

REGISTERED NUMBER: 01467215 (England and Wales)

Strategic Report, Directors' Report and
Audited Financial Statements for the Year Ended 31 December 2020
for
DATATOTE (ENGLAND) LIMITED



DATATOTE (ENGLAND) LIMITED

Contents of the Financial Statements
for the Year Ended 31 December 2020

	Page
Company Information	1
Strategic Report	2
Directors' Report	4
Independent Auditors' Report to the members of Datatote (England) Limited	6
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13

DATATOTE (ENGLAND) LIMITED

Company Information
for the Year Ended 31 December 2020

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:

BDO LLP
55 Baker Street
Marylebone
London
W1U 7EU

DATATOTE (ENGLAND) LIMITED

Strategic Report **for the Year Ended 31 December 2020**

The Directors present their Strategic report and audited financial statements for the year ended 31 December 2020.

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 2020, amounted to £344,000 (2019: £299,000). The Company was impacted by the COVID-19 pandemic in 2020 as customer's racetracks for forced to close or race behind closed doors. During the times of closure, fees due to the Company for service contracts were reduced. Trading returned to more normal levels in H2 of 2020. The Directors have not recommended the payment of a dividend (2019: £nil).

The Company has net liabilities of £523,000 (2019: £179,000). The Company has no external loan facilities or other long-term financial instruments as at 31 December 2020. 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 2020 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 Operating Review. 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.

On 24 December 2020, the shareholders of Sportech PLC (the Company's ultimate controlling entity) approved the disposal of the Company's immediate parent company, Sportech Holdco 1 Limited to Betmakers technology Group Ltd, the disposal is conditional on the buyer obtaining certain licencing approvals and is expected to complete in H1 2021.

DATATOTE (ENGLAND) LIMITED

Strategic Report - continued **for the Year Ended 31 December 2020**

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.
- The outbreak of COVID-19 disease in the early months of 2020 resulted in a number of uncertainties relating to global economies. The risk to the business is that uncertainty continues to remain creating highly volatile markets and limiting opportunities for revenue. Although the directors have considered this risk, they do not anticipate this risk to be of long-term impact. The Company will continue to monitor the emerging situation and directors will take corrective actions as and when required.

APPROVED AND SIGNED ON BEHALF OF THE BOARD:



.....
T J Hearne

Date: 27 April 2021

DATATOTE (ENGLAND) LIMITED

Directors' Report **for the Year Ended 31 December 2020**

The Directors present their Directors' Report for the year ended 31 December 2020.

DIVIDENDS

No dividends have been paid in 2020 (2019: £nil). 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:

T J Hearne

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 liabilities of £584,000 (2019: £294,000), including cash of £159,000 (2019: £156,000). Given the loss-making position of the Company as at 31 December 2020, 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 (see also note 3). 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 2020. The financial risk management policies and objectives of Sportech PLC, which includes the Company, are discussed in note 27 of the Group's Annual Report for the year ended 31 December 2020 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 - continued
for the Year Ended 31 December 2020

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

BDO 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: 27 April 2021

DATATOTE (ENGLAND) LIMITED

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Datatote (England) Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Strategic Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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 financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Report of the Directors have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

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

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the 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.

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or including specific keywords;
- Testing a sample of revenue transactions pre and post year end to determine if they have been recorded in the correct period;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations

DATATOTE (ENGLAND) Limited

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

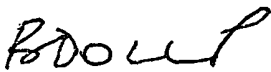
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by,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

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Kieran Storan (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
27 April 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

DATATOTE (ENGLAND) LIMITED

Statement of comprehensive income
for the Year Ended 31 December 2020

	Note	2020 £'000	2019 £'000
TURNOVER	4	655	787
Cost of sales		<u>(591)</u>	<u>(753)</u>
GROSS PROFIT		64	34
Administrative expenses		(548)	(647)
Other operating Income		<u>84</u>	<u>250</u>
OPERATING LOSS		(400)	(363)
Interest receivable and similar income	6	-	2
Interest payable	7	<u>(29)</u>	<u>(25)</u>
LOSS BEFORE TAXATION	8	(429)	(386)
Tax on loss	10	<u>85</u>	<u>87</u>
LOSS FOR THE FINANCIAL YEAR		(344)	(299)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		<u>(344)</u>	<u>(299)</u>

The notes on pages 13 to 27 form part of these financial statements.

DATATOTE (ENGLAND) LIMITED (REGISTERED NUMBER: 01467215)

Balance Sheet
As at 31 December 2020

	Note	2020		2019	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	12		47		69
Right-of-use assets	13		2		31
Deferred tax asset	20		14		18
			<u>63</u>		<u>118</u>
CURRENT ASSETS					
Stocks	15	18		23	
Debtors	16	563		456	
Cash at bank and in hand		<u>159</u>		<u>156</u>	
		740		635	
CREDITORS: Amounts falling due within one year					
Trade and other payables	17	(1,317)		(899)	
Lease liabilities	18	<u>(7)</u>		<u>(30)</u>	
		(1,324)		(929)	
NET CURRENT LIABILITIES			<u>(584)</u>		<u>(294)</u>
NON-CURRENT LIABILITIES					
Lease liabilities	18		(2)		(3)
NET LIABILITIES			<u>(523)</u>		<u>(179)</u>
CAPITAL AND RESERVES					
Called up share capital	21		600		600
Accumulated losses	22		<u>(1,123)</u>		<u>(779)</u>
TOTAL EQUITY			<u>(523)</u>		<u>(179)</u>

The financial statements on pages 9 to 26 were approved and authorised for issue by the Board of Directors on 27 April 2021 and were signed on its behalf by:



.....
T J Hearne

The notes on pages 13 to 27 form part of these financial statements.

DATATOTE (ENGLAND) LIMITED

Statement of Changes in Equity
for the Year Ended 31 December 2020

	Called up share capital £'000	Accumulated losses £'000	Total equity £'000
Balance at 1 January 2019	600	(480)	120
Changes in equity			
Loss and total comprehensive expense	-	(299)	(299)
Balance at 31 December 2019	<u>600</u>	<u>(779)</u>	<u>(179)</u>
Changes in equity			
Loss and total comprehensive expense	<u>-</u>	<u>(344)</u>	<u>(344)</u>
Balance at 31 December 2020	<u>600</u>	<u>(1,123)</u>	<u>(523)</u>

The notes on pages 13 to 27 form part of these financial statements.

DATATOTE (ENGLAND) LIMITED

Notes to the Financial Statements **for the Year Ended 31 December 2020**

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 which was classed as held for sale and a discontinued operation at 31 December 2020.

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 other than IFRS 16, which have impacted the Company's accounting policies. No changes to standards or new interpretations of amendments have been adopted early.

Going concern

The company's business activities, together with its' results for the period are set out in the strategic report.

The Board has considered and debated a range of substantial possible scenarios on the company's operations, financial position and forecasts covering a period of at least the next 12 months to 27 April 2021. These take into account sensitivity analysis and stress testing performed on the forecasts to assess the impact of COVID-19 on the business and the resulting impact on revenue and cash flows together with mitigating actions such as implementing cost reductions and utilising government assistance programmes; and the break-even point at which revenue is required to decline by before the company runs out of cash for operation, and the resulting need to implement mitigating cost reduction actions or to obtain additional funding.

The Company continually monitors its financial results and utilises financial models, which have indicated there is no significant doubt about the Company's ability to meet its liabilities over the ensuing 12 month period.

DATATOTE (ENGLAND) LIMITED

Notes to the Financial Statements - continued **for the Year Ended 31 December 2020**

3. ACCOUNTING POLICIES - continued

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:
 - 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' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38 (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 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); and
 - The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

DATATOTE (ENGLAND) LIMITED

Notes to the Financial Statements - continued **for the Year Ended 31 December 2020**

3. ACCOUNTING POLICIES – continued

3.2 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.

3.3 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.

3.4 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

3.5 Leases exempt from IFRS 16

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

3.6 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.

3.7 Stocks

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

3.8 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.

DATATOTE (ENGLAND) LIMITED

Notes to the Financial Statements - continued **for the Year Ended 31 December 2020**

3. ACCOUNTING POLICIES - continued

3.8 Taxation - continued

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.

3.9 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.

3.10 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.

3.11 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.

DATATOTE (ENGLAND) LIMITED

Notes to the Financial Statements - continued **for the Year Ended 31 December 2020**

3. ACCOUNTING POLICIES - continued

3.12 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.

3.13 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.

3.14 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.

3.15 Key judgements and estimates

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

3.16 Impairment of Trade Debtors

The Company trades with a large and varied number of customers on credit terms. Some debts due will not be paid through the default of a small number of customers. The company uses estimates based on historical experience and current information in determining the level of debts for which an impairment charge is required.

DATATOTE (ENGLAND) LIMITED

Notes to the Financial Statements - continued **for the Year Ended 31 December 2020**

3. ACCOUNTING POLICIES - continued

3.17 Right-of-use assets and lease liabilities

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing as the discount rate.

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

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

DATATOTE (ENGLAND) LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

4. TURNOVER

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

	2020	2019
	£000	£000
United Kingdom	289	353
Europe	339	404
Rest of World	27	30
	<u>655</u>	<u>787</u>

5. EMPLOYEES AND DIRECTORS

PARTICULARS OF EMPLOYEES

The average monthly number of staff employed by the Company during the financial year amounted to 20 (year ended 31 December 2019: 24). 1 (2019: 1) in sales and marketing, 4 (2019: 4) in administration and management and 15 (2019: 19) in operations and distribution.

The aggregate payroll costs of those employees were:

	2020	2019
	£000	£000
Wages and salaries	421	569
Social security costs	63	79
Other pension costs	33	44
	<u>517</u>	<u>692</u>

DIRECTORS' REMUNERATION

	2020	2019
	£000	£000
Aggregate remuneration	<u>-</u>	<u>-</u>

During the year retirement benefits were not accrued for Directors (year ended 31 December 2019: Nil) in respect of defined contribution pension schemes.

The Directors' remuneration in 2020 is borne entirely by other entities, namely Sportech PLC for R A McGuire and Sportech Racing Canada LLC for 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 2020

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019
	£000	£000
Bank interest	-	2
Interest – Inter group balance	-	-

7. INTEREST PAYABLE

	2020	2019
	£000	£000
Interest – Inter group balance	28	24
Interest on lease obligations	1	1
	<u>29</u>	<u>25</u>

8. LOSS BEFORE TAXATION

The loss before taxation is stated after charging:

	2020	2019
	£000	£000
Depreciation of tangible fixed assets	34	44
Deprecation of right-of-use assets	29	71
Increase in provision for doubtful debts	27	32
Inventories recognised as an expense	3	60
Impairment of Investments	-	25
Operating lease costs	-	-

9. AUDITORS' REMUNERATION

	2020	2019
	£000	£000
Fees payable to the Company's Auditors and their associates for:		
- Audit of the Company's annual financial statements	<u>19</u>	<u>19</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 2020

10. TAX ON LOSS

10.1 Analysis of credit in the year

	2020 £000	2019 £000
Current tax		
UK corporation tax charge on loss for the year	(85)	(67)
Adjustments in respect of prior years	(4)	(9)
Total current tax	(89)	(76)
Deferred tax		
Origination and reversal of timing differences	(1)	(11)
Change in rates	(1)	1
Adjustments in respect of prior years	6	(1)
Total deferred tax (see note 20)	4	(11)
Total taxation credit	(85)	(87)

10.2 Factors affecting current tax credit

The tax assessed on the loss for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%).

	2020 £000	2019 £000
Loss before tax	(429)	(386)
Loss by rate of UK corporation tax of 19.00% (2019:19.00%)	(82)	(73)
Tax effect of:		
Effect of changes in tax rates	(1)	1
Adjustments in respect of prior years – deferred tax	6	(1)
Adjustments in respect of prior years – current tax	(4)	(9)
Permanent differences	(4)	(5)
Total tax credit (see note 10.1)	(85)	(87)

DATATOTE (ENGLAND) LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

11. INTANGIBLE ASSETS

	Development Costs £000
Cost	
At 1 January 2020 and 31 December 2020	<u>19</u>
Accumulated amortisation	
At 1 January 2020 and 31 December 2020	<u>(19)</u>
Net book value	
At 31 December 2019 and 2020	<u>-</u>

12. TANGIBLE ASSETS

	Plant and Machinery £000	Motor Vehicles £000	Computer Equipment £000	Total £000
Cost				
At 1 January 2020	1,140	-	301	1,441
Additions	<u>12</u>	<u>-</u>	<u>-</u>	<u>12</u>
At 31 December 2020	<u>1,152</u>	<u>-</u>	<u>301</u>	<u>1,453</u>
Accumulated depreciation				
At 1 January 2020	1,119	-	253	1,372
Charge for the year	<u>33</u>	<u>-</u>	<u>1</u>	<u>34</u>
At 31 December 2020	<u>1,152</u>	<u>-</u>	<u>254</u>	<u>1,406</u>
Net book value				
At 31 December 2020	<u>-</u>	<u>-</u>	<u>47</u>	<u>47</u>
At 31 December 2019	<u>21</u>	<u>-</u>	<u>48</u>	<u>69</u>

DATATOTE (ENGLAND) LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

13. RIGHT-OF-USE ASSETS

	Short leasehold land & buildings £'000	Vehicles £'000	Total £'000
Cost			
As at 1 January 2020 and at 31 December 2020	85	17	102
Accumulated depreciation			
At 1 January 2020	64	7	71
Charge for the year	21	8	29
At 31 December 2020	<u>85</u>	<u>15</u>	<u>100</u>
Net book value			
At 31 December 2020	<u>-</u>	<u>2</u>	<u>2</u>
At 31 December 2019	<u>21</u>	<u>10</u>	<u>31</u>

14. INVESTMENTS

	£000
Cost	
At 1 January and 31 December 2020	<u>107</u>
Impairments	
At 1 January and 31 December 2020	<u>(107)</u>
Net book value	
At 31 December 2019 and 2020	<u>-</u>

The investment represents 6.49% of the ordinary share capital of E-Tote Limited, a company registered in England & Wales.

15. STOCKS

	2020 £000	2019 £000
Inventory	<u>18</u>	<u>23</u>

Inventory is stated after a provision for impairment of £87,000 (2019: £83,000). There is no significant difference between the replacement cost of the inventory and its carrying amount.

DATATOTE (ENGLAND) LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

16. DEBTORS

	2020	2019
	£000	£000
Trade debtors	120	192
Amounts owed by Group undertakings	301	43
Corporation tax – group relief	89	167
Prepayments	19	37
Other receivables	5	17
Accrued income	29	-
	<u>561</u>	<u>456</u>

Trade debtors are stated after provision for impairment of £57,000 (2019: £10,000). Amounts owed by Group undertakings are unsecured, bear no interest and are repayable on demand.

17. TRADE AND OTHER PAYABLES

	2020	2019
	£000	£000
Trade creditors	62	29
Amounts owed to group undertakings	891	758
Other tax and social security	19	22
Other payables	167	-
Accruals	63	58
Deferred income	115	32
	<u>1,317</u>	<u>899</u>

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

18. LEASE LIABILITIES

Maturity analysis – contractual undiscounted cashflows

	2020	2019
	£000	£000
Less than one year	7	30
Between 2 and 5 years	2	3
Total	<u>9</u>	<u>33</u>

DATATOTE (ENGLAND) LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

18. LEASE LIABILITIES - continued

The incremental borrowing rate applied to the lease liabilities was 2.75%.

Lease liabilities included in the balance sheet	2020	2019
	£000	£000
Current	7	30
Non-current	2	3
Total	<u>9</u>	<u>33</u>

Movement in lease liability during the year	2020	2019
	£000	£000
At 1 January	33	107
Interest charged to the income statement	1	1
Lease rentals paid	(25)	(75)
AT 31 December	<u>9</u>	<u>33</u>

19. 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:

	2020	2019
	£000	£000
Available for sale assets	<u>-</u>	<u>-</u>
Loans and receivables	<u>309</u>	<u>419</u>
Financial liabilities measured at amortised cost	<u>1,020</u>	<u>868</u>

DATATOTE (ENGLAND) LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

19. FINANCIAL INSTRUMENTS - continued

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.

20. DEFERRED TAX ASSET

	2020 £000	2019 £000
At the beginning of year	18	7
Credit for the year	(4)	11
At end of year	<u>14</u>	<u>18</u>

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

	2020 £000	2019 £000
Excess of capital allowances over depreciation	14	17
Other timing differences	-	1
	<u>14</u>	<u>18</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	2020 £000	2019 £000
600,000 (2019: 600,000)	Ordinary	£1	<u>600</u>	<u>600</u>

22. ACCUMULATED LOSSES

	Accumulated Losses £000
At 1 January 2019	(480)
Loss for the year	(299)
At 31 December 2019	(779)
Loss for the year	(344)
At 31 December 2020	<u>(1,123)</u>

The Directors have not recommended the payment of a dividend (2019: £nil).

DATATOTE (ENGLAND) LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

24. 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.

25. 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.