Lightcatch Limited

Annual report and consolidated financial statements

Registered number 2578161

25 September 2022

Contents

Company information

Directors of the Company:	F Done N Barr M Stebbings J Whittaker
Registered Office:	The Spectrum 56-58 Benson Road Birchwood Warrington WA3 7PQ
Auditor:	KPMG LLP 1 St Peter's Square Manchester M2 3AE

Strategic report

The directors present their annual strategic report and the audited financial statements for the 52 week period ended 25 September 2022.

Principal activities

The principal activity of the Group continued to be trading as a bookmaker utilising the trade name Betfred. During the period the Group operated through Licensed Betting Offices ("LBOs") and internet operations in the following countries - UK, Gibraltar, South Africa and US.

The Company acts as an investment holding company.

Performance of the business

The profit for the period after taxation was £19.6m *(2021: £5.3m)*.

An interim dividend of £50,752,000 was paid during the period *(2021: £nil)*. The directors do not recommend the payment of a final dividend for the period *(2021: £nil)*.

Key performance indicators

The Group's key financial performance indicators carefully monitored by the senior management team are:

£'000	**2022**	2021
Amounts wagered	**8,806,826**	6,999,058
Turnover	**723,204**	525,958
Gross profit	**542,918**	391,038
Operating exceptional (charge)/credit	**(2,226)**	8,006
EBITDA, before operating exceptional items	**67,783**	46,464
Operating profit	**36,815**	26,643
Net assets	**305,322**	340,009

On an annualised gross basis, amounts wagered, turnover and pre-exceptional EBITDA in the Group's LBOs for the period has increased as the prior period results were impacted by the closure of the shops for part of the period due to COVID-19.

Operating profit for the period is £36.8m (2021: £26.6m) which is after a charge to exceptional costs of £2.2m (2021: credit of £8.0m). The charge to exceptional items in the current period includes a net charge of £877,000 in relation to impairments and provisions; a charge of £240,000 relating to the write-off of a related party loan; a charge of £423,000 relating to closure costs of a foreign subsidiary; and a charge of £686,000 relating to costs incurred on a potential acquisition which did not materialise. Prior period exceptional items includes a net credit of £17,779,000 in relation to impairments and provisions; a charge of £7,396,000 relating to the provision of a related party loan; and a charge of £3,612,000 relating to costs incurred on a potential acquisition which did not materialise.

The number of LBOs operating at 25 September 2022 was 1,419 *(2021: 1,470)*. Loss making shops are constantly reviewed and closed where the business feels necessary.

During the current period, the Group commenced trading in three further US states and plans to be live in additional states in the future. During the current period, the Group also acquired Sepels Best Bets Proprietary Limited and Sepels Sportsbet Gauteng Proprietary Limited, two South African betting businesses.

Subsequent to the period end, the Group acquired 51% of the share capital of Lottostar (Pty) Limited, a South African online gaming company.

Strategic report *(continued)*

Non-GAAP measure: Earnings before interest, tax, depreciation, impairment, amortisation and exceptional items (EBITDA)		
£'000	**2022**	2021
Operating profit	**36,815**	26,643
Add back: depreciation of tangible fixed assets	**13,567**	13,361
Add back: amortisation of intangible fixed assets	**15,175**	14,466
Add back: exceptional items	**2,226**	(8,006)
EBITDA before exceptional items	**67,783**	46,464

EBITDA is considered to be a relevant, useful measure of underlying profitability and cash generation.

Principal risks and uncertainties

Management routinely monitor the risks that the business faces in its day-to-day operations and appropriate actions are taken to mitigate these risks. The following risks are considered pertinent to the business:

General economic risk

As with any other bookmaker the business is susceptible to the risk of an economic downturn, adversely affecting disposable income. Management monitors the situation closely.

Competitor risk

Betting and gaming businesses face competition in the main from other bookmakers, betting exchanges and other interactive gaming providers. Management considers the commercial drivers of all the betting markets with its pricing in the light of this competition.

Bookmaking risk

The risk of incurring large losses on bets due to incorrect pricing is mitigated by the upper limits in place on bets, through the monitoring of customers' betting patterns and the use of the latest information services available.

Regulatory risk

The bookmaking industry is subject to specific taxation provisions and regulatory restrictions imposed by the Government. Betfred has appointed a senior member of staff to take on the responsibility as compliance officer and money laundering officer for the Group. It should be noted that the outlook for the industry as a whole can be markedly altered (for better or worse) by a change in government positioning.

Liquidity and interest rate risk

In order to maintain liquidity and to ensure that sufficient funds are available for expansion of the business and other future developments, the Group draws on a mixture of debt finance and retained earnings.

Currency risk

Although primarily a sterling cash business the Group is exposed, to a limited extent, to the financial risks resulting from movements in foreign currency exchange rates. Whilst transactions in foreign currencies are not considered to be at a significant level currently, the board would consider foreign exchange loss mitigation tools if necessary. It has not been considered necessary to date.

Cyber risk

Due to the Group having an online presence, the risk of cyber-attack and the associated effects on reputation, data loss, earnings and information technology infrastructure is higher. The directors seek to manage this risk by having dedicated I.T. risk personnel who are charged with specifically preventing and minimising any such losses.

Strategic report *(continued)*

Legislative risk

The gambling industry is particularly susceptible to legislative changes specifically in regard to taxation laws and rates, planning permission on new and existing stores, licensing regulations and changes in general government attitudes towards gambling.

Fraud risk

The Group is particularly susceptible to potentially fraudulent activity from customers including money laundering due to the high levels of cash transacting across the business. The Group has established policies and procedures in place with specific personnel focussed on detecting and deterring this sort of activity. The Group has a large compliance team and continues to be focussed on improving compliance. Despite these policies and procedures, which the Group continually strives to improve, the Group is always susceptible to this risk which could lead to future liabilities.

Brexit risk

The Group has not experienced any material impact on its operations as a result of Brexit.

COVID-19 risk

On 20 March 2020 all of the Company's LBO's were closed as a result of the COVID-19 restrictions imposed by the UK government. Most of the estate reopened on 13 June 2020 only for part of it to close again during local lockdowns from October 2020 and another national lockdown from January 2021. Most of the estate reopened on 12 April 2021. Although the impact on revenue and cash was significant, management have procedures in place to reduce the impact as much as possible should the estate suffer from future closures.

Section 172 Statement

The Wates Corporate Governance Principles for large private companies provides a framework for the Group to not only demonstrate how the Board makes decisions for the long-term success of the Group and its stakeholders (see principle 6 – Stakeholders, on page 8), but also having regard to how the Board ensures that the Group complies with the requirements of Section 172 of the Companies Act 2006. Our reporting against the Wates Principles has been included on pages 6 to 9.

The Board will continue to review and challenge how the Group can improve engagement with its employees and stakeholders.

By order of the board

N Barr

N Barr
Director

Date: 14th April 2023

The Spectrum
56-58 Benson Road
Birchwood, Warrington
Cheshire, WA3 7PQ

Directors' report

The directors present their directors' report and the audited financial statements for the period ended 25 September 2022.

Directors

The following directors served during the period:

F Done
N Barr
M Stebbings
J Whittaker

None of the directors benefited from qualifying third party indemnity provisions or qualifying pension scheme indemnity provisions during the period.

Political and charitable donations

During the period the Group made charitable donations of £194,000 *(2021: £157,000)* to various recipients including local charities serving the communities in which the Group operates and to gambling related charities.

The Group made no political donations during the period *(2021: £nil)*.

Financial instruments

The Group's cash flow fluctuates according to the timing of payments and receipts and the Group's overall profitability. The directors manage deposits to gain favourable interest rates commensurate with having funds available to meet the requirements on demand. Although interest received will vary according to interest rate levels, the differences to Group results arising are not sufficient to warrant the Group using derivatives or other methods to manage interest rates in any way.

The Group holds highly liquid investments in listed equities and unlisted investments for future use within the trade of the business. The Group does not hedge these investments as they consider the diversity in the investment portfolio is appropriate to cover any individual equity price risk with the overall portfolio expected to return positive returns to the Group.

Going concern

The Group is in a net current assets position of £82,365,000 at 25 September 2022 *(2021: £199,926,000)*. The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Group meets its day to day working capital requirements from its cash balances and available credit facility. The Directors have prepared base and sensitised cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that the Group will remain compliant with its covenants and will have sufficient funds through its existing cash balances and availability of funds from its credit facilities to meet its liabilities as they fall due for that period. In assessing the going concern basis the Directors have taken into account severe but plausible downsides by applying various reductions to income growth rates and increases in overheads. The Group has also produced forecasts for its International divisions on the same basis.

Consequently, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Greenhouse Gas Emissions

The Group has engaged with a third party company to compile a large amount of consumption data for the Group's operations for the purposes of the Streamlined Energy and Carbon Reporting (SECR).

Directors' report *(continued)*

Greenhouse Gas Emissions *(continued)*

The Group's Scope 1 and 3 direct emissions (combustion of natural gas and transportation fuels) for the period are 914.82 tCO_2e *(2021: 681.81 tCO2e)*, resulting from the direct combustion of 4,279,710 kWh of fuel *(2021: 3,192,419 kWh of fuel)*.

Scope 2 indirect emissions (purchased electricity) for the period are 9,011.22 tCO2e *(2021: 8,698.75* tCO_2e*)*, resulting from the consumption of 46,598,528 kWh *(2021: 40,968,085 kWh)* of electricity purchased and consumed in day to day business operations.

Scope 1, 2 and 3 consumption and CO_2e emission data has been calculated in line with the 2019 UK Government environmental reporting guidance. Emissions Factor Database 2022 version 1 has been used, utilising the published kWh gross calorific value (CV) and $kgCO_2e$ emissions factors relevant for the reporting period to 25 September 2022. Estimations undertaken to cover missing billing periods for properties directly invoiced to the Group were calculated on a kWh/day pro-rata basis at meter level. These estimations equated to 1% of reported consumption. These full year estimations were applied to 4 electricity supplies, and 13 gas supplies.

The Group's operations have an intensity metric of 13.77 tCO2e per Gross Win (£m) for the period to 25 September 2022 *(2021:17.84 tCO2e per Gross Win (£m))*. The intensity metric has been calculated utilising Total Gross Win in £m and the total tCO_2e was divided by this figure.

The Group are committed to year on year improvements in their operational energy efficiency and a register of energy efficiency measures has been compiled, with a view to implementing these measures in the next 5 years. In the period ended 25 September 2022 the following measures were undertaken and are ongoing:

- The Group has enlisted the support of an external company to monitor the Group's sites' overnight energy consumption, which highlights anomalies, using artificial intelligence. A full, thorough investigation takes place at each of these sites, to determine the cause of the irregularities, enabling the Group to implement strategies to correct the over consumption.

The Group's priority for the following year is to produce league tables, to show the energy consumption at each location, to identify high consuming sites. Those sites will be audited to determine the root cause. The Group then aims to implement improvement to reduce the overall consumption. In addition, these league tables will be utilised to incentivise area teams and shop staff to introduce energy efficient measures. The Group is also aiming to drive more interaction through its internal intranet to encourage behavioural changes in shop staff.

Statement of corporate governance arrangements

The Group has considered the principles of various Corporate Governance regimes and has analysed how this fits into the Wates Corporate Governance Principles for large private companies below.

Principle 1: Purpose and leadership

The Group has evolved over the years to become a multi-national organisation operating in 4 countries with both a retail and online presence in each jurisdiction. Central to the approach and offering across both business streams are our communities and customers.

The purpose of the Wates principles for the Group is to set a standard for responsible business practices that prioritise the well-being of all stakeholders, including employees, customers, suppliers, and the wider community. Leadership plays a crucial role in this purpose by setting the tone from the top and driving a culture of integrity, transparency, and accountability throughout the organisation.

Effective leaders within the Group demonstrate a commitment to ethical behaviour and responsible decision making that aligns with the Group's values and purpose. They prioritise the well-being of their teams, creating a supportive and inclusive culture that fosters innovation, collaboration and continuous improvement. They also take a proactive approach to risk management, identifying and addressing potential issues before they escalate and working to mitigate any negative impacts on stakeholders.

Directors' report *(continued)*

Statement of corporate governance arrangements *(continued)*

To support the principles of purpose and leadership the Group has established clear policies and procedures that reflect its commitment to responsible business practices. These policies are communicated clearly and consistently to all employees and stakeholders and are regularly reviewed and updated to ensure they remain relevant and effective. In addition, leaders within the Group work to foster a culture of open communication and transparency, encouraging feedback and input from all stakeholders and take action to address any concerns or issues that arise.

Principle 2: Board composition

The Group Board of directors consists of a Chairman, Chief Executive Officer, Chief Financial Officer and Chief Operations Officer. The size and composition of the Group Board is appropriate for the size and focus of our business.

Principle 3: Directors' responsibilities

Our responsibilities as directors include:

1. Setting clear values, strategy and culture for the Group that align with the Wates Principles and promote ethical behaviour, accountability and responsible business practices.

2. Ensuring that the board is diverse, independent and has the necessary skills and expertise to effectively oversee the management of the Group.

3. Establishing effective systems of risk management and internal controls to safeguard the interests of our stakeholders and ensure compliance with legal and regulatory requirements.

4. Monitoring and evaluating the performance of the Group, including financial and non-financial measures, to ensure that we are meeting our strategic objectives and delivering value to shareholders.

5. Ensuring that the Group communicates transparently with all stakeholders, including customers, employees, suppliers, investors and the wider community, and that we actively engage with them to understand and address their concerns.

6. Fostering a culture of innovation, continuous improvement and learning within the Group, and ensuring that we are adapting to changing market conditions and customer needs.

7. Upholding the highest standards of ethical behaviour and promoting a culture of integrity and transparency throughout the organisation.

Principle 4: Opportunity and risk

The Board seeks out opportunity whilst mitigating risk.

<u>Opportunity</u>
Long term strategic opportunities are highlighted in the annual Group strategy process which is presented to the Board. Opportunities are drawn from the business, the wider enterprise strategy and the various committees to which responsibility is delegated. Short term opportunities to improve performance, resilience and liquidity are collated as part of the regular reforecast process which is discussed with the Board.

<u>Risks</u>
Risk registers are maintained for each trading entity within the Group and are discussed at the quarterly board meetings. Each company continues to refine and enhance the Group's risk management framework. The key operational risks are outlined in the strategic report (pages 3 to 4) and a list of emerging risks is considered at each board meeting.

<u>Responsibilities</u>
The Group has a defined authority matrix. Any material contract or capital commitment above predetermined levels (as defined by the board) is approved by the relevant director to ensure the appropriate level of diligence has been performed in understanding the obligations, risks and terms associated with large commitments. This enables the Group to protect the integrity and long-term sustainability for the Group, to meet its strategic objectives and create value for its shareholders, colleagues, customers and suppliers.

Directors' report *(continued)*

Statement of corporate governance arrangements *(continued)*

Principle 5: Remuneration

The Board recently appointed a remuneration committee with the committee's main objective being to set remuneration at levels that will enhance the Group's resources by securing and retaining quality senior management who can deliver the Group's strategic goals and ambitions in a manner consistent with the visions, purpose and interests of shareholders and stakeholders.

The remuneration committee is responsible for making recommendations to the Board in respect of the Group's remuneration strategy, recruitment framework and the long term incentive for senior executives and management. The director's remuneration is disclosed in note 7.

The Group reports annually on the Gender Pay Gap, which continues to highlight improvement. It is Group policy that there shall be no discrimination in respect of sex, colour, religion, race, nationality or ethnic origin, and that all employees be given equal opportunities in respect of training, career development and promotion.
Applications for employment from disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure their employment within the Group continues and appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Principle 6: Stakeholder relationships and engagement

The Board is committed to social responsibility, community engagement and environmental sustainability. It achieves this in part through its commitment to:

- implementing ways to protect our customers whether in our retail stores or online
- a culture of safety, health and well-being of everyone who works for us
- being an employer of choice where everyone is valued and respected
- seeking new ways to reduce the environmental impact of our head offices and retail stores.

Stakeholders and business relationships

The Board promotes accountability and transparency with all external stakeholders and the fundamental belief in promoting and influencing our industry for the greater good of customers is reflected in our CEO's active engagement across industry bodies.

The Group publicly issues details of the "Gender Pay Reporting", "Supplier Payment Performance Reporting" and the "Tax Strategy". The Group welcomes the focus these reports provide as it is constantly looking to improve its engagement with all stakeholders.

There is a newly recruited, dedicated procurement team which ensures that all suppliers are treated fairly and consistently. The Group has regular engagement with its suppliers and regularly reviews its payment policies and adherence to those policies when producing the six-monthly supplier reports. All material contracts with suppliers are discussed at board level and in reaching final approval on decision for material contracts the Board has regard to a number of factors including: the business case and financial impact; the impact on our suppliers; and the long-term reputation of the Group.

We engage on a regular and open basis with our regulators to ensure that they are all engaged in our operating practices and that we can help policymakers shape our industry environment to best serve our stakeholder group whilst operating in a legal and fair way.

It is important that we look after the interests of our customers, which range from product availability, ethical behaviour, service, pricing and promoting responsible attitudes to gambling. The Group, as part of its commitment to responsible and safer gambling, engages through initiatives like Responsible Gambling Week, where responsible gambling messages dominate our websites, social media, retail premises and head office. Betfred is committed to responsible gambling and has produced a Safe Gambling Charter for both Retail and Online.

We are committed to making a positive contribution to the communities within which we operate, including through payment of taxes, reducing our environmental impact through initiatives such as using LED lighting and moving to electric/hybrid vehicles. We donate money to various charities and the Group has a matched charity funding scheme, where it matches amounts that employees raise for their chosen charities.

Directors' report *(continued)*

Statement of corporate governance arrangements *(continued)*

Employee involvement

The Board and senior management team are actively involved in looking after the interests of our employees through training, development, diversity and inclusion, health and safety and working conditions. Senior management regularly engage with employees via email or the staff portal and meetings are held regularly, with all Heads of Department and various Board members in attendance. During these meetings our People Director gives an update on relevant employee topics. Our CEO regularly engages with the senior management team to give an update on what is going on in the business.

Subsequent Events

On 12 September 2022, the Group entered into a loan agreement of £7.8m with the F Done 2007 Family Discretionary Settlement. This was drawn down on 30 September 2022. The loan bears interest at 3% plus SONIA per annum and is due for repayment on 11 September 2023.

On 27 January 2022, the Group entered into a securities backed lending facility with a limit of £60m. On 5 October 2022, the Group drew down £50m from this facility. The facility bears interest at bank base rate plus 0.65% per annum.

On 18 October 2022, the Group entered into a bank revolving credit facility of £40m. This was subsequently increased to £60m on 28 March 2023. £25m was drawn down on 24 October 2022 and £9m was drawn down on 31 January 2023. The facility bears interest at 1.5% plus SONIA per annum and is due for repayment by 17 October 2025.

On 5 April 2023, the Group entered into a loan agreement of £8.25m with FICM Limited. This has not yet been drawn down. The loan bears interest at 3% plus SONIA per annum and will be due for repayment on the third anniversary of any draw down.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

NBarr

N Barr
Director

Date: 14th April 2023

The Spectrum
56-58 Benson Road
Birchwood, Warrington
Cheshire, WA3 7PQ

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and parent company 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 parent company and of their profit or loss of the Company for that period. In preparing each of the Group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent 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 they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the 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 Group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Lightcatch Limited

Opinion

We have audited the financial statements of Lightcatch Limited ("the Company") for the 52 week period ended 25 September 2022 which comprise the consolidated profit and loss account and other comprehensive income, the consolidated balance sheet, the company balance sheet, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated cash flow statement and related notes, including the accounting policies in note 1.

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 25 September 2022 and of the Group's profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group and Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group and Company will continue in operation.

Independent auditor's report to the members of Lightcatch Limited *(continued)*

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Group's high-level policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements. On this audit we do not believe there is a fraud risk related to revenue recognition because the extent to which revenues are recovered in cash limits the opportunity to overstate revenue.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts and those posted with an unusual description.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Independent auditor's report to the members of Lightcatch Limited *(continued)*

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: anti-bribery and corruption, employment law, and responsible betting and gaming legislation across all of the territories where the Group generates material revenues, recognising the financial and regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial period is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 10, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the Group and 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 they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Lightcatch Limited *(continued)*

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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

Liam Finnigan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

Date: 14/4/2023

Consolidated profit and loss account and other comprehensive income

for the 52 week period ended 25 September 2022

	Note	2022 £000	2021 £000 *Restated
Amounts wagered		**8,806,826**	6,999,058
Turnover	3	**723,204**	525,958
Betting duty		**(76,860)**	(64,339)
Machine gaming duty		**(53,844)**	(30,808)
Statutory betting levy		**(11,308)**	(8,327)
Commissions paid		**(38,274)**	(31,446)
Gross profit		**542,918**	391,038
Administrative expenses - before goodwill & licence amortisation		**(491,763)**	(408,288)
Administrative expenses - goodwill & licence amortisation	13	**(15,175)**	(14,466)
Exceptional (cost)/credit	8	**(2,226)**	8,006
Other operating income	4	**3,061**	50,353
Operating profit	4-8	**36,815**	26,643
Loss from other fixed asset investments	9	**(3,177)**	(21,706)
Interest receivable and similar income	10	**5,138**	4,762
Interest payable and similar expenses	11	**(984)**	(3,642)
Profit before taxation		**37,792**	6,057
Tax on profit	12	**(18,237)**	(806)
Profit after taxation		**19,555**	5,251
Profit attributable to			
Shareholders of the parent company		**21,689**	5,737
Non-controlling interest		**(2,134)**	(486)
Total profit		**19,555**	5,251
Other comprehensive income			
Foreign exchange differences on translation of foreign operations		**1,821**	1,774
Re-measurement of the net defined benefit liability	21	**(3,145)**	(3,302)
Tax on other comprehensive income	12	**(2,166)**	1,147
Total comprehensive income for the financial period		**16,065**	4,870
Total comprehensive income attributable to			
Shareholders of the parent company		**18,199**	5,393
Non-controlling interest		**(2,134)**	(523)
Total comprehensive income		**16,065**	4,870

*During the period, the directors have reclassified certain commissions paid amounts from administrative expenses to gross profit. Accordingly the prior period has been restated in respect of gross profit and administrative expenses in the profit and loss account. Commissions paid within gross profit has increased by £21,547,000 and administrative expenses have reduced by £21,547,000. The adjustment has no impact on the operating profit previously reported.

The notes on pages 21 to 47 form an integral part of these financial statements.

Consolidated balance sheet
at 25 September 2022

	Note	**2022 £000**	**2022 £000**	2021 £000	2021 £000
Fixed assets					
Intangible assets	*13*	**124,033**		117,576	
Tangible fixed assets	*14*	**52,751**		49,857	
Investments	*15*	**78,477**		1,654	
			255,261		169,087
Current assets					
Stock		**433**		384	
Debtors (including £55.2m (*2021: £69.9m*) due beyond one year)	*16*	**141,977**		154,511	
Cash at bank and in hand		**84,718**		170,093	
		227,128		324,988	
Creditors: amounts falling due within on year	*17*	**(144,763)**		(125,062)	
Net current assets			**82,365**		199,926
Total assets less current liabilities			**337,626**		369,013
Creditors: amounts falling due after more than one year	*18*		**(1,752)**		(1,446)
Provision for liabilities and charges	*20*		**(30,552)**		(27,558)
Pension liability and similar obligations	*21*		**-**		-
Net assets			**305,322**		340,009
Capital and reserves					
Called up equity share capital	*22*		**19**		19
Profit and loss account			**307,156**		339,709
Equity attributable to the parent's shareholders			**307,175**		339,728
Non-controlling interest			**(1,853)**		281
Shareholders' funds			**305,322**		340,009

The notes on pages 21 to 47 form an integral part of these financial statements.

These financial statements were approved by the board of directors and were signed on its behalf by:

NBarr

N Barr
Director

Date: 14th April 2023

Registration number: 2578161

Company balance sheet
at 25 September 2022

	Note	**2022 £000**	**2022 £000**	2021 £000	2021 £000
Fixed assets					
Investments	*15*		**291,674**		219,766
Current assets					
Debtors (including £145.1m *(2021: £85.4m)* due beyond one year)	*16*	**157,596**		110,368	
Cash at bank		**-**		-	
		157,596		110,368	
Creditors: amounts falling due within one year	*17*	**(329,653)**		(284,738)	
Net current liabilities			**(172,057)**		(174,370)
Total assets less current liabilities			**119,617**		45,396
Creditors: amounts falling due after more than one year	*18*		**(16,100)**		-
Net assets			**103,517**		45,396
Capital and reserves					
Called up equity share capital	*22*		**19**		19
Profit and loss account			**101,974**		43,853
Other reserves			**1,524**		1,524
Shareholders' funds			**103,517**		45,396

The notes on pages 21 to 47 form an integral part of these financial statements.

These financial statements were approved by the board of directors and were signed on its behalf by:

NBarr

N Barr
Director

Date: 14th April 2023

Registration number: 2578161

Consolidated statement of changes in equity
for the 52 week period ended 25 September 2022

Group

	Called up share capital £000	Profit & Loss account £000	Non-controlling interest £000	Total Shareholder Equity £000
Balance at 27 September 2020	19	334,316	-	334,335
Total comprehensive income for the period				
Acquisition of non-controlling interest	-	-	804	804
Profit for the period	-	5,737	(486)	5,251
Other comprehensive expense	-	(344)	(37)	(381)
Total comprehensive income for the period	-	5,393	281	5,674
Transactions with owners, recorded directly in equity				
Dividends	-	-	-	-
Balance at 26 September 2021	**19**	**339,709**	**281**	**340,009**

	Called up share capital £000	Profit & Loss account £000	Non-controlling interest £000	Total Shareholder Equity £000
Balance at 26 September 2021	19	339,709	281	340,009
Total comprehensive income for the period				
Profit for the period	-	21,689	(2,134)	19,555
Other comprehensive expense	-	(3,490)	-	(3,490)
Total comprehensive income for the period	-	18,199	(2,134)	16,065
Transactions with owners, recorded directly in equity				
Dividends	-	(50,752)	-	(50,752)
Balance at 25 September 2022	**19**	**307,156**	**(1,853)**	**305,322**

The notes on pages 21 to 47 form an integral part of these financial statements.

Company statement of changes in equity
for the 52 week period ended 25 September 2022

Company

	Called up share capital £000	Profit & Loss account £000	Other reserves £000	Total Shareholder Equity £000
Balance at 27 September 2020	19	46,126	1,524	47,669
Total comprehensive expense for the period				
Loss for the period	-	(2,273)	-	(2,273)
Dividends received	-	-	-	-
Total comprehensive expense for the period	-	(2,273)	-	(2,273)
Transactions with owners, recorded directly in equity				
Dividends	-	-	-	-
Balance at 26 September 2021	**19**	**43,853**	**1,524**	**45,396**

	Called up share capital £000	Profit & Loss account £000	Other reserves £000	Total Shareholder Equity £000
Balance at 26 September 2021	19	43,853	1,524	45,396
Total comprehensive income for the period				
Loss for the period	-	(6,127)	-	(6,127)
Dividends received	-	115,000	-	115,000
Total comprehensive income for the period	-	108,873	-	108,873
Transactions with owners, recorded directly in equity				
Dividends	-	(50,752)	-	(50,752)
Balance at 25 September 2022	**19**	**101,974**	**1,524**	**103,517**

The notes on pages 21 to 47 form an integral part of these financial statements.

Consolidated cash flow statement
for the 52 week period ended 25 September 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Profit for the period		**19,555**	5,251
Adjustments for:			
Depreciation, amortisation and impairment		**29,147**	22,994
Interest receivable and similar income		**(5,138)**	(4,762)
Interest payable and similar expenses		**984**	3,642
Loss from other fixed asset investments		**-**	21,706
Change in fair value of other fixed asset investments		**3,177**	-
Loss/(profit) on sale of intangible and tangible fixed assets		**1,290**	(88)
Unwinding of discounted interest		**(1,000)**	(2,000)
Exchange gains		**2,239**	1,774
Taxation		**18,237**	806
		68,491	49,323
Decrease in trade and other debtors		**19,273**	14,070
Increase in stock		**(49)**	(86)
Increase/(decrease) in trade and other creditors		**23,028**	(12,287)
Increase/(decrease) in provisions		**(488)**	(12,871)
		110,255	38,149
Contributions to defined benefit scheme		**(2,917)**	(3,167)
Tax paid		**(18,297)**	(19,785)
Net cash from operating activities		**89,041**	15,197
Cash flows from investing activities			
Proceeds from sale of intangible and tangible fixed assets		**535**	798
Proceeds from disposal of investments		**-**	158,066
Interest received		**229**	4,781
Amounts loaned to related parties		**(4,244)**	(13,763)
Acquisition of a business	2	**(5,532)**	(1,033)
Acquisition of investments		**(80,000)**	(3,691)
Capitalised development expenditure		**(14,518)**	(11,873)
Acquisition of other intangible assets		**(1,619)**	(2,323)
Acquisition of tangible fixed assets		**(18,268)**	(11,052)
Net cash from investing activities		**(123,417)**	119,910
Cash flows from financing activities			
Interest paid		**(247)**	(3,260)
Dividends paid		**(50,752)**	-
Net cash from financing activities		**(50,999)**	(3,260)
Net (decrease)/increase in cash and cash equivalents		**(85,375)**	131,847
Cash and cash equivalents at start of period		**170,093**	38,246
Cash and cash equivalents at end of period		**84,718**	170,093

The notes on pages 21 to 47 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Lightcatch Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 2578161 and the registered address is The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland *("FRS 102")*. The presentational currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The results presented cover a 52 week period ended 25 September 2022 *(2021: 52 week period ended 26 September 2021)*.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key management personnel compensation has not been included.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified at fair value through the profit or loss.

1.2 Going concern

The Group is in a net current assets position of £82,365,000 at 25 September 2022 *(2021: £199,926,000)*. The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the reasons below.

The Group meets its day to day working capital requirements from its cash balances and available credit facility. The Directors have prepared base and sensitised cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that the Group will remain compliant with its covenants and will have sufficient funds through its existing cash balances and availability of funds from its credit facilities to meet its liabilities as they fall due for that period. In assessing the going concern basis the Directors have taken into account severe but plausible downsides by applying various reductions to income growth rates and increases in overheads. The Group has also produced forecasts for its International divisions on the same basis.

Consequently, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 25 September 2022. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Notes *(continued)*

1.4 Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account in accordance with FRS 102 section 30 and exchange differences arising from monetary items which form part of the net investment in subsidiaries are recorded in OCI in the consolidated financial statements.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

1.5 Classification of financial instruments issued by the Group

In accordance with FRS 102.22, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.6 Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition, investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Notes *(continued)*

1.6 Basic financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.7 Other financial instruments

Financial instruments not considered to be basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of basic financial instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and
- hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of tangible fixed assets that had been revalued to fair value on or prior to the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 1.14 below.

The Group assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Freehold buildings	-	2% per annum
Leasehold buildings	-	Period of the lease
Plant, machinery and computer equipment	-	33.3% per annum
Fixtures and fittings	-	10% per annum
Office equipment	-	15% per annum
Alterations to premises	-	4% per annum

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change, since the last annual reporting date, in the pattern by which the Company expects to consume an asset's future economic benefits.

Notes *(continued)*

1.9 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the Group recognises goodwill as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

1.10 Intangible assets, goodwill and negative goodwill

Goodwill

Goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its useful economic life.

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	-	up to 10 years

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Group intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group 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 and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Other intangible assets

Intangible assets purchased separately from a business are capitalised at their cost.

Intangible assets acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably.

Intangible assets are amortised to nil by equal annual instalments over their useful economic lives, generally their respective unexpired periods, as follows:

Betting licences	-	7 years
Software development costs	-	5 years

Impairment of fixed assets and goodwill

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated. The carrying value of intangible assets is also reviewed for impairment at the end of the first full period after acquisition.

Notes *(continued)*

1.10 Intangible assets, goodwill and negative goodwill (continued)

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless they arise on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits.

Impairment losses recognised in respect of income-generating units are allocated first to reduce the carrying amount of any goodwill allocated to income-generating units, then to any capitalised intangible asset and finally to the carrying amount of the tangible assets in the unit on a pro rata or more appropriate basis. An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or groups of assets.

1.11 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The entity determines the net interest/income on the net defined benefit liability/asset for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability/asset taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to, the terms of the entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The entity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Re-measurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

Termination benefits

Termination benefits are recognised as an expense when the entity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the entity has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Notes *(continued)*

1.12 Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

1.13 Turnover

The fair value of revenue is total amounts wagered less amounts payable to winning customers. Amounts wagered comprises gross stakes in respect of individual bets placed on betting products in the period.

Retail turnover represents the amounts wagered by customers in respect of individual bets placed at Licensed Betting Offices (LBOs), less the amounts paid to winning customers.

In the internet business, turnover represents the amounts wagered, less pay-outs on sportsbook betting and online gaming. Turnover in respect of progressive jackpots is total amounts wagered less amounts payable to winning customers and the initial jackpot seed.

Open bets meet the definition of other financial instruments under FRS102 section 12 and therefore the Group recognise the fair value of the estimated pay out based on the average percentage by sport for any open betting positions as at the period end.

1.14 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income includes interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Notes *(continued)*

1.15 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.16 Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are recognised in other operating income when they become receivable.

1.17 Exceptional items

The Group categorises certain income or costs as Exceptional items which is not defined by FRS102. The Directors use this measure in order to assess the underlying operational performance of the Group to facilitate year-on-year comparison of the underlying trade of the business. The categorisation of Exceptional items may not be directly comparable with other companies' classification and the Directors do not intend these to be a substitute for, or superior to, FRS 102 measures. These Exceptional items are separately disclosed and are usually items that are significant in size or non-recurring in nature.

Notes *(continued)*

2 Acquisitions and disposal of businesses

Acquisitions in the current period

On 28 February 2022, the Group acquired Sepels Best Bets Proprietary Limited and Sepels Sportsbet Gauteng Proprietary Limited, South African betting businesses, for a total cash consideration of £5,532,000. They contributed revenue of £2,156,000 and a net loss of £532,000 to the Group's revenue and net profit for the period.

Effect of acquisition
The acquisition had the following effect on the Group's assets and liabilities:

	Book values £000	Fair value adjustments £000	Recognised values on acquisition £000
Acquiree's net assets at the acquisition date:			
Intangible assets	256	-	**256**
Tangible fixed assets	120	-	**120**
Trade and other creditors	(376)	-	**(376)**
	-	-	-
Consideration paid			**5,532**
Assets attributable to non-controlling interest			-
Goodwill on acquisition			**5,532**

Acquisitions in the prior period

On 31 May 2021, the Group acquired 70% of Betting World (Pty) Limited, a South African betting business, for a total cash consideration of £1,877,000. It contributed revenue of £2,156,000 and a net loss of £709,000 to the Group's revenue and net profit in the prior period.

3 Turnover

All activities relate to betting operations. Further disclosure of the results by type of event has not been disclosed as the Directors consider this would be prejudicial to the business.

Turnover split by geographical market is not disclosed as the Directors feel it would be prejudicial to the interest of the Group.

4 Other operating income

	2022 £000	2021 £000
Rental income	**983**	996
Grant income receivable	-	47,148
Other income receivable	**2,078**	2,209
	3,061	50,353

Notes *(continued)*

5 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2022	2021
	£000	£000
Impairment of intangible assets	**665**	901
Reversal of impairment on intangible assets	**(400)**	(3,023)
Impairment of tangible fixed assets	**2,222**	1,394
Reversal of impairment on tangible fixed assets	**(2,082)**	(4,105)
Depreciation of tangible fixed assets	**13,567**	13,361
Net loss/(profit) on disposal of intangible and tangible fixed assets	**1,290**	(88)
Amortisation of intangible assets	**15,175**	14,466
Operating lease land & buildings	**38,960**	41,606
Operating lease plant & machinery	**3,373**	3,866
Auditor's remuneration:		
Audit of these financial statements	**22**	20
Audit of subsidiary financial statements pursuant to legislation	**583**	524

6 Employee numbers and costs

The average number of persons employed by the Group, on a full time equivalent basis, during the period:

	2022	2021
	No.	No.
Office, management and sales staff	**7,761**	7,497

The aggregate payroll costs of the above were:

	2022	2021
	£000	£000
		Re-presented*
Wages and salaries	**199,027**	175,841
Social security costs	**14,720**	11,261
Other pension costs	**5,033**	4,628
	218,780	191,730

The aggregate payroll costs includes £10,914,000 *(2021: £8,895,000)* which was capitalised as Intangible Assets and included as additions in note 13.

*Payroll costs have been re-presented to include the amounts capitalised as Intangible Assets. The amount previously reported of £182,835,000 has been increased by £8,895,000 to the re-presented amount of £191,730,000.

The Company did not have any direct employees in the current or prior period.

Notes *(continued)*

7 Directors' remuneration

The directors' aggregate emoluments in respect of qualifying services were:

	2022 £000	2021 £000
Aggregate emoluments	**1,875**	1,463
Company contributions to money purchase pension schemes	**8**	14
	1,883	1,477

The aggregate emoluments of the highest paid director were £560,000 *(2021: £456,000)* and company pension contributions of £nil *(2021: £7,000)* were made to a money purchase scheme on their behalf.

The number of directors who accrued benefits under company pension schemes was as follows:

	2022 No.	2021 No.
Money purchase scheme	**2**	2

8 Exceptional items

	2022 £000	2021 £000
Pre-operating profit		
Reversal of impairment of intangible assets - licences	**(400)**	(3,023)
Impairment of intangible assets - licences	**665**	901
Reversal of impairment of tangible fixed assets	**(2,082)**	(4,105)
Impairment of tangible fixed assets	**2,222**	1,394
Onerous lease provisions reversed during the period	**(3,028)**	(10,840)
Other provisions made/(reversed) during the period	**3,500**	(2,106)
Write off related party loans	**240**	7,396
VAT credit	**-**	(1,235)
Closure costs	**423**	-
Aborted acquisition costs	**686**	3,612
	2,226	(8,006)

Exceptional items amounted to a net charge of £2,226,000 *(2021: credit of £8,006,000)*. The charge to exceptional items in the current period includes a net charge of £877,000 in relation to impairments and provisions; a charge of £240,000 relating to the write-off of a related party loan; a charge of £423,000 relating to closure costs of a foreign subsidiary; and a charge of £686,000 relating to costs incurred on a potential acquisition which did not materialise. Prior year exceptional items includes a net credit of £17,779,000 in relation to impairments and provisions; a charge of £7,396,000 relating to the provision of a related party loan; and a charge of £3,612,000 relating to costs incurred on a potential acquisition which did not materialise.

Notes *(continued)*

9 Other fixed asset investments

The Group holds an investment in Sports Information Services (Holdings) Limited of 5.99%. No dividends were received in the period ended 25 September 2022 *(2021: £nil)*. The Group's investment in Sports Information Services (Holdings) Limited was revalued in the period resulting in a fair value gain of £4,915,000.

The Group held an investment in shares listed on the London Stock Exchange which were sold in the prior period resulting in a loss of £22,672,000 from their fair value.

The Group also invested in new shares in the prior period. The shares were then sold in the prior period resulting in a gain of £966,000.

The Group invested in an Investment Portfolio in the period ended 25 September 2022. The investment was revalued in the period ended 25 September 2022 resulting in a fair value loss of £8,092,000.

10 Interest receivable and similar income

	2022	2021
	£000	£000
Bank interest receivable	**200**	93
Net foreign exchange gains	**428**	-
Net interest received on pension liabilities	**228**	135
Other interest receivable	**4,282**	4,534
	5,138	4,762

11 Interest payable and similar expenses

	2022	2021
	£000	£000
Interest payable on bank loans and overdrafts	**-**	165
Bank interest payable	**91**	67
Unwinding of discounted provision	**737**	536
Net foreign exchange losses	**-**	2,415
Other interest payable	**156**	459
	984	3,642

12 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2022	**2022**	2021	2021
	£000	**£000**	£000	£000
Current tax				
Current tax on income for the period	**17,115**		18,917	
Adjustments in respect of prior periods	**(74)**		37	
Total current tax		**17,041**		18,954
Deferred tax (see note 19)				
Origination and reversal of timing differences	**1,043**		(19,303)	
Adjustments in respect of prior periods	**2,319**		8	
Total deferred tax		**3,362**		(19,295)
Total tax		**20,403**		(341)

Notes *(continued)*

12 Taxation *(continued)*

	2022 £000 Current tax	2022 £000 Deferred tax	2022 £000 Total tax	2021 £000 Current tax	2021 £000 Deferred tax	2021 £000 Total tax
Recognised in profit and loss account	**17,041**	**1,196**	**18,237**	18,954	(18,148)	806
Recognised in other comprehensive income	-	**2,166**	**2,166**	-	(1,147)	(1,147)
Total tax	**17,041**	**3,362**	**20,403**	18,954	(19,295)	(341)

Reconciliation of effective tax rate

	2022 £000	2021 £000
Profit for the period	**19,555**	5,251
Total tax expense	**18,237**	806
Profit excluding taxation	**37,792**	6,057
Tax using the UK corporation tax rate of 19% *(2021: 19%)*	**7,180**	1,151
Effect of tax rates in foreign jurisdictions	**(1,435)**	(4,613)
Difference in tax rate on deferred tax balances	**211**	(1,565)
Non-deductible expenses	**4,198**	2,063
Tax exempt revenues	**(839)**	(1,014)
Deferred tax not recognised	**6,843**	4,739
Other provisions	**2,000**	-
Under provided in prior periods	**79**	45
Total tax expense included in profit or loss	**18,237**	806

Deferred tax not recognised relates primarily to tax losses incurred by overseas entities.

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the Group's future current tax charge accordingly. The deferred tax assets and liabilities at 25 September 2022 have been calculated at 25% *(2021: 25%)*.

Notes *(continued)*

13 Intangible assets

Group

	Goodwill £000	Licences £000	Favourable leases £000	Software Development £000	Other £000	Total £000
Cost						
At 26 September 2021	360,411	33,701	487	33,333	67	**427,999**
Acquisitions	5,532	256	-	-	-	**5,788**
Additions	(739)	2,358	-	14,518		**16,137**
Disposals	-	(648)	-	-	(67)	**(715)**
At 25 September 2022	365,204	35,667	487	47,851	-	**449,209**
Amortisation and impairment						
At 26 September 2021	296,065	13,810	481	-	67	**310,423**
Disposals	-	(620)	-	-	(67)	**(687)**
Charge for the period	11,388	3,785	2	-	-	**15,175**
Impairment of assets	-	665	-	-	-	**665**
Reversal of impairment	-	(400)	-	-	-	**(400)**
At 25 September 2022	307,453	17,240	483	-	-	**325,176**
Net book value						
At 26 September 2021	64,346	19,891	6	33,333	-	117,576
At 25 September 2022	**57,751**	**18,427**	**4**	**47,851**	-	**124,033**

The software development is under construction so has not yet started to be amortised.

Company

The Company has no intangible assets.

Notes *(continued)*

14 Tangible fixed assets

Group

	Property £000	Alterations to premises £000	Plant, machinery & equipment £000	Fixtures & fittings £000	Total £000
Cost					
At 26 September 2021	23,158	53,619	131,656	60,408	**268,841**
Acquisitions	-	-	120	-	**120**
Additions	-	5,100	10,942	2,226	**18,268**
Disposals	(243)	(1,510)	(3,566)	(1,912)	**(7,231)**
At 25 September 2022	22,915	57,209	139,152	60,722	**279,998**
Depreciation and impairment					
At 26 September 2021	9,138	49,762	108,718	51,366	**218,984**
Charge for the period	594	2,243	7,497	3,233	**13,567**
Disposals	(93)	(1,370)	(2,134)	(1,847)	**(5,444)**
Impairment of assets	281	481	-	1,460	**2,222**
Reversal of impairment	-	(702)	-	(1,380)	**(2,082)**
At 25 September 2022	9,920	50,414	114,081	52,832	**227,247**
Net book value					
At 26 September 2021	14,020	3,857	22,938	9,042	49,857
At 25 September 2022	**12,995**	**6,795**	**25,071**	**7,890**	**52,751**

The net book value of properties comprises:

	2022 £000	2021 £000
Freeholds	**11,972**	12,472
Long leaseholds (over 50 years)	**886**	819
Short leaseholds (under 50 years)	**14**	134
Other expenditure related to buildings	**123**	595
Total property	**12,995**	14,020

Contracted, but not accrued, capital commitments at 25 September 2022 were £nil *(2021: £nil)*.

Company

The Company has no tangible fixed assets.

Notes *(continued)*

15 Investments

Group

	Other investments £000	Total £000
Cost		
At 26 September 2021	1,654	1,654
Additions	80,000	80,000
Change in fair value	(3,177)	(3,177)
At 25 September 2022	78,477	78,477
Provisions		
At 26 September 2021 and 25 September 2022	-	-
Net book value		
At 26 September 2021	1,654	1,654
At 25 September 2022	**78,477**	**78,477**

Other investments of £78,477,000 *(2021: £1,654,000)* includes £6,481,000 *(2021: £1,566,000)* in relation to an investment in Sports Information Services (Holdings) Limited (SIS), in which the Group has a 5.99% holding; £85,000 *(2021: £85,000)* in relation to SportystuffTV Limited (formerly Greyhound TV Limited), in which the Group has a 16.67% holding; and £71,908,000 *(2021: £nil)* in relation to amounts held in an investment portfolio which is classified within fixed assets as it is the Directors intention to hold these assets for the long term. No dividends were received in the period ended 25 September 2022 *(2021: £nil)* in relation to the SIS investment.

Company

	Shares in Group undertakings £000	Other investments £000	Total £000
Cost			
At 26 September 2021	219,766	-	219,766
Additions	-	80,000	80,000
Change in fair value	-	(8,092)	(8,092)
At 25 September 2022	219,766	71,908	291,674
Provisions			
At 26 September 2021 and 25 September 2022	-	-	-
Net book value			
At 26 September 2021	219,766	-	219,766
At 25 September 2022	**219,766**	**71,908**	**291,674**

Other investments relates to amounts held in an investment portfolio.

Notes *(continued)*

15 Investments *(continued)*

The trading companies in which the Company held an interest at the period end are as follows:

	Registered office address	Class of shares held	Ownership 2022 %	Ownership 2021 %
Subsidiary undertakings				
Done Brothers (Cash Betting) Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Tote (Successor Company) Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Tote Bookmakers Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Petfre (Gibraltar) Limited	5/2 Waterport Place, Gibraltar	Ordinary	100	100
Bluegrass Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Betfred International Holdings Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Betfred Spain S.A.	Calle Pedro De Meneses 8, Local 51001, Ceuta, Spain	Ordinary	100	100
Betfred USA Sports LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	100
Betfred USA Sports (Two) LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	100
Betfred USA (IP) LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	100
Betfred Sports (Iowa) LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	100
Betfred Sports (Colorado) LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	100
Betfred Sports (Pennsylvania) LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	100
Betfred Sports (Nevada) LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	100
Betfred Sports (Washington) LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	100
Betfred Sports (Oregon) LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	100
Betfred Sports (Virginia) LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	100
Betfred Sports (Indiana) LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	100
Betfred Sports (Ohio) LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	100
Betfred Sports (Arizona) LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	100

Notes *(continued)*

15 Investments *(continued)*

	Registered office address	Class of shares held	Ownership 2022 %	Ownership 2021 %
***Subsidiary undertakings** (continued)*				
Betfred Sports (Louisiana) LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	100
Betfred Sports (South Dakota) LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	100
Betfred Sports (Minnesota) LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	100
Betfred Sports (Maryland) LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	0
Betfred Sports (Massachusetts) LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	0
Betfred Sports (California) LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	0
Betfred Sports (Missouri) LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	0
Betfred Sports (Kansas) LLC	105 E.Reno Ave, Suite 8, Las Vegas, Nevada, 89119	N/A	100	0
Sharp Gaming Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Betfred South Africa Holdings (Pty) Limited	151 Monument Road, Aston Manor, Kempton Park, Gauteng, South Africa 1619	Ordinary	70	70
Betting World (Pty) Limited	151 Monument Road, Aston Manor, Kempton Park, Gauteng, South Africa 1619	Ordinary	70	70
Sepels Best Bets Proprietary Limited	151 Monument Road, Aston Manor, Kempton Park, Gauteng, South Africa 1619	Ordinary	70	70
Sepels Sportsbet Gauteng Proprietary Limited	151 Monument Road, Aston Manor, Kempton Park, Gauteng, South Africa 1619	Ordinary	70	70

The Company also holds the following investments in dormant companies:

Kerching (Gibraltar) Limited	5/2 Waterport Place, Gibraltar	Ordinary	100	100
Tote Digital Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Tote Credit Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Tote Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Tote Investors Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Tote Computer Services Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100

Notes *(continued)*

15 Investments *(continued)*

	Registered office address	Class of shares held	Ownership 2022 %	Ownership 2021 %
Dormant companies (continued)				
Tote Course Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Tote Europools Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Tote UK International Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Totepool Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Totesport Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Demmy the Bookmaker Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Hanley Racing Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Giftcircle Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
A&R Racing Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
The Chase Retail Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Betfred Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Done Management Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Betting World Limpopo (Pty) Limited	151 Monument Road, Aston Manor, Kempton Park, Gauteng, South Africa 1619	Ordinary	70	0
Betting World Northern Cape (Pty) Limited	151 Monument Road, Aston Manor, Kempton Park, Gauteng, South Africa 1619	Ordinary	70	0
Betting World North West (Pty) Limited	151 Monument Road, Aston Manor, Kempton Park, Gauteng, South Africa 1619	Ordinary	70	0
Betting World Mpumalanga (Pty) Limited	151 Monument Road, Aston Manor, Kempton Park, Gauteng, South Africa 1619	Ordinary	70	0
Betting World Newton Park (Pty) Limited	151 Monument Road, Aston Manor, Kempton Park, Gauteng, South Africa 1619	Ordinary	70	0

Notes *(continued)*

16 Debtors

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Trade debtors	**704**	627	-	-
Amounts owed by related parties	**67,414**	60,057	**63,040**	56,783
Amounts owed by group undertakings	-	-	**94,477**	53,573
Deferred consideration	**25,000**	49,000	-	-
Other debtors	**10,629**	15,482	-	12
Prepayments and accrued income	**30,106**	18,604	**79**	-
Deferred tax asset *(note 19)*	**8,124**	10,741	-	-
	141,977	154,511	**157,596**	110,368

Group

Deferred consideration of £25,000,000 *(2021: £49,000,000)* relates to the discounted amount due from UK Tote Group following the sale of the Group's remaining interest in Tpoolco Limited and TDCO Limited on 16 October 2019. Included in this amount is £nil *(2021: £24,000,000)* which is not expected to be recovered in one year.

Included within amounts owed by related parties is £55,231,000 *(2021: £45,880,000)* which is not expected to be recovered in one year.

Amounts owed by related parties includes £2,141,000 (2021: £nil) due from Moneta Communications Holdings Limited which carried interest at 3.25% plus SONIA per annum; £8,144,000 (2021: £11,879,000) due from Tote Media Limited which bears interest at 3.25% plus SONIA per annum; £nil (2021: £1,738,000) due from Gaming USA Limited which bears interest at 3.25% plus SONIA per annum; £26,000 (2021: £154,000) due from Done Energy One Limited which bears interest at 3.25% plus SONIA per annum; £2,207,000 (2021: £1,381,000) due from GGRecon Limited which bears interest at 3.25% plus SONIA per annum; £nil (2021: £9,123,000) due from Peter Done which beared interest at 2.25% per annum; £52,724,000 (2021: £30,727,000) due from Rainy City Investments Ltd which bears interest at 4% per annum; and £2,172,000 (2021: £5,054,000) due from DOMIS Developments Ltd which bears interest at 3% per annum.

Company

Included within amounts owed by related parties is £52,724,000 *(2021: £42,606,000)* which is not expected to be recovered in one year.

Amounts owed by related parties includes £8,144,000 (2021: £11,879,000) due from Tote Media Limited which bears interest at 3.25% plus SONIA per annum; £nil (2021: £9,123,000) due from Peter Done which beared interest at 2.25% per annum; £52,724,000 (2021: £30,727,000) due from Rainy City Investments Ltd which bears interest at 4% per annum; and £2,172,000 (2021: £5,054,000) due from DOMIS Developments Ltd which bears interest at 3% per annum.

Included within amounts owed by group undertakings is £92,385,000 *(2021: £42,757,000)* which is not expected to be recovered in one year.

Notes *(continued)*

17 Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Trade creditors	**25,860**	11,326	**-**	-
Customer accounts	**26,797**	24,335	**-**	-
Amounts due to group undertakings	**-**	-	**329,501**	281,417
Corporation tax	**2,839**	6,621	**-**	-
Other taxation and social security	**36,459**	34,562	**-**	13
Unfavourable leases	**54**	54	**-**	-
Other creditors	**19,847**	12,682	**-**	-
Accruals and deferred income	**32,907**	35,482	**152**	3,308
	144,763	125,062	**329,653**	284,738

18 Creditors: amounts falling due after more than one year

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Amounts due to group undertakings	**-**	-	**16,100**	-
Unfavourable leases	**173**	227	**-**	-
Other creditors	**529**	59	**-**	-
Accruals and deferred income	**1,050**	1,160	**-**	-
	1,752	1,446	**16,100**	-

19 Deferred tax

Deferred tax assets and liabilities are attributable to the following:

Group

	Assets	Assets	Liabilities	Liabilities	Net	Net
	2022	2021	**2022**	2021	**2022**	2021
	£000	£000	**£000**	£000	**£000**	£000
Fixed asset timing differences	**7,121**	7,572	**-**	-	**7,121**	7,572
Arising on business combinations	**-**	-	**(1,402)**	(1,886)	**(1,402)**	(1,886)
Employee benefits	**-**	2,166	**-**	-	**-**	2,166
Fair value gains	**-**	-	**(1,229)**	-	**(1,229)**	-
Other	**1,003**	1,003	**-**	-	**1,003**	1,003
Net tax assets/(liabilities)	**8,124**	10,741	**(2,631)**	(1,886)	**5,493**	8,855

The Other deferred tax asset relates to losses and provisions in group undertakings.

The fair value gains movement relates to the revaluation of other investments.

Company

The Company has no deferred tax.

Notes *(continued)*

20 Provisions for liabilities and charges

Group

	Deferred tax £000	Dilapidation provision £000	Onerous lease provision £000	Other provisions £000	Total £000
Balance at 26 September 2021	1,886	5,367	20,305	-	27,558
Provisions made during the period	1,229	1,373	8,109	5,500	16,211
Provisions released during the period	(484)	(1,964)	(11,137)	-	(13,585)
Provisions used during the period	-	-	(369)	-	(369)
Unwinding of discounted amount	-	-	737	-	737
Balance at 25 September 2022	**2,631**	**4,776**	**17,645**	**5,500**	**30,552**

Property related provisions are expected to unwind over the next 3 to 5 years, and include:

- An onerous lease provision of £17,645,000 *(2021: £20,305,000)* in relation to loss making outlets within the Group shop portfolio. An associated impairment loss has been recorded in relation to assets dedicated to these contracts.
- £4,776,000 *(2021: £5,367,000)* in relation to dilapidation costs associated with the Group's retail estate.
- Other provisions primarily comprise of provisions in respect of regulatory settlements. It is expected that approximately 60% of the balance will be settled in the next twelve months.

Company

The Company has no provisions.

21 Employee Benefits

The Group operates a funded pension scheme, the Horserace Totalisator Board (1968) Pension Scheme. The scheme provides benefits based on final pensionable pay for all qualifying staff and as a result of its participation in that scheme, Tote (Successor Company) Limited is a sponsoring employer.

Assets are held, separately from those of Tote (Successor Company) Limited, in trustee-administered funds. The pension scheme has a sole independent corporate trustee.

There is no investment by the funds in the businesses of the Group, headed by Betfred Group Limited, the Company or any of its subsidiary or associated undertakings.

The pension scheme contributions are determined by professionally qualified actuaries on the basis of regular funding reviews using the projected unit method and, for the period ended 25 September 2022, amounted to £2,917,000 *(2021: £3,167,000)*.

The latest available actuarial review of the scheme was at 31 March 2021. This valuation has been updated to 25 September 2022 by a qualified actuary, independent of the scheme's sponsoring employer.

Notes *(continued)*

21 Employee Benefits *(continued)*

Net pension (liability)/asset

	2022 £000	2021 £000
Defined benefit obligation	**(71,226)**	(116,050)
Plan assets	**82,818**	126,370
Surplus in plan	**11,592**	10,320
Unrecognised surplus	**(11,592)**	(10,320)
Net pension surplus/(deficit)	**-**	-

Movements in present value of defined benefit obligations

	2022 £000	2021 £000
At 26 September 2021	**116,050**	117,859
Interest expense	**2,218**	1,908
Actuarial (gains)/losses	**(43,007)**	113
Benefits paid	**(4,035)**	(3,875)
Losses due to benefit changes	**-**	45
At 25 September 2022	**71,226**	116,050

Movements in fair value of plan assets

	2022 £000	2021 £000
At 26 September 2021	**126,370**	124,489
Interest income	**2,446**	2,043
Expenses	**(45)**	-
Actuarial (losses)/gains	**(44,835)**	546
Contributions by employer	**2,917**	3,167
Benefits paid	**(4,035)**	(3,875)
At 25 September 2022	**82,818**	126,370

The net re-measurement loss for the current period recognised in other comprehensive income is £3,145,000 *(2021: loss of £3,302,000)*. In accordance with IFRIC 14 the Group considers it does not have an unconditional right to a refund if the scheme is in surplus and therefore has not recognised the pension surplus.

Expense recognised in the profit and loss account

	2022 £000	2021 £000
Net interest receivable on net defined benefit liability	**(228)**	(135)
Total expense recognised in profit or loss	**(228)**	(135)

Notes *(continued)*

21 Employee Benefits *(continued)*

The fair value of the scheme assets and the return on those assets were as follows:

	2022 Fair value £000	2021 Fair value £000
Debt instruments	**44,737**	67,812
Cash	**586**	1,856
Insurance policies	**28,839**	42,622
Real estate	**8,656**	14,080
	82,818	126,370

None of the fair value of the assets include any of the Group's own financial instruments or property, or any other assets used by the Group.

The long-term expected rate of return on cash is determined by reference to bank base rates at the balance sheet dates. The long-term expected return on bonds is determined by reference to UK long dated government and corporate bond yields at the balance sheet date. The long-term expected return on the pensioner buy in insurance policy is determined by reference to UK long dated government yields at the balance sheet date. The long term expected rate of return on various classes of growth assets are each based on UK long dated government yields with an allowance for out-performance.

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

	2022	2021
Discount rate	**5.15**	1.95
Inflation (CPI)	**3.30**	3.35
Inflation (RPI)	**2.85**	2.80
Future salary increases	**n/a**	n/a
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	**2.85**	2.80
Allowance for revaluation of deferred pensions of CPI or 2.5% p.a. if less	**2.50**	2.50
Allowance for pension in payment increases of CPI or 5% p.a. if less	**2.85**	2.80
Allowance for pension in payment increases of CPI or 3% p.a. if less	**2.85**	2.80
Allowance for pension in payment increases of CPI or 2.5% p.a. if less	**2.50**	2.50
Allowance for pension in payment increases of RPI or 5% p.a. if less	**3.30**	3.35
Allowance for pension in payment increases of RPI or 3% p.a. if less	**3.00**	3.00
Allowance for pension in payment increases of RPI or 2.5% p.a. if less	**2.50**	2.50

The last full actuarial valuation was performed on 31 March 2021, and has been updated to 25 September 2022.

In valuing the liabilities of the pension fund at 25 September 2022, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 60-year old to live for a number of years as follows:

- Male retiring at age 60 in 2022: 25.9 years
- Female retiring at age 60 in 2022: 27.8 years
- Male retiring at age 60 in 2042: 27.4 years
- Female retiring at age 60 in 2042: 29.4 years

Notes *(continued)*

21 Employee Benefits *(continued)*

The Group has updated mortality assumptions as at 25 September 2022 following the analysis undertaken by the scheme actuary for the triennial funding valuation of the scheme as at 31 March 2021. The base tables have been updated to reflect the scheme specific vita curves, in line with funding valuation. Additionally, allowance for future improvements has been updated from the CMI 2020 model to the CMI 2021 model to reflect the latest available industry data. The actuary has estimated, these changes have decreased the DBO by £1,775,000.

The fund actuaries have not updated the mortality assumption as at 25 September 2022 to reflect the potential effects of Covid-19. This is mainly because there remains the uncertainty of the Covid-19 impact on long-term mortality rates for pension scheme members.

Defined contribution plans

The Group operates a defined contribution pension plan.

The total expenses relating to these plans in the current period was £5,033,000 *(2021: £4,628,000).*

22 Capital and reserves

Called up share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
195,200 ordinary shares of £0.10 each	**19,520**	19,520

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Company

Other reserves

Other reserves arises upon the valuation of the investment in Done Brothers (Cash Betting) Limited.

23 Commitments and contingencies

Commitments under operating leases:

Non-cancellable operating lease rentals are payable as follows:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Land and buildings				
Less than one year	**22,776**	25,625	-	-
Between one and five years	**45,442**	51,987	-	-
More than five years	**11,006**	10,973	-	-
	79,224	88,585	-	-
Other				
Less than one year	**2,442**	1,818	-	-
Between one and five years	**4,539**	482	-	-
More than five years	-	-	-	-
	6,981	2,300	-	-

During the year £42,333,000 *(2021: £45,472,000)* was recognised as an expense in the profit and loss account in respect of operating leases.

Notes *(continued)*

23 Commitments and contingencies *(continued)*

Contingencies:

The Group guaranteed a £6,000,000 *(2021: £6,000,000)* facility on behalf of Focus Holdings (Gibraltar) Limited, a related party. This facility ceased on 1 January 2023.

The Company became an obligor to a wider group banking arrangement on 18 October 2022 and, as such, has entered into a cross guarantee in respect of the borrowings of the Betfred group of companies, headed by Betfred Group Limited. In addition the Company's assets are secured by a number of fixed and floating charges held by the financing parties of the banking arrangement.

Given the Group's nature of business, the Group is susceptible to fraudulent customer activity, potential attempts of money laundering and legal proceedings which sometimes can give rise to future liabilities either by way of repayment of net winnings or by fines from regulatory authorities. Open regulatory cases as at the date of the financial statements are not expected to result in a material future outflow of economic benefit, however, the directors have performed an assessment and recorded suitable provisions, as outlined in Note 20, and there inherently remains the risk of potential future liabilities given the Group's nature of business.

24 Related parties

Group

Loans

Moneta Communications Holdings Limited had a facility with the Group and as at 25 September 2022 £2,141,000 (2021: £7,396,000) was outstanding. The loan carried interest at 3.25% + SONIA. A bad debt provision was charged against the loan in the prior period as it was deemed to be irrecoverable. Moneta Communications Limited was sold in the current period by its parent Moneta Communications Holdings Limited and therefore the loan has been written off in the current period and £2,841,000 of the amount previously provided has been recovered from the proceeds of the sale. Moneta Communications Holdings Limited is an entity in which Mr F Done or close family has a beneficial interest.

Gaming USA Limited also had a facility with the Group and as at 25 September 2022 £nil *(2021: £1,738,000)* was outstanding. An amount of £1,856,000 was written off in the period ended 25 September 2022 as it was deemed to be irrecoverable.

Done Energy One Limited also had a facility with the Group and as at 25 September 2022 £26,000 *(2021: £155,000)* was outstanding. An amount of £129,000 was written off in the period ended 25 September 2022 as it was deemed to be irrecoverable.

GGRecon Limited also has a facility with the Group and as at 25 September 2022 £2,207,000 (2021: £1,381,000) was outstanding. The loan carries interest at 3.25% + SONIA. GGRecon Limited is an entity in which Mr F Done or close family has a beneficial interest.

Transactions with key management personnel

Total compensation of key management personnel in the period amounted to £3,399,000 *(2021: £2,817,000)*.

Administrative expenses

Excluding the rental costs referred to below, total expenses of £40,857,000 *(2021: £29,230,000)* were incurred in respect of entities in which Mr F Done or close family members have a controlling or beneficial interest. Included within this amount is £39,835,000 *(2021: £25,775,000)* paid to Sports Information Services (Holdings) Limited for TV streaming in the Group's LBOs; £nil *(2021: £2,450,000)* paid to Active Win Media Limited for digital marketing services; and £227,000 *(2021: £609,000)* paid to Degree 53 Limited for digital services. The Group has a 5.99% holding in Sports Information Services (Holdings) Limited. Expenses were incurred on normal commercial terms. The amount owed to Sports Information Services (Holdings) Limited as at 25 September 2022 is £3,256,000 *(2021: £3,337,000)*.

Notes *(continued)*

24 Related parties *(continued)*

Rental costs

Rental costs include £2,079,000 *(2021: £2,123,000)* in respect of entities in which Mr F Done, or close family members, have a controlling or beneficial interest. No amounts were outstanding at the period end *(2021: £nil)*. Rents were made on normal commercial terms.

Investment income

Investment income during the period of £nil *(2021: £nil)* was received from Sports Information Services (Holdings) Limited which is considered to be a related party as Mr F Done is a director of that company.

Company

Loans

Amounts advanced by Lightcatch Limited to Tote Media Limited, owned by the Done family, at the end of the period was £8,143,000 (2021: £11,879,000). The maximum available under the terms of the facility is £16,000,000. These transactions were made on normal commercial terms with interest being charged at 3.25% plus SONIA per annum.

Amounts advanced by Lightcatch Limited to Peter Done, a close relative of Mr F Done, at the end of the period was £nil *(2021: £9,123,000)*. The maximum available under the terms of the facility is £9,100,000 plus interest. These transactions were made on normal commercial terms with interest being charged at 2.25% per annum.

Amounts advanced by Lightcatch Limited to Rainy City Investments Limited, in which Mr F Done has a controlling or beneficial interest, at the end of the period was £52,724,000 *(2021: £30,727,000)*. The maximum available under the terms of the facility is £50,000,000 plus interest. These transactions were made on normal commercial terms with interest being charged at 4% per annum.

Amounts advanced by Lightcatch Limited to DOMIS Developments Limited, in which Mr F Done has a controlling or beneficial interest, at the end of the period was £2,172,000 *(2021: £5,054,000)*. The maximum available under the terms of the facility is £5,000,000 plus interest. These transactions were made on normal commercial terms with interest being charged at 3% per annum.

25 Ultimate parent company

Betfred Group Limited owns 100% of the share capital of Lightcatch Limited and is the ultimate parent of the Company. The ultimate controlling party is the Done family.

The largest Group in which the results of the Company and its Group are consolidated is that headed by Betfred Group Limited, registered office address The Spectrum, 56-58 Benson Road, Birchwood, Warrington, WA3 7PQ. The consolidated financial statements of Betfred Group Limited are available to the public and may be obtained from The Spectrum, 56-58 Benson Road, Birchwood, Warrington, WA3 7PQ.

Notes *(continued)*

26 Accounting estimates and judgements

Key sources of estimation uncertainty

The Group is party to a number of non-cancellable leases on properties that are either loss making or closed. Judgement is applied in determining whether leases are onerous. Whilst every effort is made to profitably sub-let these properties, it is not always possible to do so. Where a lease is onerous to the Group, a provision is established for the difference between amounts contractually payable to the landlord and amounts contractually receivable from the tenant (if any). The principal element of uncertainty in these provisions is the future performance of the loss making stores, if the forecast loss/revenue on these stores were to change it would change the onerous lease provision. In addition, provisions exist for the expected future dilapidation cost on leasehold properties that are considered to be onerous, any related to stores recently closed, stores which are planned to close or are at high risk of closure in the future. Management maintain all properties to a high standard and carry out repairs whenever necessary during their tenure. Therefore if there is no risk of closure any provision would be minimal and management do not consider it necessary to hold dilapidation provisions for these properties. The Directors do not consider that there is a material untertainty in respect of the dilapidation provisions or other provisions. The Directors consider that their estimates are appropriate.

The Group holds a defined benefit pension scheme which is in a surplus position as at 25 September 2022. This has not been recognised on the balance sheet as it is not deemed to be recoverable as the Directors do not consider that the Group has an unconditional right to recover that surplus.

As part of the Groups ongoing growth strategy the Company has provided funding to fellow group companies overseas. In the Company financial statements these receivables equate to £30m at period end. The directors are required to conduct a formal review of these balances at period end which involves forecasting the future profitability of these overseas subsidiaries, which is inherently judgemental.

27 Subsequent events

On 1 October 2022, the Group acquired 51% of the share capital of Lottostar (Pty) Limited, a South African Online gaming company.

On 12 September 2022, the Group entered into a loan agreement of £7.8m with the F Done 2007 Family Discretionary Settlement. This was drawn down on 30 September 2022. The loan bears interest at 3% plus SONIA per annum and is due for repayment on 11 September 2023.

On 27 January 2022, the Group entered into a securities backed lending facility with a limit of £60m. On 5 October 2022, the Group drew down £50m from this facility. The facility bears interest at bank base rate plus 0.65% per annum.

On 18 October 2022, the Group entered into a bank revolving credit facility of £40m. This was subsequently increased to £60m on 28 March 2023. £25m was drawn down on 24 October 2022 and £9m was drawn down on 31 January 2023. The facility bears interest at 1.5% plus SONIA per annum and is due for repayment by 17 October 2025.

On 5 April 2023, the Group entered into a loan agreement of £8.25m with FICM Limited. This has not yet been drawn down. The loan bears interest at 3% plus SONIA per annum and will be due for repayment on the third anniversary of any draw down.