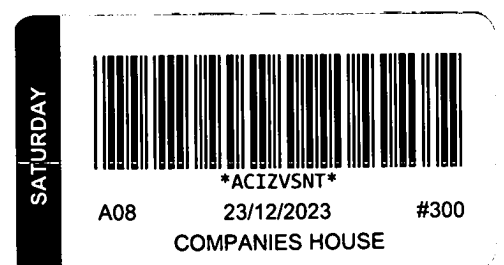


Sports Information Services (Holdings) Limited

Annual Report and Consolidated Financial Statements

31 March 2023

Registered No. 01939932



**Annual report and financial statements
for the year ended 31 March 2023**

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Company Information

Directors

R J Ames

F Done

C J Hodges

C H B Mills

J M Scanlon

S Johnson

L J Walker

G D'Esposito

L Mintas

V C H Lewis

Alternate directors

M A Lawson

Alternate for C H B Mills

P J Kirszanek

Alternate for J M Scanlon

T J M Tizard

Alternate for C J Hodges

Secretary

SIS Cosec Limited

Auditor

Saffery Champness LLP

Trinity

16 John Dalton Street

Manchester

M2 6HY

Registered Office

Unit 2 Whitehall Avenue

Kingston

Milton Keynes

Buckinghamshire

MK10 0AX

Strategic report for the year ended 31 March 2023

The directors of Sports Information Services (Holdings) Limited ("the Group") present their strategic report for the year ended 31 March 2023.

Principal activities and review of the business

The Group's principal activities during the year were:

- The provision of digital sportsbook products and services to the global online betting and gaming industry (SIS Digital);
- The creation of consumer orientated product and content for use in the betting industry (49's Group); and
- The provision of integrated television and information services to licensed betting offices (LBOs) globally (SIS Retail)

The year ending 31 March 2023 has seen a year of continued growth in core areas of the Group together with investment in strategic initiatives designed to establish a platform for the future sustainable growth of the Group. This has focused new areas of the business in the USA, further investment in the content creation business 49's Group, an increased investment in the data and operations business, Racelab PTY Ltd in Australia, as well as in the technology platforms and support functions across the Group. On a like for like basis, excluding these new initiatives relating to USA, 49's Group and racelab, EBITDA has increased from £14.1m to £15.9m demonstrating the strength of the core operating divisions within the Group.

UK and Ireland Retail & Online Racing - SIS continues to provide a core service including Racecourse Media Group horseracing, the SIS Greyhound Service, Irish Horseracing, Chelmsford City Horseracing, 49's and International Horseracing to almost the entire UK and Irish retail market, including all the major UK bookmaking groups and the majority of the independent market.

In advance of the renewal dates SIS has recently renewed, on a long-term basis, its production, distribution, and content deals with the majority of the Major bookmaker LBO (Licensed Betting Operators) market and is in advanced negotiations with the remaining Major bookmaker LBO market. This is in addition to the majority of Independent Retail Bookmakers who are already signed to the service through to 2024.

SIS has recently secured additional content for UK Retail and Digital customers in the form of South African horseracing from 4racing, Italian horseracing and Australian horseracing content from Victorian Thoroughbred Racing and Racing South Australia. Since the financial year end SIS has secured long-term renewals of both Irish horseracing and Chelmsford City horseracing content rights.

International Retail & Online Racing - SIS has seen continued growth in both existing customer revenues and its customer base for its online racing content through both its 24/7 racing channels and direct content distribution. SIS has over 140 live feeds to customers designed to maximise betting opportunities for international retail and online operators and has signed numerous international and online operators to multi-year agreements. SIS continues to progress its strategy to increase distribution, in both new and existing international and online markets, using proprietary production technology as well as ultra-low latency streaming and data pricing services.

Strategic report for the year ended 31 March 2023 (continued)

In November 2022, SIS took up its option to acquire a further 25% Racelab PTY Limited, a racing data science company in Australia, increasing its stake to 50%. Racelab adds a range of market leading products across the SIS portfolio of international horse and greyhound racing.

49's Group, the content creations business has seen Numbers products operated under the 49's brand grow significantly in the period driven by a combination of increased customers and an expanded product range and is complemented by the upgraded 49s.co.uk website which has driven affiliate revenue. In December 2022 bet365 launched a new online draw product, Lotto365, powered by SIS's 49's business and this brings the total number of events delivered under the 49's brand to over 300,000.

The SIS Competitive Gaming (e-sports) service, also part of the 49's Group content creation business, has continued to scale the number of events created and increase revenues with new customers onboarding in the period. The business has three titles focused around eBasketball, eFootball and Counter Strike: Global Offensive (CS: GO), a traditional e-sports product, and creates over 100,000 events per annum with the ability to scale. During the year SIS has launched the first of its esports offerings in the USA (New Jersey and Colorado) which marked another significant step in the further geographic diversification of the business.

Business environment

The Group is one of the most experienced betting services providers including picture services, production and data to the retail and online betting industry around the world.

The retail betting market in the UK has contracted during the last five years, due to increasing online competition leading to channel switching, taxation charges, Covid-19 and regulatory pressures faced by retail bookmakers. Although the Group had several contracts in place that enabled it to share the risk of LBO closures, there remains exposure to a decline in LBOs.

In anticipation of the decline in LBO numbers the Group has made a significant investment in its capabilities to deliver bespoke services to both retail and online bookmakers in the UK and globally.

In all its areas of activity the Group will differentiate itself from the competition by adopting a customer led approach and has and will continue to invest in experienced professionals to deliver a high-quality service.

Strategy

The board continue to support management in implementing the business strategy. The Group's organisational business model, customer and content strategy is aimed at supporting a customer focused business with potential for sustainable growth. There are four main strands to the Group's strategy:

- Become a key provider to chosen international markets;
- Create new products and content for betting purposes;
- Grow the digital business; and
- Minimise decline of current UK retail business.

Strategic report for the year ended 31 March 2023 (continued)

Become a key provider to chosen international markets

The Group will acquire complementary content and services with leverage in other new markets and produce, package and present content to maximise the value for its customers and suppliers.

Create new content and products for betting purposes

The group will identify opportunities to create additional events for distribution to betting operators globally.

Grow the digital business

The Group will acquire products and rights to appropriate content to produce a balanced portfolio bringing a compelling short form linear format to market.

Minimise decline of UK retail business

Maximise and protect revenue streams from existing content, investigate new business models for customers and transform cost structure to cut the cost of delivery.

Key Performance Indicators ('KPIs')

The Group has made progress on its strategies during the year. The monitoring process is in part through KPIs, some of which are shown below:

	2023	2022	Definition, calculation and analysis
Group turnover	5.7%	67.8%	Year on year turnover expressed as a percentage. The increase in 2023 reflects the expansion of the business and the normalisation of business post the COVID pandemic.
Group operating profit/(loss) percentage (before individually significant items)	2.3%	4.2%	Group operating profit margin is the ratio of group operating profit (total operating profit before individually significant items) to group turnover, expressed as a percentage. The group operating profit percentage has decreased against the prior year as a result of increased investment in launching the US business and the impact of the increased investment to 50% holding in Racelab PTY Ltd and the subsequent requirement to fully consolidate.
Net cash inflow from operating activities (before tax payments)	£8.9m	£31.3m	Net cash inflow is calculated by reconciling operating profit to cash generated from the Group's activities. Cash decrease in the year is a mainly the result of normalisation of working Capital post the COVID19 pandemic and new contract deals.
Average number of employees	460	373	The average number of employees in employment within the Group. This has increased year on year, largely due to the expansion of the Competitive Gaming product within the content creation business. The number of employees at the end of March 2023 was 467 (2022 - 439).

Strategic report for the year ended 31 March 2023 (continued)

Principal risks and uncertainties

As part of its corporate governance arrangements, the Group's risks are formally reviewed by the Audit and Risk Committee, a sub group of the Board of Directors, twice a year, and appropriate processes are put in place to monitor and mitigate them.

The key business risks affecting the Group are set out below:

Exposure to credit, counterparty, liquidity and cash flow risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Group policies are aimed at minimising such losses. Details of the Group's debtors are shown in note 17 to the financial statements. Counterparty risk with respect to rights is monitored by the Board regularly.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group aims to mitigate liquidity risk by managing cash generation from its operations and applying cash collection targets throughout the Group. The Group has no active credit facilities given the current surplus cash balances and is confident that facilities could be re-introduced in the future should the need arise.

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments on a finance lease. The Group manages this risk through monthly reporting and analysis of commitments and cash flow projections.

Foreign currency exchange risk

The Group is exposed to foreign exchange risks primarily arising from commercial transactions denominated in foreign currencies. However, the Group has some natural hedges given its customer and supplier base and has chosen to not use formal hedging products.

Interest rate risk

The Group is currently debt free and therefore has limited exposure to the risk of changes in market interest rates, other than to variations in its interest receivable.

Regulatory & Legal risk

The current Gambling Review being carried out by the government has potential to impact (positively or negatively) the UK digital business and SIS is following the developments closely. One of the subsidiary companies, 49's Limited, has taken a Gambling Commission licence for certain products and the Group continues to liaise with the UK Gambling Commission.

Given the contractual nature of the Group's activities the Group is from time to time involved in potential litigation. This is further discussed at notes 1, 6 and 26 to these financial statements.

Competition

The Group operates in several competitive markets which can result in a downward pressure on prices and loss of customers. The Group aims to mitigate this risk by continually expanding the range of products and services, monitoring the competition and its pricing strategy and continually investing in technology to ensure that the quality of service delivery remains unrivalled.

Strategic report for the year ended 31 March 2023 (continued)

Data and transmission services

The Group's customers rely on real time data and uninterrupted content delivery. Loss of content would result in reduced quality in its services and potentially reduce income. Therefore, the Group has developed advanced business continuity procedures and disaster recovery solutions and has back-up facilities located around the country.

Employees

The Group recognises that its employees are a key asset within the business. Losing key employees and being unable to recruit replacements with the right experience and skills could adversely impact the Group's performance. To manage this, the Group has training programmes to develop employees and has implemented several reward schemes that are linked to the Group's results and designed to retain key individuals.

Section 172 statement

In accordance with section 172(1) of the Companies Act 2006, in carrying out their duties to promote the success of the Group for its shareholders and in making key decisions, the directors consider the long-term consequences of their decisions, employees' interests, other stakeholders including customers and suppliers and the local community and industry in which it operates.

Potential long-term consequences of their decisions

The SIS business was created in 1987 and has been under the same ownership structure since 2006. In considering all key decisions, the long-term shareholder value is one of the main priorities of the directors.

Employees' interests

Further details are set out in the Directors' Report.

Key relationships with customers and suppliers

The directors recognise that it is essential for the success of the Group to develop strong relationships with its customers and suppliers. This is achieved by building and developing these key relationships at the senior management level and mirroring this through the business. Key customer relationships are managed by the commercial department and key suppliers are managed through the Group's Vendor management team with product and IT department support.

The directors and senior management formally consider the interests of the Group and all its stakeholders at its regular board and management meetings.

Impact on community and other stakeholders

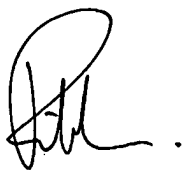
The directors believe that the business should be a good citizen within the industry and community in which it operates. The key aim of the Group is to provide regular and profitable short form betting content to its customers, whilst delivering maximum returns for the owners of that content.

The business is a keen supporter of charities with two corporate charities (Ride High and East Manchester Youth Zone) in place and the business supports the charities both directly and through its employees who fundraise.

Strategic report for the year ended 31 March 2023 (continued)

Additionally, the business is a founding member of the All-in Diversity project whose aims are to promote diversity, inclusion and workplace equality. In July 2020 the business also signed up to GamCare which is the leading national provider of free information, advice and support for anyone affected by problem gambling.

On behalf of the board :

A handwritten signature in black ink, appearing to be 'R J Ames', followed by a period.

R J Ames

Director

21 July 2023

Registered No. 01939932

Directors' report for the year ended 31 March 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Results and dividends

The Group profit for the year after taxation amounted to £4,884,000 (2022: profit of £5,618,000). A dividend of £4,399,526 was declared and paid during the year to 31 March 2023 in respect of ordinary shares (2022: £nil).

Directors

The following directors served during the period:

R J Ames

F Done

C H B Mills

J M Scanlon

S Johnson

G D'Esposito

L Mintas

A D Artz (resigned 1 July 2023)

C J Hodges

V C H Lewis (appointed 1 July 2023)

Alternate directors

T J M Tizard Alternate for C J Hodges

M A Lawson Alternate for C H B Mills

P J Kirszanek Alternate for J M Scanlon

Transactions with directors are disclosed in note 7 and 27 to the financial statements.

Political and charitable contributions

Charitable donations totalling £33,816 (2022 – £33,258) were paid during the year. No political donations were made in the current or prior year.

Research and development

SIS continually invests in developing new and innovative products and solutions to ensure they offer customers value for money when providing regular short form betting opportunities.

Disabled employees

The Group's policy is that applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned.

Directors' report for the year ended 31 March 2023 (continued)

Furthermore, in the event of members of staff becoming disabled every effort would be made to ensure that their employment with the Group continued and appropriate training arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should be, as far as possible, identical to that of a person who does not suffer from a disability.

Employee involvement

The Group recognises the importance of engaging employees to ensure they make their fullest contribution to the business. Engagement with employees or their representatives is maintained at all levels, with the aim of ensuring that their views are taken into account in decisions which are likely to affect their interests, and that all employees are aware of the financial and economic performance of their business units, and of the Group as a whole.

Various different communication channels are utilised by the management team, and these can take the form of regular employee representative meetings, regular all-employee calls to discuss the latest business performance and more detailed face to face "town hall" meetings. The effectiveness of communication with employees is constantly reviewed and evaluated and regular feedback is obtained.

The Group is committed to improving the skills of employees by offering training and development opportunities and this is managed through the regular employee appraisal process.

Reporting of Greenhouse Gas (GHG) Emissions

The Group's GHG emissions are included for the period 1 April 2022 to 31 March 2023 and are in accordance with the Streamlined Energy and Carbon Reporting (SECR) requirements.

The data has been calculated in accordance with SECR guidance and includes GHG emissions for all 3 UK sites where the Group is present but it excludes the energy usage of any assets that are not in the control of the Group i.e. decoders or electronic equipment held at customer sites.

The intensity ratio is calculated using the area occupied at all SIS sites in m².

	2023	2022
Energy usage (kwh '000)	4,171	4,196
CO2 emissions (tonnes)	767	970
Site area (m ²)	6,078	6,078
Intensity CO2 per m ²	0.1263	0.1595

Overall, energy usage has seen a slight decrease year on year (-1%) which is due to the company undergoing a number of activities to switch to more efficient energy consumption and this efficiency has enabled the company to offset usage increases due to increased office working and utilisation of space for Competitive Gaming studio capacity.

During 2023 the Company has completed an Environmental, Social and Governance (ESG) audit to benchmark our position and establish a foundation for progressing our ESG approach.

Directors' report for the year ended 31 March 2023 (continued)

Results were encouraging, demonstrating significant achievements in many of the material criteria relating to our sector and a series of energy workshops were subsequently completed regarding potential actions and investment are required to drive toward a Net Zero objective for Scope one and Scope two criteria by 2035.

Our intention is to maintain the momentum further to this feedback establishing appropriate policies, objectives, colleague engagement and creating a cross functional ESG Committee over the next twelve to eighteen months. From there we shall assess the necessary steps that enable appropriate Task Force on Climate-related Financial Disclosures (TCFD) tracking, monitoring, and reporting to be complied with in due course.

The immediate requirement is for our Energy Saving Opportunity Scheme (ESOS) phase 3 exercise to be completed by December 2023, and this process has commenced with our nominated Energy consultant.

Disclosure of information to the auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the director 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 auditor is aware of that information.

Disclosure in the strategic report

The Group has chosen, in accordance with Section 414 C(ii) of the Companies Act 2006, and as noted in this Directors' Report, to include certain matters in its Strategic Report that would otherwise be required to disclose in this Directors' Report, specifically in respect of principal activities and principal risks and uncertainties.

Auditor

Saffery Champness LLP were appointed as auditor to the company in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a general meeting.

On behalf of the Board:



R J Ames

Director

21 July 2023

Directors' Responsibilities Statement

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Independent auditor's report to the members of Sports Information Services (Holdings) Limited

Opinion

We have audited the financial statements of Sports Information Services (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise consolidated statement of comprehensive income, consolidated and company statements of financial position, consolidated and company statements of changes in equity, consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 March 2023 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group 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.

Independent auditor's report to the members of Sports Information Services (Holdings) Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 12, 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.

Independent auditor's report to the members of Sports Information Services (Holdings) Limited (continued)

Responsibilities of directors (continued)

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent company by discussions with directors and by updating our understanding of the sector in which the group and parent company operate.

Laws and regulations of direct significance in the context of the group and parent company include The Companies Act 2006, and UK Tax legislation as well as similar laws and regulations prevailing in each country in which we identified a significant component.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of group and parent company financial statement disclosures. We reviewed the parent company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

Independent auditor's report to the members of Sports Information Services (Holdings) Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Diane Petit-Laurent FCA (Senior Statutory Auditor)

for and on behalf of Saffery Champness LLP

Chartered Accountants

Statutory Auditors

Trinity

16 John Dalton Street

Manchester

M2 6HY

21 July 2023

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2023

	<i>Note</i>	2023	2022
		£000	£000
		Total	Total
Turnover	2	230,748	218,349
Operating expenses		(225,356)	(209,290)
Other operating income	4	–	105
Group operating profit before individually significant items	5	5,392	9,164
Individually significant items	6	–	(2,200)
Group operating profit after individually significant items		5,392	6,964
Group's share of loss in associate	15	(163)	(271)
Other interest receivable and similar income	9	1,344	275
Interest payable and similar expenses	10	(2)	(6)
Profit before taxation		6,571	6,962
Tax on profit / (loss)	11	(1,687)	(1,344)
Profit after taxation		4,884	5,618
Other comprehensive income / (loss):			
Remeasures of net defined benefit obligation	24	(7,292)	507
Total tax on components of other comprehensive income	11	2,552	(177)
Other comprehensive income / (loss) for the year, net of tax		(4,740)	330
Total comprehensive income / (loss) for the year		144	5,948
Attributable to:			
Parent		5,464	5,618
Non-Controlling Interest		(580)	--
		4,884	5,618

Consolidated Statement of Financial Position

at 31 March 2023

	Notes	2023 £000	2022 £000
Fixed assets			
Intangible assets	13	26,991	11,958
Tangible assets	14	4,738	4,227
Investment in associate	15	–	2,560
		31,729	18,745
Current assets			
Stock	16	491	586
Debtors	17	49,263	35,656
Cash at bank and in hand	18	47,371	62,755
		97,125	98,997
Creditors: amounts falling due within one year	19	(70,201)	(60,964)
Net current assets		26,924	38,033
Total assets less current liabilities		58,653	56,778
Provisions for liabilities			
Other provisions	20	(1,896)	(2,028)
Deferred tax liability	11	(626)	(3,301)
Net assets excluding pension asset		56,131	51,449
Defined benefit pension asset	24	1,495	8,863
Net assets		57,626	60,312
Capital and reserves			
Called up share capital	21	20	20
Share premium account		9,836	9,836
Capital redemption reserve		2	2
Retained earnings		46,772	50,454
Minority Interest		996	–
Shareholders' funds		57,626	60,312

The financial statements were approved by the board of directors and authorised for issue on 21 July 2023. They were signed on its behalf by:



R J Ames
Director

Company registration number: 01939932

Company Statement of Financial Position

at 31 March 2023

	Notes	2023 £000	2022 £000
Fixed assets			
Investments	15	–	–
Current assets			
Debtors	17	46,728	46,728
Cash at bank and in hand	18	14	14
		46,742	46,742
Creditors: amounts falling due within one year	19	(5)	(5)
Net current assets		46,737	46,737
Total assets less current liabilities		46,737	46,737
Creditors: amounts falling due after more than one year		–	–
Net assets		46,737	46,737
Capital and reserves			
Called up share capital	21	20	20
Share premium account		9,836	9,836
Capital redemption reserve		2	2
Retained earnings		36,879	36,879
Shareholders' funds		46,737	46,737

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company Income Statement. The profit of the Company for the year was £nil (2022: £nil).

The financial statements were approved by the board of directors and authorised for issue on 21 July 2023. They were signed on its behalf by:



R J Ames

Director

Company registration number: 01939932

Consolidated Statement of Changes in Equity

at 31 March 2023

	<i>Called-up share capital</i>	<i>Retained earnings</i>	<i>Share premium account</i>	<i>Capital redemption reserve</i>	<i>Total</i>	<i>Minority Interest</i>	<i>Total Equity</i>
	£000	£000	£000	£000	£000	£000	£000
Balance as at 1 April 2021	20	44,506	9,836	2	54,364	–	54,364
Original loss for the year 2021	–	5,618	–	–	5,618	–	5,618
Other comprehensive loss for the	–	330	–	–	330	–	330
Total comprehensive loss for the year	–	5,948	–	–	5,948	–	5,948
Balance as at March 2022	20	50,454	9,836	2	60,312	–	60,312
Balance as at 1 April 2022	20	50,454	9,836	2	60,312	–	60,312
Profit for the year	–	4,884	–	–	4,884	–	4,884
Other comprehensive income for the year	–	(4,740)	–	–	(4,740)	–	(4,740)
Total comprehensive income for the year	–	144	–	–	144	–	144
Acquisition of a subsidiary	–	580	–	–	580	996	1576
Revaluation loss	–	(7)	–	–	(7)	–	(7)
Dividends	–	(4,400)	–	–	(4,400)	–	(4,400)
Balance as at 31 March 2023	20	46,772	9,836	2	56,630	996	57,626

Company Statement of Changes in Equity

at 31 March 2023

	<i>Called-up share capital</i>	<i>Retained earnings</i>	<i>Share premium account</i>	<i>Capital redemption reserve</i>	<i>Total</i>
	£000	£000	£000	£000	£000
Balance as at 1 April 2021	20	879	9,836	2	10,737
Profit for the year	–	36,000	–	–	36,000
Balance as at 31 March 2022	20	36,879	9,836	2	46,737
Balance as at 1 April 2022	20	36,879	9,836	2	46,737
Profit for the year	–	4,400	–	–	4,400
Dividends	–	4,400	–	–	4,400
Total transactions with owners,	–	(4,400)	–	–	(4,400)
Balance as at 31 March 2023	20	36,879	9,836	2	46,737

Consolidated Statement of Cash Flows

at 31 March 2023

		2023	2022
	Note	£000	£000
Cash flows from operating activities			
Profit for the year		4,884	5,618
Adjustments for:			
Depreciation of tangible assets	14	1,793	2,143
Amortisation of intangible assets	13	2,542	1,794
Amortisation of goodwill on investment in associate	13	284	168
Interest receivable and similar income	9	(1,344)	(274)
Interest payable and similar expenses	10	2	6
Share of loss of associate	15	163	271
Taxation	11	1,687	1,344
(Increase) / decrease in trade and other debtors		(16,773)	2,021
Decrease in stocks		95	16
Increase in trade and other creditors		13,984	18,182
(Decrease) in provisions		–	–
Cash generated from operations		7,317	31,289
Tax paid		(1,259)	(599)
Net cash inflow / (outflow) from operating activities		6,058	30,690
Cash flows from investing activities			
Interest received		1,110	79
Purchase of tangible fixed assets		(2,336)	(1,341)
Purchase of other intangible assets		(14,044)	(2,532)
Purchase of interest in associate		–	(2,999)
Loan to associate		(1,484)	–
Purchase of interest in subsidiary (net of cash acquired)		(286)	–
Net cash used in investing activities		(17,040)	(6,793)
Cash flows from financing activities			
Interest paid		(2)	(15)
Dividends paid		(4,400)	–
Net cash used in financing activities		(4,402)	(15)
Net increase / (decrease) in cash and cash equivalents		(15,384)	23,882
Cash and cash equivalents at the beginning of the year		62,755	38,873
Cash and cash equivalents at the end of the year		47,371	62,755

Notes to the financial statements

for the year ended 31 March 2023

1. Accounting policies

General Information

Sports Information Services (Holdings) Limited is a private company, limited by shares, registered in England and Wales (registration number 01939932). The address of its registered office is Unit 2 Whitehall Avenue, Kingston, Milton Keynes, Buckinghamshire, MK10 0AX.

Statement of compliance

The Group and individual financial statements of Sports Information Services (Holdings) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. The presentational currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Summary of significant accounting policies

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

Basis of preparation

The financial statements have been prepared on the going concern basis, in accordance with applicable UK Accounting Standards, under the historical cost convention, as modified by certain financial assets and liabilities measured at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the section "Critical judgements and estimates in applying the accounting policy" of this note.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual Income Statement.

Going concern

The Group had net assets of £57,626,000 (2022: £60,312,000).

The Directors have prepared detailed forecasts and trading projections for at least 12 months following the date of these financial statements. The Directors' forecasts, updated for the current trading and the Directors' latest view of market conditions, demonstrate that the Group will be able to meet its projected working capital requirements and satisfy its liabilities as they arise. In addition, the Directors have also considered a number of sensitised forecasts to reflect the inherent uncertainty in the economic climate and are satisfied that there is sufficient headroom to meet any financial obligations that arise.

Taking the above into account, the Directors consider it appropriate to adopt the going concern assumption in preparing these financial statements.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders.

Notes to the financial statements

for the year ended 31 March 2023

1. Accounting policies (continued)

A qualifying entity is defined as a member of a Group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- (i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- (ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- (iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- (iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings made up to 31 March 2023.

Subsidiaries

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the Group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity it accounts for that entity as a subsidiary.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

Any subsidiary undertakings sold or acquired during the year are included up to, or from, the dates of change of control respectively.

Where control of a subsidiary is lost, the gain or loss is recognised in the Consolidated Income Statement. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

Where control of a subsidiary is achieved in stages, the initial acquisition that gave the Group control is accounted for as a business combination. Thereafter where the Group increases its controlling interest in the subsidiary the transaction is treated as a transaction between equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest acquired is recognised directly in equity. No changes are made to the carrying value of assets, liabilities or provisions for contingent liabilities.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the Group's interest in the entity.

Notes to the financial statements

for the year ended 31 March 2023

1. Accounting policies (continued)

Turnover

Turnover, which excludes value added tax, represents the invoiced value of services supplied. Amounts received in advance from customers are deferred and recognised in the Income Statement only once the service has been provided and, if for a period, over the term of the related contract.

Rendering of services

Turnover is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Foreign currencies

(i) Functional and presentation currency

The Group financial statements are presented in pound sterling and rounded to thousands.

The Company's functional and presentation currency is pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement except when 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 (expense)/income'. All other foreign exchange gains and losses are presented in the Income Statement within 'Other operating (losses)/gains'.

(iii) Translations

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income' and allocated to non-controlling interest as appropriate.

Employee benefits

The entity provides a range of benefits to employees, including paid holiday arrangements, annual bonus arrangements and defined contribution and defined benefit pension scheme.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

Notes to the financial statements

for the year ended 31 March 2023

1. Accounting policies (continued)

Employee benefits (continued)

Defined benefit pension plan

The Group operated a defined benefit pension scheme for SIS Outside Broadcasts Limited, which requires contributions to be made to separately administered funds. The scheme was closed to new members in April 2008, from which time membership of a defined contribution plan has been available. The defined benefit pension scheme was closed from 31 March 2011. In March 2014, a flexible apportionment arrangement was implemented to transfer the liabilities in the scheme from SIS Outside Broadcasts Limited to its present company Sports Information Services Limited.

The cost of providing benefits under the defined benefit plan is determined using the projected unit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. Past service costs are recognised in profit or loss in the period in which they occur. When a settlement or a curtailment occurs the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the statement of comprehensive income. Losses are measured at the date that the employer becomes demonstrably committed to the transaction and gains when all parties whose consent is required are irrevocably committed to the transaction.

The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year and is determined by multiplying the fair value of the scheme assets by the same discount rate which is used in arriving at the present value of the benefit obligation. The difference between the expected return on plan assets and the interest cost is recognised in the Income Statement as other finance income or expense

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they occur. The defined benefit pension asset or liability in the Statement of Financial Position comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds that have been rated at AA or equivalent status), less any past service cost not yet recognised and less the fair-value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Defined contribution pension plan

The Group operates a contributory money-purchase pension scheme. Payments made to the fund are charged in the financial statements as part of employment costs as incurred.

Annual bonus plan

An expense is recognised in the Income Statement when the Group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

Notes to the financial statements

for the year ended 31 March 2023

1. Accounting policies (continued)

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when the entity recognises costs for a restructuring and involves the payment of termination benefits.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. 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 tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the reporting date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the reporting date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the reporting date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Current and deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the reporting date.

Business combination and goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

Notes to the financial statements

for the year ended 31 March 2023

1. Accounting policies (continued)

Business combination and goodwill (continued)

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured, they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Amortisation of goodwill is charged to the income statement on a straight-line basis over the estimated useful life of the business combination. The estimate of useful life is assessed at the point of acquisition.

Intangible fixed assets

Rights

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Costs to acquire broadcast rights are capitalised as intangible assets as at the date when the Company has a contractual obligation to pay the acquisition cost. Where the payments are for a period over one year, the intangible asset is carried at the present value of the contracted future payments.

When the right to broadcast commences, the intangible asset is amortised over the contract term of the rights. The carrying value of broadcast rights are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Research and development

Expenditure on research activities is recognised in the income statement as an expense as incurred.

As part of a revision to the accounting policy from 1st April 2021, expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Notes to the financial statements

for the year ended 31 March 2023

1. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at their purchase price, together with any expenses of acquisition and installation less accumulated depreciation and accumulated impairment losses.

Tangible fixed assets are written off in equal instalments over the following estimated useful asset lives:

Installed equipment	–	3 - 8 years
Studio equipment	–	5 years
Fixtures, fittings and other equipment	–	3 - 7 years
Leasehold improvements	–	4 years or over the life of the lease

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Assets that are in the process of being built for use are categorised as Assets Under Construction (AUCs). Assets in the course of construction are stated at cost. These assets are not depreciated until it is available for use. Once completed these assets are transferred to depreciating tangible fixed assets.

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Income Statement and included in 'Other operating (losses)/gains'.

Leased assets

At inception, the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Income Statement on a straight-line basis over the period of the lease. Incentives received to enter into an operating lease are credited to the Income Statement, to reduce the lease expense, on a straight-line basis over the period of the lease. However, the Group has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 April 2014) and continues to credit such lease incentives to the Income Statement over the period to the first review date on which the rent is adjusted to market rates.

Finance leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Group and hire purchase contracts are capitalised in the Statement of Financial Position and depreciated over the shorter of the lease term and the asset's useful lives.

The capital elements of future obligations under leases and hire purchase contracts are included as liabilities on the inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method. The interest elements of the rental obligations are charged in the Income Statement over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Notes to the financial statements

for the year ended 31 March 2023

1. Accounting policies (continued)

Impairment of non-financial assets

At each reporting date, non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Income Statement, unless the asset has been revalued when the amount is recognised in the other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the Income Statement.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Income Statement.

Government grants

Grants from the government (CJRS furlough) are recognised at their fair value where there is reasonable assurance that the grant will be received, and the company will comply with all the attached conditions. Government grants relating to costs are recognised in the profit and loss when they become receivable and are shown as other operating income.

Investments

The Group has taken advantage of the exemption under paragraph 35.10(f) of FRS 102 to measure investments in subsidiaries and jointly controlled entities in its separate opening Statement of Financial Position at cost. Investments are accounted for at cost less any accumulated impairment losses.

Associates

An associate is an entity in which the Group has significant influence, but not control, over the operating and financial policies of the entity. Significant influence is presumed to exist when the investor holds between 20% and 50% of the equity voting rights. In the Group's consolidated accounts, interests in associated undertakings are accounted for using the equity method. Under this method the investment in associate is measured at cost less accumulated profit/loss movements and implicit goodwill.

Stocks

The stock holding comprises items that are used within the LBO estate, largely decoders and other small items, that can be transferred out as a fixed asset or consumable items. The stock cost formula is on a FIFO basis and is valued at the lower of cost and fair value less cost to sell. The fair value is based upon a professional internal estimate less any further anticipated costs to be incurred during the disposal.

Notes to the financial statements

for the year ended 31 March 2023

1. Accounting policies (continued)

Stocks (continued)

At the end of each reporting date stocks are assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the Income Statement. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the Income Statement.

Cash and cash equivalents

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

Financial instruments

The Group has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method where applicable. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Income Statement.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (iii) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Notes to the financial statements

for the year ended 31 March 2023

1. Accounting policies (continued)

Financial Liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset, and the net amount presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions for the expected costs of maintenance under guarantees are charged against profits when products have been invoiced. The effect of the time value of money is not material and therefore the provisions are not discounted.

Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

Notes to the financial statements

for the year ended 31 March 2023

1. Accounting policies (continued)

Critical judgements and estimates in applying the accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) India

The Group continues to deal with tax and legal issues from the broadcasting of the 2010 Commonwealth games. Arbitration proceedings to recover the outstanding payment from the Indian broadcaster concluded in July 2020 and an award was handed down to the Group, however appeals have been made regarding the award and the appeal hearings are pending.

Each year management assess the situation based on factual information and make fair judgements on the position of this liability. The position of the arbitration and tax proceedings is such that no further provision is deemed necessary at this stage. Additional information is disclosed in note 26.

(b) Bonus schemes

The business has bonus schemes in place for senior management which vest outside of individual financial periods based on various performance criteria. Each year management assess the situation based on information and make fair judgements on the position of this liability.

Any amounts provided for are included within accruals (see note 19). The Directors acknowledge if the performance criteria is not met at the end of the vesting period, actual amounts paid may be materially different to accrued amounts.

(c) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in note 24.

Notes to the financial statements

for the year ended 31 March 2023

1. Accounting policies (continued)

Critical judgements and estimates in applying the accounting policies (continued)

(d) Pension surplus recognition

There have been no changes to the scheme rules during the year and at the end of the current year the directors have revisited the judgement and are comfortable with the position that the Group is able to recognise the scheme surplus under the gradual settlement route following the principles of IFRIC 14. Please refer to note 24 for further details.

(e) Other litigation

As with any commercial operation, the Group may from time to time, be party to certain legal cases. Each year management assess the situation based on factual information and make fair judgements on the position of this potential liability. Management then make the best estimate to provide accordingly within the financial statements. Additional information is discussed in note 6.

2. Turnover

An analysis of turnover by geographical market is given below:

	2023	2022
	£000	£000
UK	164,040	156,961
Other	66,708	61,389
	230,748	218,350

An analysis of turnover by activity is given below:

	2023	2022
	£000	£000
Retail	180,577	169,210
Digital	44,926	45,292
Other	5,245	3,848
	230,748	218,350

3. Acquisition of businesses

49's Limited

On the 27th June 2020, the Group (through its subsidiary SIS FN Limited) acquired 100% of the share capital of 49's Limited for a net consideration of £4.7m. Subject to final confirmation with the sellers there is no deferred consideration due. 49's is a business that creates content including numbers draws and virtual racing which has been a part of the SIS service for a number of years.

Notes to the financial statements

for the year ended 31 March 2023

3. Acquisition of businesses (continued)

As part of its strategy, the Group has strengthened the content provision as well as the customer reach. Upon acquisition, the entity hived up the majority of the trade and assets of 49's Limited to SIS FN Limited. On the 9th July 2020, 49's Limited changed its name to 49's (1996) Limited and SIS FN Limited changed its name to 49's Limited. On acquisition there were no revisions made to the book values as these were deemed to be equal to the fair values.

Racelab PTY Limited (Racelab)

On the 30th November 2022 the Group (through its subsidiary 49's Group Limited) increased its investment in Racelab PTY Limited (Racelab) from 25% to 50% of the issued share capital. The structure of the Racelab board also gives the Group control of the subsidiary and the results are fully consolidated within the Group accounts.

Effect of acquisition

The increased investment had the following effect on the Group's assets and liabilities.

Net assets at acquisition date:	£000
Tangible Fixed Assets	6
Trade and other debtors	670
Cash	1,290
Trade and other creditors	(390)
Net identifiable assets and liabilities	1,576
Total value of business combination:	£000
Consideration paid:	
Value tranche 1 investment at 30 November 2022	2,248
Consideration for tranche 2 investment	3,349
Total Consideration	5,597
Less:	
Net assets acquired	(1,576)
Fair value adjustment	(355)
Goodwill charge post-acquisition	(134)
Goodwill as at March 2023	3,532

Notes to the financial statements

for the year ended 31 March 2023

4. Other operating income

	2023	2022
	£000	£000
Government grants	-	105

During the year, the Group received £nil from the Coronavirus Job Retention Scheme (CJRS) (2022: £105,000)

5. Group operating profit

<i>This is stated after charging:</i>	2023	2022
	£000	£000
Amortisation of intangible assets (note 13)	2,542	1,794
Amortisation of goodwill on investment in associate (note 13)	284	168
Depreciation of owned assets (note 14)	1,793	2,143
Operating lease rentals	1,016	995
Services provided by the company's auditor and its associates:		
Fees payable for the audit of the parent undertaking and group financial statements	124	98
Fees payable for other services	-	-
Fees payable for tax services	-	-
(Gain) / loss on foreign exchange	(74)	199

Included within the above figures is £5,500 paid in respect of the parent undertaking audit (2022 – £5,000).

Notes to the financial statements

for the year ended 31 March 2023

6. Individually significant items

	2023	2022
	£000	£000
Litigation fees	–	2,200

During June 2022, the active litigation claim brought by The Racing Partnership Limited and others against one of the Group's subsidiaries, Sports Information Services Limited was resolved amicably between the parties. The precise terms of the resolution remain confidential between the parties, however, there were no further charges to profit in FY23.

7. Directors Remuneration

	2023	2022
	£000	£000
Directors' remuneration in respect of qualifying services (excluding pension contributions)	1,901	1,256
Remuneration in respect of qualifying services (excluding pension fund contributions) of the highest paid director were:	980	625

The Group made contributions to money-purchase pension schemes on behalf of the highest paid director of £nil (2022 – £10,000) and £4,000 (2022 - £4,000) in respect of other directors.

No share options have been granted to or exercised by any of the directors.

Key management compensation

Key management includes the directors and members of senior management. The compensation paid to key management for employee services is shown below:

	2023	2022
	£000	£000
Key management remuneration in respect of qualifying services (excluding pension contributions)	2,310	1,682

The Group made contributions to money-purchase pension schemes on behalf of the key management personnel of £48,323 (2022 – £36,068).

Executive directors and key management personnel take part in bonus incentive schemes that vest outside of the financial period. Future awards are fully accrued in the accounts, however, are only included in the directors' remuneration note when paid.

Notes to the financial statements

for the year ended 31 March 2023

8. Staff costs

	2023	2022
	£000	£000
Wages and salaries	19,490	17,704
Social security costs	1,922	1,540
Pension costs	1,233	1,072
	22,645	20,316

The average monthly number of persons employed by the Group, including the executive director, during the year was 460 (2022 – 373).

	2023	2022
Executive Director	1	1
Senior Management	8	8
Operational	352	261
Support	110	103
	471	373

9. Interest receivable and similar income

	2023	2022
	£000	£000
Bank interest receivable	1,109	103
Pension interest receivable	235	172
	1,344	275

10. Interest payable and similar charges

	2023	2022
	£000	£000
Other finance costs	2	6

Notes to the financial statements

for the year ended 31 March 2022

11. Tax

Tax expense included in the Income Statement

The tax charge is made up as follows:

	2023 £000	2022 £000
Current tax:		
UK corporation tax on the profits for the year	1,768	1,246
Adjustment to current taxation in respect of prior years	708	(464)
Double taxation relief	(43)	-
Foreign tax	60	20
Total current tax	2,493	802
Deferred tax:		
Origination and reversal of timing differences	142	298
Adjustments to deferred tax in respect of prior periods	(1,002)	517
Effect of change in rates	54	(273)
Total tax charge on profit	1,687	1,344

Tax credit included in other comprehensive income

	2023 £000	2022 £000
Deferred tax in relation to the pension scheme	(2,552)	177
Total tax credit included in other comprehensive income	(2,552)	177

	2023			2022		
	£000	£000	£000	£000	£000	£000
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in income statement	2,493	(806)	1,687	802	542	1,344
Recognised in other comprehensive income	-	(2,552)	(2,552)	-	177	177
Total tax	2,493	(3,358)	(865)	802	719	1,521

Notes to the financial statements

for the year ended 31 March 2023

11. Tax (continued)

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2022 – 19%). The differences are explained below:

	2023 £000	2022 £000
Profit for the year	4,884	5,618
Tax charge / (credit) for the year	1,687	1,344
Profit before tax	6,571	6,962
Profit multiplied by standard rate of corporation tax in the UK of 19% (2022 – 19%)	1,248	1,323
<i>Effects of:</i>		
Expenses not deductible for taxation purposes	863	153
Other timing differences	(101)	102
Adjustments in respect of prior years	(294)	71
Lower foreign tax rates	(49)	61
Income not taxable for tax purposes	–	(35)
Effect of change in rates	20	(331)
Tax charge for the year	1,687	1,344

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
	£000	£000	£000	£000	£000	£000
Decelerated capital allowances	(975)	(883)	103	199	(873)	(684)
Deferred tax on pension surplus	–	–	523	3,102	523	3,102
Losses and other deductions	(732)	–	–	–	(732)	–
Other timing differences	(958)	(1,101)	–	–	(958)	(1,101)
Net tax (assets) / liabilities	(2,665)	(1,984)	626	3,301	(2,040)	1,317

In addition to the deferred tax liability above, the Group has additional unrecognised gross tax losses of £1,686,000 (2022: £1,586,000).

Notes to the financial statements

for the year ended 31 March 2023

11. Tax (continued)

Factors affecting future tax charges:

The main rate of corporation tax for the year ended 31 March 2022 was 19% and will remain in force until 31 March 2023.

At the March 2022 Budget the Chancellor announced that from 1 April 2023 the main rate of corporation tax will be 25% for companies with annual profits over £250,000. For certain companies with annual profits below £50,000 the rate will remain at 19%. Marginal relief provisions will also be introduced so that, where a qualifying company's profits fall between the lower (£50,000) and upper (£250,000) limits, it will be able to claim an amount of marginal relief that bridges the gap between the lower and upper limits providing a gradual increase in the corporation tax rate.

12. Dividends

	2023	2022
	£000	£000
Equity dividends paid: £4,399,526 (2022 – £nil) per share	<u>4,400</u>	<u>–</u>

13. Intangible assets and goodwill

<i>Group</i>	<i>Rights</i>	<i>Goodwill</i>	<i>Development</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost:				
At 1 April 2022	10,263	4,746	4,784	19,793
Acquisitions	10,000	3,816		13,816
Other acquisitions – internally developed	–	–	4,044	4,044
At 31 March 2023	20,263	8,562	8,828	37,653
Amortisation:				
At 1 April 2022	6,513	923	400	7,836
Charge for the year	1,000	811	1,015	2,826
At 31 March 2023	7,513	1,734	1,415	10,662
Net book value:				
At 31 March 2023	12,750	6,828	7,413	26,991
At 1 April 2022	3,750	3,823	4,385	11,958

Notes to the financial statements

for the year ended 31 March 2023

13. Intangible assets and goodwill (continued)

Rights

The Group invests in future core media rights from significant UK and overseas racecourse and dog track Groups. Lead-in amounts are occasionally payable on these agreements between the date the contracts were signed and the start date for the rights.

Rights are amortised on a straight-line basis over the term of the contract.

The carrying value of the intangible assets will be fully amortised by March 2026.

Goodwill

Goodwill arising on the acquisition of 49's Limited during the prior year was the consideration in excess of the net assets acquired (note 3).

Goodwill is amortised over a 9 year term, this being the length of the major contracts agreed as part of the acquisition of the business.

On 30th November 2022 SIS increased its investment in Racelab PTY Limited from 25% to 50%. Goodwill arising on the investment in Racelab PTY Limited is the consideration in excess of 50% of the net assets as at 30th November 2022 and amortised over a 10 year term. (see note 15)

The amortisation charges in the year are included within operating expenses in the consolidated income statement.

Development

The Group invests in future internal product development and internal costs can be capitalised as intangible assets in accordance with FRS102, providing that the following criteria are met:

- a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b) The intention to complete the intangible asset and use it or sell it;
- c) The ability to use or sell the intangible asset;
- d) How the intangible asset will generate probable future economic benefits e.g demonstrating the existence of a market for the intangible asset (or the output of the intangible asset) or, if it is to be used internally, the usefulness of the intangible asset;
- e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- f) The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internal development time noted as intangible assets will be amortised on a straight-line basis over the estimated useful life of the asset. The useful life of the asset can range from between 3 to 10 years and will be determined as part of the approval process by the Management team.

Notes to the financial statements

for the year ended 31 March 2023

14. Tangible fixed assets

<i>Group</i>	<i>Installed equipment £000</i>	<i>Studio equipment £000</i>	<i>Fixtures, fittings and other equipment £000</i>	<i>Leasehold improve- ments £000</i>	<i>Payments on account / AUCs £000</i>	<i>Total £000</i>
Cost:						
At 1 April 2022	7,642	10,043	16,669	8,345	648	43,347
Acquisition	–	–	20	–	–	20
Additions	285	373	232	–	1,446	2,336
Transfers	–	483	–	–	(483)	–
Disposals	(113)	–	–	–	–	(113)
At 31 March 2022	7,814	10,899	16,921	8,345	1,611	45,590
Depreciation:						
At 1 April 2022	6,383	8,860	15,756	8,122	–	39,121
Acquisition	–	–	14	–	–	14
Charge for the year	534	664	471	124	–	1,793
Disposals	(75)	–	–	–	–	(75)
At 31 March 2023	6,842	9,525	16,240	8,245	–	40,852
Net book value:						
At 31 March 2023	972	1,374	681	100	1,611	4,738
At 1 April 2022	1,257	1,184	914	224	648	4,227

As at 31 March 2023 and 31 March 2022 there were no leased assets.

Notes to the financial statements

for the year ended 31 March 2023

15. Investments

Company

Name	Country of incorporation	Ownership	2023 £000	2022 £000
Cost of investment				
Sports Information Services Limited ^	England	100%	–	–
SIS Outside Broadcasts Limited ^	England	100%	–	–
Satellite Information Services Limited *^~	England	100%	–	–
Intercontinental Racing Limited *~	England	50%	–	–
SISBet Limited *~	England	100%	–	–
SIS Media Limited ^	Ireland	100%	–	–
SISLink Inc ^	USA	100%	–	–
SIS Live Partnership ^	n/a	100%	–	–
SIS Cosec Limited	England	100%	–	–
49's Limited ^#	England	100%	–	–
49's (1996) Limited ^#	England	100%	–	–
49's Competitive Gaming Limited ^#	England	100%	–	–
Sports Information Services Group Limited	England	100%	–	–
49's Group Limited	England	100%	–	–
Racelab PTY Limited ^	Australia	50%	–	–
Total cost of investments			–	–

* Dormant.

^ Held by subsidiary undertakings.

~ Exempt from audit under S479A of the Companies Act 2006 – Dormant Companies

The following subsidiaries are controlled and consolidated by the Group. They have taken exemption from having an audit of their financial statements in accordance with Companies Act 2006 s479A relating to subsidiary companies

Subsidiary Name	Company Number
49's Limited	10641214
49's (1996) Limited	03285628
49's Competitive Gaming Limited	12820369

Each undertaking has the following registered address: Unit 2 Whitehall Avenue, Kingston, Milton Keynes, Buckinghamshire, MK10 0AX; with the exception of SIS Media Limited whose registered address is: 6th Floor, South Bank House, Barrow Street, Dublin 4, Ireland.

The trading activities of subsidiaries are the same as the principal activities of the Group (excluding the dormant entities).

Notes to the financial statements

for the year ended 31 March 2023

15. Investments (continued)

The above companies have been consolidated in the Group financial statements.

In December 2009, Sports Information Services Limited and SIS Outside Broadcasts Limited entered into a partnership agreement. The purpose of this partnership is to carry on the joint obligations under the Commonwealth Games 2010 (CWG) contract. The name of the partnership, under the terms of the partnership agreement, is SIS Live.

Group

	2023	2023	2022	2022
	Group	Company	Group	Company
	£000	£000	£000	£000
Investment in associate	–	–	2,560	–

On 30th June 2021, a 25% stake in Racelab PTY Limited was acquired which was increased to 50% in November 2022 and now has control over the subsidiary. Per FRS102, Racelab results are now fully consolidated into SIS Group from the date control was attained.

Movement in investments

	2023	2023	2022	2022
	Group	Company	Group	Company
	£000	£000	£000	£000
As at 1 April	2,560	–	–	–
Additions	–	–	2,999	–
Share of loss	(163)	–	(271)	–
Goodwill	(150)	–	(168)	–
Transfer to subsidiary	(2,248)	–	–	–
As at 31 March	–	–	2,560	–

Notes to the financial statements

for the year ended 31 March 2023

16. Stocks

	2023	2022	2022	2022
	Group	Company	Group	Company
	£000	£000	£000	£000
Finished goods	491	–	586	–

17. Debtors

	2023	2023	2022	2022
	Group	Company	Group	Company
	£000	£000	£000	£000
Trade debtors	25,248	–	20,217	–
Amounts owed by group undertakings	–	46,728	–	46,728
Other debtors	2,129	–	367	–
Prepayments and accrued income	19,219	–	13,088	–
Deferred tax (note 11)	2,665	–	1,984	–
	49,263	46,728	35,656	46,728

The amounts owed by group undertakings are unsecured and repayable on demand.

18. Cash at bank

	2023	2023	2022	2022
	Group	Company	Group	Company
	£000	£000	£000	£000
Cash at bank and in hand	47,371	14	62,755	14

Notes to the financial statements

for the year ended 31 March 2023

19. Creditors: amounts falling due within one year

	2023	2023	2022	2022
	Group	Company	Group	Company
	£000	£000	£000	£000
Trade creditors	13,153	–	4,479	–
Other creditors	2,343	5	1,002	5
Other taxes and social security costs	1,615	–	2,664	–
Deferred income and payments in advance	28,237	–	22,696	–
Accruals	24,771	–	30,123	–
Derivative financial instruments	82	–	–	–
	70,201	5	60,964	5

20. Other provisions

Group	Property	WEEE	Racelab Consolidation	Total
	£000	£000	£000	£000
At 1 April 2022	1,557	471	–	2,028
Utilised	(106)	–	–	(106)
Charge/(credit) for the year	(52)	–	26	(26)
At 31 March 2023	1,399	471	26	1,896

Property

The property provision relates to the obligations on surrender of property leases to re-instate the premises to the same state and condition as before occupancy including making good all damage caused by removal, as well as the onerous element of lease commitments for properties that are vacant prior to the lease end date. The provision is based on independent advice and is management's best estimate of the provision required as at 31 March 2023. The provision will be fully utilised by 2031.

WEEE

The Waste Electrical and Electronic Equipment Directive (WEEE Directive) aims to minimise the impact of electrical and electronic goods on the environment by increasing re-use and recycling and reducing the amount of WEEE going to landfill. It seeks to achieve this by making producers responsible for financing the collection, treatment, and recovery of waste electrical equipment, and by obliging distributors to allow consumers to return their waste equipment free of charge. Therefore, the WEEE provision relates to the collection, treatment and recovery of waste electrical equipment that is leased to licensed betting offices in the UK.

Racelab Consolidation

The Racelab provision arises from consolidation of Racelab's statement of financial position due to SIS Group control.

Notes to the financial statements

for the year ended 31 March 2023

21. Issued share capital and other reserves

<i>Group and Company</i>	2023		2022	
<i>Allotted, called up and fully paid</i>	No.	£	No.	£
Ordinary shares of 10p each	199,529	19,953	199,529	19,953

The Company has one class of ordinary shares which carry no right to fixed income.

The Group and Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares.

The retained earnings reserve represents cumulative profits or losses net of dividends paid and other adjustments.

The capital redemption reserve was created when the Company purchased its own shares and is non-distributable.

22. Financial instruments

	2023		2022	
	Group	Company	Group	Company
	£000	£000	£000	£000
<i>Financial assets that are debt instruments measured at amortised cost</i>				
Trade debtors	25,248	–	20,217	–
Amounts owed by group undertakings	–	46,728	–	46,728
Other debtors	2,162	–	2,596	–
Derivative financial assets / (liabilities)	–	–	1	–
	27,410	46,728	22,814	46,728
<i>Financial liabilities that are debt instruments measured at amortised cost</i>				
Trade creditors	13,153	–	4,479	–
Other creditors	3,769	5	1,002	5
Derivative financial assets / (liabilities)	82	–	–	–
	17,004	5	5,481	5

Notes to the financial statements

for the year ended 31 March 2023

23. Capital commitments

The Group has the following capital commitments:

<i>Group</i>	2023	2022
	£000	£000
Capital expenditure	76	148
The committed capital expenditure relates to the investment in production and distribution technology equipment.		

24. Pensions

The Group operates one defined benefit pension scheme, the SIS Outside Broadcasts Pension Scheme. The scheme began on 1 April 2008 and was created to reflect the old BBC defined benefit scheme for SIS Outside Broadcasts Limited employees. In March 2014, a flexible apportionment arrangement was implemented to transfer the liabilities in the scheme from SIS Outside Broadcasts Limited to its parent company Sports Information Services Limited.

The valuation used has been based on the last actuarial valuation at 31 March 2019. The scheme assets are stated at their market values at the respective reporting dates and overall expected rates of return are established by applying discount rate to each category of scheme assets.

The final salary defined pension scheme was closed from 31 March 2011.

During 2017-18 the Group worked with the pension administrators and trustees to offer an enhanced transfer value exercise to the deferred members of the pension scheme. Free independent financial advice was provided to all members who considered the option. The exercise resulted in a number of members transferring their benefits out of the scheme into alternative arrangements that more suited their requirements.

There have been no changes to the scheme rules during the year and at the end of the current period the directors have revisited the judgement and are comfortable with the position that the Group is able to recognise the scheme surplus under the gradual settlement route following the principles of IFRIC 14.

The assets and liabilities of the schemes at 31 March 2023 are:

	2023	2022
	£000	£000
Fair value of scheme assets		
– Corporate bonds	12,812	25,278
– Cash	38	45
	12,850	25,323
Present value of defined benefit obligation	(11,355)	(16,460)
Surplus	1,495	8,863
Irrecoverable surplus	–	–
Defined benefit pension asset	1,495	8,863

Notes to the financial statements

for the year ended 31 March 2023

24. Pensions (continued)

The amounts recognised in the Income Statement and in the other comprehensive income for the year are analysed as follows:

	2023 £000	2022 £000
<i>Recognised in the income statement</i>		
Expected return on assets	(676)	(510)
Administration cost	311	–
Interest cost	441	338
<i>Total charge / (credit) to the income statement</i>	76	(172)
<i>Taken to the other comprehensive income</i>	2023 £000	2022 £000
Actual return on scheme assets	(11,905)	1,321
Less expected return on scheme assets	(676)	(510)
	(12,581)	811
Irrecoverable surplus	–	–
Actuarial gain / (loss) on the defined benefit obligation	5,289	(304)
Surplus recognition	–	–
<i>Actuarial gain / (loss) recognised in the other comprehensive income</i>	(7,292)	507
	2023 £000	2022 £000
<i>Main assumptions:</i>		
Discount rate	4.6%	2.70%
Salary growth	N/A	N/A
Inflation assumption	3.30%	3.90%
Rate of increase in pension payments – RPI up to 10%	3.30%	3.90%
Rate of increase in pension payments – RPI up to 5%	3.20%	3.80%
Base Mortality Table	S3PXA_L tables	S3PXA_L tables
Loading to mortality rates	100%	100%
	CMI 2021 (core)	CMI 2021 (core)
Mortality Projection Basis	projection with 1.25% p.a. long-term improvement	projection with 1.25% p.a. long-term improvement

Notes to the financial statements

for the year ended 31 March 2023

24. Pensions (continued)

Changes in the present value of the defined benefit obligations are analysed as follows:

	<i>£000</i>
At 1 April 2022	16,460
Interest cost	441
Actuarial loss	(5,289)
Benefits paid	(257)
At 31 March 2023	<u>11,355</u>

Changes in the fair value of plan assets are analysed as follows:

	<i>£000</i>
At 1 April 2022	25,323
Expected return on plan assets	676
Actuarial experienced losses	(12,581)
Benefits paid	(257)
At 31 March 2023	<u>12,850</u>

Amounts for the current year are:

	<i>2023</i>
	<i>£000</i>
Fair value of scheme assets	12,850
Present value of defined benefit obligation	<u>(11,355)</u>
Defined benefit pension surplus	1,495
Experience adjustment on plan assets	(12,581)

The cumulative amount of actuarial gains and losses recognised since 1 April 2008 in the statement of comprehensive income is a net loss of £6,004,000 (2022 – £1,288,000).

Notes to the financial statements

for the year ended 31 March 2023

25. Other financial commitments

At 31 March 2023 the Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

<i>Group</i>	2023	2022
	£000	£000
Not later than one year	836	1,024
Later than one year and not later than five years	2,194	1,798
Later than five years	1,424	1,739
Total	4,454	4,562

Company

The Company had no capital or other commitments at 31 March 2023 (2022: £nil).

26. Contingent liabilities

India

The Group continues to deal with tax and legal issues that arose from the broadcasting of the 2010 Commonwealth Games (CWG) in Delhi, India through SIS Live, a general partnership created between two of the Group companies.

Following the successful conclusion of the TV coverage by SIS Live, there was continued scrutiny of the entire CWG project by the Indian government and approximately 40% of the contract remains unpaid (with SIS Live withholding payment of a corresponding proportion from its principal Indian subcontractor).

A provision of £5.9m was charged to the Income Statement in the year ended 31 March 2011 and it remains appropriate to maintain the provision at that level to cover any exposure against these outstanding transactions.

Arbitration proceedings to recover the outstanding payment from the Indian broadcaster concluded in July 2020 and the tribunal handed down an award to SIS Live Partnership, however, appeals have been submitted by both parties. No contingent asset is recognised in the financial statements.

SIS Live Partnership received a draft assessment in March 2014 from the Indian tax authorities in relation to financial year ended 31 March 2011. The partnership strongly rejected the draft assessment, which included factual inaccuracies and incorrect application of tax law and on the advice of its lawyers and tax advisors commenced appeal proceedings through the Dispute Resolution Panel (DRP) of the Indian Tax Authority. The appeal has been heard by the DRP at various hearings since September 2014 and has resulted in a significantly reduced final tax demand, with the latest estimates indicating a net refund position. No contingent asset or liability is recognised in the financial statements.

Notes to the financial statements

for the year ended 31 March 2022

26. Contingent liabilities (continued)

During August 2020 SIS Live Partnership received a Show Cause Notice (SCN) under the Foreign Exchange Management Act 1999 (FEMA) referring to events dating back to 2011 and 2012 and detailing potential penalties to be paid. Lawyers have been engaged to contest the SCN to defend against the financial claim, and to ensure that SIS Live Partnership is in the best position to receive any funds awarded by the arbitration proceedings in the future. No contingent liability is recognised in the financial statements.

The overall position on the arbitration, tax proceedings and FEMA complaint remains that no further adjustment to the Income Statement is deemed necessary at this stage as the directors do not believe payments are probable. The costs associated with recovery are expensed in the year incurred.

27. Related party transactions

During the year the Group entered into transactions, in the ordinary course of business, with other related parties. These transactions are deemed to have taken place at arm's length. The Company has taken advantage of the exemption in section 33.1A of FRS 102, not to disclose transactions with its wholly owned subsidiaries. Transactions entered into, and trading balances outstanding at 31 March 2023, are as follows:

	<i>Sales to related party £000</i>	<i>Purchases from related party £000</i>	<i>Tax losses of related party utilised £000</i>	<i>Amounts owed from related party £000</i>	<i>Amounts owed to related party £000</i>
Ladbrokes Coral Group Limited					
2023	68,113	26,010	–	5,867	224
2022	65,754	19,416	–	8,050	314
William Hill Organization Ltd					
2023	31,779	–	–	3,357	–
2022	30,560	–	–	4,107	–
Betfred Group					
2023	33,143	–	–	3,698	–
2022	30,308	–	–	515	–
Catalyst Media Group plc					
2023	–	–	–	–	–
2022	–	–	–	–	–
Caledonia Investments plc					
2023	–	–	–	–	–
2022	–	–	–	–	–

Notes to the financial statements

for the year ended 31 March 2023

27. Related party transactions (continued)

Ladbrokes Coral Group Limited owns 23.41% of the ordinary shares in the Company. William Hill Organization Ltd owns 19.51% of the ordinary shares in the Company. Catalyst Media Group plc owns 20.54% of the ordinary shares in the Company, through its wholly owned subsidiary, Alternatport Limited. Caledonia Investments plc owns 22.55% of the ordinary shares in the Company. The Betfred Group, made up of Done Brothers (Cash Betting) Limited and Tote (Successor Company) Limited, owns 6% of the ordinary shares in the Company, through Tote (Successor Company) Limited.

During April 2017, SIS signed an agreement with Great Leighs Estates Limited to extend the media rights at Chelmsford City Racecourse. This resulted in the conversion of £6,750,000 secured loan notes, along with accrued interest and penalties (total of £7,862,330) being converted into intangible assets as upfront media rights payments, with the balance repayable to SIS (by way of discounted media rights fees) in equal monthly instalments over the duration of the extended rights agreement (December 2025). It should be noted that Mr Fred Done, a director and shareholder of the company, provides a personal guarantee for the full outstanding balance at any point in time.

See note 7 for disclosure of the directors' remuneration and key management compensation.

Amounts contributed to pension funds are as follows:

	2023
	£000
SIS Limited Defined Contribution Pension Scheme (Standard Life)	1,605
SIS Media Limited Pension Scheme (Standard Life & Zurich)	78

28. Ultimate controlling party

These financial statements are the smallest and largest group financial statements in which the results of Sports Information Services (Holdings) Limited results and its subsidiaries are consolidated. The Directors do not consider there to be any one ultimate controlling party.