

REGISTERED NUMBER: 01467215 (England and Wales)

**Strategic Report, Directors' Report and**  
**Audited Financial Statements for the Year Ended 31 December 2018**  
**for**  
**DATATOTE (ENGLAND) LIMITED**



**DATATOTE (ENGLAND) LIMITED**

**Contents of the Financial Statements**  
**for the Year Ended 31 December 2018**

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**DATATOTE (ENGLAND) LIMITED**

**Company Information**  
**for the Year Ended 31 December 2018**

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**DIRECTORS:**

R A Mcguire  
T J Hearne

**REGISTERED OFFICE:**

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

**REGISTERED NUMBER:**

01467215 (England and Wales)

**INDEPENDENT AUDITORS:**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

## **DATATOTE (ENGLAND) LIMITED**

### **Strategic Report** **for the Year Ended 31 December 2018**

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

#### **PRINCIPAL ACTIVITIES**

The principal activity of the Company is the design, development and installation of computer systems for the leisure industry.

#### **REVIEW OF BUSINESS**

The loss for the financial year ended 31 December 2018, amounted to £536,000 (loss for the year ended 31 December 2017: £345,000). The Company continues to see slow-down in the greyhound tote betting industry and continues to incur costs in defending its Intellectual property in a legal suit. Management expect this to be a short-term downturn from which the Company will be able to return to profitability in the future, particularly once legal costs stop being incurred. The Directors have not recommended the payment of a dividend (2017: £1,346,000).

Net assets have reduced to £225,000 (2017: £661,000) due to the legal costs identified above and the industry slow-down, however the Company's future prospects are considered reasonable. The Company has no external loan facilities or other long-term financial instruments as at 31 December 2018. There are no plans to diversify into any other activity.

#### **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 and 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.

#### **FUTURE DEVELOPMENTS**

The Company is managed as part of one division, being the "Racing and Digital" division of the ultimate parent company, Sportech PLC. The future developments of this division are discussed in the annual report of Sportech PLC in the Chief Executive's review on page 14. There are no current plans to diversify into any other activity either by the Company or its subsidiaries. The Company is working with customers and new entrants to the market to improve the greyhound tote betting industry and deliver future profitability for the Company.

**DATATOTE (ENGLAND) LIMITED**

**Strategic Report**  
**for the Year Ended 31 December 2018**

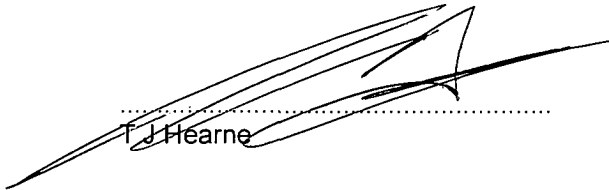
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**PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the Company's strategy are subject to a number of risks, the principal ones being:

- Industry competition - this is mitigated through maintaining good customer relationships with current and potential customers, providing a first class service to our customers, and developing new and innovative products to differentiate the Company from the competition.
- ~~Reliance on technology - the Company mitigates the risk of inferior technology, as well as~~ hardware and software failure, through use of skilled system developers and operators to run existing systems; strong investment in the core products and data centres in the Sportech Group, which the Company utilises; and disaster recovery procedures and infrastructure which are in place and regularly reviewed and tested.
- Regulation – the Company mitigates the risk by employing a Group General Counsel to ensure compliance with the requirement of licences and to oversee regulatory and legal compliance and the Company engages third-party specialist legal counsel to provide specialist local advice. Regular updates and training are provided to employees and policies and procedures are in place to which staff are required to adhere.
- Product – the Company mitigates the risk by investing significant amounts in developing new and innovative products.

**APPROVED AND SIGNED ON BEHALF OF THE BOARD:**



.....  
T J Hearne

Date: 25 September 2019

## **DATATOTE (ENGLAND) LIMITED**

### **Directors' Report** **for the Year Ended 31 December 2018**

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The Directors present their Directors' Report for the year ended 31 December 2018.

#### **DIVIDENDS**

No dividends have been paid in 2018 (2017: £1,346,000). The Directors do not recommend the payment of a final dividend.

#### **DIRECTORS**

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

R Q M Cooper resigned 4 October 2018

T J Hearne appointed 4 October 2018

A Gaughan resigned 28 February 2019

R A McGuire

#### **DIRECTORS' THIRD PARTY INDEMNITY PROVISIONS**

During the year and up to the date of the approval of the financial statements, qualifying indemnity insurance was provided to the Directors by the ultimate parent company. No claim was made under this provision.

#### **GOING CONCERN**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company has net current assets of £9,000, including cash of £109,000. Given the loss-making position of the Company as at 31 December 2018, the Company has also obtained assurances from its ultimate parent company, Sportech PLC, that assistance will be provided, if required, to meet the Company's short-term working capital requirements. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **FINANCIAL RISK MANAGEMENT**

The financial risk of the Company is managed at a Group level across the whole business, Group risks and management of risk is discussed in the Risk Management section of the Sportech PLC Annual Report and Accounts 2018. 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**

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;

**DATATOTE (ENGLAND) LIMITED**

**Directors' Report**  
**for the Year Ended 31 December 2018**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

- 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 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;~~

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.

***Directors' confirmations***

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**INDEPENDENT AUDITORS**

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

**APPROVED AND SIGNED ON BEHALF OF THE BOARD:**



.....  
T J Hearne

Date: 25 September 2019

## **DATATOTE (ENGLAND) LIMITED**

### **Independent Auditors' Report** **to the members of Datatote (England) Limited**

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

##### **Opinion**

In our opinion, Datatote (England) 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 Strategic Report, Directors' Report and Audited Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2018; the Statement of 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.



**DATATOTE (ENGLAND) Limited**  
**Independent Auditors' Report**  
**to the members of Datatote (England) Limited**

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

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

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

*Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 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 Directors' Report.

**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, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

*Auditors' responsibilities for the audit of the financial statements*

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

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

**DATATOTE (ENGLAND) Limited**  
**Independent Auditors' Report**  
**to the members of Datatote (England) Limited**

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*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  
25 September 2019

**DATATOTE (ENGLAND) LIMITED****Statement of comprehensive income**  
**for the Year Ended 31 December 2018**

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	Note	2018 £'000	2017 £'000
<b>TURNOVER</b>	4	914	984
Cost of sales		<u>(671)</u>	<u>(737)</u>
<b>GROSS PROFIT</b>		243	247
Administrative expenses		<u>(803)</u>	<u>(688)</u>
<b>OPERATING LOSS</b>		(560)	(441)
Interest receivable and similar income	6	<u>1</u>	<u>21</u>
<b>LOSS BEFORE TAXATION</b>	7	(559)	(420)
Tax on loss	9	<u>23</u>	<u>75</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		(536)	(345)
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR</b>		<u>(536)</u>	<u>(345)</u>

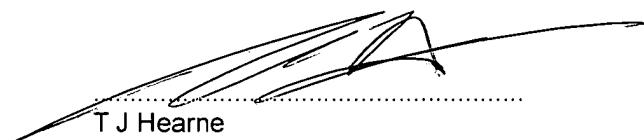
The notes form part of these financial statements.

**DATATOTE (ENGLAND) LIMITED (REGISTERED NUMBER: 01467215)**

**Balance Sheet**  
**As at 31 December 2018**

	Note	2018 £'000	2017 £'000
<b>FIXED ASSETS</b>			
Intangible assets	10	-	-
Tangible assets	11	84	153
Investments	12	25	25
Deferred tax asset	17	<u>7</u>	<u>-</u>
		116	178
<b>CURRENT ASSETS</b>			
Stocks	13	69	40
Debtors	14	288	609
Cash at bank and in hand		<u>109</u>	<u>137</u>
		466	786
<b>CREDITORS:</b> Amounts falling due within one year	15	<u>(457)</u>	<u>(303)</u>
<b>NET CURRENT ASSETS</b>		9	483
<b>NET ASSETS</b>		<u>125</u>	<u>661</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	600	600
(Accumulated losses)/retained earnings	19	<u>(475)</u>	<u>61</u>
<b>TOTAL EQUITY</b>		<u>125</u>	<u>661</u>

The financial statements on pages 9 to 24 were approved and authorised for issue by the Board of Directors on 25 September 2019 and were signed on its behalf by:

  
T J Hearne

The notes form part of these financial statements.

**DATATOTE (ENGLAND) LIMITED**

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

	Called up share capital	Retained earnings/ (accumulated losses)	Total equity
	£'000	£'000	£'000
<b>Balance at 1 January 2017</b>	600	1,752	2,352
<b>Changes in equity</b>			
Dividend paid	-	(1,346)	(1,346)
Loss and total comprehensive expense	-	(345)	(345)
<b>Balance at 31 December 2017</b>	<u>600</u>	<u>61</u>	<u>661</u>
<b>Changes in equity</b>			
Loss and total comprehensive expense	-	(536)	(536)
<b>Balance at 31 December 2018</b>	<u>600</u>	<u>(475)</u>	<u>125</u>

The notes form part of these financial statements.

## **DATATOTE (ENGLAND) LIMITED**

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

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

Datatote (England) Limited ("the Company") is a private company incorporated and domiciled in the UK. The principal activity of the Company is the design development and installation of computer systems for the leisure industry. It is 100% owned by other Sportech PLC Group companies, and forms part of its "Racing and Digital" division.

The address of its registered office is:  
Icarus House, Hawkfield Close  
Hawkfield Business Park  
Bristol, BS14 0BN

#### **2. STATUTORY INFORMATION**

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

#### **3. ACCOUNTING POLICIES**

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

The financial statements of Datatote (England) 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 following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - o Paragraph 79(a)(iv) of IAS 1;
  - o Paragraph 73(e) of IAS 16 'Property, plant and equipment'
  - o Paragraph 118(e) of IAS 38 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - o 10(d), (statement of cash flows)
  - o 16 (statement of compliance with all IFRS),
  - o 38 (requirement for minimum of two primary statements, including cash flow statements)
  - o 38B-D (additional comparative information),

## **DATATOTE (ENGLAND) LIMITED**

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

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#### **3. ACCOUNTING POLICIES - continued**

- 111 (cash flow statement information), and
  - 134-136 (capital management disclosures).
- IAS 7, 'Statement of Cash flows',
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective),
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation),
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

#### **3.2 Critical estimates and judgements**

Management apply judgement in estimating the fair value of debtor and stock although its not believed that there to be any critical judgements or assumptions applied in the financial statements that have a material impact on the financial statements.

#### **3.3 Going concern**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company has net current assets of £9,000, including cash of £109,000. Given the loss-making position of the Company as at 31 December 2018, the Company has also obtained assurances from its ultimate parent company, Sportech PLC, that assistance will be provided, if required, to meet the Company's short-term working capital requirements. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **3.4 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Service turnover is recognised at the point the relevant service is performed. Turnover from sale of goods is recognised when the risks and rewards have transferred to the customer, which is typically on despatch of the relevant goods.

#### **3.5 Intangible Assets**

Costs associated with maintaining computer software programmes are recognised as an expense as incurred within administration expenses. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets. Intangible assets are stated at cost less amortisation. Amortisation is calculated to write off the cost of intangible assets over five years.

#### **3.6 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery – 20.00% on cost

Motor vehicles – 25.00% on cost

Computer equipment - between 20.00% - 33.33% on cost

## **DATATOTE (ENGLAND) LIMITED**

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

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#### **3. ACCOUNTING POLICIES - continued**

##### **3.7 Investments**

Investments held as fixed assets are shown at historical cost. Minority equity investments are classified as available for sale assets. However, given these investments are in unlisted equity, the Directors do not believe an accurate fair value can be estimated and therefore have continued to recognise them at historic cost.

##### **3.8 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

##### **3.9 Taxation**

###### **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.

##### **3.10 Impairment reviews**

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

##### **3.11 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.



## **DATATOTE (ENGLAND) LIMITED**

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

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#### **3. ACCOUNTING POLICIES - continued**

##### **3.12 Inter-company balances**

Inter-company debtor balances from time to time include loans receivable on which interest is charged at 3.00% plus Bank of England base rate. The remaining intercompany balances are non-interest bearing and unsecured. All inter-company balances are repayable on demand. Accordingly, they are classified as current assets or liabilities respectively.

##### **3.13 Hired out assets**

Assets held for hire are capitalised as fixed assets and are depreciated at 20.00% on cost so as to write costs off over the estimated useful economic lives of the assets. These assets are leased out under operating lease arrangements. The value of these assets is disclosed in note 11.

##### **3.14 Operating Leases**

Rentals under operating leases are charged to the Profit and loss account on a straight-line basis over the lease term.

##### **3.15 Pensions**

The company operates a defined contribution pension plan.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions are recognised as an employee benefit expense when they are due.

##### **3.16 Debtors**

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

##### **3.17 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.

## **DATATOTE (ENGLAND) LIMITED**

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

#### **4. TURNOVER**

The turnover of the Company is attributable to the one principal activity of the Company. An analysis of turnover is given below:

	Year ended 31 December 2018 £000	Year ended 31 December 2017 £000
United Kingdom	482	517
Europe	397	442
Rest of World	35	25
	<u>914</u>	<u>984</u>

#### **5. EMPLOYEES AND DIRECTORS**

##### **PARTICULARS OF EMPLOYEES**

The average monthly number of staff employed by the Company during the financial year amounted to 27 (year ended 31 December 2017: 26). 1 (2017: 1) in sales and marketing, 4 (2017: 4) in administration and management and 22 (2017: 22) in operations and distribution.

The aggregate payroll costs of those employees were:

	Year ended 31 December 2018 £000	Year ended 31 December 2017 £000
Wages and salaries	644	544
Social security costs	69	73
Other pension costs	36	35
	<u>749</u>	<u>652</u>

##### **DIRECTORS' REMUNERATION**

	Year ended 31 December 2018 £000	Year ended 31 December 2017 £000
Aggregate remuneration	<u>-</u>	<u>-</u>

During the year retirement benefits were not accrued for Directors (year ended 31 December 2017: Nil) in respect of defined contribution pension schemes.

The Directors' remuneration in 2018 is borne entirely by other entities, namely Sportech PLC for R Q M Cooper and R A McGuire, and Sportech Racing Canada LLC for A Gaughan and T J Hearne. No recharges of remuneration have been borne by the Company.

**DATATOTE (ENGLAND) LIMITED**

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

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	Year ended 31 December 2018 £000	Year ended 31 December 2017 £000
Interest - Inter group balance	<u>1</u>	<u>21</u>

**7. LOSS BEFORE TAXATION**

The loss before taxation is stated after charging:

	Year ended 31 December 2018 £000	Year ended 31 December 2017 £000
Depreciation of tangible fixed assets	83	94
Increase in provision for doubtful debts	50	-
Inventories recognised as an expense	30	262
Operating lease costs	<u>74</u>	<u>70</u>

**8. AUDITORS' REMUNERATION**

	Year ended 31 December 2018 £000	Year ended 31 December 2017 £000
Fees payable to the Company's Auditors and their associates for:		
- Audit of the Company's annual financial statements	<u>19</u>	<u>10</u>

No non-audit services were provided to the Company in either year.

**DATATOTE (ENGLAND) LIMITED**

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

**9. TAX ON LOSS**

**9.1 Analysis of credit in the year**

	Year ended 31 December 2018 £000	Year ended 31 December 2017 £000
<b>Current tax</b>		
UK corporation tax charge on loss for the year	(89)	(71)
Adjustments in respect of prior years	73	7
<b>Total current tax</b>	<u>(16)</u>	<u>(64)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(6)	(6)
Adjustments in respect of prior years	(1)	(5)
<b>Total deferred tax (see note 17)</b>	<u>(7)</u>	<u>(11)</u>
<b>Total taxation credit</b>	<u>(23)</u>	<u>(75)</u>

**9.2 Factors affecting current tax credit**

The tax assessed on the loss for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%).

	Year ended 31 December 2018 £000	Year ended 31 December 2017 £000
Loss before tax	<u>(559)</u>	<u>(420)</u>
Loss by rate of UK corporation tax of 19.00% (2017:19.25%)	(106)	(81)
Tax effect of:		
Effect of changes in tax rates	1	1
Adjustments in respect of prior years	72	2
Permanent differences	10	3
<b>Total tax credit (see note 9.1)</b>	<u>(23)</u>	<u>(75)</u>

**DATATOTE (ENGLAND) LIMITED**

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

**9. TAX ON LOSS - continued**

**9.3 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 from 19.00% to 17.00% with effect from 1 April 2020. Therefore, the rate at which deferred tax is calculated has changed. Deferred tax in the UK is provided at a blended rate, depending on when the deferred tax is expected to unwind.

**10. INTANGIBLE ASSETS**

	Development Costs £000
<b>Cost</b>	
At 1 January 2018 and 31 December 2018	<u>19</u>
<b>Accumulated amortisation</b>	
At 1 January 2018 and 31 December 2018	<u>(19)</u>
<b>Net book value</b>	
At 31 December 2017 and 2018	<u>-</u>

# **DATATOTE (ENGLAND) LIMITED**

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

### **11. TANGIBLE ASSETS**

	Plant and Machinery £000	Motor Vehicles £000	Computer Equipment £000	Total £000
<b>Cost</b>				
At 1 January 2018	1,110	10	287	1,407
Additions	-	-	14	14
At 31 December 2018	<u>1,110</u>	<u>10</u>	<u>301</u>	<u>1,421</u>
<b>Accumulated depreciation</b>				
At 1 January 2018	994	10	250	1,254
Charge for the year	81	-	2	83
At 31 December 2018	<u>1,075</u>	<u>10</u>	<u>252</u>	<u>1,337</u>
<b>Net book value</b>				
At 31 December 2018	<u>35</u>	<u>-</u>	<u>49</u>	<u>84</u>
At 31 December 2017	<u>116</u>	<u>-</u>	<u>37</u>	<u>153</u>

Included within the net book value of tangible fixed assets is £nil (2017: £30,000) relating to assets leased to third parties on operating leases.

### **12. INVESTMENTS**

	£000
<b>Cost</b>	
At 1 January and 31 December 2018	<u>107</u>
<b>Impairments</b>	
At 1 January and 31 December 2018	<u>(82)</u>
<b>Net book value</b>	
At 31 December 2017 and 2018	<u>25</u>

The investment represents 6.49% of the ordinary share capital of E-Tote Limited, a company registered in England & Wales. The Directors believe the carrying value of the investment is supported by its future cash flows.

**DATATOTE (ENGLAND) LIMITED**

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

**13. STOCKS**

	2018	2017
	£000	£000
Inventory	<u>69</u>	<u>40</u>

Inventory is stated after a provision for impairment of £51,000 (2017: £51,000). There is no significant difference between the replacement cost of the inventory and its carrying amount.

**14. DEBTORS**

	31 December 2018	31 December 2017
	£000	£000
Trade debtors	130	391
Amounts owed by Group undertakings	13	148
Corporation tax – group relief	91	-
Prepayments	46	52
Other receivables	3	-
Accrued income	<u>5</u>	<u>18</u>
	<u>288</u>	<u>609</u>

Trade debtors are stated after provision for impairment of £76,000 (2017: £20,000). Amounts owed by Group undertakings are unsecured, bear no interest and are repayable on demand.

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 December 2018	31 December 2017
	£000	£000
Trade creditors	35	31
Amounts owed to group undertakings	261	-
Corporation tax – group relief	-	1
Other tax and social security	11	56
Other payables	10	-
Accruals	108	195
Deferred income	<u>32</u>	<u>20</u>
	<u>457</u>	<u>303</u>

Amounts owed to Group undertakings are unsecured, bear interest at Bank of England base rate plus 3.00% and are repayable on demand.

**DATATOTE (ENGLAND) LIMITED**

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

**16. FINANCIAL INSTRUMENTS**

**Financial Risk management policies and objectives**

The Company has little or no exposure to interest rate risk, although the Company does have some exposure to foreign exchange risk, liquidity risk and credit 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:

**Foreign exchange risk**

The Company trades with overseas customers and suppliers, and is therefore subject to foreign exchange risk. Where possible, transactions will be made in sterling to minimise the volatility on cash flows and earnings. The volatility that does occur is considered to be immaterial and hence does not require active management by the Company.

**Liquidity risk**

The Company manages its liquidity risk by regular forecasting of future cash flows and communication of these requirements to the Sportech Group's centralised accounting unit. By forecasting and working with the centralised finance function, any shortfalls can be foreseen and planned for accordingly, by control of the wider Group's cash position.

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

	31 December 2018 £000	31 December 2017 £000
Available for sale assets	<u>25</u>	<u>25</u>
Loans and receivables	<u>260</u>	<u>694</u>
Financial liabilities measured at amortised cost	<u>425</u>	<u>283</u>

**Credit risk**

The Company offers credit terms to customers it makes supplies to which exposes the Company to credit risk. This risk is managed by assessing the credit worthiness of any new customer and continually assessing the ability to pay of existing customers. Outstanding invoices are chased for payment regularly if overdue.



**DATATOTE (ENGLAND) LIMITED**

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

**17. DEFERRED TAX ASSET**

	31-December 2018 £000	31 December 2017 £000
At the beginning of year	-	(11)
Credit for the year	7	11
At end of year	7	-

The deferred tax asset at the end of the year is made up as follows:

	31 December 2018 £000	31 December 2017 £000
Excess of capital allowances over depreciation	7	-

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	2018 £000	2017 £000
600,000 (2017: 600,000)	Ordinary	£1	600	600

**19. ACCUMULATED LOSSES**

	Retained earnings/ (accumulated Losses) £'000
At 1 January 2017	1,752
Dividend paid	(1,346)
Loss for the year	(345)
At 1 January 2018	61
Loss for the year	(536)
At 31 December 2018	(475)

The Directors have not recommended the payment of a dividend (2017: £nil).

**DATATOTE (ENGLAND) LIMITED**

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

**20. OPERATING LEASE COMMITMENTS**

At 31 December the Company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings 31 December 2018 £000	Land and Buildings 31 December 2017 £000	Other 31 December 2018 £000	Other 31 December 2017 £000
Within one year	69	69	7	-
Between two and five years	17	86	10	-

**21. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption under FRS 101 in respect of transactions with related parties, on the grounds 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.

**22. ULTIMATE PARENT COMPANY**

The immediate parent undertaking is Sportech Holdco 1 Limited which is a company incorporated in Great Britain.

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 Business Park, Whitchurch, Bristol, BS14 0BN.