For immediate release **8 January 2021**

Webis Holdings plc

("Webis" or "the Group")

Annual Report and Financial Statements for the year ended 31 May 2020

Notice of Annual General Meeting

Further to the announcement of 27 November 2020, Webis Holdings plc, the global gaming group, today announces its audited results and the publication of its 2020 Report and Accounts ("Accounts") for the year ended 31 May 2020, extracts from which are set out below. There has been no change to the primary statements in the intervening period and the Independent Auditor's Report is unqualified. The Group anticipates that the Interim Financial Report and Financial Statements will be published by 28 February 2021.

The Accounts are being posted to shareholders today together with the Notice of Annual General Meeting, and will be available on the Group's website www.webisholdingsplc.com and at the Group's Registered Office: Viking House, Nelson Street, Douglas, Isle of Man IM1 2AH.

The AGM will be held at The Claremont Hotel, 18/19 Loch Promenade, Douglas, Isle of Man, at 11.00 a.m. on 1 February 2021. We will inform shareholders should there be any change to the venue.

The Board has considered how best to deal with the practical arrangements for the meeting considering the unique circumstances of the ongoing COVID-19 pandemic. In particular, the Board has also considered the measures introduced by the Isle of Man Government in response to the COVID-19 pandemic, still currently in force, which would prevent shareholders, advisers and directors of the Company who are not residents of the Isle of Man to attend the AGM in person. Of those measures, the most relevant to the AGM are the restrictions governing travelling to the Isle of Man, which require a 14-day period of self-isolation.

The Board considers it important that all shareholders should have the opportunity to exercise their voting rights at the AGM. To this end, the Company invites shareholders to complete the voting proxy form as early as possible. Shareholders may also submit questions to the Company Secretary either in writing at the registered office or by email to ir@webisholdingsplc.com prior to the meeting and as early as possible.

The Company will continue to monitor the advice of the Isle of Man Government and, in the event of material changes to the current advice, the Company will update its shareholders via the Regulatory Information Service.

Chairman's Statement

Introduction

I am very pleased to report that it has been a much improved performance from our core USA based business, WatchandWager.com LLC ("WatchandWager") over the financial year, with a significant improvement in trading especially in the second half. In addition, I can confirm that this performance has continued into the new financial year. Indeed, we fully expect a return to profitability for the Group for the 2020/21 financial year.

In addition, your Board believes that our standing as a credible proven licensed operator across the USA continues to place us in a unique position. The USA is clearly the land of opportunity in relation to licensed forms of gaming, and increasingly the major operators in our sector are looking to the USA for increased revenue streams. This can only enhance our position for the benefit of shareholders.

With that said, and clearly in these extraordinary times, this positive report comes with a caveat that any external factors, such as Covid-19 affecting our clients ability to wager on our core content, or other external factors outside our control, may have an unforeseen impact. These factors are analyzed in this report.

Year End Results Review

The Group amounts wagered for the year ended 31 May 2020 were US$ 105.3 million (2019: US$ 136.3 million). Gross Profit reported was up at US$ 4.53 million (2019: US$ 4.48 million).

Operating costs were US$ 4.9 million: down 7% on 2019 (2019 US$ 5.3 million), as we continue to manage costs over the entire operation. As a result, our loss from operations was US$ 284,000, again, a significant improvement from last year, and continues our projected curve to return to bottom line profit.

Shareholder equity stands at US$ 0.9 million (2019: US$ 1.2 million). Total cash stands at US$ 4.0 million (2019: US$ 2.6 million), which includes ring-fenced funds held as protection against our player liability as required under USA and Isle of Man gambling legislation. An amount of US$ 0.88 million was held during the year as bonds and deposits with regulatory authorities.

Approach to Risk and Corporate Governance

As part of the adoption of the Quoted Companies Alliance Corporate Governance code in 2018, the Board completed an assessment of the risks inherent in the business and defined and adopted a statement of risk appetite, being the amount and type of risk, it is prepared to seek, accept or tolerate in pursuit of value. This being: -

"The Group's general risk appetite is a moderate, balanced one that allows it to maintain appropriate growth, profitability and scalability, whilst ensuring full regulatory compliance."

The Group's primary risk drivers include: -

Strategic
Reputational
Credit
Operational
Market
Liquidity, Capital and Funding
Regulatory and Compliance
Conduct

Our risk appetite is classified under an "impact" matrix defined as Zero, Low, Medium and High. Appropriate steps are implemented to ensure the prudential control monitoring of risks to the Group and the Audit, Risk and Compliance Committee oversees this essential requirement. Further details of the Corporate Governance Statement will be found on pages 9 to 12 of this report.

The Board refined the Group's business plan which incorporates the risk and compliance framework.

Performance by Sector

WatchandWager

Business-to-Consumer
www.watchandwager.com/mobile

I can report a significant improvement in performance, both during the period reported and in the future outlook. During the period, we saw a 16% increase in handle versus the same period last year. This despite much of our core content being postponed in the early stages of Covid-19 in March, April and May. In addition, we thoroughly reviewed the operation with a view to improving our performance. This review is carried out regularly and ensures that we achieve optimum cost control to maximize our margin. This excellent performance has continued into the new financial year.

This improvement continued in the second half of the year, enhanced by our content continuing to operate, despite the impact of global Covid-19 lockdowns, from March onwards. Lack of attendance on racetracks and some other sports being unable to operate has helped our online operations. The Board wishes to thank our global content partners for continuing operations during these extremely difficult times

Business-to-Business

This sector covers the provision of pari-mutuel (pool) wagering to high-roller clients, many of whom specialise in algorithmic or computer assisted trading on a wide range of global racetracks.

This sector has performed satisfactorily but is somewhat complex to manage. We are finding that the area is becoming increasingly competitive, as content holders manage their rates and control their channel of distribution. In addition, as stated before, this sector is a relationship business, where person-to-person interaction with content holders, suppliers, and customers is an important factor for success. This has of course been difficult to achieve during the Covid-19 pandemic due to travel restrictions.

Cal Expo

Our racetrack operation at Cal Expo, Sacramento performed well during the period with a good horse population, steady handle and, importantly, zero horse fatalities at the racetrack itself. However, we were impacted by the California wildfires in and around the State, and that remains a concern, mainly due to air quality. We were fortunate in that our meeting ceased on 31 March before the major impact of Covid-19.

Health and safety has been our principal focus and will always continue to be so, especially as a live sporting event. We thank all our staff and all our participants at Cal Expo for their diligence and excellent record in this regard during difficult times to operate a retail operation.

Covid-19 and other risk factors

This has been an unprecedented period to report upon and I feel it is important to update shareholders on the position of the Company in relation to Covid-19 and other factors out of our control. In relation to Covid-19, we believe that the Company will be largely unaffected by the impact of the pandemic, with our principal revenues being mainly on-line business. However, there is always a caveat insofar as we are reliant on racing continuing throughout any lockdown of sports. We are a content company and without content that would be a risk to the Company, as with many other operations. Wildfires in California also remain a risk to our retail operations at Cal Expo.

Licenses, Regulatory and Compliance

The management team have once again been busy renewing our key strategic licenses during the period and subsequently. I am pleased to confirm at the time of writing that all our core licenses have either been renewed or in the process of being renewed for the calendar year of 2021 and in some cases, even further.

As announced on to the market on 20 November, we were approved by the California Horseracing Board to continue our advanced deposit wagering operations for a further two years. California being a strategically key State for our operations.

The Board considers these licenses and future applications, alongside our physical presence at Cal Expo, to be the principal assets of the Group, and this is commented more in subsequent events below.

In addition, I can report that the Group did not have any regulatory breaches or complaints from our valued content providers during the period, and indeed to date, as we hold compliance and social responsibility to be high priority across the Group.

Subsequent Events (post period reported)

Trading

As mentioned above, I can report a significant upturn in business performance in our new financial year. This has principally been from increased business on our BtoC operation with increases in player numbers and handle generated. Handle has increased by 67% at time of writing across the same period last year.

Our retail facility at Cal Expo has also benefited from wagers placed from locations inside California, which we are entitled to a share of as a licensed operator in the State.

Notwithstanding external factors, the Board is confident this positive trend will continue to the year end. A further update will be provided at our half year results (due to be announced February 2021).

Cal Expo License Renewal

As reported to shareholders on 19 December 2019, we have renewed our license with our Cal Expo State landlord until 2025, with an option to renew until 2030. We believe this is extremely important to secure our asset in the fifth largest economy in the world. We can also report that our landlord has received funding from the State due to lost income as a result of the pandemic lockdowns.

We will commence live Racing on 21 November and race until mid-April 2021, with 44 race days arranged. At present, we plan to race without crowds but at all times will be guided by the Sacramento County Health Authorities. It should be noted that 97% of our revenues at the facility are generated off the track, and this figure is expected to increase, so the impact of a lack of attendance will be negligible, although of course we would want to welcome spectators back as guided.

USA/California regulated sports betting

Shareholders may have noted the developments in relation to California legalized sports betting in the summer of this year. We were disappointed that the Dodd/Gray AB10 Bill did not get approved, but we are optimistic for the future. We believe that post the USA Election and in early 2021, this matter will progress. The State has a significant budget deficit, and it will only be a matter of time before legalized sports betting will be embraced, and WatchandWager will be very well positioned to take advantage of this.

We will be increasing our lobbying and activity in the State Capitol post the election. We do not favour the Native American proposal which does not permit on-line wagering. As we have seen across the world, and in indeed in several market leaders such as New Jersey and Pennsylvania, on-line wagering will create for much higher levels of duties, jobs and revenues back into the State. We plan to lobby more aggressively in this matter in 2021 and will keep shareholders up to date as to progress

At time of writing we expect sports betting to be legalized for those with a physical presence in the State by 2022, with a go-live date in 2023.

The Executive continue to look at other opportunities to diversify our product offering in other States and will keep shareholders informed.

Summary and Outlook

Overall, the Board is pleased with the business performance both during the period and looking forward. Our cash position is much improved, and we expect trading to continue to be solid, notwithstanding external factors beyond our control

We also need to look to the future, and we are very aware that USA regulated gaming is seen as a very relevant subject at present in global gaming space. The likely acquisition of William Hill by a US based corporation is clear evidence of that, and we expect this trend to continue. In relation to that we have hired a leading gaming consultant to look at merger and acquisition opportunities with a natural fit to our business, most likely in the USA. We will keep shareholders informed of any significant developments.

It is also important to re-confirm the support of our principal shareholder for our USA operations, strategy, and expansion plans. As a Board, we also believe we have the ability to raise further capital to support our operations both short term and indeed for future funding of our USA strategy.

Finally, I would like to thank all our shareholders, customers for their continued loyalty, and our staff for their continued hard work during these very difficult times.

Denham Eke

Non-executive Chairman

For further information:

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Beaumont Cornish Limited Roland Cornish/James Biddle	**Tel:**	**020 7628 3396**

Consolidated Statement of Comprehensive Income

For the year ended 31 May 2020

	Note	**2020 US$000**	2019 US$000
Amounts wagered		**105,325**	136,353
Revenue	2	**43,436**	47,259
Cost of sales		**(38,820)**	(42,625)
Betting duty paid		**(83)**	(146)
Gross profit		**4,533**	4,488
Operating costs		**(4,908)**	(5,277)
Impairment loss on trade receivables	21	**(18)**	(67)
Re-organisational and other costs		**(28)**	(54)
Other losses		**(29)**	(166)
Government grant	1.3	**48**	—
Other income		**212**	187
Operating loss	3	**(190)**	(889)
Finance costs	4	**(94)**	(41)
Loss before income tax		**(284)**	(930)
Income tax expense	6	—	—
Loss for the year		**(284)**	(930)

	Note	**2020 US$000**	2019 US$000
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences on disposal of foreign subsidiaries		**—**	**—**
Other comprehensive loss for the year		—	—
Total comprehensive loss for the year		**(284)**	(930)
Basic earnings per share for loss attributable to the equity holders of the Company during the year (cents)	7	**(0.07)**	(0.24)
Diluted earnings per share for loss attributable to the equity holders of the Company during the year (cents)	7	**(0.07)**	(0.23)

Statements of Financial Position

As at 31 May 2020

	Note	**31.05.20 Group US$000**	**31.05.20 Company US$000**	31.05.19 Group US$000	31.05.19 Company US$000
Non-current assets					
Intangible assets	8	**30**	**—**	104	7
Property, equipment and motor vehicles	9	**415**	**7**	26	10
Investments	10	**—**	**2**	—	3
Bonds and deposits	11	**101**	**—**	101	—
Total non-current assets		**546**	**9**	231	20
Current assets					
Bonds and deposits	11	**882**	**—**	882	—
Trade and other receivables	13	**1,256**	**463**	1,191	427
Cash, cash equivalents and restricted cash	12	**3,969**	**1,780**	2,594	1,416
Total current assets		**6,107**	**2,243**	4,667	1,843
Total assets		**6,653**	**2,252**	4,898	1,863
Equity					
Called up share capital	17	**6,334**	**6,334**	6,334	6,334
Share option reserve	17	**42**	**42**	42	42
Retained losses		**(5,508)**	**(5,526)**	(5,224)	(5,412)
Total equity		**868**	**850**	1,152	964
Current liabilities					
Trade and other payables	14	**3,749**	**52**	2,896	49
Deferred income	15	**272**	**—**	**—**	**—**
Loans, borrowings and lease liabilities	16	**97**	**—**	**—**	**—**
Total current liabilities		**4,118**	**52**	2,896	49

Non-current liabilities					
Loans, borrowings and lease liabilities	16	**1,667**	**1,350**	850	850
Total non-current liabilities		**1,667**	**1,350**	850	850
Total liabilities		**5,785**	**1,402**	3,746	899
Total equity and liabilities		**6,653**	**2,252**	4,898	1,863

Statements of Changes in Equity

For the year ended 31 May 2020

Group	Called up share capital US$000	Share option reserve US$000	Retained earnings US$000	Total equity US$000
Balance as at 31 May 2018	6,334	4	(4,294)	2,044
Total comprehensive loss for the year:				
Loss for the year	—	—	(930)	(930)
Transactions with owners:				
Share-based payment expense (note 17)	—	38	—	38
Balance as at 31 May 2019	6,334	42	(5,224)	1,152
Total comprehensive loss for the year:				
Loss for the year	—	—	(284)	(284)
Transactions with owners:				
Share-based payment expense (note 17)	—	—	—	—
Balance as at 31 May 2020	**6,334**	**42**	**(5,508)**	**868**

Company	Called up share capital US$000	Share option reserve US$000	Retained earnings US$000	Total equity US$000
Balance as at 31 May 2018	6,334	4	(5,282)	1,056
Total comprehensive loss for the year:				
Loss for the year	—	—	(130)	(130)
Transactions with owners:				
Share-based payment expense (note 17)	—	38	—	38
Balance as at 31 May 2019	6,334	42	(5,412)	964
Total comprehensive loss for the year:				
Loss for the year	—	—	(114)	(114)
Transactions with owners:				
Share-based payment expense (note 17)	—	—	—	—
Balance as at 31 May 2020	**6,334**	**42**	**(5,526)**	**850**

Consolidated Statement of Cash Flows

For the year ended 31 May 2020

	Note	**2020 US$000**	2019 US$000
Cash flows from operating activities			
Loss before income tax		**(284)**	(930)
Adjustments for:			
- Depreciation of property, equipment and motor vehicles	9	**122**	34
- Amortisation of intangible assets	8	**73**	80
- Rent concession received		**(13)**	—
- Finance costs	4	**94**	41
- Government grant utilised		**(48)**	—
- Share based payment expense	17	**—**	38
- Other foreign exchange movements		**(83)**	363
Changes in working capital:			
- (Increase) / decrease in receivables		**(65)**	1,109
- Increase / (decrease) in payables		**853**	(13,425)
Cash flows from operations		**649**	(12,690)
Bonds and deposits placed in the course of operations	11	**—**	1,964
Net cash generated from / (used in) operating activities		**649**	(10,726)
Cash flows from investing activities			
Purchase of intangible assets	8	**—**	(18)
Purchase of property, equipment and motor vehicles	9	**(39)**	—
Net cash used in investing activities		**(39)**	(18)
Cash flows from financing activities			
Interest paid	4	**(94)**	(41)
Payment of lease liabilities and rent concessions received		**(101)**	—
Repayment of loans and borrowings		**(1)**	—
Receipt of Government funding/grant		**320**	—
Loans, borrowings and lease liabilities received		**556**	350
Net cash generated from financing activities		**680**	309
Net increase / (decrease) in cash and cash equivalents		**1,290**	(10,435)
Cash and cash equivalents at beginning of year		**1,363**	11,962
Exchange gains / (losses) on cash and cash equivalents		**85**	(363)
(Increase) / decrease in movement of restricted cash		**(239)**	199
Cash and cash equivalents at end of year	**12**	**2,499**	1,363

Notes to the Financial Statements

For the year ended 31 May 2020

1 Reporting entity (the "Company")

Webis Holdings plc is a company domiciled in the Isle of Man. The address of the Company's registered office is Viking House, Nelson Street, Douglas, Isle of Man, IM1 2AH. The Webis Holdings plc consolidated financial statements as at and for the year ended 31 May 2020 consolidate those of the Company and its subsidiaries (together referred to as the "Group").

1.1 Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations as adopted by the European Union.

Except for the changes detailed in note 1.2, the Group has consistently applied the accounting policies as set out in note 1.3 to all periods presented in these financial statements.

Functional and presentational currency

These financial statements are presented in US Dollars which is the Group's primary functional currency and its presentational currency. Financial information presented in US Dollars has been rounded to the nearest thousand, unless otherwise indicated. All continued operations of the Group have US Dollars as their functional currency.

Other information presented

In line with the Isle of Man Companies Acts 1931-2004, the Company also presents Parent Company Statements of Financial Position, the Parent Company Statement of Changes in Equity and related disclosures

(b) Basis of measurement

The Group consolidated financial statements are prepared under the historical cost convention except where assets and liabilities are required to be stated at their fair value.

(c) Use of estimates and judgement

The preparation of the Group financial statements in conformity with IFRS as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although these estimates are based on management's best knowledge and experience of current events and expected economic conditions, actual results may differ from these estimates.

The Directors consider the only critical judgement areas to be as follows:

- Note 16 – discount rates applied to lease liabilities. The Directors consider that the assumptions used to determine the relevant incremental borrowing rates reflect fair market rates and are appropriate for the purposes of the calculations.
- Note 21 – the measurement of Expected Credit Loss ("ECL") allowance for trade and other receivables and assessment of specific impairment allowances where receivables are past due.

Going concern

The Group and Parent Company financial statements have been prepared on a going concern basis.

As indicated in the statement of comprehensive income, the Group has a loss of US$284,000 (2019: US$930,000) in the current year and net assets have decreased from US$1,152,000 to US$868,000 due to that.

Further, WatchandWager.com LLC (USA Subsidiary) has been historically loss making and nullified the profit generated by WatchandWager.com Limited (IOM Subsidiary) which resulted in the consolidated accumulated loss of US$5,508,000 at the group level.

As noted within the Chairman's Statement and note 23, the global coronavirus ("COVID-19") pandemic has had an unprecedented impact on communities and businesses worldwide. Despite this, the horseracing industry was able to reopen, albeit behind closed doors, in advance of other sports which has attracted higher player numbers and wagering volumes. This has resulted in increased profitability since the close of the financial year and extensive efforts have been made to promote the content and markets the Group provides to a wider customer base with an increased focus on player retention. Whilst there can be no certainty as to the level and duration of higher volumes and improved trading results, significant attention is being applied to sustain these trading patterns through attracting and retaining new players.

The Directors recognise that there is difficulty in maintaining the recent uplift in revenue as other sporting events start up again.

In order to help achieve its goal of profitability and maintaining adequate liquidity in order to continue its operations the Directors are pursuing strategies that include:

- broadening the Group's client base and the continued expansion of its business to customer base;
- continuing to renew and acquire further US state regulated gaming licenses and continuing to develop and expand the Cal Expo racetrack operation; and
- taking advantage of the anticipated regulatory change in the State of California's adoption of sports betting legislation which will further open up opportunities for the Group

Whilst the Directors continue to assess all strategic options in relation to the strategies noted in the previous paragraph, the Directors recognize that the ultimate success of strategies adopted is difficult to predict as they require additional liquidity to pursue the required investment, including bonds to be placed with the relevant authorities to allow for betting on those tracks and excess cost to be paid to service providers to add more servers to allow for increased number of users . The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Group is projected to have sufficient funds. Projections are inherently uncertain (also considering the history of losses) and, in that regard, the related entity has committed to extend funding in case the Group faces any difficulty to meet its liabilities as they fall due for that period.

The Company and the Group depend on Galloway Limited (related entity) for financial support and Galloway Limited has indicated its intention to continue to make available funds as and when needed by the Group. The loan from Galloway Limited stands at $1,350,000 as at 31 May 2020.

As with any company placing reliance on other parties for financial support, the Directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. The willingness of Galloway Limited to continue to provide this support is reliant on the strategies highlighted above which are subject to uncertainty.

Based on these indications, (namely cashflow projections and commitment of support from the related entity), the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the circumstances discussed in the note represent a material uncertainty that may cast significant doubt on the Company's and the Group's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the basis of preparation should be inappropriate.

1.2 Changes in significant accounting policies

During the current year the Group adopted all the new and revised IFRSs that are relevant to its operation and are effective for accounting periods beginning on 1 June 2019. Except for the transition to IFRS 16 detailed below, no other adoption had a material effect on the accounting policies of the Group.

IFRS 16 Transition

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right of use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings as at 1 June 2019. Accordingly, the comparative information presented to 31 May 2019 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations.

The details of the changes in accounting policies are disclosed below.

A. Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IAS 17. The Group now assesses whether a contract is, or contains, a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 June 2019.

B. As a lessee

The Group leases property assets. As a lessee, the Group previously classified these leases as operating leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right of use assets and lease liabilities for leases that meet the relevant definition, presenting these leases on the Statement of Financial Position.

The Group does not recognise right of use assets and lease liabilities for property rental costs that do not meet the definition of leases under IFRS 16. The Group recognises these costs as an expense on a straight-line basis.

i. Significant accounting policies

The Group recognises a right of use asset and a lease liability at the lease commencement/modification date. The right of use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment loss and adjusted for certain remeasurements of the lease liability.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted at the Group's applicable incremental borrowing rate (the rate implicit in the lease cannot be determined). The Group has measured the incremental borrowing as equal to external borrowing rates. The lease liability is subsequently increased by the interest cost of the lease liability and decreased by the lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised, or a termination option is reasonably certain not to be exercised.

The Group has applied judgment to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which affects the amount of lease liabilities and right of use assets recognised. Extension/renewal is only available to lessor on terms and conditions to be agreed between both parties.

ii. Impacts on transition

Previously, the Group classified property leases as operating leases under IAS 17. The leases typically run for a period of 1 to 6 years and the operating lease commitment relating to these leases at 31 May 2019 as disclosed in the Group's consolidated financial statements was US$294,000. At transition, for relevant leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's applicable incremental borrowing rate as at 1 June 2019. Right of use assets are measured at an amount equal to the lease liability, adjusted by the amount of any net prepaid and accrued lease payments, if applicable. The impact on transition is summarised below.

As at 1 June 2019	**US$000**
Right of use assets	262
Lease liabilities	(262)
Retained earnings	–

iii. Impacts for the period

Right of use assets

The carrying amount of right of use assets at the end of the year is as follows:

	Property US$000	Right of use assets US$000
Balance at 1 June 2019	262	262
Depreciation expense	(98)	(98)
Modification to right of use assets	211	211
Balance at 31 May 2020	**375**	**375**

Lease liability

The carrying amount of lease liability at the end of the year is as follows:

	Property US$000	Lease liability US$000
Balance at 1 June 2019	262	262
Interest expense	25	25
Lease payments	(101)	(101)
Rent concessions received	(13)	(13)
Modification to lease liabilities	211	211
Balance at 31 May 2020	**384**	**384**

The Group has classified cash payments for the principal portion of lease payments as financing activities. During the year under review, an extension was agreed to the lease term of one of the leases, which has resulted in a modification to the relevant right of use asset and lease liability.

During the year, the Group received a rent concession of US$12,600 and the practical expedient has been applied to all rent concessions that meet the conditions. This was recognised as a deduction from depreciation expense.

iv. Exemptions taken

The Group used the following practical expedient when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Applied the exemption not to recognise right of use assets and lease liabilities for leases with less than 12 months of lease term.

v. Lease policy until 31 May 2019

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. The Group is not party to any leases that are classified as finance leases.

1.3 Summary of significant accounting policies

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

Basis of consolidation

The consolidated financial statements incorporate the results of the Group. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue until the date that such control ceases. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

Inter-company transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in US Dollars, which is also the Group's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-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 and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings are presented in the income statement within 'Finance income' or 'Finance costs'. All other foreign exchange gains and losses are presented in the income statement within 'Other (losses)/gains'.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Revenue from contracts with customers

The Group generates revenue primarily from the provision of wagering services and the hosting of races on which guests are entitled to participate in the related wagering services. Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it discharges services to a customer. Revenue has been disaggregated by geographical locations which are consistent with the operating segments (note 2).

Hosting fees (Racetrack operations) are recognised when the customers participate in the Group's pari-mutuel pools and the race audio visual signals are transmitted. Hosting fees are recorded on a gross receipts basis.

Wagering revenue from the Group's activities as the race host is recognised when a race on which wagers are placed is completed. The wagering commission from the Group's commingling of its wagering pools with a host's pool is recognised when the race on which those wagers are placed is completed. The Group acts as a principal when it allows customers to place wagers in the races it hosts and as an agent when it allows customers to place wagers in other entities' races.

Settlement terms for revenue where the Group acts as a host is usually 7 days for on and off-track wagering and 30 days from month end for ADW wagering. Where the Group acts as an agent, settlement terms are typically 30 days from month end.

Transactions fees (ADW operations) are recognised when the Group facilitates customers' deposit transactions into their betting accounts. The Group recognises revenue for transaction services net of related winnings.

Government grants
The Group initially recognises government grants, that compensate for expenses incurred, as deferred income at fair value if there is a reasonable assurance that they will be received. They are then recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

Segmental reporting
Segmental reporting is based on the business areas in accordance with the Group's internal reporting structure, which allows the individual operating segments to be identified by the disparate nature of the principal activity they undertake. The Group determines and presents segments based on the information that internally is provided to the Board and Managing Director, the Group's chief operating decision maker.

An operating segment is a component of the Group and engages in business activities from which it may earn revenues and incur expenses. An operating segment's operating results are reviewed regularly by the Board and Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Current and deferred income tax
The tax expense for the period comprises current and deferred tax. 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, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries except for deferred income tax liability, where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference is the liability not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes, assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Intangible assets — goodwill
Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Intangible assets — other

(a) Trademarks and licences

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of three years.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three years.

(b) Website design and development costs

Costs associated with maintaining websites are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique websites controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the website so that it will be available for use;
- management intends to complete the website and use it;
- there is an ability to use the website;
- it can be demonstrated how the website will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use the website are available; and
- the expenditure attributable to the website during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the website include the website employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Website development costs recognised as assets are amortised over their estimated useful lives, which do not exceed three years.

Property, equipment and motor vehicles

Items of property, equipment and motor vehicles are stated at historical cost less accumulated depreciation (see below) and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Depreciation is calculated using the straight-line method to allocate the cost of property, equipment and motor vehicles over their estimated useful lives.

The estimated useful lives of property, equipment and motor vehicles for current and comparative periods are as follows:

Plant and equipment	3 years
Motor vehicles	5 years
Fixtures and fittings	3 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains/(losses) – net' in the income statement.

Share-based payment expense

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price); and
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time-period).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

Equity

Share capital is determined using the nominal value of shares that have been issued.

Equity settled share-based employee remuneration is credited to the share option reserve until related stock options are exercised. On exercise or lapse, amounts recognised in the share option reserve are taken to retained earnings.

Retained earnings include all current and prior period results as determined in the income statement and any other gains or losses recognised in the Statement of Changes in Equity.

Financial instruments

Recognition and measurement

Non-derivative financial instruments include trade and other receivables, cash and cash equivalents, bonds and deposits, borrowings and trade and other payables.

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes party to the contractual terms of the instrument. Transaction costs are included in the initial measurement of financial instruments, except financial instruments classified as at fair value through profit and loss. The subsequent measurement of financial instruments is dealt with below.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents are defined as cash in bank and in hand as well as bank deposits, money held for processors and cash balances held on behalf of players. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Bonds and deposits

Bonds and deposits are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Borrowings

Interest-bearing borrowings and overdrafts are recorded at the proceeds received net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs are charged on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise.

Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Impairment of financial assets

The Group uses an impairment model that applies to financial assets measured at amortised cost and contract assets and is detailed below. Financial assets at amortised cost include trade receivables, cash and cash equivalents, bonds and deposits.

Performing financial assets

Stage 1

From initial recognition of a financial asset to the date on which an asset has experienced a significant increase in credit risk relative to its initial recognition, a stage 1 loss allowance is recognised equal to the credit losses expected to result from its default occurring over the earlier of the next 12 months or its maturity date ('12-month ECL').

Stage 2

Following a significant increase in credit risk relative to the initial recognition of the financial asset, a stage 2 loss allowance is recognised equal to the credit losses expected from all possible default events over the remaining lifetime of the asset ('Lifetime ECL'). The assessment of whether there has been a significant increase in credit risk requires considerable judgment, based on the lifetime probability of default ('PD'). Stage 1 and 2 allowances are held against performing loans; the main difference between stage 1 and stage 2 allowances is the time horizon. Stage 1 allowances are estimated using the PD with a maximum period of 12 months, while stage 2 allowances are estimated using the PD over the remaining lifetime of the asset.

Impaired financial assets
Stage 3
When a financial asset is considered to be credit-impaired, the allowance for credit losses ('ACL') continues to represent lifetime expected credit losses, however, interest income is calculated based on the amortised cost of the asset, net of the loss allowance, rather than its gross carrying amount.

The Group applies the ECL model to two main types of financial assets that are measured at amortised cost:

Trade receivables, to which the simplified approach (provision matrix) prescribed by IFRS 9 is applied. This approach requires the recognition of a Lifetime ECL allowance on day one.

Other financial assets at amortised cost, to which the general three stage model (described above) is applied, whereby a 12-month ECL is recognised initially and the balance is monitored for significant increases in credit risk which triggers the recognition of a Lifetime ECL allowance.

ECLs are a probability-weighted estimate of credit losses. ECLs for financial assets that are not credit-impaired at the reporting date are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due in accordance with the contract and the cash flows that the company expects to receive). ECLs for financial assets that are credit-impaired at the reporting date are measured as the difference between the gross carrying amount and the present value of estimated future cash flows. ECLs are discounted at the effective interest rate of the financial asset which is 0% for all financial assets at amortised cost. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. The measurement of ECLs considers information about past events and current conditions, as well as supportable information about future events and economic conditions. The Group reviews its impairment methodology for estimating the ECLs, taking into account forward-looking information in determining the appropriate level of allowance. In addition, it identifies indicators and set up procedures for monitoring for significant increases in credit risk.

Employee benefits
(a) Pension obligations
The Group does not operate any post-employment schemes, including both defined benefit and defined contribution pension plans.

(b) Short-term employee benefits
Short-term employee benefits, such as salaries, paid absences, and other benefits, are accounted for on an accrual's basis over the period in which employees have provided services in the year. All expenses related to employee benefits are recognised in the Statement of Comprehensive Income in operating costs.

(c) Profit sharing and bonus plans
The Group recognises a liability and an expense for bonuses and profit sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Standards and interpretations in issue not yet adopted
A number of new standards, amendments to standards and interpretations are not yet effective for the year, and have not been applied in preparing these consolidated financial statements:

Standards	**Effective date** (accounting periods commencing on or after)
Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (issued on 26 September 2019)	1 January 2020
Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018)	1 January 2020
Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018)	1 January 2020

2 Operating Segments

A. Basis for segmentation
The Group has the below two operating segments, which are its reportable segments. The segments offer different services in relation to various forms of pari-mutuel racing, which are managed separately due to the nature of their activities.

Reportable segments and operations provided
Racetrack operations – hosting of races through the management and operation of a racetrack facility, enabling patrons to attend and wager on horse racing, as well as utilise simulcast facilities.
ADW operations – provision of online ADW services to enable customers to wager into global racetrack betting pools.

The Group's Board of Directors review the internal management reports of the operating segment on a monthly basis.

B. Information about reportable segments

Information relating to the reportable segments is set out below. Segment revenue along with segment profit / (loss) before tax are used to measure performance as management considers this information to be a relevant indicator for evaluating the performance of the segments.

	Reportable segments			
	Racetrack 2020 US$000	**ADW 2020 US$000**	**Corporate operating costs 2020 US$000**	**Total 2020 US$000**
External revenues	**41,071**	**2,365**	**–**	**43,436**
Segment revenue	**41,071**	**2,365**	**–**	**43,436**
Segment profit / (loss) before tax	**62**	**(232)**	**(114)**	**(284)**
Interest expense	**(20)**	**(5)**	**(69)**	**(94)**
Depreciation and amortisation	**(71)**	**(124)**	**–**	**(195)**
Other material non-cash items:				
- Impairment losses on trade receivables	**–**	**(18)**	**–**	**(18)**
Segment assets	**1,185**	**3,216**	**2,252**	**6,653**
Segment liabilities	**870**	**3,513**	**1,402**	**5,785**

	Reportable segments			
	Racetrack 2019 US$000	ADW 2019 US$000	Corporate operating costs 2019 US$000	Total 2019 US$000
External revenues	44,753	2,506	–	47,259
Segment revenue	44,753	2,506	–	47,259
Segment loss before tax	(97)	(708)	(125)	(930)
Interest expense	–	–	(41)	(41)
Depreciation and amortisation	(8)	(106)	–	(114)
Other material non-cash items:				
Impairment losses on trade receivables	–	(67)	–	(67)
Segment assets	423	2,612	1,863	4,898
Segment liabilities	181	2,666	899	3,746

C. Reconciliations of information on reportable segments to the amounts reported in the financial statements

	2020 US$000	2019 US$000
i. Revenues		
Total revenue for reportable segments	**43,436**	47,259
Consolidated revenue	**43,436**	47,259
ii. Loss before tax		
Total loss before tax for reportable segments	**(170)**	(805)
Loss before tax for other segments	**(114)**	(125)

	2020 US$000	2019 US$000
Consolidated loss before tax	**(284)**	(930)
iii. Assets		
Total assets for reportable segments	**4,401**	3,035
Assets for other segments	**2,252**	1,863
Consolidated total assets	**6,653**	4,898
iv. Liabilities		
Total liabilities for reportable segments	**4,383**	2,847
Liabilities for other segments	**1,402**	899
Consolidated total liabilities	**5,785**	3,746
v. Other material items		
Interest expense	**(94)**	(41)
Depreciation and amortisation	**(195)**	(114)
Impairment losses on trade receivables	**(18)**	(67)

There were no reconciling items noted between Segment information and the Financial Statements.

D. Geographic information

i. Revenues

The below table analyses the geographic location of the customer base of the operating segments.

		2020 US$000	2019 US$000
Revenue			
Racetrack operations	North America	**41,071**	44,753
ADW operations	North America	**1,599**	1,541
ADW operations	British Isles	**760**	692
ADW operations	Asia Pacific	**6**	273
		43,436	47,259

ii. Non-current assets

The geographical information below analyses the Group's non-current assets by the Company's Country of Domicile (Isle of Man) and the United States of America. Information is based on geographical location of Group's assets.

	2020 US$000	2019 US$000
United States of America	**439**	113
Isle of Man	**6**	17
	445	130

Non-current assets exclude financial instruments.

3 Operating loss

Operating loss is stated after charging:	2020 US$000	2019 US$000
Auditors' remuneration — audit	**96**	81
Depreciation of property, equipment and motor vehicles	**122**	34

Amortisation of intangible assets	**73**	80
Exchange losses	**29**	166
Operating lease rentals — other than plant, equipment and Harness Racetrack	**–**	30
Operating lease rentals — Harness Racetrack	**–**	74
Directors' fees	**64**	67

4 Finance costs

	2020 US$000	2019 US$000
Loan interest payable	**(94)**	(41)
Finance costs	**(94)**	(41)

5 Staff numbers and cost

	2020	2019
Average number of employees – Pari-mutuel and Racetrack Operations	**52**	55

The aggregate payroll costs of these persons were as follows:

Pari-mutuel and Racetrack Operations	**2020 US$000**	2019 US$000
Wages and salaries	**1,701**	1,711
Social security costs	**114**	121
	1,815	1,832

6 Income tax expense

(a) Current and Deferred Tax Expenses
The current and deferred tax expenses for the year were US$Nil (2019: US$Nil). Despite having made losses, no deferred tax was recognised as there is no reasonable expectation that the Group will recover the resultant deferred tax assets.

(b) Tax Rate Reconciliation

	2020 US$000	2019 US$000
Loss before tax	**(284)**	(930)
Tax charge at IOM standard rate (0%)	**–**	–
Adjusted for:		
Tax credit for US tax losses (at 15%)	**(97)**	(166)
Add back deferred tax losses not recognised	**97**	166
Tax charge for the year	–	–

The maximum deferred tax asset that could be recognised at year end is approximately US$907,000 (2019: US$810,000). The Group has not recognised any asset as it is not reasonably known whether the Group will recover such deferred tax assets.

7 Earnings per ordinary share
The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares, on the assumed conversion of all dilutive share options.

An adjustment for the dilutive effect of share options in the current period has not been reflected in the calculation of the diluted loss per share, as the effect would have been anti-dilutive.

	2020 US$000	2019 US$000
Loss for the year	**(284)**	(930)

	No.	No.
Weighted average number of ordinary shares in issue	**393,338,310**	393,338,310
Dilutive element of share options if exercised (note 17)	**14,000,000**	14,000,000
Diluted number of ordinary shares	**407,338,310**	407,338,310
Basic earnings per share (cents)	**(0.07)**	**(0.24)**
Diluted earnings per share (cents)	**(0.07)**	**(0.23)**

The earnings applied are the same for both basic and diluted earnings calculations per share as there are no dilutive effects to be applied.

8 Intangible assets

	Goodwill	**Software & development costs**		**Total**	
	Group US$000	**Group US$000**	**Company US$000**	**Group US$000**	**Company US$000**
Cost					
Balance at 1 June 2018	177	1,485	64	1,662	64
Additions during the year	–	18	–	18	–
Balance at 31 May 2019	177	1,503	64	1,680	64
Balance at 1 June 2019	177	1,503	64	1,680	64
Additions during the year	–	–	–	–	–
Decommissioned assets	–	(905)	(49)	(905)	(49)
Balance at 31 May 2020	**177**	**598**	**15**	**775**	**15**
Amortisation and Impairment					
Balance at 1 June 2018	177	1,319	51	1,496	51
Amortisation for the year	–	80	6	80	6
Balance at 31 May 2019	177	1,399	57	1,576	57
Balance at 1 June 2019	177	1,399	57	1,576	57
Amortisation for the year	–	73	6	73	6
Decommissioned assets	–	(905)	(49)	(905)	(49)
Currency translation differences	–	1	1	1	1
Balance at 31 May 2020	**177**	**568**	**15**	**745**	**15**
Carrying amounts					
At 1 June 2018	–	166	13	166	13
At 31 May 2019	**–**	104	7	104	7
At 31 May 2020	**–**	**30**	–	**30**	–

The Group tests intangible assets annually for impairment or more frequently if there are indications that the intangible assets may be impaired (see note 1).

During the year a review of assets held was undertaken to remove any historical items that were considered to be decommissioned and therefore no longer held by the Group. This principally relates to software and website costs that were fully amortised and removed from service in previous years following changes to those business activities and/or assets reaching their end of useful life.

9 Property, equipment and motor vehicles

Group	Computer Equipment US$000	Fixtures, Fittings & Track Equipment US$000	Motor Vehicles US$000	Right of Use Assets US$000	Total US$000
Cost					
Balance at 1 June 2018	604	580	51	–	1,235
Balance at 31 May 2019	604	580	51	–	1,235
Balance at 1 June 2019	604	580	51	–	1,235
Additions during the year	5	–	34	473	512
Decommissioned/disposed assets	(447)	(339)	(35)	–	(821)
Balance at 31 May 2020	**162**	**241**	**50**	**473**	**926**
Depreciation					
Balance at 1 June 2018	567	570	38	–	1,175
Charge for the year	19	7	8	–	34
Balance at 31 May 2019	586	577	46	–	1,209
Balance at 1 June 2019	586	577	46	–	1,209
Charge for the year	16	2	6	98	122
Decommissioned/disposed assets	(447)	(339)	(35)	–	(821)
Currency translation differences	–	1	–	–	1
Balance at 31 May 2020	**155**	**241**	**17**	**98**	**511**
Carrying amounts					
At 1 June 2018	37	10	13	–	60
At 31 May 2019	18	3	5	–	26
At 31 May 2020	**7**	**–**	**33**	**375**	**415**

Right of use assets relate to two assets: an office building leased until May 2021, with an average length of renewal of three years; and a racetrack facility leased until May 2025, with extensions or renewals typically ranging between three to five years.

Company	Computer Equipment US$000	Fixtures & Fittings US$000	Total US$000
Cost			
Balance at 1 June 2018	429	139	568
Balance at 31 May 2019	429	139	568
Balance at 1 June 2019	429	139	568
Additions during the year	5	–	5
Discarded assets	(401)	(59)	(460)

Company	Computer Equipment US$000	Fixtures & Fittings US$000	Total US$000
Balance at 31 May 2020	**33**	**80**	**113**

Company	Computer Equipment US$000	Fixtures & Fittings US$000	Total US$000
Depreciation			
Balance at 1 June 2018	410	139	549
Charge for the year	9	–	9
Balance at 31 May 2019	419	139	558
Balance at 1 June 2019	419	139	558
Charge for the year	8	–	8
Discarded assets	(401)	(59)	(460)
Balance at 31 May 2020	**26**	**80**	**106**
Carrying amounts			
At 1 June 2018	19	–	19
At 31 May 2019	10	–	10
At 31 May 2020	**7**	**–**	**7**

During the year a review of assets held was undertaken to remove any historical items that were considered to be decommissioned and therefore no longer held by the Group. This principally relates to computer hardware and equipment costs that were fully depreciated and removed from service in previous years following changes to those business activities and/or assets reaching their end of useful life.

10 Investments

Investments in subsidiaries are held at cost. Details of investments at 31 May 2020 are as follows:

Subsidiaries	Country of incorporation	Activity	Holding (%)
WatchandWager.com Limited	Isle of Man	Operation of interactive wagering totaliser hub	100
WatchandWager.com LLC	United States of America	Operation of interactive wagering totaliser hub and harness racetrack	100
Technical Facilities & Services Limited	Isle of Man	Dormant	100
betinternet.com (IOM) Limited	Isle of Man	Dormant	100
B.E. Global Services Limited	Isle of Man	Dormant	100

11 Bonds and deposits

	Group		Company	
	2020 US$000	2019 US$000	**2020 US$000**	2019 US$000
Bonds and deposits which expire within one year	**882**	882	**–**	–
Bonds and deposits which expire within one to two years	**–**	–	**–**	–
Bonds and deposits which expire within two to five years	**101**	101	**–**	–

	Group		Company	
	2020 US$000	2019 US$000	**2020 US$000**	2019 US$000
	983	983	**–**	**–**

Cash bonds of US$875,000 have been paid as security deposits in relation to various US State ADW licences (2019: US$875,000). These cash bonds are held in trust accounts used exclusively for cash collateral, with financial institutions which have been screened for their financial strength and capitalization ratio. The financial institutions have a credit rating of A-Excellent from AM Best credit rating agency. Therefore, these bonds are considered to be fully recoverable. A rent deposit of US$100,000 is held by California Exposition & State Fair and is for a term of 5 years (2019: US$100,000). This is held by an entity of the Californian state government and is therefore considered fully recoverable. Rent and other security deposits total US$8,155 (2019: US$8,227). These deposits are repayable upon completion of the relevant lease term, under the terms of legally binding agreements.

12 Cash, cash equivalents and restricted cash

	Group		Company	
	2020 US$000	2019 US$000	**2020 US$000**	2019 US$000
Cash and cash equivalents – company and other funds	**2,499**	1,363	**324**	185
Restricted cash – protected player funds	**1,470**	1,231	**1,456**	1,231
Total cash, cash equivalents and restricted cash	**3,969**	2,594	**1,780**	1,416

The Group holds funds for operational requirements and for its non-Isle of Man customers, shown as 'company and other funds' and on behalf of its Isle of Man regulated customers and certain USA state customers, shown as 'protected player funds'.

Protected player funds are held in fully protected client accounts within an Isle of Man regulated bank and in segregated accounts within a USA regulated bank.

13 Trade and other receivables

	Group		Company	
	2020 US$000	2019 US$000	**2020 US$000**	2019 US$000
Trade receivables	**675**	770	**–**	–
Amounts due from Group undertakings	**–**	–	**428**	393
Other receivables and prepayments	**581**	421	**35**	34
	1,256	1,191	**463**	427

Included within trade receivables are impairment provisions of US$85,775 (see note 21), (2019: US$66,738).
Amounts due from Group undertakings are unsecured, interest free and repayable on demand.

14 Trade and other payables

	Group		Company	
	2020 US$000	2019 US$000	**2020 US$000**	2019 US$000
Trade payables	**603**	425	**9**	12
Amounts due to customers	**2,446**	2,194	**–**	–
Taxes and national insurance	**22**	17	**2**	2
Accruals and other payables	**678**	260	**41**	35
	3,749	2,896	**52**	49

15 Deferred income

	Group		Company	
	2020 US$000	2019 US$000	**2020 US$000**	2019 US$000
Government grant	**272**	–	**–**	**–**

The Group received a Paycheck Protection Program ("PPP") loan for US$319,994, under the provisions of the US CARES Act in May 2020 to support certain incurred expenses. The provisions of the loan allow for an application for loan forgiveness, directly relating to expenditure incurred in the 24-week period from the date of the loan advance, of which at least 60% must be on payroll related expenditure. The Group has ascertained reasonable assurance that the loan should be forgiven in its entirety and the application for forgiveness is expected to be submitted in late 2020/early 2021. The grant will be recognised in profit or loss in the periods that the relevant expenses are recognised.

16 Loans, borrowings and lease liabilities

Current liabilities

	Group		Company	
	2020 US$000	2019 US$000	**2020 US$000**	2019 US$000
Unsecured loans (current portion)	**5**	**–**	**–**	–
Lease liabilities (current portion) (see note 1.2)	**92**	–	**–**	–
	97	–	**–**	–

Non-current liabilities

	Group		Company	
	2020 US$000	2019 US$000	**2020 US$000**	2019 US$000
Unsecured loans (non-current portion)	**25**	**–**	**–**	–
Lease liabilities (non-current portion) (see note 1.2)	**292**	–	**–**	–
Secured loans – Galloway Ltd	**1,350**	850	**1,350**	850
	1,667	850	**1,350**	850

Terms and repayment schedule

	Nominal interest rate	Year of maturity	**2020 Total US$000**	2019 Total US$000
Unsecured loan	8.90%	2025	**30**	—
Lease liabilities (see note 1.2)	7.00-9.00%	2021-25	**384**	—
Secured loan – Galloway Ltd	7.75%	2022	**500**	500
Secured loan – Galloway Ltd	7.00%	2024	**350**	350
Secured loan – Galloway Ltd	7.00%	2025	**500**	—
Total loans and borrowings			**1,764**	850

During the year, the Group received the following loans:

Lender	Principal	Drawdown	Term	Remaining term	Interest rate
Galloway Ltd	US$500,000	March 2020	5 years	4.75 years	7.00% pa
Volkswagen Marin	US$30,911	March 2020	5 years	4.75 years	8.90% pa

The secured loans from Galloway Ltd are secured over the unencumbered assets of the Group.

17 Share capital

	No.	**2020 US$000**	2019 US$000
Allotted, issued and fully paid			
At beginning and close of year: ordinary shares of 1p each	393,338,310	**6,334**	6,334
At 31 May: ordinary shares of 1p each	393,338,310	**6,334**	6,334

The authorised share capital of the Company is US$9,619,000 divided into 600,000,000 ordinary shares of £0.01 each (2019: US$9,619,000 divided into 600,000,000 ordinary shares of £0.01 each).

Options
Movements in share options during the year ended 31 May 2020 were as follows:

	No.
At 31 May 2019 – 1p ordinary shares	14,000,000
Options granted	–
Options lapsed	–
Options exercised	–
At 31 May 2020 – 1p ordinary shares	14,000,000

During 2016 the Group established an equity-settled share-based option program. The fair value of options granted is recognised as an expense, with a corresponding increase in equity. The fair value is measured at grant date using a Black-Scholes model and is spread over the vesting period. The amount recognised in equity is adjusted to reflect the actual number of share options which are expected to vest. By taking into consideration the volatility of the shares over the 3 years prior to granting, the volatility of the options is calculated at 75%, with a risk-free interest rate of 0.86%.

The options were issued on 3 March 2016 to Ed Comins, Managing Director of the Group. The fair value of each option on the grant date was estimated as being £0.0022. The share options vested on 3 March 2019 after Ed Comins had remained in the employment of the Group for 3 years from when the options were granted. The options are able to be exercised from 3 March 2019 and expire on 2 March 2026. The weighted average exercise price of all options is £0.01.

The charge for share options recorded in profit and loss for the year was US$Nil (2019: US$37,989), with the corresponding amount reflected in the share option reserve in the Statement of Financial Position and Statement of Changes in Equity. Since the grant date, the total charge in relation to the share options was US$42,126.

18 Capital commitments

As at 31 May 2020, the Group had no known capital commitments (2019: US$Nil).

19 Operating lease commitments

At 31 May 2020, the Group was committed to future minimum lease payments of:

	2020 US$000	2019 US$000
Payments due within one year	–	108
Payments due between one to five years	–	186
Payments due beyond five years	–	–

The Group has recognised in the income statement operating lease payments of US$Nil (2019: US$104,000).
The Group leases had comprised office facilities and racetrack facilities in 2019. These leases now fall under the definition of IFRS 16 and are disclosed accordingly.

20 Related party transactions

Identity of related parties
The Parent Company has a related party relationship with its subsidiaries (see note 10), and with its Directors and executive officers and with Burnbrae Ltd (significant shareholder).

Transactions with and between subsidiaries
Transactions with and between the subsidiaries in the Group, which have been eliminated on consolidation, are considered to be related party transactions.

Transactions with entities with significant influence over the Group
Rental and service charges of US$26,273 (2019: US$45,484) and Directors' fees of US$45,435 (2019: US$46,898) were charged in the year by Burnbrae Limited, of which Denham Eke is a common Director. The Group also had loans of US$1,350,000 (2019: US$850,000) from Galloway Ltd, a company related to Burnbrae Limited by common ownership and Directors (note 17).

Transactions with key management personnel
The total amounts for Directors' remuneration were as follows:

	2020 US$000	2019 US$000
Emoluments — salaries, bonuses and taxable benefits	**368**	348
— fees	**64**	67
	432	415

Directors' Emoluments

	Basic salary US$000	Fees US$000	Bonus US$000	Termination payments US$000	Benefits US$000	**2020 Total US$000**	2019 Total US$000
Executive							
Ed Comins	310	—	30	—	28	**368**	348
Non-executive							
Denham Eke*	—	25	—	—	—	**25**	26
Nigel Caine*	—	20	—	—	—	**20**	21
Sir James Mellon	—	19	—	—	—	**19**	20
Aggregate emoluments	310	64	30	—	28	**432**	415

* Paid to Burnbrae Limited.

14,000,000 share options were issued to Ed Comins (see note 17) during 2016.

21 Financial risk management

Capital structure
The Group's capital structure is as follows:

	2020 US$000	2019 US$000
Cash and cash equivalents	**2,499**	1,363
Loans and similar liabilities	**(1,380)**	(850)
Net funds	**1,119**	513
Shareholders' equity	**(868)**	(1,152)
Capital employed	**251**	(639)

The Group's policy is to maintain as strong a capital base as possible, insofar as can be sustained due to the fluctuations in the net results of the Group and the inherent effect this has on the capital structure.

The Group's principal financial instruments comprise cash and cash equivalents, trade receivables and payables that arise directly from its operations.

The main purpose of these financial instruments is to finance the Group's operations. The existence of the financial instruments exposes the Group to a number of financial risks, which are described in more detail below.

The principal risks which the Group is exposed to relate to liquidity risks, credit risks and foreign exchange risks.

Liquidity risk
Liquidity risk is the risk that the Group will be unable to meet its financial obligations as they fall due.

The Group's objective is to maintain continuity of funding through trading and share issues but to also retain flexibility through the use of short-term loans if required.

Management controls and monitors the Group's cash flow on a regular basis, including forecasting future cash flow. Banking facilities are kept under review to ensure they meet the Group's requirements. Funds equivalent to customer balances are held in designated bank accounts where applicable to ensure that Isle of Man Gambling Supervision Commission player protection principles are met. Other customer balances are covered by cash funds held within the Group and by receivables due from ADW racetrack settlement partners. The Directors anticipate that the business will generate sufficient cash flow in the forthcoming period, to meet its immediate financial obligations.

The following are the contractual maturities of financial liabilities:

2020
Financial liabilities

	Carrying amount US$000	**Contractual cash flow US$000**	**6 months or less US$000**	**Up to 1 year US$000**	**1–5 years US$000**
Trade payables	**(603)**	**(603)**	**(603)**	**–**	**–**
Amounts due to customers	**(2,446)**	**(2,446)**	**(2,446)**	**–**	**–**
Other payables, loans and deferred income	**(1,967)**	**(1,967)**	**(590)**	**(2)**	**(1,375)**
Lease liabilities	**(384)**	**(384)**	**(16)**	**(76)**	**(292)**
	(5,400)	**(5,400)**	**(3,655)**	**(78)**	**(1,667)**

2019
Financial liabilities

	Carrying amount US$000	Contractual cash flow US$000	6 months or less US$000	Up to 1 year US$000	1–5 years US$000
Trade payables	(425)	(425)	(425)	–	–
Amounts due to customers	(2,194)	(2,194)	(2,194)	–	–
Other payables and loans	(865)	(865)	(15)	–	(850)
	(3,484)	(3,484)	(2,634)	–	(850)

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Impairment losses on financial assets recognised in profit or loss were as follows:

	2020 US$000	2019 US$000
Non-credit impaired trade receivables	**23**	5
Credit impaired trade receivables	**62**	62
Total impairment losses	**85**	67

The Group's exposure to credit risk is influenced by the characteristics of the individual racetracks and the settling agents operating on behalf of these tracks. The racetracks themselves are influenced by many factors, including the product they offer, supporting sources of revenue they might generate, such as offering simulcast, slots or sports wagering facilities, current economic conditions, ownership structure and so on, all of which can affect their liquidity.

The Group limits its exposure to credit risk by regular settling and verification of balances due to and from settling agents, with standard terms of one month. While there is on occasion debt that is slower to be settled, historical settlements for the last five years show that of the current trade receivable balance, greater than 99% would be expected to be received.

In addition, more than 75% of the current Group customers have transacted with the Group for five years or more and none of these customers balances have been specifically impaired in that period.

While there has been an obvious impact from Covid-19 across many industries worldwide, horse racing was one of the few events that managed to maintain some activity during the initial months of the pandemic. There was a natural slowdown of settlements from settling agents and tracks, but overall, the Group has currently suffered no losses from the receivables that were due. Nevertheless, the Group has taken a more conservative approach to the assessment of the Weighted Average Loss Rate and increased these rates to reflect the added risk that exists under current market conditions.

The following table provides information about exposure to credit risk and expected credit losses for trade receivables as at 31 May 2020:

2020	**Weighted Average Loss Rate (%)**	**Gross Carrying Amount US$000**	**Loss Allowance US$000**	**Net Carrying Amount US$000**	**Credit Impaired**
Current (not past due)	0.50%	305	(2)	303	No
1-30 days past due	1.00%	129	(1)	128	No
31-60 days past due	6.00%	97	(6)	91	No
61-90 days past due	8.00%	147	(12)	135	No
More than 90 days past due	10.00%	20	(2)	18	No
More than 90 days past due	100.00%	62	(62)	—	Yes
		760	**(85)**	**675**	

2019	Weighted Average Loss Rate (%)	Gross Carrying Amount US$000	Loss Allowance US$000	Net Carrying Amount US$000	Credit Impaired
Current (not past due)	0.25%	385	(1)	384	No
1-30 days past due	0.50%	294	(1)	293	No
31-60 days past due	1.00%	55	(1)	54	No
61-90 days past due	2.50%	28	(1)	27	No
More than 90 days past due	5.00%	13	(1)	12	No
More than 90 days past due	100.00%	62	(62)	—	Yes
		837	(67)	770	

The Group uses an allowance matrix to measure the ECLs of trade receivables from racetracks and their settling agents, which comprise a moderate number of balances, ranging from small to large. The Group has reviewed its historical losses over the past four years as well as considering current economic conditions in estimating the loss rates and calculating the corresponding loss allowance.

Classes of financial assets — carrying amounts

	2020 US$000	2019 US$000
Cash and cash equivalents	**2,499**	1,363
Bonds and deposits	**983**	983
Trade and other receivables	**1,184**	1,051
	4,666	3,397

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the balance sheet (or in the notes to the financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

The maximum exposure to credit risks for receivables in any business segment:

	2020 US$000	2019 US$000
Pari-mutuel	**1,184**	1,051

Of the above receivables, US$675,000 (2019: US$770,000) relates to amounts owed from racing tracks. These receivables are actively monitored to avoid significant concentration of credit risk and the Directors consider there to be no significant concentration of credit risk.

The Directors consider that all the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality. The banks have external credit ratings of at least Baa3 from Moody's.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high-quality external credit ratings.

Interest rate risk
The Group finances its operations mainly through capital with limited levels of borrowings. Cash at bank and in hand earns negligible interest at floating rates, based principally on short-term interbank rates.

Any movement in interest rates would not be considered to have any significant impact on net assets at the balance sheet date as the Group and Parent Company do not have floating rate loans payable.

Foreign currency risks
The Group operates internationally and is subject to transactional foreign currency exposures, primarily with respect to Pounds Sterling, Hong Kong Dollars and Euros.

The Group does not actively manage the exposures but regularly monitors the Group's currency position and exchange rate movements and makes decisions as appropriate.

At the reporting date the Group had the following exposure:

2020	**USD US$000**	**GBP US$000**	**EUR US$000**	**HKD US$000**	**Total US$000**
Current assets	**5,144**	**53**	**130**	**708**	**6,035**
Current liabilities	**(3,170)**	**(127)**	**(83)**	**(716)**	**(4,096)**
Short-term exposure	**1,974**	**(74)**	**47**	**(8)**	**1,939**

2019	USD US$000	GBP US$000	EUR US$000	HKD US$000	Total US$000
Current assets	3,128	289	427	683	4,527
Current liabilities	(1,911)	(196)	(84)	(688)	(2,879)
Short-term exposure	1,217	93	343	(5)	1,648

The following table illustrates the sensitivity of the net result for the year and equity with regards to the Group's financial assets and financial liabilities and the US Dollar–Sterling exchange rate, US Dollar–Euro exchange rate and US Dollar–Hong Kong Dollar exchange rate.

A 5% weakening of the US Dollar against the following currencies at 31 May 2020 would have increased/(decreased) equity and profit and loss by the amounts shown below:

2020	**GBP US$000**	**EUR US$000**	**HKD US$000**	**Total US$000**
Current assets	**3**	**6**	**35**	**44**
Current liabilities	**(6)**	**(4)**	**(36)**	**(46)**
Net assets	**(3)**	**2**	**(1)**	**(2)**

2019	GBP US$000	EUR US$000	HKD US$000	Total US$000
Current assets	15	21	34	70
Current liabilities	(10)	(4)	(34)	(48)
Net assets	5	17	–	22

A 5% strengthening of the US Dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above on the basis that all other variables remain constant.

22 Controlling party and ultimate controlling party
The Directors consider the ultimate controlling party to be Burnbrae Limited and its beneficial owner Jim Mellon by virtue of their combined shareholding of 63.10%.

23 Impact of COVID-19 on the Company's operations after year end

COVID-19 has impacted the operations of the entity during the last few weeks of the financial year. Since 31 May 2020, COVID-19 has continued to cause severe implications for many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown, which continued to be in place after year end. Global stock markets have also continued experienced great volatility and a significant weakening. Governments and central banks continued responding with monetary and fiscal interventions to stabilise economic conditions.

The horseracing industry has continued to operate behind closed doors and the level of wagering opportunities and global content the Group can offer has remained resilient to date. With a reduction in other sports events, the Group has seen a significant increase in retail player numbers and wagering volumes which has yielded improved trading results. New and refined strategies aimed at winning and retaining new player accounts remain a core focus of the Group to underpin a larger and wider customer base that can deliver profitable and consistent revenue streams. Whilst significant efforts have been directed towards this objective, there can be no certainty that these operating results will continue at current levels or that future wagering content will not be affected by further restrictions aimed at curbing the spread of future outbreaks.

Based on an assessment of the impact of COVID-19 on the Group, the Directors determined that any events occurring after year end disclosed in this note are deemed non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 May 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their ultimate impact on the financial position and results of the Group for future periods.

24. Subsequent events

To the knowledge of the Directors, there have been no other material events since the end of the reporting period that require disclosure in the accounts.