directors with stakeholders themselves.

The Board continuously enhances its methods of engagement with the workforce. In that regard, the Executive Chairman of the Board regularly meets with staff and actively encourages dialogue and feedback. The Chair and Senior Independent Non-Executive Director continued to visit operations during 2024, meeting business partners, customers and employees in field operations, and human resources. This helps the Board maintain direct lines of communication.

We aim to work responsibly with our stakeholders, including suppliers, and the anti-corruption and anti-bribery, equal opportunities and whistleblowing policies are reviewed annually and updated where required.

#### **ON BEHALF OF THE BOARD:**



.....  
R McGuire  
Director

Date: 20 May 2025

**SPORTECH LIMITED**  
**Report of the Directors**  
**for the Year Ended 31 December 2024**

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The directors present their report and the financial statements for the year ended 31 December 2024

**Directors' responsibilities statement**

The Directors are responsible for preparing the Strategic report, Director's report and annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group and company financial statements in accordance with UK adopted International Financial Reporting Standards (IFRS). 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 group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted IFRS subject to any material departures disclosed and explained in the financial statements; and
- prepare the Group and parent's financial statements on the going concern basis unless it is inappropriate to presume that the Group or parent company will continue in business.
- assess the group and Parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for shareholders to assess the group's performance, business model and strategy.

**Principal activity**

The principal activity of the Group is the operation of betting venues in the state of Connecticut, USA and a website for online wagering from Connecticut residents under an exclusive and perpetual licence. Revenues are derived from handle (betting stakes) net of return to bettors for wagering on horse and greyhound racing and jai alai and customer incentives and is recognised on the day the event takes place. In addition, the group receives income from sub licensing agreements.

**Going Concern**

The Directors have prepared detailed financial forecasts with a supporting business plan covering the medium-term future. These forecasts capture both a base plan and downside scenarios which take into account macro-economic potential indirect impacts to the business.

Both the base plan and downside scenario forecasts led the Directors to have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

## Results and dividends

The profit for the year, after taxation and minority interests, amounted to £122k (2023 –(£812k)).

## Directors

The directors who served during the year were:

R McGuire  
C Whiley  
P Humphreys

## Insurance

Throughout the period the Group maintained insurance to provide protection to clients against losses arising from any negligent or dishonesty of the Company's employees.

## Disclosure of information to auditors

The director at the time when this Directors report is approved has confirmed that:

- so far as the Director's are aware, there is no relevant audit information of which the Group's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Group's auditors are aware of that information

## Auditors

The auditors, Sumer Auditco Limited, were appointed during the year and will be reappointed for the ensuing year in accordance with section 485 of the Companies Act 2006.

## ON BEHALF OF THE BOARD:



.....  
R McGuire

Date: 20 May 2025

## **SPORTECH LIMITED**

### **Independent Auditors' report to the Members of Sportech Limited**

#### **Opinion**

We have audited the financial statements of Sportech Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Group Income Statement, Group Statement of Comprehensive Income, Group and Company Balance Sheet, Group and Company Statement of Changes in Equity, Group 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 2024 and of the group's profit 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 UK adopted international accounting standards 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 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.

#### **Conclusion relating going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of the accounting preparation of the financial statements is appropriate,

Based on the work we have performed, we have not identified any material uncertainties relating to the event or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the 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 or the directors' report.

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

- adequate accounting records have not been kept 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 8 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend 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 consolidated 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 consolidated financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below: 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:

In order to identify and assess the risks of material misstatements, including fraud and non-compliance with laws and regulations that could be expected to have a material impact on the financial statements, we have considered:

- the results of our enquiries of management and those charged with governance of their assessment of the risks of fraud and irregularities;
- the nature of the group including its management structure and control systems (including the opportunity for management to override such controls); and
- management's incentives and opportunities for fraudulent manipulation of the financial statements including the company's group's remuneration and bonus policies and performance targets; and the industry and environment in which it operates.

We also considered UK tax and pension legislation and laws and regulations relating to employment and the preparation and presentation of the financial statements such as the Companies Act 2006.

Based on this understanding we identified the following matters as being of significance to the group:

- the details of the accounting policies applied during the year are set out in the Basis of accounting section of the financial statements;
- laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law, tax and pension legislation and distributable profits legislation;
- the timing of the recognition of commercial income;
- compliance with legislation relating to GDPR, health and safety, local employment law, food safety, operating licenses and alcohol licenses;
- management bias in selecting accounting policies and determining estimates;
- Impairment of investments (parent company only);
- Impairment of intangible and tangible fixed assets;
- inappropriate journal entries;
- manipulation of specific performance measures to meet remuneration targets; and recoverability of debtors.

We communicated the outcomes of these discussions and enquiries, as well as consideration as to where and how fraud may occur in the entity, to all engagement team members.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised:

- we developed an understanding of the key revenue processes from inception to disclosure in the financial statements and assessed the design and implementation of the controls over the revenue cycle on betting revenue in Venues;
- inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations;
- assessing impairment of land and buildings and investments and challenging assumptions made by management;
- enquiries with the same concerning any actual or potential litigation or claims;
- discussion with the same regarding any known or suspected instances of non-compliance with laws and regulation and fraud;
- assessment of matters reported to management and the result of the subsequent investigation;
- obtaining an understanding of the policies and controls over the recognition of income and testing their implementation during the year;
- identifying and testing journal entries;
- accessing the recovery of debtors in the period since the balance sheet date and challenging assumptions made by management regarding the recovery of balances which remain outstanding;
- reviewing the financial statements for compliance with the relevant disclosure requirements;
- performing analytical procedures to identify any unusual or unexpected relationships or unexpected movement in account balances which may be indicative of fraud;
- reviewing the minutes of Board meetings; and
- evaluating the underlying business reasons for any unusual transactions.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

**Use of our report**

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

*Sumer Auditco Limited*

**Atulya Mehta FCCA (Senior Statutory Auditor)**

**For and on behalf of Sumer Auditco Limited  
Statutory Auditors  
14th Floor  
33 Cavendish Square  
London**

**Date 20 May 2025**

**SPORTECH LIMITED**

**Consolidated Income Statement**  
**for the Year Ended 31 December 2024**

			Restated
		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>
Revenue	4	<b>23,053</b>	26,505
Cost of sales		<b>(10,363)</b>	(12,398)
<b>Gross profit</b>		<b>12,690</b>	14,107
Marketing and distribution costs		<b>(253)</b>	(328)
<b>Contribution</b>		<b>12,437</b>	13,779
Operating costs		<b>(12,943)</b>	(14,344)
Other income	27	<b>596</b>	-
<b>Operating profit/(loss)</b>		<b>90</b>	(565)
Finance costs	9	<b>13</b>	(289)
Finance income	9	<b>13</b>	42
<b>Profit/(Loss) before tax</b>		<b>116</b>	(812)
Tax	10	<b>6</b>	-
<b>Profit/(Loss) for the year – continuing operations</b>		<b>122</b>	(812)
Profit after taxation from discontinued operations		-	-
<b>Profit/(loss) for the year</b>		<b>122</b>	(812)
<b>Attributable to:</b>		-	-
Owners of the Company		<b>122</b>	(812)



**SPORTECH LIMITED**

**Consolidated Statement of Comprehensive Income**  
**for the Year Ended 31 December 2024**

		<b>2024</b>	2023
	Note	<b>£000</b>	£000
Profit/(loss) for the year		<b>122</b>	<b>(812)</b>
<b>Other comprehensive income/(expense):</b>			
<i>Items that may be subsequently reclassified to profit and loss</i>			
Currency translation differences		<b>296</b>	(438)
		<b>418</b>	(1,250)
<b>Total other comprehensive income/(expense) for the year, net of tax</b>		<b>418</b>	(1,250)
<b>Total comprehensive income/(expense) for the year</b>		<b>418</b>	(1,250)
<b>Attributable to:</b>			
Owners of the Company		<b>418</b>	(1,250)

**SPORTECH LIMITED**

**Consolidated Balance Sheet**  
**As at 31 December 2024**

		2024	Restated 2023
	Note	£'000	£'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	11	-	-
Intangible fixed assets	12	6,140	6,164
Property, plant and equipment	13	732	4,142
Right-of-use assets	14	7,847	3,834
Trade and other receivables	17	172	169
Deferred tax assets		15	15
Total non-current assets		<b>14,906</b>	14,324
<b>Current assets</b>			
Trade and other receivables	17	532	4,851
Inventories	16	121	133
Current tax receivable		102	102
Cash and cash equivalents	18	3,923	4,196
Total current assets		<b>4,678</b>	9,282
<b>TOTAL ASSETS</b>		<b>19,584</b>	23,606
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	19	(4,209)	(8,658)
Lease liabilities	15	(998)	(2,852)
Current tax liabilities		-	(6)
Total current liabilities		<b>(5,207)</b>	(11,516)
<b>Net current assets</b>		<b>14,377</b>	12,080
<b>Non-current liabilities</b>			
Lease liabilities	15	(8,461)	(3,193)
Total non-current liabilities		<b>(8,461)</b>	(3,193)
<b>TOTAL LIABILITIES</b>		<b>(13,668)</b>	(14,710)
<b>NET ASSETS</b>		<b>5,916</b>	8,897
<b>EQUITY</b>			
Ordinary shares	23	972	972
Other reserves		4,461	4,165
Retained earnings		483	3,760
<b>TOTAL EQUITY</b>		<b>5,916</b>	8,897

These financial statements on pages 9 to 16 were approved by the Board of Directors on 20 May 2025 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'R McGuire', is enclosed within a thin black rectangular border.

.....  
R McGuire  
Director

Company Registration Number: SC069140

**SPORTECH LIMITED****Company Balance Sheet**  
**As at 31 December 2024**

	Note	2024 £000	2023 £000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible fixed assets	12	2	109
Investment in subsidiaries		<b>11,095</b>	15,860
		<b>11,097</b>	15,969
<b>Current assets</b>			
Trade and other receivables	17	29	203
Cash and cash equivalents		<b>431</b>	1,106
		<b>460</b>	1,309
<b>TOTAL ASSETS</b>		<b>11,557</b>	17,278
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	19	(6,057)	(2,709)
Current tax payable		-	(6)
		<b>(6,057)</b>	(2,715)
<b>Net current liabilities</b>		<b>(5,598)</b>	(1,406)
<b>NET ASSETS</b>		<b>5,500</b>	14,563
<b>EQUITY</b>			
Ordinary shares	23	971	971
Other reserves		<b>1,231</b>	1,231
Retained earnings carried forward		<b>3,298</b>	12,361
<b>TOTAL EQUITY</b>		<b>5,500</b>	14,563

The loss after tax for the Company for the year was (£5,664k) (2023: (£2,795k))

The Company financial statements on pages were approved and authorised for issue by the Board of Directors on 20 May 2025 and were signed on its behalf by:



R McGuire  
Director

Company Registration Number: SC069140

**SPORTECH LIMITED**

**Consolidated Statement of Changes in Equity**  
**for the Year Ended 31 December 2024**

	Other reserves					
	Ordinary shares	Capital redemption reserve	Other reserve	Foreign exchange reserve	Retained earnings	Total
	£000	£000	£000	£000	£000	£000
At 1 January 2024	971	917	314	2,934	3,761	8,897
<b>Comprehensive income</b>						
Profit for the year	-	-	-	-	122	122
<b>Other comprehensive items</b>						
Currency translation differences arising in year	-	-	-	296	-	296
Total other comprehensive items	-	-	-	296	122	418
<b>Transactions with owners</b>						
Capital Distribution paid	-	-	-	-	(3,399)	(3,399)
Total transactions with owners	-	-	-	-	(3,399)	(3,399)
Total changes in equity	-	-	-	296	(3,277)	(2,891)
<b>At 31 December 2024</b>	<b>971</b>	<b>917</b>	<b>314</b>	<b>3,230</b>	<b>483</b>	<b>5,916</b>

	Other reserves					
	Ordinary shares	Capital redemption reserve	Other reserve	Foreign exchange reserve	Retained earnings	Total
	£000	£000	£000	£000	£000	£000
At 1 January 2023	1,000	888	314	3,372	8,464	14,038
<b>Comprehensive income</b>						
Loss for the year	-	-	-	-	(812)	(812)
<b>Other comprehensive items</b>						
Currency translation differences arising in year	-	-	-	(437)	-	(437)
Total other comprehensive items	-	-	-	(437)	(812)	(1,249)
<b>Transactions with owners</b>						
Capital Distribution paid					(3,399)	(3,399)
Share buy back	(29)	29	-	-	(493)	(493)
Total transactions with owners	(29)	29	-	-	(3,892)	(3,892)
Total changes in equity	(29)	29	-	(437)	(4,704)	(5,141)
<b>At 31 December 2023</b>	971	917	314	2,935	3,760	8,897

**SPORTECH LIMITED****Company Statement of Changes in Equity****for the Year Ended 31 December 2024**

	<b>Other reserves</b>				
	<b>Ordinary shares £000</b>	<b>Capital redemption reserve £000</b>	<b>Other reserve £000</b>	<b>Retained earnings £000</b>	<b>Total £000</b>
<b>At 31 December 2022</b>	<b>1,000</b>	<b>888</b>	<b>314</b>	<b>19,048</b>	<b>21,250</b>
<b>Comprehensive expense</b>					
Loss for the year	-	-	-	(2,795)	(2,795)
<b>Transaction with owners</b>					
Share buy back	(29)	29	-	(493)	(493)
Distribution				(3,399)	(3,399)
<b>At 31 December 2023</b>	<b>971</b>	<b>917</b>	<b>314</b>	<b>12,361</b>	<b>14,563</b>
<b>Comprehensive expense</b>					
Loss for the year	-	-	-	(5,664)	(5,664)
<b>Transaction with owners</b>					
Distribution				(3,399)	(3,399)
<b>At 31 December 2024</b>	<b>971</b>	<b>917</b>	<b>314</b>	<b>3,298</b>	<b>5,498</b>

**SPORTECH LIMITED**

**Consolidated Statement of Cashflows**  
**for the Year Ended 31 December 2024**

		2024	2023
	Note	£000	£000
<b>Cash flows from operating activities</b>			
Cash generated from operations, before separately disclosed items		1,440	900
Tax received	10	11	108
Net cash generated from operating activities before separately disclosed items		1,451	1,009
Cash outflows - separately disclosed items	5	(253)	(364)
Cash generated from operations		1,198	645
<b>Cash flows from investing activities</b>			
Disposal of Bump 50:50 (net of cash disposed of and transaction costs)		-	1,012
Consideration paid for Lot.to Systems Limited, net of cash acquired		-	500
Disposal of Windsor Locks, Bradley (net of disposal costs)	27	3,566	-
Purchase of property, plant and equipment	13	(132)	(290)
Net cash (used in)/generated from investing activities		(3,434)	1,222
<b>Cash flows used in financing activities</b>			
Principal paid on lease liabilities		(1,246)	(1,201)
Interest paid on lease liabilities		(334)	(278)
Share buy-back		-	(493)
Dividend paid		(3,399)	(3,399)
Interest received		13	42
Cash used in financing activities		(4,966)	(5,328)
<b>Net decrease in cash and cash equivalents</b>		(335)	(3,460)
Effect of foreign exchange on cash and cash equivalents		61	(155)
Cash and cash equivalents at the beginning of the year		4,196	7,811
<b>Group cash and cash equivalents at the end of the year</b>	18	3,923	4,196
<b>Represented by:</b>			
<b>Cash and cash equivalents</b>	18	3,923	4,196
Less customer funds	18	(353)	(367)
<b>Adjusted net cash at the end of the year</b>	18	3,570	3,829



**SPORTECH LIMITED****Company Statement of Cashflows**  
**for the Year Ended 31 December 2024**

	Note	2024 £000	2023 £000
<b>Cash flows from operating activities</b>			
Cash (used in)/generated from operations, before separately disclosed items		(698)	1,029
Interest received		13	42
Net cash (used in)/generated from operating activities before separately disclosed items		(685)	1,071
Cash outflows from separately disclosed items		(157)	(364)
Net cash (used in)/generated from operating activities		(842)	707
<b>Cash flows from investing activities</b>			
Disposal of Windsor Locks, Bradley (net of disposal costs)		3,566	-
Net cash from investing activities		3,566	-
<b>Cash flows from financing activities</b>			
Shareholder distribution		(3,399)	(3,892)
Net cash used in financing activities		(3,399)	(3,892)
<b>Net decrease in cash and cash equivalents</b>		(675)	(3,184)
Net cash and cash equivalents at the beginning of the year		1,106	4,291
<b>Net cash and cash equivalents at the end of the year</b>		431	1,107

## **SPORTECH LIMITED**

### **Notes to the Financial Statements** **for the Year Ended 31 December 2024**

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#### **1. GENERAL INFORMATION**

The company is a private limited company, limited by shares and is incorporated in Scotland. The address of its registered office is Collins House, Rutland Square, Edinburgh, Midlothian, Scotland EH1 2AA

#### **2. CRITICAL JUDGEMENTS AND ESTIMATES**

Critical judgements and estimates have been made in the following areas:

Assets held for sale and discontinued operations

The Board is required to consider the requirements of IFRS 5 Non-current Assets Held for sale and Discontinued Operations as to whether the assets of any disposal group or asset which is potentially going to be disposed of, should be classified as Held for Sale. In general, the following conditions must be met for an asset (or 'disposal group') to be classified as held for sale:

- management is committed to a plan to sell;
  - the asset is available for immediate sale;
  - an active programme to locate a buyer is initiated;
  - the sale is highly probable, within 12 months of classification as held for sale (subject to limited exceptions);
  - the asset is being actively marketed for sale at a sales price reasonable in relation to its fair value; and
- actions required to complete the plan indicate that it is unlikely that plan will be significantly changed or withdrawn.

In addition, a discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale, and

- (a) represents a separate major line of business or geographical area of operations;
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary acquired exclusively with a view to resale.

Carrying value of Sportech Venues tangible and intangible assets

To determine whether an impairment of the tangible or intangible assets held by the Sportech Venues division has occurred, the Group considered in isolation the assets and leasehold improvements at its sports bar venue in Stamford, Connecticut and then the assets (tangible and intangible) of the cash generating unit ("CGU") as a whole. The key assumptions used in estimating future cash flows for value-in-use measures, for both the stand-alone venue and the CGU as a whole were:

Stamford alone:

- handle and food and beverage ("F&B") earnings achieved since the venue's opening in June 2017 and the likely growth achievable in the next four years;
- costs of sale percentages and overhead cost levels achievable;
- sports betting commission likely to be earned at the venue; and
- the length of the lease during which the venue would be operated.

CGU as a whole:

- rates of industry handle growth/decline impacting the retail and online product;
- the enforcement by the State of Connecticut of the Company's exclusive rights to operate online wagering and the CGU's ability to drive value from its exclusivity in the State; and
- discount rate, which appropriately reflect the risks associated with the CGU.

These assumptions, and the judgements of management that are based on them, are subject to change as new information becomes available. Economic conditions and government policy changes can also impact on the assumptions and discount rates applied, which are reviewed annually. Further details are disclosed within notes 13 and 14 of the Annual Report. Critical judgements and estimates have been made in the carrying value of investments and in the recoverability of the intercompany receivable. To determine whether an impairment exists in any of the investments or intercompany receivables held by the Company, management estimate the recoverable value of each of those items. Estimating the recoverable value is subject to a number of key assumptions in forecasting future cash flows for value-in-use. Those key assumptions applied are:

- Industry handle rates;
- F&B revenues achieved;
- commissions achieved from sports betting;  
the retention of the agency agreement to provide sports betting past the end of the current contract term;
- levels of capital expenditure required; and discount rates, which appropriately reflect the risks associated with specific cash generating units.

Those assumptions, and the judgements of management that are based on them, are subject to change as new information becomes available. Economic conditions and government policy changes can also impact on the discount rates applied, which are reviewed annually.

### 3. **ACCOUNTING POLICIES**

#### **3.1 Basis of preparation**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as adopted by the UK (collectively IFRSs).

Details of the Company's accounting policies, including changes during the year, are included in note 3.2.

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and elected not to present its own Profit and loss account or Statement of comprehensive income in these consolidated financial statements.

#### **Transition from FRS 101 to Full IFRS**

Effective from 1 January 2024, the parent company transitioned from using FRS 101 to the full International Financial Reporting Standards (IFRS) framework. This change aims to enhance the consistency, transparency, and comparability of our financial statements in line with global accounting standards. There is no impact expected from this transition

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgments and estimates have been made in preparing the consolidated financial statements and their effects are disclosed in note 2

##### **3.1.1 Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis.

##### **3.1.2 Changes in accounting policies**

###### **i) New standards, interpretations and amendments effective from 1 January 2023**

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2023.

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction– Amendments to IAS 12

## ii) New standards, interpretations and amendments not yet effective

The following new standards, interpretations and amendments, which are not yet effective and have not been adopted early in these consolidated financial statements, will or may have an effect on the Company's future consolidated financial statements:

### Standards with effective date from ...

- International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

### Standards with effective date from 1 January 2024

- Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non current – Amendments to IAS 1
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2Climate-related Disclosures

### Standards with effective date from 1 January 2025

- Lack of Exchangeability – Amendments to IAS 21

The director anticipates that the adoption of these Standards in future periods may have an impact on the results and net assets of the Company, however, it is too early to quantify this.

The director anticipates that the adoption of other Standards and interpretations that are not yet effective in future periods will only have an impact on the presentation in the consolidated financial statements of the Company.

## 3.2 Accounting policies

A summary of more important Group accounting policies follows. These policies have been applied consistently to all the years presented.

### (a) Subsidiaries

Subsidiaries are all entities over which the Group has control. Control of an entity is deemed to exist when the Group is exposed to, or has rights to, variable returns through its power over that entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Contingent consideration is recognised at fair value at the acquisition date and remeasured at each balance sheet date until settlement. The revaluation amount is debited/credited to the income statement in the period in which the estimated fair value is increased/decreased. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Transactions between subsidiaries are performed on an arm's-length basis. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### (b) Revenue

The Group generally recognises revenue at a point in time when it transfers control over a product or delivers a service to a customer. The following is a description of principal activities (separated by reportable segment), from which the Group generates its revenues.

##### Sportech Venues:

This division operates betting venues in the state of Connecticut, USA and a website for online wagering from Connecticut residents under an exclusive and perpetual licence. Its revenues are derived from handle (betting stakes) net of return to bettors for wagering on horse and greyhound racing and jai alai and customer incentives and is recognised on the day the event takes place. Betting stakes for future events that have not taken place at the balance sheet date are deferred. It also generates revenue from:

##### Other revenue type

Providing a full turn-key service for the operation of racebooks at casinos  
Food and beverage sales in venue  
Programme sales  
Rental of space in venues for parties/events  
Sale of lottery tickets on behalf of the state lottery  
ATM transaction fees  
Source market fees  
Parking lot rental for events e.g. carnival, rodeo  
Sports Betting revenue share

##### Sports Betting - Principal versus Agent:

The Group evaluates the principal versus agent considerations, in determining whether it is appropriate to record the gross amount of revenues and related costs, or the net amount earned as commissions. If the Group were the principal in a transaction and controlled the specific good or service before it is transferred to the customer, revenue would be recorded gross; however, in the arrangement with CLC, revenue is recorded on a net basis as this is not the case. For retail sports services, the Group does not control the promised goods or services and, therefore, records the net amount of revenue earned as a commission. Evidence for the agent conclusion comprises amongst other indicators;

- i. The terminals used in the retail venues for sports betting are not the property or responsibility of Sportech and were not purchased or rented by Sportech;
- ii. The risk on transactions is not Sportech's and Sportech does not manage the sportsbook risk;
- iii. Sportech does not set the sportsbook prices;
- iv. Sportech is not responsible for credit risk (chargebacks);
- v. The Connecticut Lottery Corporation is the licence holder and the customer contracts with CLC not Sportech; and
- vi. If a loss is made on the sportsbook, that loss is carried forward until covered

##### Sportech Digital:

## 123Bet.com Revenue

The Group owns the brand 123Bet.com and operates a pari-mutuel betting site taking bets on horse and dog racing from customers through its affiliate provider eBet Technologies Inc. Wagers net of customer winnings and loyalty awards is recognised as revenue with associated costs included in cost of sales.

### Lottery software supply

The Group's subsidiary Lot.to Systems Limited provided online lottery software to customers globally. The service fees are either fixed monthly fees, percentages of handle through the software or a combination of both and most contracts can have fixed monthly "minimums". Revenue was recognised as the obligations under the contract are met. This unit was sold in early 2023.

### (c) Deferred income

Deferred income includes the value of stakes placed prior to the end of the financial period in respect of competitions and sporting events held subsequent to the end of the financial period and income received in advance of a service or product being delivered.

### (d) Taxation

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 and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises 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 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 is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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 tax assets and liabilities relate to income taxes levied by the same taxation authority, on either the same or different taxable entities, where there is an intention to settle the balances on a net basis.

The Group applies IFRIC 23 Uncertainty over Income tax treatments. IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The interpretation requires; the group to determine whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution; the group to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

## (e) Foreign currencies

### Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Sterling (£), which is the Company's functional currency and the Group's presentation currency.

### Transactions and balances

Transactions in foreign currencies are translated into the functional currency at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. 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 recognised in the income statement, except where deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within finance income or costs. All other foreign exchange gains and losses are presented in the income statement within operating profit.

### Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

## (f) Property, plant and equipment

Property, plant and equipment are carried at historical cost less accumulated depreciation and any impairment. Cost includes the original purchase price of the asset and the costs attributable in bringing the asset to its working condition for its intended use and any associated borrowing costs. Assets in the course of construction are not depreciated until the asset is completed. 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 Group 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 the income statement during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the income statement.

Assets in the course of construction are capitalised when first brought into use and depreciated from this date.

## (g) Depreciation

Depreciation is provided on a straight-line basis to write off the cost of property, plant and equipment down to residual value over their anticipated useful lives as following period:

Owned land and buildings	Not depreciated
Leasehold Improvements	Over the period of the lease or 25 years whichever is shorter
Plant and machinery	Between 3 and 12 years
Fixtures and fittings	Between 3 and 12 years

Assets in the course of construction are not depreciated until they are ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(h) Right-of-use assets and lease liabilities

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate (taking into account the lease term being considered) in the jurisdiction in which the asset resides as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options and break clauses. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

(i) Goodwill

Goodwill arising on consolidation represents the excess of the fair value of consideration given over the fair value of the separately identifiable net assets acquired. Goodwill arising on acquisitions before the date of transition to IFRSs (4 January 2005) has been frozen at the previous UK GAAP net book value at the date of transition, subject to being tested for impairment annually at the year end date. There is potential contingent consideration receivable of up to a further £500k which has been fair valued at £nil. The receipt of further amounts are contingent on certain activities being transacted through digital channels within a time period which the Directors believe are unlikely to be met.

Goodwill is allocated to specific CGUs for the purpose of impairment testing. The allocation is made to the CGU that is expected to benefit from the business combination in which the goodwill arose.

Goodwill is carried at cost less accumulated impairment losses.

(j) Intangible fixed assets

Intangible fixed assets are held at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over the estimated useful life of the intangible fixed asset.

Software

Externally acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives or contractual period if shorter (five to ten years).

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;



- management intends to complete the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate proportion of relevant overhead. Other development expenditure that does not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Software development costs are amortised over their estimated useful lives, which do not exceed 12 years.

#### Licences

Licences acquired in a business combination are recognised at fair value at the acquisition date. Licences that have a finite useful life are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate cost of licences over their estimated useful lives of 15 to 20 years. Licences with an infinite life (licences granted in perpetuity) are held at cost or fair value at acquisition date and tested annually for impairment.

#### (k) Investments in subsidiaries

Investments in subsidiaries are carried at historic cost less any impairment. Annual impairment reviews are performed.

#### (l) Impairment reviews

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill and intangible assets with indefinite lives are subject to an annual review for impairment in accordance with IAS 36 'Impairment of Assets'. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purpose of assessing impairments, assets are grouped at the lowest levels at which there are separately identifiable cash flows. Any impairment losses are recognised in the income statement in the year in which they occur. Any impairment loss recognised on goodwill is not reversed.

All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist at each reporting date.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

#### (m) Pension obligation

The Group operates various pension schemes.

The schemes are generally funded through payments to insurance companies. The Group now only has defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity.

The Group 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.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

For defined contribution plans, the Group pays contributions to privately administered pension insurance plans on a mandatory, contractual or voluntary basis.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an 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 future payments is available.

(n) Financial instruments

(i) Recognition

Trade receivable and debt securities issued are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets

(ii) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are classified on the first day of the first reporting period following the change in business model.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Changes in the fair value of financial assets at FVTPL are recognised in the statement of comprehensive income.

Financial assets measured at amortised cost arise principally through the provision of services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 365 days and are therefore all classified as current, those due after a longer period are classified in non-current assets. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Other receivables consist of amounts generally arising from transactions outside the usual operating activities of the Group such as the proceeds from disposal of investment. Due to the short-term nature of the other current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

(iv) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which

substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

(v) Impairment

The Group assesses all types of financial assets that are subject to the expected credit loss model:

- trade receivables
- debt investments carried at amortised cost
- cash and cash equivalents

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are grouped based on their days past due.

The historical credit losses assessed are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Financial liabilities

(vi) Classification and measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(vii) Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(viii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(o) Cash and cash equivalents

Cash and cash equivalents shown on the balance sheet represent cash in hand, cash in vaults and cash held in current accounts, both owned by the Group and held on behalf of customers. Any bank overdrafts used by the Group are shown within trade and other payables. Positive cash balances and overdrafts are only offset within cash and cash equivalents to the extent that they form part of a cash-pooling arrangement implemented by the Group where the balances will be settled on a net basis.

(p) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

(q) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, being the difference between the assets' carrying amounts and the present value of the estimated future cash flows, discounted at the original effective interest rate. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific customer will default or delinquency in payment will arise. Any subsequent recovery of amounts written off is credited to the income statement.

(r) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(s) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out method. Net realisable value is the estimated selling price in the ordinary course of business.

(t) Provisions

Provisions for onerous contracts, legal claims and dilapidations are recognised when the Group has: a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses where the Group has no contractual obligation to deliver the service or product. Provisions payable over a period greater than 12 months are discounted using an appropriate market risk-free discount rate.

(u) Leases exempt from IFRS 16

The Group excludes leases with low-value assets (<£4,000 asset values) and leases with terms of less than 12 months from IFRS 16 requirements to capitalise the lease and hold a corresponding liability on the balance sheet. Instead, payments made under these leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(v) Separately disclosed items

The Group defines separately disclosed items as those items which, by their nature or size, if not separately identified, would distort the comparability of the Group's results from year to year.

(w) Government grants

Grants for revenue expenditure are shown gross in the income statement in other income. Where retention of a government grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the income statement.

(x) Share capital and reserves

Ordinary shares are classed as equity. Incremental costs directly attributable to the value of new shares or options are shown in equity as a deduction from the proceeds in the share premium account where the shares were issued at a premium or, where issued at par or where the issue costs exceed the premium on the issue, to retained earnings.

The capital redemption reserve represents the nominal value of shares cancelled.

Other reserve includes the cumulative actuarial gains and losses charged/credited to this reserve in relation to defined benefit pension schemes and also merger relief.

Foreign exchange includes gains/losses arising on retranslating the net assets of overseas operations

Retained earnings includes cumulative net gains and losses recognised in the consolidated statement of comprehensive income.

(y) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered

highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

#### 4. TURNOVER

			Restated
	Note	2024	2023
By type		£000	£000
Full turn key Take-out		15,526	17,608
Commission Revenue (including Sports Betting)		2,365	2,627
SM Fee Revenue		779	1,993
F&B Revenue		3,223	3,478
Other Revenue		1,160	799
Revenue		23,053	26,505
By geographic segment			
US		23,053	26,454
UK		-	51
Total		23,053	26,505

#### 5. SEPARATELY DISCLOSED ITEMS

	Note	2024	2023
		£000	£000
<b>Included in operating costs:</b>			
Redundancy and restructuring costs		239	-
Corporate activity costs		(4)	54
Release of provision for Spot the Ball VAT refund		(55)	-
Costs in relation to exiting India		18	13
Costs in relation to delisting from London Stock Exchange		-	297
		<b>198</b>	<b>364</b>

Below is a summary of cash outflows from separately disclosed items:

2024	2023
£000	£000

**Cash outflows from separately disclosed items:**

Redundancy and restructuring costs	<b>239</b>	-
Corporate activity costs	<b>11</b>	54
Release of provision for Spot the Ball VAT refund	-	-
Costs in relation to exiting India	<b>18</b>	13
Costs in relation to delisting from London Stock Exchange	-	297
Cash outflows from separately disclosed items – total	<b>268</b>	364

**6. Auditor remuneration**

Fees paid to the Auditors of the consolidated financial statements during the period comprise:

	<b>2024</b>	2023
	<b>£000</b>	£000
Audit fees	<b>98</b>	100
Total fees	<b>98</b>	100

**7. Employment costs**

Average number of monthly employees (full-time equivalents) including Executive Directors comprised:

<b>Continuing and discontinued operations</b>	<b>Total</b>	Total
	<b>2024</b>	2023
	<b>Number</b>	Number
Sales and marketing	5	5
Operations and distribution	115	141
Administration and management	<b>15</b>	16
Total employees	135	162

**Their aggregate remuneration comprised:**

	Total
<b>2024</b>	2023
<b>£000</b>	£000

Wages and Salaries	<b>5,385</b>	5,711
Social security costs	<b>506</b>	513
Pension costs – defined contribution scheme (note 20)	<b>68</b>	62
Employee remuneration, excluding share option charges	<b>5,959</b>	6,286
Share option expense	-	-
Total remuneration	<b>5,959</b>	6,286

## **8. Directors remuneration**

	<b>Total</b>	
	<b>2024</b>	2023
	<b>£000</b>	£000
Short-term employee benefits	<b>289</b>	396
Pay in lieu of notice	-	-
Total remuneration	<b>289</b>	396

## **9. Net finance costs**

	<b>2024</b>	2023
	<b>£000</b>	£000
Finance costs:		
IFRS 16 liability remeasurement	<b>651</b>	-
Interest on lease obligations (note 15)	<b>(334)</b>	<b>(278)</b>
Foreign exchange loss on financial assets and liabilities denominated in foreign currency (continuing operations)	<b>(304)</b>	<b>(11)</b>
Total finance costs	<b>13</b>	<b>(289)</b>
Finance income (continuing operations):		
Interest received on bank deposits	<b>13</b>	42
Total finance income	<b>13</b>	42
Net finance income/(costs)	<b>26</b>	<b>(247)</b>



## **10. Taxation**

The Group's tax charge comprises:

	<b>2024</b>	2023
	<b>£000</b>	£000
Current tax:		
Current tax on profit for the year	-	-
Adjustments in respect of prior years	<b>6</b>	-
Total current tax	<b>6</b>	-
Deferred tax:		
Origination and reversal of temporary differences	-	-
Change in rates	-	-
Adjustments in respect of prior years	-	-
Derecognition of previously recognised deferred tax assets	-	-
Total deferred tax	-	-
Total tax charge	<b>6</b>	-

## **11. Goodwill**

Movements in the Group's goodwill are shown below:

	<b>2024</b>	2023
	<b>£000</b>	£000
<b>Cost</b>		
At 1 January	-	604
Disposal	-	(604)
At 31 December	-	-
<b>Accumulated impairment charges</b>		
At 1 January	-	517
Impairment charge	-	-
Disposal	-	(517)
At 31 December	-	-
<b>Closing net book value</b>	-	-

## **12. Intangible fixed assets**

### **2024**

	<b>Software</b>	<b>Licences</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost</b>			
At 1 January 2024	4,764	5,696	10,460
Additions – continuing operations	-	-	-
Disposals - continuing operations	-	-	-
<b>At 31 December 2024</b>	<b>4,764</b>	<b>5,696</b>	<b>10,460</b>
<b>Accumulated amortisation</b>			
At 1 January 2024	4,351	918	5,269
Charge for year	145	-	145
Disposal	-	-	-
<b>At 31 December 2024</b>	<b>4,496</b>	<b>918</b>	<b>5,414</b>
Exchange differences at 1 January 2024	(244)	1,217	973
Movement in the year	-	121	121
Exchange differences at 31 December 2024	(244)	1,338	1,094
<b>Net book amount at 31 December 2024</b>	<b>24</b>	<b>6,116</b>	<b>6,140</b>

### **2023**

	<b>Software</b>	<b>Licences</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost</b>			
At 1 January 2023	4,770	5,696	10,466
Additions – continuing operations	-	-	-
Disposals - continuing operations	(6)	-	(6)
<b>At 31 December 2023</b>	<b>4,764</b>	<b>5,696</b>	<b>10,460</b>
<b>Accumulated amortisation</b>			
At 1 January 2023	3,871	918	4,789
Charge for year	95	-	95

Disposal	385	-	385
<b>At 31 December 2023</b>	<b>4,351</b>	<b>918</b>	<b>5,269</b>
Exchange differences at 1 January 2023	(247)	1,509	1,262
Movement in the year	3	(292)	(289)
Exchange differences at 31 December 2023	(244)	1,217	973
<b>Net book amount at 31 December 2023</b>	<b>169</b>	<b>5,995</b>	<b>6,164</b>

**Intangible fixed assets (Company)**

**2024**

	<b>Software</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
<b>Cost</b>		
At 1 January 2024	717	717
Additions	-	-
Disposals	-	-
<b>At 31 December 2024</b>	<b>717</b>	<b>717</b>
<b>Accumulated amortisation</b>		
At 1 January 2024	608	608
Charge for year	107	107
Disposal	-	-
<b>At 31 December 2024</b>	<b>715</b>	<b>715</b>
<b>Net book amount at 31 December 2024</b>	<b>2</b>	<b>2</b>

2023

	Software £000	Total £000
<b>Cost</b>		
At 1 January 2023	717	717
Additions	-	-
Disposals	-	-
<b>At 31 December 2023</b>	<b>717</b>	<b>717</b>
<b>Accumulated amortisation</b>		
At 1 January 2023	528	528
Charge for year	80	80
Disposal	-	-
<b>At 31 December 2023</b>	<b>608</b>	<b>608</b>
<b>Net book amount at 31 December 2023</b>	<b>109</b>	<b>109</b>

### 13. Property, plant and equipment

2024	Leasehold improvements and owned land and buildings	Plant and machinery £000	Fixtures and fittings	Assets in the course of constructio	Total £000
<b>Cost</b>					
At 1 January 2024	8,200	515	3,617	32	12,364
Additions	-	-	132	-	132
Disposals	-	-	-	-	-
<b>At 31 December 2024</b>	<b>8,200</b>	<b>515</b>	<b>3,749</b>	<b>32</b>	<b>12,496</b>
<b>Accumulated depreciation</b>					
At 1 January 2024	4,812	34	3,586	-	8,432
Charge for year	246	10	167	-	423
Reversal of impairment	-	-	-	-	-
Disposals	2,970	-	-	-	2,970
<b>At 31 December 2024</b>	<b>8,028</b>	<b>44</b>	<b>3,753</b>	<b>-</b>	<b>11,825</b>
Exchange differences at 1 January 2024	315	(470)	360	3	208
Movement in the year	(152)	-	5	-	(147)
Disposals	-	-	-	-	-
Exchange differences at 31 December 2024	163	(470)	365	3	61

**Net book amount at 31 December 2024**

335	1	361	35	732
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Depreciation charges and the loss on disposal of PPE have been included in operating costs.

<b>2023</b>	<b>Leasehold improvements and owned land and buildings</b>	<b>Plant and machinery £000</b>	<b>Fixtures and fittings</b>	<b>Assets in the course of construction</b>	<b>Total £000</b>
<b>Cost</b>					
At 1 January 2023	8,200	505	3,333	36	<b>12,074</b>
Additions	-	10	284	(4)	<b>290</b>
Disposals	-	-	-	-	-
<b>At 31 December 2023</b>	<b>8,200</b>	<b>515</b>	<b>3,617</b>	<b>32</b>	<b>12,365</b>
<b>Accumulated depreciation</b>					
At 1 January 2023	4,562	22	3,375	-	<b>7,959</b>
Charge for year	440	12	211	-	<b>663</b>
Reversal of impairment	(190)	-	-	-	<b>(190)</b>
Disposals	-	-	-	-	-
<b>At 31 December 2023</b>	<b>4,812</b>	<b>34</b>	<b>3,586</b>	<b>-</b>	<b>8,432</b>
Exchange differences at 1 January 2023	495	(470)	379	1	<b>405</b>
Movement in the year	(180)	-	(19)	2	<b>(197)</b>
Disposals	-	-	-	-	-
Exchange differences at 31 December 2023	315	(470)	360	3	<b>208</b>
<b>Net book amount at 31 December 2023</b>	<b>3,703</b>	<b>11</b>	<b>391</b>	<b>35</b>	<b>4,140</b>

**14. Right-of-use assets**

<b>2024</b>	<b>Land and buildings £000</b>	<b>Vehicles £000</b>	<b>Fixtures and fittings</b>	<b>Total £000</b>
<b>Cost</b>				
At 1 January 2024	9,648	29	53	9,730
Additions	4,976	-	-	4,976
ROU asset reclassification	(651)			(651)
Disposals	-	-	-	-
<b>At 31 December 2024</b>	<b>13,973</b>	<b>29</b>	<b>53</b>	<b>14,055</b>
<b>Accumulated depreciation</b>				
At 1 January 2024	6,103	12	49	6,164
Charge for year	1,266	-	-	1,266
ROU asset reclassification	(651)			(651)
Disposals	-	-	-	-
<b>At 31 December 2024</b>	<b>6,718</b>	<b>12</b>	<b>49</b>	<b>6,779</b>

Exchange differences at 1 January 2024	260	2	6	268
Movement in the year	301	1	1	303
Exchange differences at 31 December 2024	561	3	7	571
<b>Net book amount at 31 December 2024</b>	<b>7,816</b>	<b>21</b>	<b>10</b>	<b>7,847</b>

The addition in year relates to the extension of the existing lease of the Sports Haven venue.

Depreciation charges have been included in operating costs.

## 2023

	Land and buildings £000	Vehicles £000	Fixtures and fittings	Total £000
<b>Cost</b>				
At 1 January 2023	9,431	29	53	9,513
Additions	217	-	-	217
Disposals	-	-	-	-
<b>At 31 December 2023</b>	<b>9,648</b>	<b>29</b>	<b>53</b>	<b>9,730</b>
<b>Accumulated depreciation</b>				
At 1 January 2023	4,897	12	49	4,958
Charge for year	1,206	-	-	1,206
Disposals	-	-	-	-
<b>At 31 December 2023</b>	<b>6,103</b>	<b>12</b>	<b>49</b>	<b>6,164</b>
Exchange differences at 1 January 2023	478	3	6	487
Movement in the year	(218)	(1)	-	(219)
Exchange differences at 31 December 2023	260	2	-	268
<b>Net book amount at 31 December 2023</b>	<b>3,805</b>	<b>19</b>	<b>10</b>	<b>3,834</b>

## 15. Lease liabilities

	2024	2023
<b>Maturity analysis – contractual undiscounted cash flows</b>	<b>£000</b>	<b>£000</b>
Less than one year	1,775	859
Between 2 and 5 years	5,044	2,736
More than 5 years	5,295	3,902
<b>Total</b>	<b>12,114</b>	<b>7,497</b>

The weighted average incremental borrowing rate applied to the lease liabilities was 4.16%, lowest rate being 4.00% and highest rate of 5.75%.

	2024	2023
	£000	£000
<b>Lease liabilities included in the balance sheet</b>		
Current	998	2,852
Non-current	8,461	3,193
Total	9,459	6,045

		2024	2023
	Note	£000	£000
At 1 January		6,045	7,356
New leases entered into		4,976	217
Re-assessment of lease term		(651)	-
Interest charged to the income statement	9	334	278
Lease rentals paid		(1,580)	(1,479)
Movement as a result of foreign exchange		335	(327)
At 31 December		9,459	6,045

## **16. Inventories**

	2024	2023
	£000	£000
Finished goods	121	133
	<u>121</u>	<u>133</u>

The cost of inventories (food and beverage inventory) recognised as an expense and included in cost of sales amounted to £1,054k (2023: £1,100k). Food and beverage inventory is included in finished goods. There was no provision for obsolescence held against inventories at 31 December 2024 (2023: £nil).

## **17. Trade and other receivables**

	Restated
2024	2023
£000	£000

**Non-current**

Other receivables	<b>172</b>	169
Non-current trade and other receivables	<b>172</b>	169

**Current**

Trade receivables -net	<b>285</b>	483
Other receivables	<b>173</b>	4,048
Accrued income	<b>21</b>	95
Prepayments	<b>53</b>	225
Current trade and other receivables	<b>532</b>	4,851

**Total trade and other receivables**

<b>704</b>	5,020
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The fair value of trade and other receivables is not considered to be different from the carrying value recorded above.

The carrying amounts of trade and other receivables are denominated in the following currencies:

	<b>2024</b>	2023
	<b>£000</b>	£000
Sterling	<b>12</b>	205
US Dollar	<b>693</b>	4,815
Total	<b>704</b>	5,020

Trade receivables that are not more than three months past due are not considered impaired. As at 31 December 2024, £98k (2023: nil) of trade receivables were more than three months past due and not impaired. Management considers that these receivables are recoverable in full.

**Trade and other receivables (Company only)**

	<b>2024</b>	2023
	<b>£000</b>	£000
<b>Non-current</b>		
Amounts owed by Group companies	<b>17</b>	-
<b>Current</b>		
Prepayments	<b>12</b>	203
Current trade and other receivables	<b>29</b>	203
Total	<b>29</b>	203

**18. Cash and cash equivalents**

		<b>2024</b>	2023
	<b>Note</b>	<b>£000</b>	£000
Cash and short-term deposits		<b>3,570</b>	3,829
Customer funds	19	<b>353</b>	367
		<b>3,923</b>	4,196



The fair value of cash and cash equivalents is not considered to be different from the carrying value recorded in the financial statements.

Cash balances of £353k (2023: £367k) are held on behalf of customers in respect of certain online and telephone betting activities (amounts deposited by telephone betting customers in Connecticut, USA are held in separate accounts). The corresponding liability is included within trade and other payables (see note 20).

## **19. Trade and other payables**

			Restated
	Note	2024 £000	2023 £000
Trade payables		2,694	3,237
Other taxes and social security costs		195	2,727
Accruals		967	2,327
Player liability	18	353	367
		4,209	8,658

There is no difference between book values and fair values of trade and other payables. All amounts are due within one year.

### **Trade and other payables (Company only)**

	2024 £000	2023 £000
Trade payables	28	144
Amounts owed to Group companies	5,917	1,734
Social security and other taxes	28	9
Accruals	84	822
Total	<b>6,057</b>	<b>2,709</b>

Amounts due to Group companies are repayable on demand and carry interest charges of Bank of England base rate plus 3%

## **20. Pension schemes**

The Group now solely operates a single defined contribution scheme in the UK. Prior to their transfer in February 2023, Lot.to employees contributed to a separate defined contribution scheme to that of Sportech PLC employees. In previous years, the Group operated a funded defined benefit scheme and two defined contribution schemes in the US.

Summary of pension contributions paid:

	2024 £000	2023 £000
Defined contribution scheme contributions	68	62

### **Defined contribution schemes**

In the UK, employer contributions for Sportech are set at a maximum of 8% of pensionable salaries.

### **Pension risks**

The Group is no longer subject to risks associated with defined benefit pension schemes having transferred the US scheme with the disposal entities to Betmakers Technology Group Limited.

## **21. Financial instruments (continuing and discontinued operations)**

### Financial risk management policies and objectives

The key financial risks borne by the Group, and the policy of managing those risks, are outlined below:

#### Liquidity risk

The Group is exposed to liquidity risk and has to manage its cash requirements. In managing short term divisional liquidity risks, cash flow forecasting is performed on a weekly basis in the operating entities and is aggregated by Group finance. This weekly forecasting recognises committed short-term payables of the Group which are monitored and managed through regular discussions with suppliers. Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure each operating entity has sufficient cash to meet operational needs. Cash surpluses are managed centrally by Group finance and cash swept up/pushed down as cash surpluses/requirements arise.

#### Credit risk

The Group's main exposure to credit risk is in accounts receivable and is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry, country in which customers operate. Credit risk is managed locally by assessing the creditworthiness of each new customer before agreeing payment and delivery terms.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on annual revenue and the corresponding historical credit losses experienced over the past five years as annual percentages. On that basis, no loss allowance as at 31 December 2024 (2023: £nil) was determined other than specific provisions for bad debts in trade receivables. The Group does not hold significant amounts of deposits with banks and financial institutions and the cash which is deposited is spread over a few of financial institutions with Moody's ratings of A or above (defined as upper-medium grade and subject to low credit risk). Amounts held in cash for the Sportech Venues division are held in highly secure environments.

#### Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Foreign exchange risk arises from transactions undertaken in foreign currencies, the translation of foreign currency monetary assets and liabilities and from the translation into Sterling of the results and net assets of overseas operations.

The Group continually monitors the foreign currency risks and takes steps, where practical, to ensure that the net exposure is kept to an acceptable level. In doing so, the Group considers whether use of foreign exchange forward contracts would be appropriate in fixing the economic impact of forecasted profitability. As at 31 December 2024, there were no outstanding commitments on foreign exchange forward contracts (2023: none). The Group did not enter into any forward contracts during the year (2023: the Group did not enter into any forward contracts).

The functional currencies of the individual entities in the Group is kept under review.

The average rate for the US Dollar in both the current and previous reporting period are as outlined below.

	2024		2023	
	Average	Closing	Average	Closing
US Dollars	1.28	1.24	1.25	1.26

If the exchange rates in 2024 were comparable to those in 2023, profit after tax would have been £662k and the net assets would have been £4,662k at 31 December 2024.

If exchange rates had been 1% higher/lower in 2023 than the prevailing rates during the year, profit for the year would have been £62k higher/lower and net assets as at 31 December 2023 would have been £192k higher/lower.

### Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to achieve an efficient capital structure to minimise the cost of capital.

### Financial assets and liabilities

At each reporting date, the Group had the following categories of financial assets and liabilities:

	Restated	
	2024 £000	2023 £000
Financial assets measured at amortised cost	4,517	9,216
Financial liabilities measured at amortised cost	13,120	11,621

### Maturity of financial liabilities

Except for lease obligations (see note 16) all non-derivative financial liabilities are all payable within twelve months.

## **22. Contingencies and commitments (continuing and discontinued operations)**

### Capital commitments

The Group had no contracts placed for capital expenditure that were not provided for in the financial statements at the current or prior year end dates.

### Operating lease commitments

The Group includes all leases on balance sheet as Right-of-use assets with a corresponding lease liability, other than leases which are short leases (terms of 12 months or less) or low value leases, being leases with asset value of less than £4,000 (\$5,000). Leases that qualify for these exemptions are included within the disclosures below.

The expenditure charged to the income statement was £15k (2023: £27k).

The future aggregate minimum lease payments under non-cancellable leases not accounted for elsewhere under IFRS 16, are as follows:

	2024 £000	2023 £000
No later than one year	-	4
Later than one year and no later than five years	-	-
Total	-	4

### Contingent items

## Tax

The Group's only remaining case was in relation to the treatment of the £4.6m gain included in the 2016 financial statements for the Spot the Ball VAT refund. The case and all accompanying cash liabilities were settled in full during the year.

**Certain contingent items exist at the reporting date with respect to tax liabilities as outlined below.**

## Other contingent items

## M&A activity

The 2021 sales of the Bump 50:50, the Global Tote business and Sportech Lotteries, LLC have customary seller warranties under the terms of the Sale and Purchase Agreements. Those warranties have been provided in good faith by management in light of the probability of certain events occurring. The possibility of material claims being made under the seller warranties in either deal is considered by management to be remote.

## Legal

The Group is engaged in certain disputes in the ordinary course of business which could potentially lead to outflows greater than those provided for on the balance sheet. The maximum possible exposure considered to exist, in view of advice received from the Group's professional advisors, is up to £0.1m (2023: £0.1m). Management is of the view that the risk of those outflows arising is not probable and accordingly they are considered contingent items.

## 23. Ordinary shares

Authorised, issued and fully paid ordinary shares of 1p

	2024		2023	
	'000	£000	'000	£000
At 1 January	97,100	971	100,000	1,000
Buy-back and cancellation	-	-	(2,900)	(29)
At 31 December	97,100	971	97,100	971

## 24. Related party transactions

The extent of transactions with related parties of Sportech PLC and the nature of the relationships with them are summarised below:

- Directors compensation is disclosed in note 8.
- No cash was invested in and there were no trading transactions between the Group and any of its joint ventures during the year or prior year, and no amounts outstanding at the reporting date (2023: £nil)
- During the period, Grey Wolf Investments Limited, a company controlled by the executive chairman of Sportech Ltd, provided services to the Sportech group in connection with the completion of the sale and leaseback of the Windsor Locks property. This transaction is disclosed elsewhere in the financial statements, a fee of £110.5k was charged for these services to the group upon the successful sale of the property.

## 25. Related undertakings

Subsidiaries, excluding dormant companies	Country of incorporation	Registered address	Class of shares held	Shareholding
Sportech Group Holdings Limited	England & Wales	6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR	Ordinary	85%
Lot.to Systems Limited	England & Wales	6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR	Ordinary	100%
Sportech Holdco 2 Limited	England & Wales	6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR	Ordinary	100%
Sportech, Inc.	United States	600 Long Wharf Drive, New Haven, CT 06511	Ordinary	100%
Sportech Venues, Inc.	United States	600 Long Wharf Drive, New Haven, CT 06511	Ordinary	100%
Sportech Retail, Inc.	United States	601 Long Wharf Drive, New Haven, CT 06511	Ordinary	100%

Joint ventures and associates	Country of incorporation	Registered address	Class of shares held	Shareholding
Sportshub Private Limited	India	Arias, Fabrega & Fabrega, Plaza 2000 Building, 50th Street, Panama	Ordinary	50%
DraftDay Gaming Group, Inc	United States	Trident Chambers, POB 146, Road Town, Tortola, British Virgin Islands	Ordinary	30%

Dormant companies	Country of incorporation	Registered address	Class of shares held	Shareholding
Sportech Gaming Limited	England & Wales	6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR	Ordinary	100%
Sportech Pools Limited	England & Wales	6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR	Ordinary	100%
Sportech Pools Competitions Company Limited	England & Wales	6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR	Ordinary	100%

Pools Promotions Limited	England & Wales	6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR	Ordinary	100%
Sportech Mauritius Limited	Mauritius	Intercontinental Trust Limited, Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	Ordinary	100%
Sportech Pools Games Limited	England & Wales	6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR	Ordinary	100%
Bet 247 Limited	England & Wales	6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR	Ordinary	100%
Sportech Racing Limited	British Virgin Islands	CSC North America Inc., 45 O'Connor Street, Suite 1600, Ottawa, Ontario K1P 1A4	Ordinary	100%
Sportech Games Holdco, LLC	United States	600 Long Wharf Drive, New Haven, CT 06511	Ordinary	100%

## **26. Investments in subsidiaries (Company)**

A full list of the Company's subsidiaries and other related undertakings is included in note 25 of the Group Consolidated Financial Statements.

At 31 December 2024 the Company held direct investments in the following entities:

<b>Company</b>	<b>Nature of business</b>
Sportech Group Holdings Limited ("SGHL")	Holds investments in Group companies
Lot.to Systems Limited	Lottery software supplier

Movement in the book value of the Company's investments is shown below:

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
At 1 January	<b>15,860</b>	17,999
Impairment	<b>(4,765)</b>	(2,139)
<b>At 31 December</b>	<b>11,095</b>	15,860

The Directors considered the carrying value of the investments for impairment during the year. It was concluded that as at 31 December 2024 the enterprise value of the subsidiaries of SGHL amounted to £11,051k and the enterprise value of the Company's Lot.to Systems Limited subsidiary was £54k. As a result, an impairment of £4,765k was charged to operating costs in the income statement. Following the impairment, the Directors consider the carrying value of £11,095k to be supported by the underlying net assets and cashflows of the Group including those forecasts outlined in note 13 of the consolidated financial statements. Significant judgement is involved in forecasting the cashflows of the Group and if these forecasts are not achieved impairment to the investment in SGHL would result. Principal risks of the Group are identified in the Risk Management section of the Consolidated Financial Statements.

## **27. Other income**

On 17 October 2024 the Group completed the disposal of its freehold property in Bradley, Connecticut, known as "Windsor Locks" for gross consideration of £3,867k (\$5,139k). Costs related to the disposal amounted to £301k. The property is to be leased back for 10 years to 30 November 2034 at a rental of c£29k per month (\$35k)

	<b>2024</b>
	<b>£000</b>
Cash consideration received	<b>3,867</b>
Net book value disposed of	<b>(2,970)</b>
Costs of disposal	<b>(301)</b>
Profit after tax on disposal net of costs	<b>596</b>

## **28. Reconciliation of EBITDA**

The Board of Directors assesses the performance of the business based on a measure of adjusted EBITDA which excludes the effects of expenditure that management believe should be added back (separately disclosed items) and other income. This measure provides the most reliable indicator of underlying performance of the business as it is the closest approximation to cash generated by underlying trade, excluding the impact of separately disclosed items and working capital movements.

Adjusted EBITDA is not an IFRS measure, nevertheless although it may not be comparable to adjusted figures used elsewhere, it is widely used by both the analyst community to compare with other gaming companies and by management to assess underlying performance.

A reconciliation of the adjusted operating expenses used for statutory reporting and the adjusted performance measures is shown below:

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>£000</b>	<b>£000</b>
Operating costs per income statement		<b>(12,943)</b>	(14,344)
Add back:			
Depreciation	13,14	<b>1,726</b>	1,868
Amortisation, excluding acquired intangible assets	12	<b>107</b>	95
Amortisation of acquired intangible assets	12	-	-
Impairment of goodwill	11	-	88
(Profit)/Loss on sale of intangible assets	12	-	(109)
(Profit)/Loss on sale of property, plant and equipment	13	<b>596</b>	-
Reversal of impairment of property, plant and equipment	13	-	(190)
Separately disclosed items (net)	5	<b>(398)</b>	364
Adjusted operating costs		<b>(10,912)</b>	(12,228)

Adjusted EBITDA is calculated as below:

	2024 £000	2023 £000
<b>Continuing and discontinued operations</b>		
Revenue	23,053	26,505
Cost of sales	(10,363)	(12,398)
Gross profit	12,690	14,107
Marketing and distribution costs	(253)	(328)
Contribution	12,437	13,779
Adjusted operating income and costs	(10,912)	(12,228)
Adjusted EBITDA	1,525	1,551

## **29. Prior year adjustments**

### **Background and Reassessment**

In the financial statements for the year ended 31 December 2023, certain major operating assets of the Group were classified as held for sale and presented as discontinued operations, in accordance with IFRS 5. This classification was based on an advanced-stage process following an approach by an independent third party who expressed interest in acquiring these assets. The 2023 financial statements reflected the assumption that a binding offer, likely comprising a combination of cash and deferred, non-contingent cash consideration, might be presented.

However, subsequent to 31 December 2023, no binding offer was received, and the proposed acquisition did not proceed. As a result, management has reassessed the classification of these assets and determined that they no longer meet the criteria for classification as held for sale under IFRS 5, paragraph 7 (e.g., due to the absence of a committed plan to sell and an active market).

### **Restatement of Comparatives**

In accordance with IFRS 5, paragraph 38, the comparative financial information for the year ended 31 December 2023 has been restated to reflect the reclassification of these assets from held for sale to their original categories (e.g., property, plant, and equipment or other non-current assets, as applicable). The restatement removes the assets from the “Assets Held for Sale” line item and adjusts the presentation of discontinued operations in the Consolidated Income Statement and Consolidated Balance Sheet. Additionally, the remeasurement of these assets, which were previously measured at the lower of carrying amount and fair value less costs to sell, has been reversed. The assets have been reinstated at their carrying amounts as of 31 December 2023, with depreciation and other relevant expenses reinstated for the period they were classified as held for sale.

### **Impact of Restatement**

The restatement affects the following line items in the Consolidated Financial Statements for the year ended 31 December 2023:



		Original	Adjustment	Restated
		2023	2023	2023
	Note	£000	£000	£000
<b><u>Consolidated Income Statement</u></b>				
Revenue	4	51	26,454	26,505
Cost of sales	5	(116)	(12,283)	(12,398)
<b>Gross profit</b>		(65)	14,171	14,107
Marketing and distribution costs	5	-	(328)	(328)
<b>Contribution</b>		(65)	13,843	13,779
Operating costs	5	(2,446)	(11,897)	(14,344)
<b>Operating loss</b>		(2,511)	1,946	(565)
Finance costs	10	(11)	(278)	(289)
<b>Loss before tax from continuing operations</b>		(2,480)	1,668	(812)
<b>Loss for the year – continuing operations</b>		(2,480)	1,668	(812)
Profit after taxation from discontinued operations		1,668	(1,668)	-

		Original	Adjustment	Restated
		2023	2023	2023
	Note	£000	£000	£000
<b>Consolidated Balance Sheet</b>				
Intangible fixed assets	13	113	6,051	6,164
Property, plant and equipment	14	-	4,142	4,142
Right-of-use assets	15	-	3,834	3,834
Trade and other receivables	18	-	169	169
Trade and other receivables	18	206	4,645	4,851
Inventories	17	-	133	133
Current tax receivable		-	111	111
Cash and cash equivalents	19	1,527	2,669	4,196
Assets classified as held for sale		21,754	(21,754)	-
Trade and other payables	20	1,360	7,298	8,658
Lease liabilities	16	0	2,852	2,852
Current tax liabilities		15	(8)	6
Liabilities directly associated with assets classified as held for sale		13,343	(13,343)	-
Lease liabilities	15	0	3,193	3,193
Other reserves		4,165	0	4,165
Retained earnings		3,761	(1)	3,760