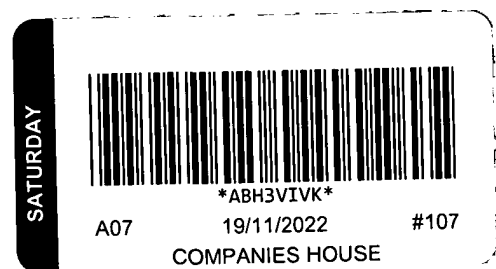


Sports Information Services Limited

Annual Report and Financial Statements

31 March 2022

Registered No. 04243307



Annual report and financial statements for the year ended 31 March 2022

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Company Information

Directors

R J Ames

N Stocks

Secretary

SIS Cosec Limited

Auditor

Saffery Champness LLP

Trinity

16 John Dalton Street

Manchester

M2 6HY

Registered Office

Unit 2 Whitehall Avenue

Kingston

Milton Keynes

Buckinghamshire

MK10 0AX

Strategic report for the year ended 31 March 2022

The directors present their strategic report of Sports Information Services Limited (the 'Company') for the year ended 31 March 2022.

Principal activities and review of the business

The Company's principal activities are:

- The provision of digital sportsbook products and services to the online betting and gaming industry (SIS Betting - Digital); and
- the provision of integrated television and information services delivered via satellite or over IP to licensed betting offices (LBOs) in the UK and overseas to provide betting opportunities for customers of the LBOs (SIS Betting - Retail)

As a result of the recovery from the Coronavirus pandemic, the Company has seen a significant improvement in Operating profit/loss before individually significant items from a £5.7m loss to a £10.4m profit. The start of the COVID-19 pandemic resulted in worldwide lockdowns at various times of the prior year, but particularly impacted SIS' UK retail revenue. In the current year, although the Coronavirus pandemic continued, the impact was minimised with only initial months experiencing any closures in the UK. Additionally, some of the benefits seen by the Digital side of the business during lockdown remained with both the digital customer base and revenues remaining above pre pandemic levels.

Operating profit after individually significant items has improved to a profit of £8.2m (2021 - £6.3m loss).

Throughout the pandemic, the Company is committed to developing its business offering across the sector and progress continues to be made.

SIS Digital – the digital business has continued to grow its customer base with increased racing content and services as well as new products launched to the digital market. The portfolio of racing products includes both highly produced linear content streaming as well as event by event streaming, internet protocol TV delivery and pricing services. The business started distributing its Competitive Gaming (E-Sports) product in May 2020 and has seen growth in its customer base in the year.

SIS Retail – Retail remains at the core of the Company and despite a particularly challenging start to the financial year, the retail sector has seen the return of customers once lockdown restrictions were lifted. In June 2021, SIS strengthened its long-term position by securing a three year extension to the UK Retail media rights of the RMG racecourses, through to March 2026.

During the year the Group was restructured to align the structure with the strategy of the business. As such SIS Ltd transferred its ownership in 49s Ltd together with its subsidiary companies to 49s Group Limited. SIS Holdings transferred its ownership in SIS Ltd to SIS Group Limited and SIS Ltd transferred its ownership in SIS Media to SIS Group Limited. There was no net impact to the Company financial statements as a result of these transactions.

Business environment

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

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

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

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

Strategic report for the year ended 31 March 2022 (continued)

Strategy

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

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

Become the key provider to chosen international retail markets

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

Create new products and content for betting purposes

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

Grow the digital business

The Company will acquire rights to appropriate content to produce a balanced portfolio bringing a new compelling short form linear format to market.

Minimise decline of UK retail business

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

Strategic report for the year ended 31 March 2022 (continued)

Key performance indicators

	2022	<i>Restated 2021</i>	<i>Definition, calculation and analysis</i>
Turnover (%)	67.6%	(38.0%)	Year on year turnover expressed as a percentage. The increase in turnover in 2022 largely relates to the bounce back from the impact of the COVID-19 pandemic in 2021.
Operating profit margin before individually significant items (%)	4.8%	(4.4%)	Operating profit margin is the ratio of operating profit (total operating profit before individually significant items) to turnover, expressed as a percentage. The operating profit percentage has increased against the prior year as a result of the improved revenues following the global removal of COVID-19 restrictions in place during the prior year.
Average number of employees	262	256	The average number of employees in employment within the Company. This has increased slightly on the prior year but is relatively stable. The number of employees at the end of March 2022 was 257 (March 2021 - 261).

Principal risks and uncertainties

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

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

Exposure to credit, counterparty, liquidity and cash flow risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses. Details of the Company's debtors are shown in note 15 to the financial statements. Counterparty risk with respect to rights is monitored by the Board regularly.

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

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

Foreign currency exchange risk

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

Interest rate risk

The Company is currently debt free and therefore has no exposure to the risk of changes in market interest rates, other than to variations in its interest receivable.

Strategic report for the year ended 31 March 2022 (continued)

Principal risks and uncertainties (continued)

Regulatory / Legal risk

The current Gambling Review being carried out by the government has potential to impact (positively or negatively) the UK digital business and SIS is following the developments closely.

Given the contractual nature of the Company's activities it is from time to time involved in potential litigation. This is further discussed at note 1, 5 and 25 to these financial statements.

Competition

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

Data and transmission services

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

Employees

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

COVID-19

The outbreak of COVID-19 in March 2020 presented an issue for the Company as both customers and suppliers were impacted by lockdowns, as such the Company utilised its business continuity plans, enabling limited services to be provided to customers who remained operating using content from around the world. The Company continues to update its continuity plans as the COVID-19 situation changes and remained trading, although on a reduced basis, throughout.

Section 172 statement

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

Potential long-term consequences of their decisions

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

Employees' interests

Further details are set out in the Directors' Report.

Strategic report for the year ended 31 March 2022 (continued)

Section 172 statement (continued)

Key relationships with customers and suppliers

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

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

Impact on community and other stakeholders

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

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

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

On behalf of the board:



N Stocks

Director

8 November 2022

Registered No. 04243307

Directors' report for the year ended 31 March 2022

The directors present their annual report and the audited financial statements of Sports Information Services Limited ('the Company') for the year ended 31 March 2022.

Results and dividends

The profit for the year after taxation amounted to £7,657,000 (2021 – £5,361,000 loss). A dividend of £nil was declared and paid during the year (2021 – £nil).

Prior year adjustment

The prior year comparatives within the financial statements have been restated following a review by SIS Management of the accounting policy for the capitalisation of internal development. In order to be in line with comparative businesses in the industry and providing the relevant criteria for capitalisation under FRS102 are met, internal development time will be capitalised as intangible assets and will be amortised on a straight line basis over the useful life of the asset. Further information on the capitalisation is provided in note 1 and note 11.

The effect of the restatement is detailed within the financial statements (from page 16 onwards) and the Notes to the financial statements (Notes 1, 4, 10, 11 and 15).

Directors

The following directors served during the period:

R J Ames
N Stocks

Transactions with directors are disclosed in note 6 and 26 to the financial statements.

Political and charitable contribution

Charitable donations totalling £33,258 (2021 – £24,158) were paid during the year. No political donations were made in the current or prior year.

Research and Development

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

Disabled employees

The Company's policy is that applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. Furthermore, in the event of members of staff becoming disabled every effort would be made to ensure that their employment with the Company continued and appropriate training arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should be, as far as possible, identical to that of a person who does not suffer from a disability.

Employee involvement

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

Directors' report for the year ended 31 March 2022 (continued)

Employee involvement (continued)

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

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

Reporting of Greenhouse Gas (GHG) Emissions

The Company's GHG emissions are included for the period 1 April 2021 to 31 March 2022 and are in accordance with the Streamlined Energy and Carbon Reporting (SECR) requirements.

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

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

	2022	2021
Energy usage (kwh '000)	4,196	3,462
CO2 emissions (tonnes)	970	800
Site area (m2)	6,078	6,078
Intensity CO2 per m2	0.1595	0.1316

The increase in energy usage and intensity reflects the move out lockdown and the increasing return to the office through hybrid working. Additionally, the Company is utilising spare space for implementing and extending Live Draw and Competitive Gaming studio capacity within the sites. The Company recognises its environment and social responsibilities and has appointed ESG Consultants during this period to identify a pathway to achieve Net Zero.

Disclosure of information to the auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Other information

Particulars of significant events which have occurred since the end of the financial year have been included in note 28.

Directors' report for the year ended 31 March 2022 (continued)

Auditor

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

On behalf of the Board:



N Stocks

Director

8 November 2022

Directors' responsibilities statement

The directors are responsible for preparing the strategic report and the directors' report and the company financial statements (the "financial statements") in accordance with applicable law and regulations.

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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

Opinion

We have audited the financial statements of Sports Information Services Limited for the year ended 31 March 2022 which comprise Income Statement and Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and its profit 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.

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.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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.

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 11, 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.

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

Identifying and assessing risks related to irregularities:

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

Laws and regulations of direct significance in the context of the company include The Companies Act 2006, and UK Tax legislation.

Audit response to risks identified:

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

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

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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.



.....
Diane Petit-Laurent FCA (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

**Chartered Accountants
Statutory Auditors**

Trinity
16 John Dalton Street
Manchester
M2 6HY

8 November 2022

Income Statement and Statement of Comprehensive Income

for the year ended 31 March 2022

	Note	2022 £000	2022 £000	2022 £000	Restated 2021 £000	2021 £000	Restated 2021 £000
		Before individually significant items	Individually significant items (note 5)	Total	Before individually significant items	Individually significant items (note 5)	Total
Turnover	2	216,881	–	216,881	129,409	–	129,409
Operating expenses		(206,633)	(2,200)	(208,833)	(136,911)	(622)	(137,533)
Other operating income	3	104		104	1,845	–	1,845
Operating profit / (loss)	4	10,352	(2,200)	8,152	(5,657)	(622)	(6,279)
Other interest receivable and similar income	8	440	–	440	433	–	433
Interest payable and similar expenses	9	(6)	–	(6)	(3)	–	(3)
Profit / (loss) before taxation		10,786	(2,200)	8,586	(5,227)	(622)	(5,849)
Tax on profit / loss	10	(1,347)	418	(929)	488	–	488
Profit / (loss) after taxation		9,439	(1,782)	7,657	(4,739)	(622)	(5,361)
Other comprehensive income / (loss):							
Remeasures of net defined benefit obligation	23	507	–	507	(1,411)	–	(1,411)
Total tax on components of other comprehensive income	10	(177)	–	(177)	494	–	494
Other comprehensive income / (loss) for the year, net of tax		330	–	330	(917)	–	(917)
Total comprehensive income / (loss) for the year		9,769	(1,782)	7,987	(5,657)	(622)	(6,279)

Statement of Financial Position

at 31 March 2022

	Notes	2022 £000	Restated 2021 £000
Fixed assets			
Intangible assets	11	7,561	6,737
Tangible assets	12	3,299	4,318
Investments	13	3,000	1
		13,860	11,056
Current assets			
Stock	14	586	601
Debtors	15	42,697	45,072
Cash at bank and in hand	16	65,088	40,395
		108,371	86,068
Creditors: amounts falling due within one year	17	(68,837)	(51,377)
Net current assets		39,534	34,691
Total assets less current liabilities		53,394	45,747
Provisions for liabilities			
Other provisions	18	(1,990)	(1,889)
Deferred tax liability	10	(3,102)	(2,864)
Net assets excluding pension asset		48,302	40,994
Defined benefit pension asset	23	8,863	8,184
Net assets		57,165	49,178
Capital and reserves			
Called up share capital	19	–	–
Retained earnings		57,165	49,178
Shareholders' funds		57,165	49,178

The financial statements were approved by the Board of Directors on 8 November 2022 and signed on its behalf by:



N Stocks

Director

Company registration number: 04243307

Statement of Changes in Equity

at 31 March 2022

	<i>Called-up share capital £000</i>	<i>Retained earnings £000</i>	<i>Total £000</i>
Balance as at 1 April 2020	–	54,181	54,181
Restatement of 2020 result (note 1)	–	1,276	1,276
Restated balance as at 1 April 2020	–	55,457	55,457
Original loss for the year 2021	–	(5,802)	(5,802)
Restatement of 2021 result (note 1)	–	440	440
Other comprehensive loss for the year	–	(917)	(917)
Total comprehensive loss for the year (restated)	–	(6,279)	(6,279)
Balance as at 31 March 2021 (restated)	–	49,178	49,178
Balance as at 1 April 2021 (restated)	–	49,178	49,178
Profit for the year	–	7,657	7,657
Other comprehensive income for the year	–	330	330
Total comprehensive income for the year	–	7,987	7,987
Balance as at 31 March 2022	–	57,165	57,165

Notes to the financial statements

for the year ended 31 March 2022

1. Accounting policies

General Information

Sports Information Services Limited is a private company limited by shares and is incorporated, domiciled and registered in the England and Wales. The registered office address is Unit 2 Whitehall Avenue, Kingston, Milton Keynes, Buckinghamshire, MK10 0AX.

Statement of compliance

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

Summary of significant accounting policies

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

Basis of preparation

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

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

Going concern

The Company had net assets of £63,165,000 (2021: £49,178,000). Subsequent to the year end, trading has returned to pre-COVID levels, with the business being cash generative and profitable.

The Directors have prepared detailed forecasts and trading projections for at least 12 months following the date of these financial statements.

Considering the operations of the Company and the industry it is affiliated to, it has and will be affected by COVID-19, however the cash reserves of the Company will be sufficient to compensate for any unexpected short-term fall in revenue.

Management has prepared forecasts for at least 12 months following the date of approval of these financial statements, including severe but plausible downsides, to understand the potential impacts of COVID-19, based on the trading levels experienced through the COVID-19 pandemic. None of the scenarios impacted the business in a way that liquidity levels were unsustainable.

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

Notes to the financial statements (continued)

for the year ended 31 March 2022

1. Accounting policies (continued)

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. Sports Information Services Limited is a qualifying entity as its results are consolidated into the financial statements of Sports Information Services (Holdings) Limited which are publicly available. As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), 12.29A and 12.30 of FRS 102; and
- iii) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

Consolidated financial statements

The financial statements contain information about Sports Information Services Limited as an individual Company and do not contain consolidated financial information as the parent of a Group. The Company has taken the exemption under section 400 of the Companies Act 2006 from the requirement to prepare Group financial statements as it and its subsidiary undertakings are included in the Group financial statements of Sports Information Services (Holdings) Limited, a Company registered in England and Wales, which are publicly available.

Turnover

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

Rendering of services

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

Foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Notes to the financial statements (continued)

for the year ended 31 March 2022

1. Accounting policies (continued)

Foreign currencies (continued)

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance (expense)/ income'. All other foreign exchange gains and losses are presented in the Income Statement within 'Other operating (losses)/gains'.

Employee benefits

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

Short term benefits

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

Defined benefit pension plan

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

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

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

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

Defined contribution pension plan

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

Notes to the financial statements (continued)

for the year ended 31 March 2022

1. Accounting policies (continued)

Employee benefits (continued)

Annual bonus plan

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

Termination benefits

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

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax

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

Deferred taxation

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

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

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

Intangible fixed assets

Rights

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

Notes to the financial statements (continued)

for the year ended 31 March 2022

1. Accounting policies (continued)

Intangible fixed assets (continued)

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

Research and development

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

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

The directors believe that the revised accounting policy is more comparable with similar businesses and as such it is appropriate that the change should be made within the current year and then restated for financial years 2020 and 2021. The effect on the financial statements is as follows: Opening shareholders' funds at 1 April 2021 increase by £1,276,000; Loss for the year to 31 March 2021 decreases by £440,000; Net Assets at 31 March 2021 increase by £1,716,000.

Tangible fixed assets

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

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

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

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

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

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

Leased assets

Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Income Statement on a straight-line basis over the period of the lease.

The Company has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 April 2014) and continues to credit such lease incentives to the Income Statement over the period to the first review date on which the rent is adjusted to market rates.

Notes to the financial statements (continued)

for the year ended 31 March 2022

1. Accounting policies (continued)

Leased assets (continued)

Finance leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Company and hire purchase contracts are capitalised in the Statement of Financial Position and depreciated over the shorter of the lease term and the asset's useful lives. The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the Statement of Financial Position. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method. The interest elements of the rental obligations are charged in the Income Statement over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Impairment of non-financial assets

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

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

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

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

Government grants

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

Investments

Investments in subsidiaries are held at historical cost less accumulated impairment losses.

An associate is an entity in which the Company has significant influence, but not control, over the operating and financial policies of the entity. Significant influence is presumed to exist when the investor holds between 20% and 50% of the equity voting rights. Investments in associates are accounted for at cost less, where appropriate, provisions for impairment.

Stocks

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

Notes to the financial statements (continued)

for the year ended 31 March 2022

1. Accounting policies (continued)

Stocks (continued)

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

Cash and cash equivalents

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

Financial instruments

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

Financial assets

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

Such assets are subsequently carried at amortised cost using the effective interest method where applicable.

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

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

Financial liabilities

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

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

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

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

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

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

Notes to the financial statements (continued)

for the year ended 31 March 2022

1. Accounting policies (continued)

Financial instruments (continued)

Offsetting

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

Provisions

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

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

Related party transactions

The Company is exempt under the terms of section 33.1A of FRS 102, from disclosing related party transactions with entities that are wholly owned subsidiaries of the Sports Information Services (Holdings) Limited Group.

Critical judgements and estimates in applying the accounting policies

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

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

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

Bonus Schemes

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

Any amounts provided for are included within accruals (see note 17). The Directors acknowledge if the performance criteria is not met at the end of the vesting period, actual amounts paid may be materially different to accrued amounts.

Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in note 23.

Notes to the financial statements (continued)

for the year ended 31 March 2022

1. Accounting policies (continued)

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

Pension surplus recognition

There have been no changes to the scheme rules during the year and at the end of the current period the directors have revisited the judgement and are comfortable with the position that the Company is able to recognise the scheme surplus under the gradual settlement route following the principles of IFRIC 14. Please refer to note 23 for further details.

Other litigation

As with any commercial operation, the Company may from time to time, be party to certain legal cases. Each year management assess the situation based on factual information and make fair judgements on the position of this potential liability. Management then make the best estimate to provide accordingly within the financial statements. Additional information is discussed in note 5.

2. Turnover

An analysis of turnover by geographical market is given below:

	2022 £000	2021 £000
UK	155,374	108,831
Other	61,507	20,578
	216,881	129,409

An analysis of turnover by activity is given below:

	2022 £000	2021 £000
Retail	155,312	90,872
Digital	43,568	34,825
Other	18,001	3,712
	216,881	129,409

3. Other operating income

	2022 £000	2021 £000
Government grants	104	1,845

During the year, the Company received £104,000 (2021: £1,845,000) from the Coronavirus Job Retention Scheme (CJRS).

Notes to the financial statements (continued)

for the year ended 31 March 2022

4. Operating Profit

This is stated after charging/(crediting):

	2022	<i>Restated</i> 2021
	£000	£000
Amortisation of Intangible asset (note 11)	1,233	1,084
Depreciation of owned fixed assets (note 12)	1,865	1,809
Operating lease rentals	960	1,016
Services provided by the Company's auditor and its associates:		
Fees payable for the audit	76	87
Fees payable for other services	–	110
Fees payable for tax services	–	3
(Gain)/ loss on foreign exchange	136	(116)

5. Individually significant items

	2022	2021
	£000	£000
Litigation fees	2,200	622
	2,200	622

As with any commercial operation, the Company may from time to time, be party to certain legal cases. During the year the Company continued to defend ongoing litigation and costs included in the Profit and Loss account for the year were £2,200,000 (2021: £622,000). Due to the size of this number in previous years, in the context of the overall profit for the relevant year, and that costs of this magnitude are not expected to reoccur on a frequent basis the cost has been separately disclosed as an individually significant item.

The profit and loss account in the period since the litigation started reflects all fees and costs incurred to date, along with all relevant provisions and accruals. Following the confidential settlement agreed in June 2022 no further charges to profit are expected.

6. Directors' remuneration

	2022	2021
	£000	£000
Directors' remuneration in respect of qualifying services (excluding pension contributions)	970	498
Remuneration (excluding pension fund contributions) of the highest paid director were:	625	286

The Company made contributions to a money purchase pension scheme totalling £14,000 (2021 – £20,000) on behalf of its directors and of £10,000 (2021 – £10,000) on behalf of the highest paid director.

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

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

Notes to the financial statements (continued)

for the year ended 31 March 2022

7. Staff costs

	2022	2021
	£000	£000
Wages and salaries	16,333	12,135
Social security costs	1,298	1,081
Pension costs	977	886
	18,608	14,102

The average monthly number of persons (including directors) employed by the Company was 262 (2021 – 256).

	2022	2021
Directors	2	2
Senior Management	7	7
Operational	154	148
Support	98	99
	262	256

8. Interest receivable and similar income

	2022	2021
	£000	£000
Bank interest receivable	268	208
Pension interest receivable	172	225
	440	433

9. Interest payable and similar charges

	2022	2021
	£000	£000
Other finance costs	(6)	(3)

Notes to the financial statements (continued)

for the year ended 31 March 2022

10. Tax

Tax expense included in the income statement

The tax charge is made up as follows:

	2022	<i>Restated</i> 2021
	£000	£000
Current tax:		
UK corporation tax on the profit for the year	932	–
Adjustments to current taxation in respect of prior years	(464)	(54)
Foreign Tax	19	–
Total current tax	487	(54)
Deferred tax:		
Origination and reversal of timing differences	260	(873)
Adjustment to deferred tax in respect of prior periods	462	348
Effect of change in rates	(280)	91
Total tax (credit) / charge on profit on ordinary activities (note 10)	929	(488)

Tax credit included in other comprehensive income

	2022	2021
	£000	£000
Deferred tax in relation to the pension scheme	177	(494)
Total tax (credit) / charge included in other comprehensive income	177	(494)

	2022			2021		
	£000	£000	£000		<i>Restated</i> £000	<i>Restated</i> £000
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in income statement	487	442	929	(54)	(434)	(488)
Recognised in other comprehensive income	–	177	177	–	(494)	(494)
Total tax	487	619	1,106	(54)	(928)	(982)

Notes to the financial statements (continued)

for the year ended 31 March 2022

10. Tax (continued)

Reconciliation of effective tax rate

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2021 – 19%). The differences are explained below:

	2022	<i>Restated</i> 2021
	£000	£000
Profit / (loss) for the year after tax	7,657	(5,361)
Tax (credit) / charge for the year	929	(488)
Profit / (loss) before tax	8,586	(5,849)
Profit/(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 – 19%)	1,631	(1,111)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	24	5
Income not taxable	(34)	(1)
Foreign tax credits	–	25
Other differences	(286)	664
Partnership profits and losses	(44)	(53)
Adjustments in respect of prior years	17	(53)
Effect of change in rates	(379)	36
Tax (credit) / charge for the year	929	(488)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2022	<i>Restated</i> 2021	2022	2021	2022	<i>Restated</i> 2021
	£000	£000	£000	£000	£000	£000
Decelerated capital allowances	(883)	(432)	–	–	(883)	(432)
Deferred tax on pension surplus	–	–	3,102	2,864	3,102	2,864
Other timing differences	(811)	(1,645)	–	–	(811)	(1,645)
Net tax (assets) / liabilities	(1,694)	(2,077)	3,102	2,864	1,408	787

It is expected that £nil (2021 - £nil) of the deferred tax liability will reverse in the next twelve months.

Factors affecting future tax charges:

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

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

Notes to the financial statements (continued)

for the year ended 31 March 2022

10. Tax (continued)

The changes to increase the main rate of corporation tax to 25% was enacted on 10 June 2021, therefore deferred tax rates at the year end have been measured using these enacted tax rates and reflected in the financial statements.

11. Intangible fixed assets

	<i>Rights</i> £000	<i>Development</i> £000	<i>Total</i> £000
Cost:			
At 1 April 2021 (restated)	10,263	2,120	12,383
Other acquisitions – internally developed	–	2,057	2,057
At 31 March 2022	10,263	4,177	14,440
Amortisation:			
At 1 April 2021 (restated)	5,513	133	5,646
Charge for the year	1,000	233	1,233
At 31 March 2022	6,513	366	6,879
Net book amount:			
At 31 March 2022	3,750	3,811	7,561
At 1 April 2021 (restated)	4,750	1,987	6,737

Rights

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

Rights are amortised on a straight-line basis over their term, usually up to five years. The carrying value of the intangible assets will be fully amortised by December 2025.

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

Development

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

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

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

Notes to the financial statements (continued)

for the year ended 31 March 2022

12. Tangible fixed assets

	<i>Installed equipment £000</i>	<i>Studio equipment £000</i>	<i>Fixtures, fittings and other equipment £000</i>	<i>Leasehold improve- ment £000</i>	<i>Payment on account /AUC's £000</i>	<i>Total £000</i>
Cost:						
At 1 April 2021	29,346	8,675	15,402	8,346	689	62,458
Additions	16	17	284	–	543	860
Transfers	941	10	–	–	(951)	–
Disposals	(24,220)	–	(20)	–	–	(24,240)
At 31 March 2022	6,083	8,702	15,666	8,346	281	39,078
Depreciation:						
At 1 April 2021	28,623	7,353	14,235	7,929	–	58,140
Charge for the year	482	613	577	193	–	1,865
Disposals	(24,220)	–	(6)	–	–	(24,226)
At 31 March 2022	4,885	7,966	14,806	8,122	–	35,779
Net book amount:						
At 31 March 2022	1,198	736	860	224	281	3,299
At 1 April 2021	723	1,322	1,167	417	689	4,318

Notes to the financial statements (continued)

for the year ended 31 March 2022

13. Investments

	<i>Subsidiaries</i>	<i>Associates</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost:			
At 1 April 2021	1	–	1
Acquisitions	–	2,999	2,999
Disposals	–	–	–
At 31 March 2022	1	2,999	3,000
Provision for impairment:			
At 1 April 2021	–	–	–
Disposals	–	–	–
At 31 March 2022	–	–	–
Net book amount:			
At 31 March 2022	1	2,999	3,000
At 1 April 2021	1	–	1

<i>Name</i>	<i>Country of Incorporation</i>	<i>Ownership</i>
SIS Link Inc	USA	100%
Satellite Information Services Limited *	England	100%
SIS Live (Partnership)	n/a	70%
Racelab Pty Ltd	Australia	25%

* Dormant and exempt from audit under S479A of the Companies Act 2006.

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

During the year the Group was restructured to align the structure with the strategy of the business. As such SIS Ltd transferred its ownership in 49s Ltd together with its subsidiary companies to 49s Group Limited. SIS Holdings transferred its ownership in SIS Ltd to SIS Group Limited and SIS Ltd transferred its ownership in SIS Media to SIS Group Limited. There was no net impact to the Company financial statements as a result of these transactions.

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

As at 31 March 2015 the carrying value of Sports Information Services Limited's investment in the SIS Live Partnership has been fully provided for due to the partnership holding an overall net liability position of which the Company's share was as follows:

	2022	2021
	£000	£000
Share of assets	1,130	1,156

Notes to the financial statements (continued)

for the year ended 31 March 2022

Share of liabilities	(3,612)	(3,409)
	<u>(2,482)</u>	<u>(2,253)</u>

14. Stocks

	2022	2021
	£000	£000
Finished goods	<u>586</u>	<u>601</u>

15. Debtors

	2022	<i>Restated</i> 2021
	£000	£000
Trade debtors	19,202	11,006
Amounts owed by group undertakings	8,967	8,783
Other debtors	612	4,367
Prepayments and accrued income	12,222	18,839
Deferred tax asset (note 10)	1,694	2,077
	<u>42,697</u>	<u>45,072</u>

The amounts owed by group undertakings include £7.5m which is repayable during the year 2027. This amount accrues interest at 2.5% + the Bank of England base rate. The remaining balance is unsecured and repayable on demand.

16. Cash at bank

	2022	2021
	£000	£000
Cash at bank and in hand	<u>65,088</u>	<u>40,395</u>

17. Creditors: amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	4,219	12,046
Amounts owed to group undertakings	11,348	11,348
Other creditors	561	1,045
Other taxation and social security	2,565	315
Deferred income and payments in advance	21,292	2,904
Accruals	28,852	23,719
	<u>68,837</u>	<u>51,377</u>

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

Notes to the financial statements (continued)

for the year ended 31 March 2022

18. Other provisions

	<i>Property</i> <i>£000</i>	<i>WEEE</i> <i>£000</i>	<i>Total</i> <i>£000</i>
At 1 April 2021	1,418	471	1,889
Utilised during the year	(107)	–	(107)
Charge/(credit) for the year	208	–	207
At 31 March 2022	1,519	471	1,990

Property

The property provision relates to the obligations on surrender of property leases to re-instate the premises to the same state and condition as before occupancy including making good all damage caused by removal as well as the onerous element of lease commitments for properties that are vacant prior to the lease end date. The provision is based on independent advice and is management's best estimate of the provision required as at 31 March 2022. The provision will be utilised by 2031.

WEEE

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

19. Issued share capital

	2022		2021	
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	1	<u>1</u>	1	<u>1</u>

20. Dividends

During the year, a dividend of £nil was declared and paid (2021 – £nil).

Notes to the financial statements (continued)

for the year ended 31 March 2022

21. Financial instruments

The Company has the following financial instruments:

	2022	2021
	£000	£000
<i>Financial assets that are debt instruments measured at amortised cost:</i>		
Trade debtors	19,202	11,006
Amounts owed by group undertakings	8,967	8,783
Cash and cash equivalents	65,088	40,395
Other debtors	2,351	192
	95,608	60,376
<i>Financial liabilities measured at amortised cost:</i>		
Trade creditors	4,219	12,046
Amounts owed to group undertakings	11,348	11,348
Other creditors	561	1,045
	16,128	24,439

22. Capital commitments

The Company has the following capital commitments:

	2022	2021
	£000	£000
Capital expenditure	80	2,866

The committed capital expenditure relates to the investment in production and distribution technology equipment.

Notes to the financial statements (continued)

for the year ended 31 March 2022

23. Pensions

The Company was historically the parent undertaking of SIS Outside Broadcasts Limited. The SIS Outside Broadcasts Pension Scheme began on 1 April 2008 and was created to reflect the old BBC defined benefit scheme for SIS Outside Broadcasts Limited employees. In March 2014 a flexible apportionment arrangement was implemented to transfer the liabilities in the scheme from SIS Outside Broadcasts Limited to the Company.

The valuation used in these accounts has been based on the most recent actuarial valuation at 31 March 2016. The scheme assets are stated at their market values at the respective reporting dates and overall expected rates of return are established by applying discount rate to each category of scheme assets.

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

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

The assets and liabilities of the schemes at 31 March 2022 are:

	2022 £000	2021 £000
Corporate Bonds	25,278	24,532
Cash	45	46
Fair value of scheme assets	25,323	24,578
Present value of defined benefit obligation	(16,460)	(16,394)
Surplus	8,863	8,184
Irrecoverable surplus	–	–
Defined benefit pension asset	8,863	8,184

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

	2022 £000	2021 £000
Recognised in the income statement		
Expected return on assets	(510)	(551)
Interest cost	338	326
Total (credit) to the income statement	(172)	(225)

Notes to the financial statements (continued)

for the year ended 31 March 2022

23. Pensions (continued)

	2022	2021
	£000	£000
<i>Taken to the other comprehensive income</i>		
Actual return on scheme assets	1,321	2,004
Less expected return on scheme assets	(510)	(551)
	811	1,453
Irrecoverable surplus	–	–
Actuarial loss on the defined benefit obligation	(304)	(2,864)
Surplus recognition	–	–
<i>Actuarial gain/(loss) recognised in the statement of comprehensive income</i>	507	(1,411)
	2022	2021
<i>Main assumptions:</i>		
Discount rate	2.70%	2.10%
Salary growth	N/A	N/A
Inflation assumption	3.90%	3.50%
Rate of increase in pension payments – RPI up to 10%	3.90%	3.50%
Rate of increase in pension payments – RPI up to 5%	3.80%	3.40%
Base Mortality Table	S3PXA_L tables	S3PXA_L tables
Loading to mortality rates	100.0%	90.0%
Mortality Projection Basis	CMI 2021 (core) projection with 1.25% p.a. long-term improvement	CMI 2020 (core) projection with 1% p.a. long-term improvement

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

	£000
At 1 April 2021	16,394
Interest cost	338
Actuarial gain	304
Benefits paid	(576)
At 31 March 2022	16,460

Notes to the financial statements (continued)

for the year ended 31 March 2022

23. Pensions (continued)

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

	£000
At 1 April 2021	24,578
Expected return on plan assets	510
Actuarial experienced gains	811
Benefits paid	(576)
At 31 March 2022	25,323

Amounts for the current year are:

	2022 £000
Fair value of scheme assets	25,323
Present value of defined benefit obligation	(16,460)
Surplus/(shortfall)	8,863
Experience adjustment on plan assets	811

The cumulative amount of actuarial gains and losses recognised since 1 April 2014 in the other comprehensive income of the Company is a net gain of £2,343,000 (2021 – £1,836,000).

24. Other financial commitments

At 31 March 2022 the Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2022 £000	2021 £000
Operating leases which expire:		
Not later than one year	998	1,007
Later than one year and not later than five years	1,816	2,362
Later than five years	1,739	2,118
	4,553	5,487

Notes to the financial statements (continued)

for the year ended 31 March 2022

25. Contingent liabilities

India

The Company continues to deal with tax and legal issues that arose from the broadcasting of the 2010 Commonwealth Games (CWG) in Delhi, India through SIS Live, a general partnership created between the Company and another company within the wider SIS Group, SIS Outside Broadcasts Limited.

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

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

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

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

Cross Guarantee

The Company is an obligor to a wider group banking arrangement and as such has entered into a cross guarantee of the SIS group of companies headed by Sports Information Services (Holdings) Limited. This agreement covers any liabilities of SIS Live Partnership in which Sports Information Services Limited is a partner (note 13). At 31 March 2022 the net cash position of the group was £62,755,000 (2021: £38,873,000).

Notes to the financial statements (continued)

for the year ended 31 March 2022

26. Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. These transactions are deemed to have taken place at arm's length. The Company has taken advantage of the exemption in section 33.1A of FRS 102, not to disclose transactions with its wholly owned subsidiaries. Transactions entered into, and trading balances outstanding at 31 March 2022, are as follows:

	<i>Sales to related party</i>	<i>Purchases from related party</i>	<i>Tax losses of related party utilised</i>	<i>Amounts owed from related party</i>	<i>Amounts owed to related party</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Ladbrokes Coral Group Limited					
2022	71,394	19,416	–	8,050	314
2021	<u>31,746</u>	<u>16,340</u>	<u>–</u>	<u>–</u>	<u>7,111</u>
William Hill Organisation Limited					
2022	34,615	–	–	4,107	–
2021	<u>12,864</u>	<u>–</u>	<u>–</u>	<u>519</u>	<u>–</u>
Betfred Group					
2022	33,100	–	–	515	–
2021	<u>16,270</u>	<u>(8)</u>	<u>–</u>	<u>–</u>	<u>65</u>
Catalyst Media Group plc					
2022	–	–	–	–	–
2021	<u>–</u>	<u>–</u>	<u>4</u>	<u>–</u>	<u>–</u>
Caledonia Investments plc					
2022	–	–	–	–	–
2021	<u>–</u>	<u>–</u>	<u>85</u>	<u>–</u>	<u>–</u>

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

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

See note 6 for disclosure of the directors' remuneration.

Notes to the financial statements (continued)

for the year ended 31 March 2022

26. Related party transactions (continued)

Amounts contributed to pension funds are as follows:	£'000
Sports Information Services Limited Pension Scheme (Standard Life)	<u>1,590</u>

27. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Sports Information Services Group Ltd and the ultimate parent undertaking is Sports Information Services (Holdings) Limited, a Company registered in England and Wales. The parent undertaking of the largest and smallest Group, which includes the Company and for which group accounts are prepared is Sports Information Services (Holdings) Limited. Copies of Sports Information Services (Holdings) Limited financial statements are available from the following address:

Sports Information Services (Holdings) Limited
Unit 2 Whitehall Avenue
Kingston
Milton Keynes
Buckinghamshire
MK10 0AX

28. Subsequent events

During June 2022, the active litigation claim brought by The Racing Partnership Limited and others against Sports Information Services Limited was resolved amicably between the parties. The precise terms of the resolution remain confidential between the parties, however, the results for FY22 incorporate accruals and provisions relating to costs and settlement of the litigation and no further charges to profit are expected.

Subsequent to year end an interim dividend of £4.4m was declared and paid in respect of the year ended 31 March 2021.