

REGISTERED NUMBER: 04118085 (England and Wales, United Kingdom)

SPORTECH GAMING LIMITED

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 December 2018



SPORTECH GAMING LIMITED

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for the Year Ended 31 December 2018

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SPORTECH GAMING LIMITED

Company Information
for the Year Ended 31 December 2018

DIRECTORS:

N J Rowlands (nee McCabe)
T J Hearne
R A McGuire

REGISTERED OFFICE:

Icarus House,
Hawkfield Close,
Hawkfield Business Park,
Bristol,
BS14 0BN

REGISTERED NUMBER:

04118085 (England and Wales, United
Kingdom)

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

SPORTECH GAMING LIMITED
Strategic Report
for the Year Ended 31 December 2018

The Directors present their Strategic report of the Company for the financial year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is to act as an intermediate holding company for Sportech PLC. Investments held by the Company are those which historically related to Sportech's UK Football Pools division. This business was disposed of on 26 June 2017, with the deal being structured as both a sale of certain shares and trade and assets of certain subsidiaries of the Company. Post 26 June 2017, the investments that the Company holds are predominantly non-trading, other than transactions with other members of the Sportech Group.

REVIEW OF BUSINESS

The loss for the financial year amounted to £58,000 (2017: profit of £52,876,000). The prior year profit owing predominantly to investment income received from its subsidiaries, net of resultant impairments to its investments.

The Company paid dividends during the year of £nil (2017: £223,665,000).

The Company has no external loan facilities or other long term financial instruments as at 31 December 2018.

Shareholders' funds amounted to £642,000 at 31 December 2018 (2017: 700,000)

FUTURE DEVELOPMENTS

There are no current plans to diversify into any other activity either by the Company or its subsidiaries.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board regularly reviews the risks associated with its activities and ensures that appropriate systems and controls are in place to mitigate the occurrence and impact of such risks. As an intermediary holding company, the principal risks and uncertainties faced are limited to those which impact its subsidiaries which are predominantly in relation to tax arising on historic activities. This is managed through consultation with HMRC and the Group's external financial advisors.

KEY PERFORMANCE INDICATORS

The Sportech Group's operations are managed on a divisional basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of Sportech PLC, which includes the Company, is discussed in the Operational and Financial Review sections of the Group's Annual Report for the Year Ended 31 December 2018 which does not form part of this report.

SIGNED ON BEHALF OF THE DIRECTORS:



.....
N Rowlands
Director

Date: August 2019

SPORTECH GAMING LIMITED
Report of the Directors
for the Year Ended 31 December 2018

The Directors present their Directors' report and audited financial statements of the Company for the financial year ended 31 December 2018.

DIVIDENDS

No dividends were paid in 2018 (2017: £223,665,000). The Directors have recommended a dividend of £nil as at the balance sheet date.

DIRECTORS

The Directors who held office during the year and up to the date of signing the financial statements were as follows:

N Rowland (nee McCabe)
R Cooper (resigned 4 October 2018)
T Hearne (appointed 4 October 2018)
R McGuire

DIRECTORS' THIRD PARTY INDEMNITY PROVISIONS

During the year, qualifying indemnity insurance was provided to the Directors. Such insurance remained in force throughout the year up to the date of signing the financial statements. No claim was made under the provision.

GOING CONCERN

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the annual statements.

FINANCIAL RISK MANAGEMENT

The Directors manage risk at a Group level across the whole business. The financial risk management policies and objectives of Sportech PLC, which includes the Company, are discussed in note 25 of the Group's Annual Report for the year ended 31 December 2018 which does not form part of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SPORTECH GAMING LIMITED

Report of the Directors - continued
for the Year Ended 31 December 2018

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

OTHER INFORMATION

An indication of the likely future developments has been included in the Strategic Report.

INDEPENDENT AUDITORS

The independent auditors, PricewaterhouseCoopers LLP, have been reappointed as auditors for the ensuing year in accordance with section 485 of the Companies Act 2006.

SIGNED ON BEHALF OF THE DIRECTORS:



.....
N Rowlands
Director

Date: 14 August 2019

SPORTECH GAMING LIMITED

Independent Auditors' Report to the Members of Sportech Gaming Limited

Report on the audit of the financial statements

Opinion

In our opinion, Sportech Gaming Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2018; the Income Statement and Other Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

SPORTECH GAMING LIMITED

Independent Auditors' Report to the Members of Sportech Gaming Limited

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Nigel Reynolds (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

14 August 2019

SPORTECH GAMING LIMITED

Income Statement and Other Comprehensive Income
for the Year Ended 31 December 2018

	Note	2018 £000	2017 £000
REVENUE		-	-
Administrative expenses		-	(128,382)
OPERATING LOSS		-	(128,382)
Income from shares in group undertakings		-	180,102
Interest receivable and similar income	6	-	1,095
PROFIT BEFORE TAXATION		-	52,815
Attributable to:			
Operating profit before items of a one-off nature		-	1,095
Investment income		-	179,670
Gain on disposal of subsidiary		-	432
Impairment of investments in subsidiaries	9	-	(128,382)
		-	52,815
Tax on profit	8	(58)	61
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(58)	52,876
Other comprehensive income		-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		(58)	52,876

There is no other comprehensive income for the year.

SPORTECH GAMING LIMITED

Balance Sheet
as at 31 December 2018

	Note	2018 £000	2017 £000
FIXED ASSETS			
Investments	9	431	431
CURRENT ASSETS			
Debtors	10	211	486
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	11	-	(217)
NET CURRENT ASSETS		<u>211</u>	<u>269</u>
NET ASSETS		<u>642</u>	<u>700</u>
CAPITAL AND RESERVES			
Called up share capital	13	-	-
Share premium account	14	-	-
Retained earnings		642	700
TOTAL SHAREHOLDERS' FUNDS		<u>642</u>	<u>700</u>

These financial statements on pages 7 to 15 were approved by the Board of Directors on 14 August 2019 and were signed on its behalf by:



.....
N Rowlands
Director

Company Registration Number: 04118085

SPORTECH GAMING LIMITED**Statement of Changes in Equity**
for the Year Ended 31 December 2018

	Called up share capital £000	Retained earnings £000	Share premium £000	Total £000
Balance at 1 January 2017	12,042	5,977	153,470	171,489
Changes in equity				
Share premium cancellation	-	153,470	(153,470)	-
Share capital reduction	(12,042)	12,042	-	-
Dividend paid – March 2017	-	(51,882)	-	(51,882)
Dividend paid – November 2017	-	(171,783)	-	(171,783)
Profit and total comprehensive income	-	52,876	-	52,876
Total changes in equity	(12,042)	(5,277)	(153,470)	(170,789)
Balance at 31 December 2017	-	700	-	700
Changes in equity				
Loss and total comprehensive loss	-	(58)	-	(58)
Total changes in equity	-	(58)	-	(58)
Balance at 31 December 2018	-	642	-	642

SPORTECH GAMING LIMITED

Notes to the Financial Statements **for the Year Ended 31 December 2018**

1. GENERAL INFORMATION

Sportech Gaming Limited ("the Company") is an intermediary holding company. As part of the Sportech PLC group ("Group"), it holds investments in certain UK subsidiaries. Those subsidiaries previously formed the Football Pools division of the Group prior to the sale of this division to Op Capita, LLP in June 2017.

The Company is a limited company and is registered, incorporated and domiciled in the UK. The address of its registered office is Icarus House, Hawkfield Close, Hawkfield Business Park, Bristol, BS14 0BN.

2. STATUTORY INFORMATION

Sportech Gaming Limited is a private company, limited by shares, registered in England and Wales, United Kingdom. The Company's registered number and registered office address can be found on the Company Information page.

3. CRITICAL JUDGMENTS AND ESTIMATES

Recoverable value of investments

The Company's investment in Sportech Pools Limited was impaired during the prior year to its deemed recoverable value which is considered to be unchanged in the current year. The valuation of investments is impacted by any critical judgements and estimates that are relevant to that specific subsidiary. Critical judgments have been applied in respect of corporation tax for Sportech Pools Limited. Its activities in recent periods have resulted in material tax liabilities crystallising. The ultimate tax liability due, in all instances, is subject to a degree of management judgment. The judgments which are made are done so in good faith, with the aim of always paying the correct amount of tax at the appropriate time.

Where certain intangible assets were disposed of by Sportech Pools Limited in 2017, a tax liability crystallises, the quantum of which is subject to management judgment. That judgment includes consideration of the assets which are disposed of, the value of those assets, and the period in which those assets arose.

4. ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements of Sportech Gaming Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The accounting policies below have been applied consistently, other than where new policies have been adopted. There are no new standards, amendments or interpretations effective in the year applicable to the Company.

The Company is a wholly-owned subsidiary of Sportech PLC and is included in the consolidated financial statements of Sportech PLC which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 or section 401 of the Companies Act 2006.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 16, 38A, 38B, 38C, 38D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures.

SPORTECH GAMING LIMITED

Notes to the Financial Statements - continued **for the Year Ended 31 December 2018**

4. ACCOUNTING POLICIES - continued

DIVIDENDS

Final dividends to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

Dividend income is recognised when the right to receive payment is established.

GOING CONCERN

The Directors have a reasonable expectation that the Company has adequate access to resources from its subsidiary investments to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the annual statements.

TAXATION

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

Current tax

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

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The investment in subsidiary undertakings is valued at cost of shares less amounts written off.

IMPAIRMENT OF FIXED ASSET INVESTMENTS

Fixed asset investments are subject to review for impairment in accordance with FRS 11, Impairment of Fixed Assets and Goodwill. Any impairment would be recognised in the profit and loss account in the year in which it occurs.

INTERCOMPANY DEBTORS & CREDITORS

Interest charged on intercompany loans is based on a market-based weighted average cost of borrowing appropriate to the Group's UK operations. For 2018, this has been deemed to be equivalent to the Sportech Group's cost of borrowing, being LIBOR plus 3.00% (2017: LIBOR plus 3.00%).

5. EMPLOYEES AND DIRECTORS

The Company has no employees (2017: Nil). The Directors' remuneration is borne entirely by another Group company. The emoluments of the Directors are disclosed in the Remuneration Report within the Sportech PLC Annual Report 2018 which is available on the parent company's website at www.sportechplc.com/investors/results, other than for N Rowlands. N Rowland's emoluments were borne by Sportech PLC and not recharged to the Company. N Rowlands is not the highest paid Director.

SPORTECH GAMING LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

	2018	2017
	£000	£000
6. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME		
Interest receivable from Group undertakings	<u>-</u>	<u>1,095</u>

The interest rate applied to borrowings was equivalent to the Sportech Group's cost of borrowing, being LIBOR plus 3.00% (2017: LIBOR plus 3.00%). The charge in the year has reduced as the investment income received by the Company in 2017 in part settled certain intercompany loan balances that were outstanding between the Company and other Sportech Group entities, the loan outstanding at 31 December 2018 arose at the end of the financial year and hence accrued no interest in the period.

7. AUDITORS' REMUNERATION

Fees payable in respect of the audit of these financial statements have been borne by Sportech PLC Group companies and no recharges have been borne by the Company.

	2018	2017
	£000	£000
8. TAX ON PROFIT		
Analysis of tax expense/(income)		
Current tax:		
UK Corporation tax based on the profit for the year	-	214
Adjustments in respect of prior years	<u>58</u>	<u>(275)</u>
Total tax expense/(income)	<u>58</u>	<u>(61)</u>

FACTORS AFFECTING THE TAX EXPENSE/(INCOME)

The tax assessed for the year is higher (2017 - lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2018	2017
	£000	£000
Profit before taxation	<u>-</u>	<u>52,815</u>
Profit before taxation at the standard rate of corporation tax of 19.00% (2017: 19.25%)	-	10,167
Effects of:		
Adjustments in respect of prior years	<u>58</u>	<u>(275)</u>
Permanent differences	<u>-</u>	<u>(9,953)</u>
Total tax expense/(income)	<u>58</u>	<u>(61)</u>

Included within permanent differences in prior year are tax reliefs not available on impairments to subsidiary investments, non-taxable receipt of investment income and gains on disposal of subsidiaries.

Factors that may affect future tax charges

As the Company's year end is after the substantive enactment date (15 September 2016) of the Finance Act 2016, these financial statements account for the change in the UK Corporation Tax rate 19.00% to 17.00% for financial years beginning 1 April 2020.

SPORTECH GAMING LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

9. INVESTMENTS	2018	2017
	£000	£000
COST		
At 1 January	128,813	139,512
Disposals	-	(10,699)
At 31 December	128,813	128,813
PROVISIONS FOR IMPAIRMENT		
At 1 January	(128,382)	(6,700)
Impairment	-	(128,382)
Disposals	-	6,700
At 31 December	(128,382)	(128,382)
NET BOOK VALUE		
At 31 December	431	431

Subsidiary undertakings at year end are shown below (incorporated in England & Wales, United Kingdom):

Name of Company	Nature of Business
Sportech Pools Limited	Formerly the core trading company of the Football Pools division, now non-trading

All subsidiaries are wholly owned, and the investments comprise ordinary shares.

10. DEBTORS	2018	2017
	£000	£000
Amounts owed by Group undertakings	211	486

The amounts falling due within one year represent loans unsecured which are repayable on demand and bear no interest.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2018	2017
	£000	£000
Tax	-	217

SPORTECH GAMING LIMITED

Notes to the Financial Statements - continued **for the Year Ended 31 December 2018**

12. FINANCIAL INSTRUMENTS

Financial risk management policies and objectives

The Company has little or no exposure to either interest rate risk or foreign exchange rate risk, although the Company's does have some exposure to cash flow and liquidity risk. The Company does not use derivative financial instruments to hedge certain risk exposures.

The policy for each of the above risks is described in more detail below:

Cash flow interest rate risk

The Company has an inter-company debtor which earns interest at the Sportech Group's cost of borrowing, being LIBOR plus 3.00%. However, the Company's cash flows are not dependent upon this source of income for its liquidity.

Liquidity risk

Cash flow forecasting is performed on a weekly basis in the operating entities of the Company and is aggregated by Central Finance. This weekly forecasting recognises committed short-term payables of the Company which are monitored and managed through regular discussions with suppliers. Central Finance monitors rolling forecasts of the Company's liquidity requirements to ensure each operating entity has sufficient cash to meet its operational needs.

Credit risk

The Company's credit risk is limited to the ability of other Sportech Group companies to repay the debt owing. The ultimate solvency of the Sportech Group is managed at a Group level, and the Group treasury function

Financial assets and liabilities

The Company had the following categories of outstanding financial assets and liabilities at the reporting date:

	2018	2017
	£000	£000
Loans and receivables	211	486
Financial liabilities measured at amortised cost	<u>-</u>	<u>-</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class	Nominal value	2018	2017
			£	£
1 (2017: 1)	Ordinary £1	£1	<u>1</u>	<u>1</u>

SPORTECH GAMING LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

14. SHARE PREMIUM ACCOUNT

	2018 £000	2017 £000
As at 1 January	-	153,470
Cancellation during the year	-	(153,470)
At 31 December	<u>-</u>	<u>-</u>

15. DIVIDENDS

	2018 £000	2017 £000
Equity - ordinary		
First interim paid: nil pence (March 2017: £51,882k) per share	-	51,882
Second interim paid: nil pence (November 2017: £51,882k) per share	-	171,783
	<u>-</u>	<u>223,665</u>

The Directors are not proposing a final dividend in respect of the financial year ending 31 December 2018.

16. ULTIMATE PARENT COMPANY

Sportech PLC is regarded by the Directors as being the Company's ultimate parent company. Sportech Group Holdings Limited is the Company's immediate parent company.

The ultimate parent undertaking and controlling party is Sportech PLC, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. The Directors regard Sportech PLC as the ultimate controlling party. Copies of Sportech PLC consolidated financial statements can be obtained from the Company's Secretary at Icarus House, Hawkfield Close, Hawkfield Business Park, Bristol, BS14 0BN.

17. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption under FRS 101 in respect of transactions with related parties, on the basis that it is a wholly owned subsidiary of a group headed by Sportech PLC, whose financial statements are publicly available. Accordingly, no transactions with other Sportech PLC group members are disclosed. There were no other related party transactions in the year.