ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2024

Company registration number 06475845 (England and Wales)

Who we are

About Smarkets

Smarkets operates one of the world's largest regulated exchange platforms for betting and trading on sports and politics. Our software operates like a financial exchange, while our focus on price and technology means that we often have the best odds in the world on the biggest sporting and political events. Customers can use either the Smarkets exchange - for a sophisticated betting and trading experience - or our SBK sportsbook app for a simpler presentation of our market-leading prices.

Our mission is to make betting and trading on events fairer, and we believe that betting should be priced like a commodity, because it is one. Founded in 2008, Smarkets is an innovator in the industry, pioneering the use of financial technology in betting. Our state-of-the-art platform is capable of processing hundreds of bets per second and has allowed us to maintain our industry-leading commission rates. Our platform is powered by sophisticated proprietary technology that has been built in-house by world-class engineers and this enables us to run a leaner and more efficient business than any of our competitors.

As an organisation, Smarkets is driving innovation in the workplace and currently employs over 90 individuals in a dynamic structure across our offices in London and Malta

Company information

Director	Jason R. Trost
Secretary	Jason R. Trost
Company number	06475845
Registered office	1 Commodity Quay, Floor 7 St Katharine Docks London United Kingdom E1W 1AZ
Auditor	BDO LLP 55 Baker Street London United Kingdom W1U 7EU

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Chief Executive Officer's Review

In 2024, Smarkets had a strong return to growth and profitability. After resetting in 2023, the progress made during 2024 has confirmed the value of returning to our roots as a lean organisation. Over the last 12 months, we maintained a relentless focus on bringing product quality and the best price to our customers, which has resulted in an excellent year for the business

Jason R. Trost
CEO Smarkets

Chief Executive Officer's Review

In 2024, Smarkets had a strong return to growth and profitability. After resetting in 2023, the progress made during 2024 has confirmed the value of returning to our roots as a lean organisation. Over the last 12 months, we maintained a relentless focus on bringing product quality and the best price to our customers, which has resulted in an excellent year for the business.

For the year ended 31 December 2024, Smarkets achieved year-on-year revenue growth of 18% to £24.8m, driven by 95% growth in SBK and despite only minimal increases to the cost base. This efficient growth is testament to the world class team we have built and it is at the heart of our mission to pass on as much value as possible to our customers.

In product development, 2024 was the year we moved beyond simply making improvements, and instead looked to break new ground with both SBK and Smarkets. In addition to a host of new bet type features, SBK was one of the first UK operators to launch insurance-style betting features in the form of Fresh Legs.

Our biggest unique feature has been the launch of an industry-first in-app price comparison feature Best Price. This gives customers the power to make informed decisions about where they bet by carrying out live odds checks against leading competitors and showing customers where the best value in the market is. The response to our pricing from customers has been conclusive, with long-term SBK customer retention and acquisitions pay back periods reaching all-time highs.

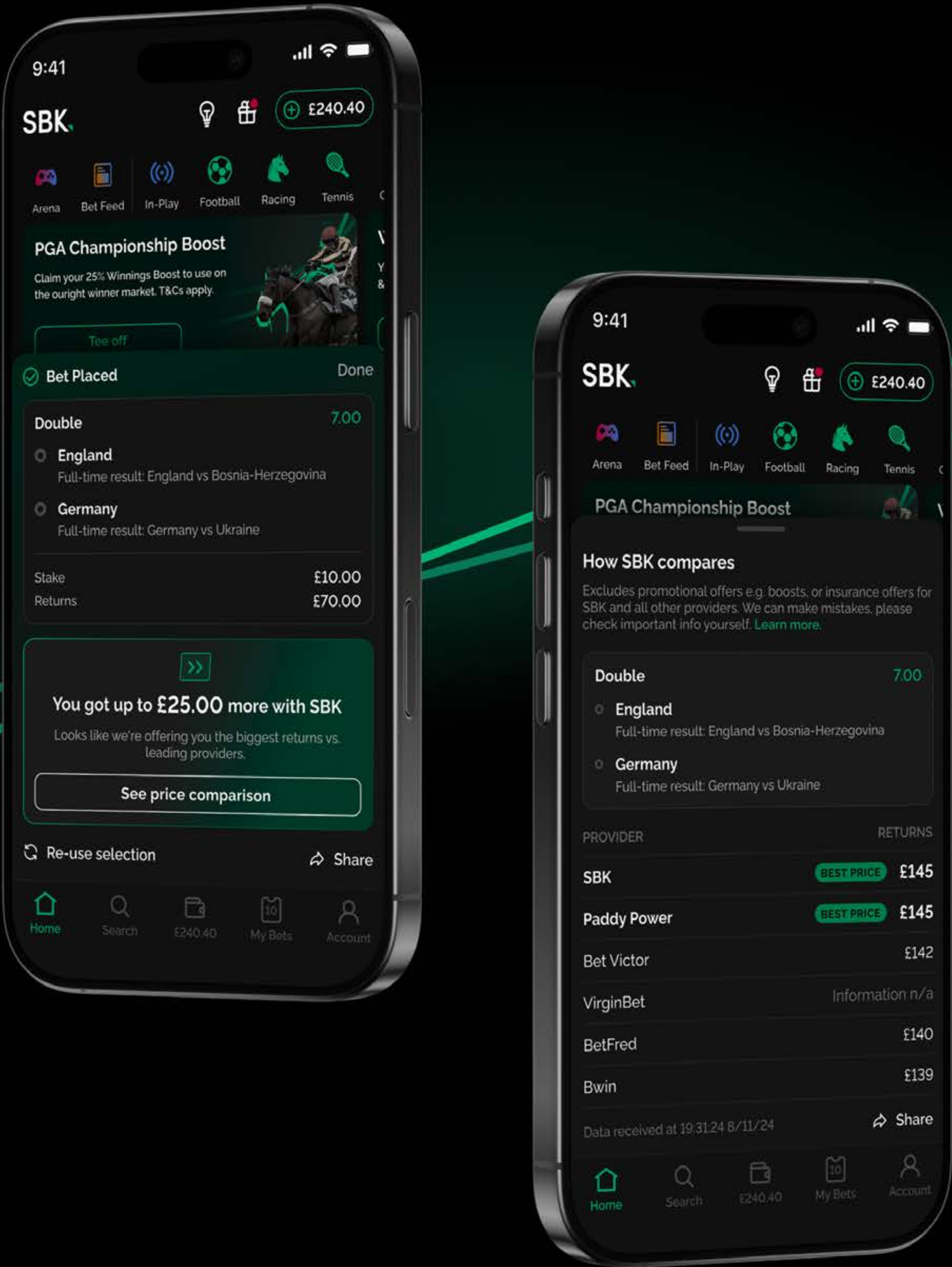
We are committed to building on the sustainable organic growth the company has seen over the last two years. But we are also looking forward to the future. In 2024 we laid the groundwork to explore markets outside of the United Kingdom, investing in partnerships in Ireland and Sweden. Next year, we look forward to re-entering the United States. As we bring our products to new markets, we aim to stay focused on what makes this business unique; excellent technology and bringing the best possible price to our customers.

2024 Highlights

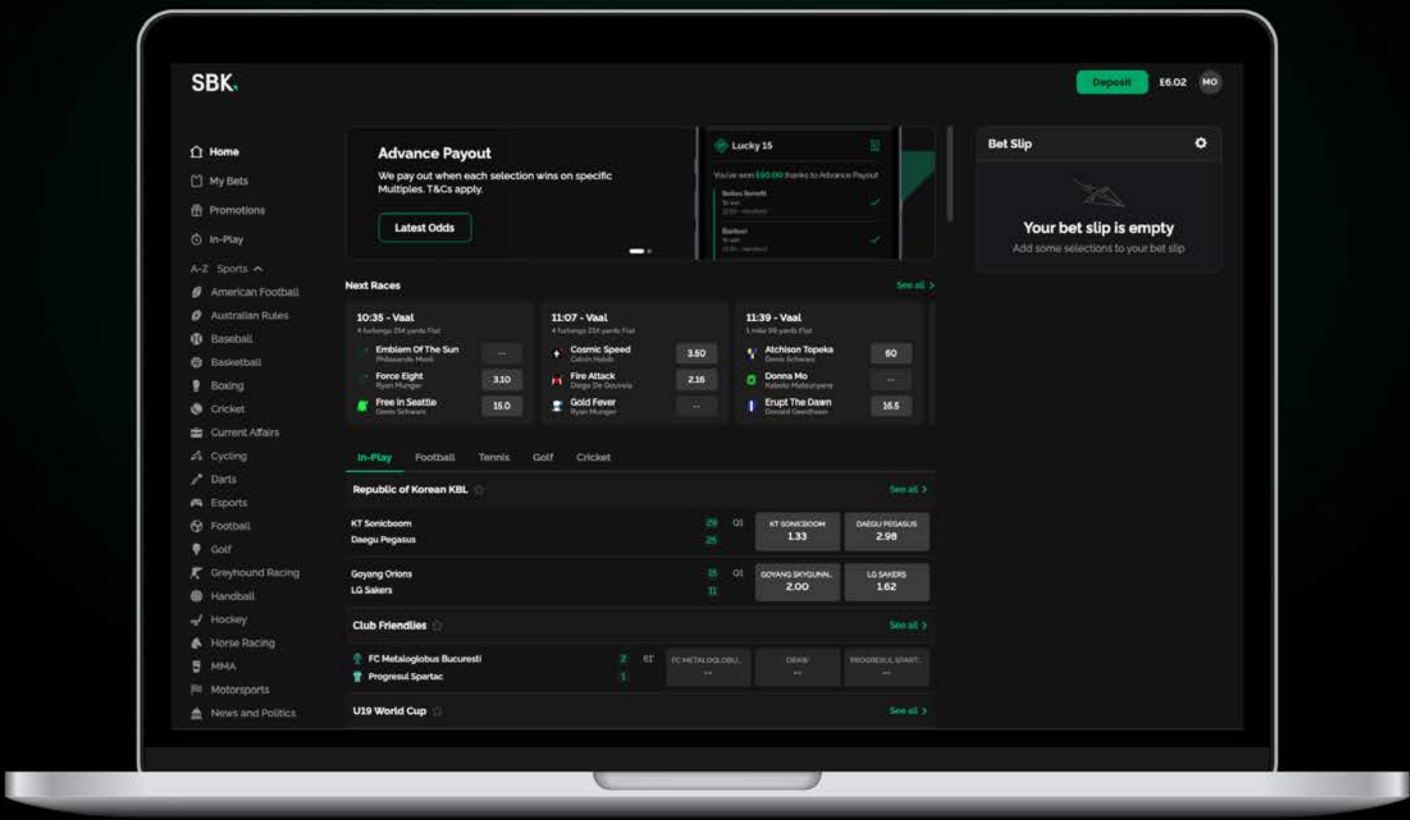
£25m Revenue	18% Increase compared to 2023
£20m Gross profit	32% Increase compared to 2023
35k Avg monthly active users	18% Decrease of Cost of Sales
89 Total numbers of employees	95% SBK revenue growth

SBK

Best Price

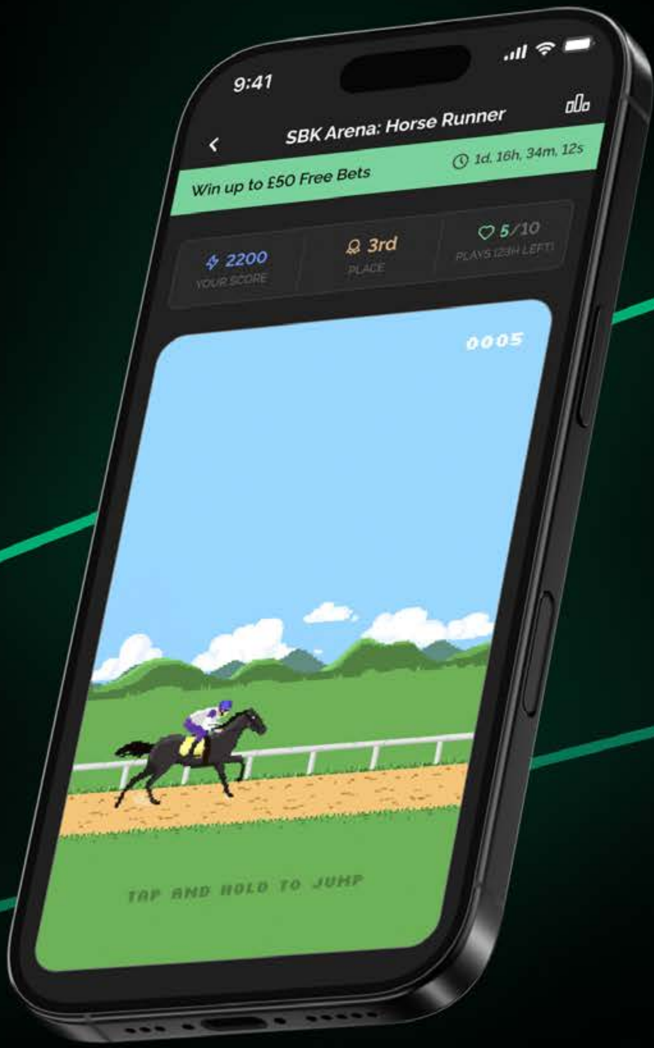


SBK Web


SBK.
Deposit
£6.02
MO
Home
My Bets
Promotions
In-Play
A-Z Sports
American Football
Australian Rules
Baseball
Basketball
Boxing
Cricket
Current Affairs
Cycling
Darts
Esports
Football
Golf
Greyhound Racing
Handball
Hockey
Horse Racing
MMA
Motorsports
News and Politics
Advance Payout
We pay out when each selection wins on specific Multiples. T&Cs apply.
Latest Odds
Lucky 15
Bet Slip
Your bet slip is empty
Add some selections to your bet slip
Next Races
See all
10:35 - Vaal
Emblem Of The Sun
Force Eight
3.10
Free In Seattle
15.0
11:07 - Vaal
Cosmic Speed
3.50
Fire Attack
2.16
Gold Fever
11:39 - Vaal
Atchison Topeka
60
Donna Mo
Erupt The Dawn
16.5
In-Play
Football
Tennis
Golf
Cricket
Republic of Korean KBL
KT Sonicboom
Daegu Pegasus
1.33
2.98
Goyang Orions
LG Sakers
2.00
1.62
Club Friendlies
FC Metaloglobus Bucuresti
Progresul Spartac
U19 World Cup

SBK

Arena


9:41
SBK Arena: Horse Runner
1d, 16h, 34m, 12s
Win up to £50 Free Bets
2200
YOUR SCORE
3rd
PLACE
5/10
0005
TAP AND HOLD TO JUMP

SBK

Hubs

9:41
Euro 2024
Main
In play
Outrights
Results
EURO 2024
Germany
20:00
Scotland
BRE 1.50
DRAW 2.00
MAN 1.68
Popular Multiples
MARCH MADNESS BONANZA
BB
Sekou Mara: Win
William Smallbone: Win
Brandon Thomas-Asante: Draw
West Brom Win
1.15
Upcoming Games
20:00
68
Germany
Scotland
GERMANY 1.16
DRAW 3.20
SCOTLAND 2.40
20:00
68
Hungary
Switzerland
9:41
SBK
£240.40
MT
Euro
In-Play
Football
Racing
Tennis
Cricket
PGA Championship Boost
Claim your 25% Winnings Boost to use on the ouright winner market. T&Cs apply.
Tee off
Popular Multiples
FOUR-FOLD
BB
Michigan: To win
Virginia: To win
Miami: To win
Oklahoma: To win
1432 people placed this bet
£10 BET PAYS £124
12.4
Featured
In-Play
Upcoming
CBA
See all
20:15 · Liaoning Stadium
Liaoning Flying Leopards
Guangdong Southern Tigers
LEOPARDS 1.97
TIGERS 1.91

Strategic report

How we operate and who we are

Smarkets Limited (the "Company") and its subsidiaries (together "Smarkets" or the "Group") own and operate an online betting exchange platform.

The exchange platform (the "exchange") enables users to set prices and bet against other traders, rather than against a bookmaker, on sporting and other events. Unlike traditional bookmakers, the exchange offers both buy and sell prices, and these both continually change during the events themselves up until their conclusion.

The sportsbook-style app ("SBK") integrates the industry-leading exchange into a sleek and easy-to-use sportsbook format. SBK has been built on top of the exchange, so users of both products enjoy the same odds and variety of markets, but can choose whether they prefer the extra functionality provided by the exchange or the more focused display of SBK which only shows buy prices. With sportsbooks accounting for the vast majority of market share in the UK betting industry, SBK allows the company to target a wider audience and is proving to be a key tool for growth.

To remain competitive and in order to attract users, the Group has to offer a market-differentiable experience and provide a reliable and robust service. To meet these challenges, Smarkets has developed a website and mobile applications with an innovative underlying betting engine, which are each continually refined and evolving. In particular, the software engineering team at Smarkets works to find faster ways of handling the large volumes of customer, market and transaction data and making it accessible to the community, thus democratising event trading for all.

The Smarkets platform is state of the art - secure, transparent, highly responsive and efficient, and with rapid access to deep resources of market data - and allows for huge growth potential in existing and new markets.

Product and Technology

In 2024, Smarkets continued to accelerate its product development, delivering a series of impactful updates that further enhanced the user experience and strengthened our market position for SBK. Early in the year, we launched SBK Web, broadening accessibility and driving new user acquisition, while also introducing the first iteration of our personalisation engine across both products. Our focus on improving transactional efficiency was evident in the revamp of the SBK cash out engine and the rollout of streaming on SBK Web, providing users with more engaging betting options and increased control over their bets.

Throughout Q2, we doubled down on user experience, unveiling a new SBK app homepage, category, and event pages, each designed to streamline navigation and encourage engagement with long shot bets. The introduction of new bet types like Bet Builder X or Full Cover Bets, alongside the launch of "Best Price" underscored our commitment to delivering market-leading value and innovative bet creation tools.

In the second half of the year, we expanded our reach with the launch of SBK app in Sweden and rolled out SBK Web v2, further increasing contribution from the new platform. The addition of Apple and Google Pay simplified deposits, while features like Fresh Legs insurance on SBK and matched betting hub on Smarkets Web catered to both recreational and high-value users.

Q4 saw the introduction of live sports notifications, driving increased app sessions and user retention. Performance improvements across the SBK app and the integration of written, video, and audio content enriched the overall customer experience, reinforcing our position as an industry innovator. These advancements, aligned with our strategic vision, ensured that SBK remained at the forefront of product excellence and customer satisfaction throughout 2024.

Business model

Smarkets generates revenue primarily through commission, a transaction fee charged to customers based on their net winnings in individual markets. Thanks to our advanced technology, we offer an industry-low flat commission rate of 2%. Additionally, customers introduced from some partners benefit from 0% commission.

In addition to our standard transaction fee, we have two other tiers. The Pro Tier applies a 1% commission on winnings or losses from each individual trade that settles. The Select Tier is designed for customers with accounts exceeding £25,000 in net profit over the previous 12 months, applying a 3% commission on winnings or losses per trade.

The Group, through its 100%-owned subsidiary Hanson Applied Sciences II Limited, also provides liquidity on the exchange - and therefore SBK - through algorithmic trades. These trades are risk managed and serve to enhance the user experience while also generating profits. As we continue to expand, our focus remains on offering industry-leading prices and further enhancing liquidity in existing and new markets.

Our products allow us to appeal to a very diverse audience, with Smarkets appealing to a number of different customer segments, namely high-value users, traders or one of our biggest cohorts - matched bettors. Meanwhile SBK allows us to offer industry-leading odds to a more recreational audience. Our acquisition mix has pivoted over the last 18 months away from being overly reliant on affiliates and looking more to organic traffic generated through partnerships alongside scaling up our performance Marketing efforts.

2023 was very much about operating our acquisition model with the utmost efficiency across both products. In 2024, following a huge amount of product work done on SBK, we scaled up our acquisition efforts while remaining as efficient as possible with regards to customer payback. This resulted in a phenomenal year for the product with swathes of new users enjoying our new features and a consistently high quality customer experience.

Market context

The UK online sports betting industry total Gross Gaming Yield (GGY) amounted to £2.4 billion in 2024, highlighting the potential for a betting-only company like Smarkets. The growth of our mainstream app SBK enabled us to expand our success by targeting the UK retail market and testing our competitive pricing in other territories.

Smarkets maintains a strategy of bringing disruption to mature, well-regulated markets, and throughout 2024 we increased our focus on Sweden and Ireland. The Swedish market is mature and stable with online gambling generating £1.2 billion in revenue in 2023. The Irish market is awaiting government regulation but estimates place that market at €2 - 2.4 billion, with similar betting habits and customer-types to the UK.

In the United States, the total sports betting revenue in 2023 reached $13.7 billion. In Indiana, where Smarkets currently operates SBK, 2023 GGY reached $422 million. Smarkets currently holds licences to operate in the UK, Malta, Sweden, and Ireland, as well as in the US states of Colorado and Indiana. The majority of our betting volume in 2024 was generated in the UK, where we face competition from industry leader Betfair and other smaller exchange operators. In 2025, our focus will be on improving our product offering, and capturing market share in the UK market.

Financial review

The Group made a profit before taxation of £16.3m in the year ended 31 December 2024 of which £9.8m relate to one-off provision reversal. Excluding this one-off provision, the profit before taxation was £6.5m represents an increase of approximately 3 times compared to the prior year's result.

An overview of the 2024 performance is as follows:

	2024 £000	2023 £000	Increase/ Decrease 24/23
Average monthly active users	34,560	37,108	(6.87)%
Revenue	24,830	20,997	18.25%
Cost of sales	(4,825)	(5,881)	(17.96)%
Gross profit	20,005	15,116	32.34%
Administrative expenses	(14,847)	(14,271)	4.04%
Other income and expense	1,374	1,154	19.06%
Reversal of provision	9,780	-	100.00%
Profit/ loss before tax	16,312	1,999	716.01%
EBITDA*	16,287	1,987	719.68%

*The financial results reported in these Financial Statements are in accordance with generally accepted accounting principles in the UK ("GAAP") and also conform to International Finance Reporting Standards (IFRS). EBITDA, which is a non-GAAP measure, has been added to supplement the GAAP compliant financial statements and disclosures contained in this document. Management believes EBITDA will provide investors and stakeholders further insight into financial performance by excluding certain income and expenses.EBITDA is defined as earnings before interest expense, net of interest income, provision for income taxes, depreciation and amortisation. Whilst EBITDA disclosures provide additional insight, they are not a measure of or proxy for cash flow performance. Further, they may not be aligned or comparable to measures used by other companies and therefore should not be relied upon in isolation to evaluate performance.

Customer activity:

In 2024, we wanted to continue to remain financially prudent while also scaling our level of user acquisition, particularly on SBK.

In turn, user acquisition increased on SBK by 23% YoY with first time deposits (FTD) totalling just a little over 40k for the year. On Smarkets exchange, we lowered our acquisition sights as our core customer segment - Matched Bettors - continues to be a shrinking market. Despite this, we beat our target for the year, bringing in 28k new users. Looking ahead to 2025, a refresh of the Smarkets product will be aligned with a refreshed acquisition push on new customer segments in order to combat the decline of the matched betting market.

Alongside the increased acquisition levels on SBK, further work on the product resulted in improved customer retention levels as well as a 43% increase in user deposits for the year. Actives grew by 11% YoY and buyer stake finished +32%.

Moving into next year, we'll be focusing on the aforementioned product changes on Smarkets alongside further building out the SBK user base on the road to the football World Cup in 2026. We will continue to optimise for efficiency but as the SBK product specifically continues to grow, we plan to increase Marketing awareness spend levels in line with pushing our Best Price message.

Revenues:

In 2024, the Group generated revenue of £24.8m, representing an 18% increase compared to 2023. While exchange revenue declined by 9% year-on-year, this was more than offset by continued growth in SBK revenue, which nearly doubled relative to the prior year. This strong performance reflects the Group's sustained investment in product development and customer retention initiatives.

Costs:

During 2024, the Group maintained strong operational discipline, resulting in a year-on-year reduction in overall costs. A key factor in this improvement was the further reduction in cost of sales, which decreased to £4.8m from £5.9m. This area continues to be effectively managed as SBK scales. Looking forward, overall costs are expected to remain relatively stable, with the exception of increased marketing expenditure aimed at supporting further international growth.

Profitability:

The Group reported a profit before taxation of £16.3m in 2024 of which £9.8m relate to one-off provision reversal. Excluding this one-off reversal, profit before tax was £6.5m which is a notable increase from £2.0m in 2023.

Balance sheet:

As at 31 December 2024, the Group's total assets stood at £41.0m, up from £37.3m at the previous year-end. These include segregated short-term bank accounts holding customer deposits for betting purposes, which increased to £27.6m from £26.8m.

Capital:

The Group reported net assets of £17.6m as at 31 December 2024, a substantial improvement from £0.5m at the previous year-end. The majority of this was due to the reversal of the tax provision in 2024 which amounted to £9.8m.

Risks

Smarkets maintains a comprehensive and actively managed risk register to support informed decision making and ensure longterm operational resilience. Key areas of focus include:

Technology

As a technology-driven business, Smarkets recognises the importance of system stability and continuity. We mitigate the risk of technological disruption by continually investing in our technical workforce, enhancing system robustness, and maintaining effective disaster recovery plans.

Technological Advancements

Evolution of technologies such as artificial intelligence, machine learning and automation software pose a significant risk to multiple aspects of the business. Smarkets continuously evaluates emerging technologies to mitigate the risk to data integrity, misuse, and automation abuse, as well as to improve the groups products.

Regulatory

Operating in a regulated industry, Smarkets embraces evolving licence requirements and regulatory frameworks as opportunities to strengthen its governance and compliance posture. We closely monitor regulatory developments and maintain open, collaborative relationships with regulators to remain agile, aligned, and compliant across jurisdictions.

Events

The Group's revenue is naturally influenced by sporting outcomes. Our experienced risk management team proactively monitors betting exposure, dynamically adjusting parameters and implementing hedging strategies to ensure balanced and sustainable trading performance.

Force Majeure

While external events such as pandemics or societal disruptions can affect the global sporting calendar, Smarkets has demonstrated adaptability and resilience in responding to such challenges, drawing on planning and operational frameworks.

Competition

The online betting industry is dynamic and fast-paced. Smarkets views competition as a driver of innovation and customer-centricity. We remain focused on enhancing our customer experience, leveraging technology and data to retain loyalty and support our growth objectives in a competitive landscape.

Taxation

Potential changes in government tax policy, related to the gambling industry or otherwise, can impact the Group's revenue. Smarkets is engaged with relevant authorities and advisors to ensure compliance and to adjust business strategies promptly to mitigate potential impacts on revenues.

People

Our people are at the core of our success. Smarkets actively fosters a positive and inclusive work culture, supported by strong employee engagement, meaningful incentives, and career development opportunities. We strive to attract and retain top-tier talent, even amid shifts in industry perception or broader market conditions.

Geopolitical

With a customer base and workforce in the EU, Smarkets remains alert to geopolitical developments, including the continued implications of the UK's withdrawal from the EU. Holding licences in the UK, Ireland, and Malta helps mitigate jurisdictional risk. We conduct regular reviews of our relationships and maintain compliance with sanctions frameworks, which remains a low-risk area.

Reliance on Third Parties

Smarkets partner with reliable third-party providers for essential services such as verification checks and payment processing. Our software-based product delivery model reduces supply chain exposure, and we maintain strong vendor relationships to ensure continuity and resilience.

Financial

The Group maintains a prudent approach to financial risk management, with controls in place to monitor and address credit, liquidity, market, currency, and interest rate risks.

Economic

While shifts in consumer sentiment and inflation are acknowledged, current forecasts account for these factors. Management maintains confidence that discretionary spending trends will not materially impact betting activity or overall performance.

Safer Gambling

Smarkets is proud to champion a culture of responsible and safer gambling, placing customer wellbeing at the heart of our operations. We proactively invest in technology and data-driven approaches to continually strengthen our Safer Gambling initiatives. These include:

- Robust automated verification systems that ensure customers are of legal age and not registered on national self-exclusion databases—delivering fast, compliant onboarding while safeguarding against underage and vulnerable play.
- Advanced screening tools that help identify indicators of potential financial stress early, enabling timely and supportive engagement with customers who may be experiencing affordability challenges.
- A dynamic, data-informed safer gambling behavioural model that monitors live betting activity using multiple analytical methods to spot emerging signs of risk and prompt appropriate interventions.
- A specialised and highly trained Safer Gambling team that engages directly with customers showing signs of risk, offering tailored advice, practical tools, and empathetic support to promote informed betting behaviour.
- An extensive suite of customer-controlled Safer Gambling tools, including deposit and loss limits, short-term "time-out" features, and longer-term self-exclusion options—empowering customers to manage their betting responsibly.
- Ongoing training for all customer-facing and product teams, ensuring Safer Gambling principles are embedded across every aspect of the player journey and product design.
- Clear signposting to professional support services, ensuring both employees and customers can access expert help and resources for gambling-related concerns when needed.
- Commitment to betting integrity through close collaboration with regulators and independent governing bodies to support fair play and protect the integrity of sports and betting markets.

Smarkets also proudly contribute annually to organisations dedicated to gambling harm research, prevention, and treatment—supporting sector-wide progress and best practices.

Smarkets remains fully committed to upholding the highest standards of responsible gambling, aligning with regulatory expectations and building a safer, more sustainable iGaming environment for all.

People

Smarkets ended 2024 with a global headcount of 89, aligned with expected attrition and our commitment to operating as a lean, efficient team. Throughout the year, we maintained headcount around 90, focusing on having the right people in the right roles and increasing overall productivity.

The hiring team showed strong dedication, successfully backfilling all open roles through internal efforts alone. This efficiency ensured we continued to support business needs without compromising on quality or speed.

One of the key challenges in 2024 was redefining the employee experience, a transformation that remains ongoing as we close out the year. In parallel, we implemented and automated several processes and policies to strengthen regulatory compliance and enhance the overall employee journey.

Our continued focus on culture and engagement has paid off: we closed the year with an employee Net Promoter Score (eNPS) of 47, a 65-point increase from the previous year, and the highest score since 2021. This reflects the positive impact of a collaborative work atmosphere, the professionalism of colleagues, and the opportunities Smarkets offers for growth.

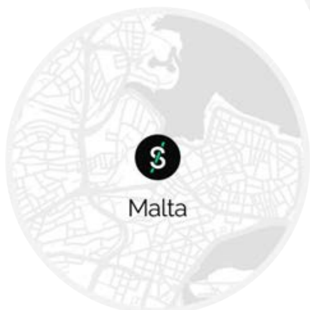
Performance management remained a central priority, with our twice-yearly review cycle continuing to support development and feedback. Building on the rollout of the Level Framework at the end of 2023, we released updated versions in 2024 to give employees greater clarity on their career progression at Smarkets.

On behalf of the board

Jason R. Trost

Director

23 / 09 / 2025




Smarkets









Smarkets

Director’s responsibilities statement

The Director is responsible for preparing the Strategic Report, the Director's Report and the consolidated and company financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the group financial statements in accordance with UK adopted international accounting standards and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws).

Under company law the Director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Group and parent. In preparing these financial statements, the Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether parent company financial statements have followed United Kingdom Generally Accepted accounting practice subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is responsible for keeping adequate accounting records that are sufficient to show and explain the company’s transactions and disclose with reasonable accuracy at any time the financial position of the company and enable the Director to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Director's report

The Director presents his Annual Report and Financial Statements for the year ended 31 December 2024. The Chief Executive Officer's review set out on page 5 forms part of this report.

Principal Activities

The Group Director's Report should be read in conjunction with the other sections of this Annual Report including the Group Strategic Report on 11 - 20 which provides an overview of the Group's principal activities, factors influencing its future development, and a description of its financial position. In addition to these sections, the following information is also included in this report:

- Financial Instruments: Detailed information on the Group's financial instruments is provided in the notes to the financial statements.
- Related Party Transactions: The report includes a disclosure of any transactions between the Group and its related parties, as outlined in the notes to the financial statements.
- Future Developments and Significant Events: The report provides an indication of likely future developments in the business, giving insights into the Group's strategic plans and initiatives.
- Additionally, any significant events that have occurred since 2024, up to the date of this report, are also discussed.

It is important to consider all of these sections together to gain a comprehensive understanding of the Group's performance, financial position, and prospects

Results and Dividends

The results for the year are set out on page 36.

No ordinary dividends were paid. The Director does not recommend payment of a final dividend.

Share capital

During the year ended 31 December 2024, 1,000 Ordinary Shares were issued as a result of the exercise of share options (2023 – 6,510 Ordinary Shares were issued through the exercise of share options). There were no changes to the authorised share capital of the Company during the year.

Director

The Director who held office during the year and up to the date of signature of the financial statements was as follows: Jason R. Trost

Research and Development

Throughout the year ending 31 December 2024, the Group remained committed to advancing the SBK product by allocating substantial resources to innovation, while also initiating the revitalisation of the Smarkets exchange, as detailed in the Strategic Report on pages 11 - 13. This effort included ongoing enhancements to the software and infrastructure that underpin the Group's operations. The technical development team concentrated on creating a highly competitive product, investing considerable time in developing innovative functionalities aimed at enhancing the betting experience on SBK.

Events occurring after the reporting date are discussed in note 31 to the financial statements.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP will therefore continue in office.

Statement of disclosure to auditor

The Director in office at the date of approval of this annual report confirms 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 he ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Going Concern – Basis of Preparation of Accounts

The Group reported net assets of £17.6m (2023 – £0.5m), net current assets of £12.9m (2023 – net current liabilities of £3.3m), and a profit for the year of £17.2m (2023 – £2.7m). The Director has had, at the time of approving the financial statements, a reasonable expectation that the Group had adequate resources to continue operating for at least 12 months from the date of approval of the financial statements. Accordingly, the Director continues considers it appropriate to adopt the going concern basis in preparing the financial statementsOver the last years, the Group achieved significant cost savings and implemented key operational efficiencies, the benefits of which continued into 2025. In 2024, following a successful resolution of the tax-related appeal referenced in note 23, profit before taxation increased to £16.3m (2023 – £2.0m). Looking ahead, the Group anticipates remaining in a profitable position over the next 12 months, supporting its strategic growth plans over the longer term. Based on this outlook, and for the reasons set out below, the financial statements have been prepared on a going concern basis, which the Director believes to be appropriate.

The Director has prepared detailed forecasts of the Group's future profitability, cash flow, and capital adequacy through to 31 December 2026. These forecasts include multiple scenarios, including flat SBK revenues, stable exchange trading volumes, inflationary pressure on costs, increased international marketing expenditure, and rising payroll costs.

As at 31 December 2024, the Group held a strong cash position. Following the favourable outcome of the tax-related matter (see note 23), the Group is expected to retain sufficient cash reserves to meet its operational needs under all modelled scenarios.

In light of these considerations, the Director believes it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Annual Report and Accounts

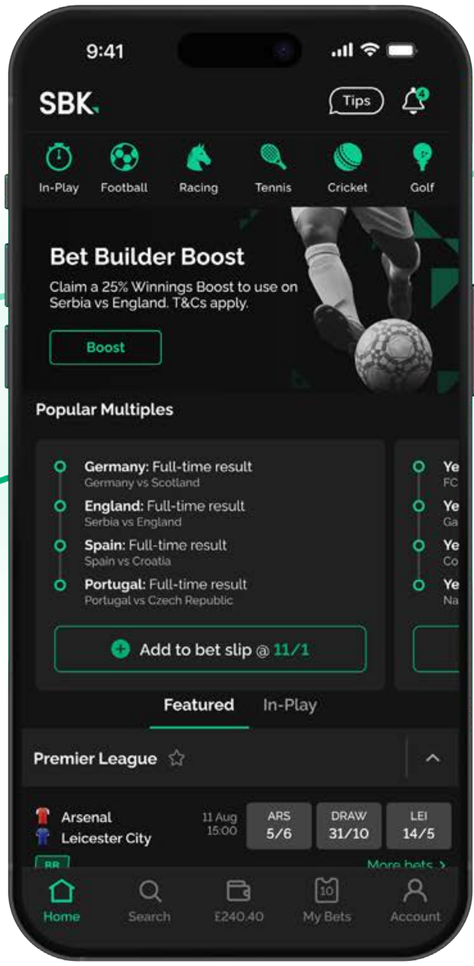
The Director is aware of his responsibilities in respect of the Annual Report. The Director considers that the Annual Report taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy. The Director's Responsibilities Statement appears on page 22.

On behalf of the board

Jason R. Trost

Director

23 / 09 / 2025



Independent auditor's report

To the members of Smarkets Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2024 and of the group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards.
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Smarkets Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2024 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

We are independent of the Group and the Parent 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director's 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 Group or Parent 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 Director with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Group and the Parent 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Director

As explained more fully in the Statement of Director's Responsibilities, the Director is 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 Director 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 Director is responsible for assessing the Group's and the Parent 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 Director either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group’s policies and procedures regarding compliance with laws and regulations.We considered the significant laws and regulations to be Companies Act 2006 and UK adopted international accounting standards.

We considered the significant laws and regulations to be Companies Act 2006 and UK adopted international accounting standards.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Review of gaming licenses in each jurisdiction and any correspondence with regulators.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to detecting and responding to the risks of fraud;
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be.

- Management override of controls; and
- Manual adjustments in accounting system related to revenue.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation.
- Assessing whether the judgements made by Directors, are indicative of a potential bias, and evaluating the business rationale for any significant transactions that are usual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

Use of our report

This report is made solely to the Parent 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 him 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.

DocuSigned by:
Jason Goodhind
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Jason Goodhind (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

24/09/September 2025

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

BDO

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 december 2024

	Notes	2024 £000	2023 £000
Revenue	5	24,830	20,997
Cost of sales		(4,825)	(5,881)
Gross profit		20,005	15,116
Other operating income	6	201	242
Administrative expenses		(14,847)	(14,271)
Provision reversal	23	9,780	-
Operating profit	7	15,139	1,087
Financial income	11	1,207	977
Financial expense	12	(34)	(65)
Profit/(loss) before taxation		16,312	1,999
Taxation	13	847	667
Profit/(loss) and total comprehensive loss for the year		17,159	2,666

The notes on pages 40 - 107 form an integral part of these financial statements.

Consolidated statement of financial position

for the year ended 31 december 2024

	Notes	2024 £000	2023 £000
Non-current assets			
Intangible assets	14	3,461	2,034
Property, plant and equipment	15	451	1,033
Other receivables	17	765	1,115
		4,677	4,182
Current assets			
Trade and other receivables	17	942	946
Tax receivable	13	3,234	2,096
Cash and cash equivalents	19	32,044	30,085
Other financial assets	18	71	34
		36,291	33,161
Total assets		40,968	37,343
Current liabilities			
Trade and other payables	20	22,471	35,734
Current tax liabilities		396	105
Lease liabilities	21	462	479
Other financial liabilities	18	21	107
		23,350	36,425
Net current assets/(liabilities)		12,941	(3,264)

Consolidated statement of financial position

for the year ended 31 december 2024

	Notes	2024 £000	2023 £000
Non-current liabilities			
Lease liabilities	21	-	445
Net assets/(liabilities)		17,618	473
Equity attributable to equity holders of the Parent			
Share capital	28	15	15
Share premium reserve	27	27,817	27,817
Capital redemption reserve		3	3
Retained earnings		(10,217)	(27,362)
Total equity		17,618	473

The notes on pages 40 - 107 form an integral part of these consolidated financial statements.

The financial statements were approved and signed by the Director and authorised for issue on 23 / 09 / 2025.

Jason R Trost
Director

Group statement of changes in equity

for the year ended 31 december 2024

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Retained earnings £000	Total £000
Balance at 1 January 2023		15	27,816	3	(30,602)	(2,768)
Profit and total comprehensive income for the year		-	-		2,666	2,666
Issue of share capital	27	-	1		-	1
Share-based payments	26	-	-		156	156
Exchange movements		-	-		418	418
Balance at 31 December 2023		15	27,817	3	(27,362)	473
Profit and total comprehensive income for the year		-	-	-	17,159	17,159
Share based payments	26	-	-	-	58	58
Exchange movements		-	-	-	(72)	(72)
Balance at 31 December 2024		15	27,817	3	(10,217)	17,618

The notes on pages 89 - 107 form an integral part of the consolidated financial statements.

Group statement of cash flow

for the year ended 31 december 2024

	Notes	2024 £000	2024 £000	2023 £000	2023 £000
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	1		3,437		(7,592)
Interest paid	12		(34)		(65)
Income taxes refunded			-		2,479
Net cash inflow/(outflow) from operating activities			3,403		(5,178)
Investing activities					
Purchase of intangible assets	14	(1,974)		(2,168)	
Purchase of property, plant and equipment	15	(18)		(9)	
Proceeds from disposal of property, plant and equipment		-		318	
Interest received	11	1,207		977	
Net cash used in investing activities			(785)		(882)
Financing activities					
Proceeds from issue of shares		-		1	
Repayment of derivatives	18	(123)		167	
Payment of lease liabilities		(462)		(918)	
Net cash used in financing activities			(585)		(750)

Group statement of cash flow (cont'd)

for the year ended 31 december 2024

	Notes	2024 £000	2024 £000	2023 £000	2023 £000
Net increase/(decrease) in cash and cash equivalents			2,033		(6,810)
Cash and cash equivalents at beginning of year			30,085		36,606
Effect of foreign exchange rates			(74)		289
Cash and cash equivalents at end of year	19		32,044		30,085

The notes on pages 89 - 107 form an integral part of the consolidated financial statements.

Notes to the group financial statements

for the year ended 31 December 2024

2. Accounting policies

Company information

Smarkets Limited (the "Company" or the "Parent") is a private company limited by shares incorporated in England and Wales. The registered office is 1 Commodity Quay, Floor 7, St Katharine Docks, London, United Kingdom, E1W 1AZ. The Company's principal activities and nature of its operations are disclosed in the Director's report.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent company financial statements present information about the Company as a separate entity and not about its group.

2 .1 Accounting convention

The Group consolidated financial statements have been prepared and approved by the Director in accordance with UK-adopted international accounting standards ("UK-adopted IFRS").

The Company has elected to prepare its parent company financial statements in accordance with FRS 101; these are presented on pages 54 to 67.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group consolidated financial statements.

The preparation of financial statements in conformity with UK-adopted IFRS requires management to exercise its judgement in the process of applying the Group's accounting policies.

Amounts are rounded to the nearest thousand, unless otherwise mentioned. The financial statements are prepared in Pound Sterling, which is the functional currency of the Group.

The financial statements are prepared under the historical cost basis, except for certain financial instruments that are stated at their fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

Subsidiaries

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Transactions eliminated on consolidation

The consolidated financial statements present the results of the company and its subsidiaries (the Group) as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 Going concern

The Group reported net assets of £17.6m (2023 – £0.5m), net current assets of £12.9m (2023 – net current liabilities of £3.3m), and a profit for the year of £17.2m (2023 – £2.7m). The Director has had, at the time of approving the financial statements, a reasonable expectation that the Group had adequate resources to continue operating for at least 12 months from the date of approval of the financial statements. Accordingly, the Director continues to consider it appropriate to adopt the going concern basis in preparing the financial statements.

Over the last years, the Group achieved significant cost savings and implemented key operational efficiencies, the benefits of which continued into 2025. In 2024, following a successful resolution of the tax-related appeal referenced in note 23, profit before taxation increased to £16.3m (2023 – £2.0m). Looking ahead, the Group anticipates remaining in a profitable position over the next 12 months, supporting its strategic growth plans over the longer term. Based on this outlook, and for the reasons set out below, the financial statements have been prepared on a going concern basis, which the Director believes to be appropriate.

The Director has prepared detailed forecasts of the Group's future profitability, cash flow, and capital adequacy through to 31 December 2026. These forecasts include multiple scenarios, including flat SBK revenues, stable exchange trading volumes, inflationary pressure on costs, increased international marketing expenditure, and rising payroll costs.

As at 31 December 2024, the Group held a strong cash position. Following the favourable outcome of the tax-related matter (see note 23), the Group is expected to retain sufficient cash reserves to meet its operational needs under all modelled scenarios.

In light of these considerations, the Director believes it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

2.4 Revenue

The Group has applied the five-step model set out in IFRS 15, Revenue from Contracts with Customers, in order to determine the revenues to be recognised, the five steps being: Identify the contract, Identify the performance obligations in the contract, Determine the transaction price, Allocate the transaction price to the performance obligations in the contract, and Recognise the revenue when the entity satisfies the performance obligation.

The Group recognises revenue from the following major sources:

- Commission revenue
- Net gaming revenue
- Customer bonuses granted (reduction to revenue)

The nature, timing of satisfaction of performance obligations and significant payment terms of the Group's major sources of revenue are as follows:

Commission revenue

Revenue from the Group's online betting exchange arises from the commission earned on betting transactions on individual sporting and other events entered into by customers of the exchange. The obligation of the exchange is to facilitate and settle these bets to the respective customer accounts once the outcome of the sporting or other event is known and hence the amount of the winning and losing customer bets is determinable. The commission, calculated on the amount of the winning customer bets, is recognised on this settlement date. The commission is recognised and measured in accordance with IFRS, 15 Revenue from Contracts with Customers.

Net gaming revenue

Revenue from betting activities on individual sporting and other events comprises income from remote gaming transactions i.e. bets entered into on sporting and other events made with counterparties, these being either online betting exchanges or other gaming transaction providers. This income comprises the aggregate amount due in respect of winning bets shown after deduction of the amounts lost on losing bets and any commissions incurred. This revenue is recognised once the outcome of the sporting or other event is known and hence the amount of the winning and losing bets is determinable.

The value of open betting positions is recognised in revenue based on the best estimate of the amount that will be required to settle the position at the balance sheet date. The transactions are accounted for as derivatives at fair value in accordance with note 2.12 below with the change in value being recognised in revenue.

Customer bonuses granted (reduction to revenue)

Bonuses granted to customers of the exchange are recognised as a liability when the customer fulfils the criteria to qualify for the bonus offered and the cost is accounted for as an offset to revenue.

2.5 Intangible assets other than goodwill

Externally acquired intangible assets

All intangible assets acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of the intangible assets.

The estimated useful lives are as follows:

Access intangibles	Contractual period of the market access rights granted
Other intangibles	3 years

Amortisation methods, useful lives and residual values are reviewed at each balance sheet date.

Internally generated intangible assets (development costs)

Platform development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale;
- The intention to complete the software and use or sell it;
- The ability to use the software or sell it;
- The software will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software; and
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is provided on intangible assets to write-off the cost, less any estimated residual value, over their expected useful economic life, using the straight-line method. Amortisation is included within administrative expenses.

Intangible assets are amortised over the following useful economic lives:

Smarkets Platform	5 years

2.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets are recognised and measured as described in note 2.17.

Depreciation is recognised on a straight-line basis so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Life of lease
Leasehold improvements	10 years or the remaining life of the lease, if shorter
Fixtures and fittings	5 years
Computers	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

2.7 Impairment of tangible and intangible assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, deposits with payment providers, other short-term liquid investments with original maturities 95 days or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Amounts deposited with banks and payment service providers that are held on behalf of customers, and which represent the amounts that those customers have deposited in order to transact on the group's betting exchange, are recognised as Cash and cash equivalents. The majority of the cash held on behalf of customers is deposited within a trust (the trustee is Smarkets (Clients) Limited) with the remainder deposited in segregated accounts.

2.9 Financial assets

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument. The Group recognises financial assets at either Amortised cost, Fair value through other comprehensive income ("FVOCI") and Fair value through profit and loss ("FVTPL"). The classification of financial assets is generally based on the business model on which a financial asset is managed and its contractual cash flow characteristics.

On initial recognition, a financial asset is classified as being measured at either Amortised cost, FVOCI – debt investment, FVOCI – equity investment or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognised initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the group's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

The parent company has made an irrevocable election to recognise changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. Equity instruments measured at fair value through other comprehensive income are recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to retained earnings when equity instrument is derecognised or its fair value substantially decreased. Dividends are recognised as finance income in profit or loss.

Impairment of financial assets

The Group recognises loss allowances for Expected Credit Losses ("ECLs") on financial assets at amortised cost.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset. In the case of interest free financial assets, such as trade receivables, ECLs are not discounted. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Loss allowances are measured on either of the following bases:

- 12-month ECLs - these are ECLs that result from possible default events within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs - these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances for trade receivables without a significant financing component and contract assets at an amount equal to lifetime ECLs. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, and considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Impairment losses related to trade and other receivables, including contract assets, are presented separately in the statement of profit or loss and OCI.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

2.10 Financial liabilities

The group recognises financial debt when the group becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that are managed together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group's obligations are discharged, cancelled, or they expire.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to set off the amounts and it intends to either settle them on a net basis or to realise the asset and settle the liability simultaneously.

Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of tax effects, are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12 Income taxes.

2.11 Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

2.12 Derivative financial instruments

Derivatives are recognised at fair value. Gains or losses on re-measurement are recognised in profit or loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

2.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

Current tax
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

The Company incurs research and development expense for which it is entitled to UK Corporation Tax relief on eligible expenditure enhanced in accordance with the rules of the scheme.

Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.14 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.15 Retirement benefits

Defined contribution pension plans

A defined contribution pension plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

2.16 Share-based payments

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment transactions in which the Group receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the Group's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is re-measured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss.

Where the Company grants options over its own shares to the employees of its subsidiaries it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity.

2.17 Leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the Group accounts for each lease component separately from the non-lease components. The Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

2.18 Foreign exchange

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement [except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective, or qualifying cash flow hedges, which are recognised directly in other comprehensive income]. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve or non-controlling interest, as the case may be. When a foreign operation is disposed of, such that control, joint control or significant influence (as the case may be) is lost, the entire accumulated amount in the FCTR, net of amounts previously attributed to non-controlling interests, is recycled to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while still retaining control, the relevant proportion of the accumulated amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while still retaining significant influence or joint control, the relevant proportion of the cumulative amount is recycled to profit or loss.

2.19 Financing income and expense

Financing expense comprises interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Financing income comprise interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

2.20 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation arising from a past event that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

2.21 Other operating income

Other operating income normally comprises predominantly inactive account fees. Inactive account fees are charged in arrears at a fixed amount each month following 12 months of account inactivity, in accordance with the terms and conditions of account usage.

2.22 Environmental, Social and Governance

Based on the nature of the Group's operations and its current risk profile, management has determined that Environmental, Social and Governance (ESG) related matters do not have a material impact on the Group's financial position, performance, or cash flows as presented in these consolidated financial statements.

3 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the Group's accounting policies, may require the Director to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. Estimates and underlying assumptions used are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, the Director was required to estimate the amount of a potential tax liability, discussed in note 23, by consulting with legal advisors and making judgements based on that feedback. This estimate has been made based on the information available at the date of approving the financial statements, and the actual amount that may be settled in future could be materially more or less than this amount.

For the year ended 31 December 2023, the lease liabilities were measured using an incremental borrowing rate of 4.75%, which was estimated based on management's assessment of market borrowing rates for companies with similar credit risk profiles, adjusted for the lease term and economic environment. No new lease agreements were entered into during the current financial year; accordingly, determination of a new incremental borrowing rate was not necessary.

Management has determined that platform development should be amortised over an estimated useful life of five years. This estimate is based on consultations with experienced professionals in the engineering team.

Additionally, for the year ended 31 December 2024, the Director was required to estimate the amount of Research and Development tax credit receivable for that year. This was achieved based on prior experience of such claims and the percentage that these claims formed of relevant payroll totals. Given the availability of the payroll information, and on preliminary discussions around the continuation of the platform development from the prior year, as well as new initiatives in the current year, the Director is able to estimate that the claim for the current year would likely be lower than the prior year as a result of the change in rates for R&D submissions implemented from 1 April 2023, with the impact that in 2024, the Company was subject to a full year at this lower rate. On that basis, the amount recognised in the current year is lower than the amount recognised in the prior year, and the director is confident that that amount is recoverable in full.

4 Adoption of new and revised standards and changes in accounting policies

New standards, interpretations and amendments adopted from 1 January 2024.

The following new standards and amendments are effective for the period beginning 1 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

None of these amendments had any impact on the company.

New and revised IFRSs in issue but not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates).

The following amendments are effective for the period beginning 1 January 2026: ·

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7); and
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The following amendments are effective for the period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements; and
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Group is currently assessing the impact of these new accounting standards and amendments.

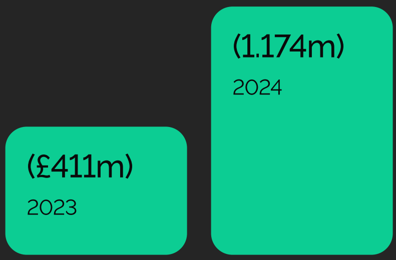
Other

The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Group.

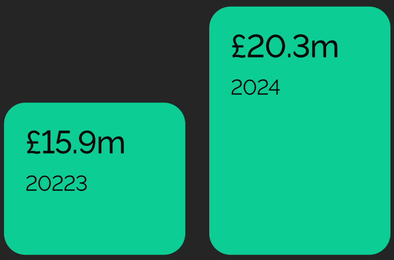
5 Revenue

Commission earned from betting activity on sporting and other events

Customer bonuses granted



Net revenue from betting activity on sporting and other events



£25m

Revenue 2024

£21m

Revenue 2023

	2024	2023
	£000	£000
Revenue analysed by class of business		
Commission arising from the provision of remote gaming services	5,712	5,543
Net revenue from betting activity on sporting and other events	20,292	15,865
Customer bonuses granted	(1,174)	(411)
	24,830	20,997

In 2024, 90% (£22,346k) of revenue was generated in Malta, 8% (£1,987k) of revenue was generated in the UK and 2% (£497k) from other jurisdictions. In 2023, 76% (£15,958k) of revenue was generated in Malta, 22% (£4,619k) of revenue was generated in the UK, with 2% (£420k) of revenue generated from other jurisdictions. This is based on licence registration and not where customers are based.

6 Other operating income

	2024	2023
	£000	£000
Inactive account fees	180	231
Other	21	11
	201	242

7 Operating profit

	2024	2023
	£000	£000
Included in operating profit for the year are the following:		
Exchange (gains)/losses	(170)	500
Depreciation of property, plant and equipment (note 15)	602	761
Amortisation of intangible fixed assets (note 14)	547	139
Share-based payments (note 26)	58	156
Reversal of provision (note 23)	9,780	-

8 Auditor's remuneration

	2024 £000	2023 £000
Fees payable to the Company's auditor and associates:		
For audit services		
Audit of the financial statements of the Group and Company	204	110
Audit of the financial statements of the Company's subsidiaries	54	126
	258	236
For other services		
Tax services	21	20

9 Employees

The average monthly number of persons (including the Director) employed by the Company during the year was:

2024

32
Business Operations

38
Software Engineers

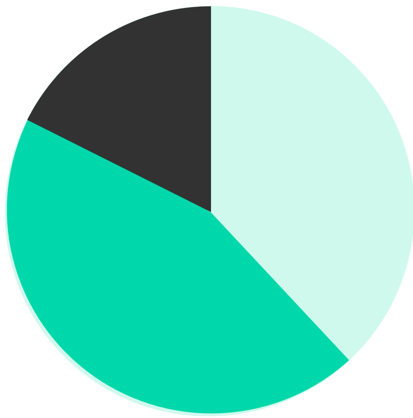
19
Management and Administration

2023

30
Business Operations

41
Software Engineers

20
Management and Administration



89
Total number of employees in 2024

91
Total number of employees in 2023

Their aggregate remuneration comprised:

	2024	2023
	£000	£000
Wages and salaries	6,036	7,311
Share based payments (note 26)	124	156
Social security costs	674	802
Pension costs	294	328
	7,128	8,597

10 Director's remuneration

The compensation of Jason Trost, the Chief Executive Officer of the Company, was as follows:

	2024	2023
	£000	£000
Remuneration for qualifying services	200	186
Social security costs	32	18
Company pension contributions to defined contribution schemes	22	5
Medical insurance	2	1
Executive Bonus	968	-
	1,224	210

The Company has a sole Director.

11 Finance income

	2024	2023
	£000	£000
Interest income from bank deposits	1,207	977

12 Finance expense

	2024	2023
	£000	£000
Interest on lease liabilities	34	65

13 Income tax

	2024	2023
	£000	£000
Current tax		
UK corporation tax on profits for the current period	(847)	(667)

The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2024	2023
	£000	£000
Profit/(loss) before taxation	16,312	1,999
Expected tax charge based on a corporation tax rate of 25.00% (2023: 23.52%):	4,078	470
Effect of expenses not deductible in determining taxable profit	(8)	48
Income not taxable	(303)	-
Unutilised tax losses carried forward	222	459
Change in unrecognised deferred tax assets	(279)	32
Permanent capital allowances in excess of depreciation	17	-
Research and development tax credit	(1,139)	(800)
Other	(2,269)	(987)
Effect of overseas tax rates	(1,166)	77
Foreign exchange differences	-	34
Taxation credit for the year	(847)	(667)

UK Corporation Tax was charged at 25.00% (25.00% effective from 1 April 2023). The effective rate in prior year was 23.52%.

Maltese income taxes are initially levied on Maltese tax resident companies at 35% of taxable income (2023 – 35%). The Group has formed an income tax grouping, encompassing all of the Maltese activities of the Group. As a result of this, as done previously, the reclaiming of tax credits on dividends paid within the grouping, no longer requires a separate process of reclaiming the six sevenths of the income taxes originally paid and tax liabilities are calculated and accounted for net of the reclaim amount.

Tax Receivable		
Research and development tax credits receivable	3,234	2,096

14 Intangible assets

	Patents & licences £000	Access intangibles £000	Platform Development £000	Total £000
Cost				
At 1 January 2023	41	2,067	-	2,108
Additions	-	-	2,168	2,168
At 31 December 2023	41	2,067	2,168	4,276
Additions	-	-	1,974	1,974
At 31 December 2024	41	2,067	4,142	6,250
Accumulated amortisation and impairment				
At 1 January 2023	36	2,067	-	2,103
Charge for the year	1	-	138	139
At 31 December 2023	37	2,067	138	2,242
Charge for the year	1	-	546	547
At 31 December 2024	38	2,067	684	2,789
Net book value				
At 31 December 2024	3	-	3,458	3,461
At 31 December 2023	4	-	2,030	2,034

15 Property, plant and equipment

	Leasehold land and buildings £000	Leasehold improvements £000	Fixtures and fittings £000	Computers £000	Total £000
Cost					
At 1 January 2023	5,563	688	351	594	7,196
Additions	-	-	-	9	9
Disposals	(1,137)	(21)	-	(95)	(1,253)
Foreign currency adjustments	5	-	(3)	7	9
At 31 December 2023	4,431	667	348	515	5,961
Additions	-	-	-	18	18
At 31 December 2024	4,431	667	348	533	5,979
Accumulated depreciation and impairment					
At 1 January 2023	4,035	480	311	412	5,238
Charge for the year	593	67	17	84	761
Disposal	(975)	(21)	-	(72)	(1,068)
Foreign currency adjustments	-	-	(1)	(2)	(3)
At 31 December 2023	3,653	526	327	422	4,928
Charge for the year	449	67	13	73	602
Foreign currency adjustments	-	-	-	(2)	(2)
At 31 December 2024	4,102	593	340	493	5,528
Carrying amount					
At 31 December 2024	329	74	8	40	451
At 31 December 2023	778	141	21	93	1,033

All Leasehold land and buildings are a right-of-use assets.

16 Subsidiaries

The investments in subsidiaries by the Group, the financial statements of which have been included in these consolidated financial statements at 31 December 2024, are as follows:

Name of undertaking	Address	Principal activities	Class of shares held	% Held Direct
1. Hanson Applied Sciences Limited	Malta	Sports trading	Ordinary Shares	100.00
2. Smarkets Holdings (Malta) Limited	Malta	Holding company	Ordinary Shares	100.00
3. Smarkets (Clients) Limited	United Kingdom	Customer funds trust	Ordinary Shares	100.00
4. Smarkets Holdings (USA) Inc.	United States	Holding company	Ordinary Shares	100.00
5. Smarkets (Malta) Limited	Malta	Operate remote gaming license	Ordinary Shares	100.00
6. Smarkets Inc.	United States	Software development	Ordinary Stock	100.00
7. Smarkets USA Op Co	United States	Operate remote gaming license	Ordinary Stock	100.00
8. OddsIndex Holdings, LLC	United States	Holding company	Ordinary Stock	100.00
9. OddsIndex, LLC	United States	Marketing	Ordinary Stock	100.00
10. Hanson Applied Sciences II Limited	Malta	Sports trading	Ordinary Shares	100.00

Registered office addresses (all UK unless otherwise indicated):

1, 3	7th floor Commodity Quay, St. Katharine Docks, London, E1W 1AZ, United Kingdom
2, 5	Level 7, The Hedge, Triq Ir-Rampa ta', San Giljan, St Julians, STJ 1062, Malta
6	527 W. 7th St., Suite 601, Los Angeles, CA 90014, United States
4, 7, 8, 9	251 Little Falls Drive, Wilmington, Delaware, 19808, United States
10	Level G (Office 1/0909), Quantum House 75 Abate Rigord Street, Ta Xbiex, XBX 1120, Malta

The activities of Smarkets (Malta) Limited are operated under a B2C Type 3 remote gaming licence granted by the Malta Gaming Authority, as well as licences granted by the UK Gambling Commission, the Irish Office of the Revenue Commissioners, and the Swedish Spelinspektionen.

Both Smarkets Holdings (USA) Inc. and Smarkets USA OpCo were incorporated in Delaware on 3 September 2019. On 6 September 2019, Smarkets Limited transferred its holding of common stock of Smarkets Inc. to Smarkets Holdings (USA) Inc. None of the subsidiary companies incorporated in the United States required an audit for the years ended 31 December 2024 and 2023.

On 27 February 2023, a new company, Hanson Applied Sciences II Limited was incorporated in Malta and is fully owned by Smarkets Holding (Malta) Limited. On 1 March 2023, the ownership of Hanson Applied Sciences Limited was transferred to the newly incorporated entity, Hanson Applied Sciences II Limited.

On 27 March 2023, the Company registered a branch of Smarkets Limited in Malta.

17 Trade and other receivables

	Current		Non-Current	
	2024	2023	2024	2023
	£000	£000	£000	£000
Trade receivables	1	3	-	-
VAT recoverable	146	156	-	-
Other receivables	151	379	765	1,115
Prepayments	644	408	-	-
	942	946	765	1,115

At 31 December 2024, there were no receivables that were past due nor considered to be impaired (2023 - £Nil).

The non-current asset represents a deposit that Smarkets holds with one of the payment providers as part of the contractual agreement.

18 Other financial assets and liabilities

	2024	2023
	£000	£000
Current assets		
Fair value of open betting positions	71	34
Current liability		
Fair value of open betting positions	(21)	(107)
	50	(73)

Open betting asset and liability positions are derivative transactions which are valued at fair value in the balance sheet. These fair values are calculated based upon the latest open market prices on the relevant underlying sporting or other events available at the close of business at the valuation date. The profit for the year ended 31 December 2024 on other financial assets and liabilities was £50,000 (2023 – Loss of £73,000).

19 Cash and cash equivalents

	2024	2023
	£000	£000
Cash at bank and with payment providers	32,044	30,085

20 Trade and other payables

	2024	2023
	£000	£000
Customer account liabilities	16,191	17,521
Trade payables	535	415
Accruals	2,670	1,063
Social security and other taxation	1	60
Other payables	3,074	3,875
Provision - see note 23	-	12,800
	22,471	35,734

21 Lease liabilities

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2024	2023
	£000	£000
Current liabilities	462	479
Non-current liabilities	-	445
	462	924

	2024	2023
	£000	£000
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	34	65

The borrowing rate implicit in the leases is 4.75% (2023 - 4.75%).

22 Other leasing information

Lease movements during the Financial Year

	2024
	£000
Opening balance	(924)
Interest charged	(34)
Payments	496
Closing balance	(462)

Set out below are the future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities:

	2024	2023
	£000	£000
Contractual undiscounted cash flows		
Within one year	(462)	(652)
Between two and five years		(457)
	(462)	(1,109)

On 4 September 2015, the Company entered into a 10-year lease for the 7th floor of Commodity Quay, St. Katharine Docks, London, E1W 1AZ. The lease commenced on 25 September 2015 with an annual rental of £570,000.

On 17 February 2021, Smarkets (Malta) Limited entered into a lease addendum for a 4-year lease, with a tenant exercisable break clause after 1 year, for office space on Level 7, The Hedge, Triq Ir-Rampa ta', San Giljan, St Julians, STJ 1062, Malta. The lease commenced on 15 February 2021 with an annual rental of €35,000 increasing by 3% on an annual basis. The lease expired on 14 February 2025 and is currently utilised on a rolling monthly basis.

On 18 November 2022, Hanson Applied Sciences Limited served notice on Level 1, The Hedge, Triq Ir-Rampa ta', San Giljan, St Julians, STJ 1062, Malta and vacated on 1 May 2023.

On 18 November 2022, Smarkets (Malta) Limited gave notice to terminate the lease for office space on Level 2, The Hedge, Triq Ir-Rampa ta', San Giljan, St Julians, STJ 1062, Malta and vacated the premises on 18 February 2023.

On 16 October 2023, the Company surrendered a lease for part of the 1st floor of Commodity Quay, St. Katharine Docks, London, E1W 1AZ.

The borrowing rate implicit in the leases is 4.75% (2023: 4.75%).

On 01 October 2021, Hanson Applied Science Limited entered into a 3-year and 8-month lease with a tenant exercisable break clause after 1 years, for office space on Level 1, The Hedge, Triq Ir-Rampa ta', San Giljan, St Julians, STJ 1062, Malta. The lease commenced on 1 February 2022 with an annual rental of EUR30,682. The borrowing rate implicit in the lease is 4.75%. On 18 November 2022, Hanson Applied Sciences Limited served notice on Level 1, The Hedge, Triq Ir-Rampa ta', San Giljan, St Julians, STJ 1062, Malta and vacated on 1 May 2023.

The lease liabilities are denominated in Euro and Euro interest rates have not varied sufficiently in the period from lease inception to 31 December 2022 for the fair value of the lease contracts to diverge materially from carrying value.

Information relating to lease liabilities is included in note 21.

23 Regulatory and other matters

Tax matter arising from prior years

Due to the Company's operations in one jurisdiction from 2012 to 2017, a potential tax liability was identified. During the year ending 31 December 2021, the Company provided all relevant information to the tax authority and recorded a provision of £12.8m (€14.4m).

In July 2024, the Company received an assessment from the tax authority, with a request for settlement of a tax liability of £12.8m (€14.4m).The Company strongly disputed the basis of this assessment and appealed a portion of it due to the statue of limitations. In August 2024, the Group made a payment of £3.0m (€3.5m) related to the assessed liability for the financial year 2017. The Group does not expect to challenge or expect the payment to be returned.

In April 2025, the Group received a fully favourable ruling from the competent tax court. Following this decision, the tax authority issued a formal revocation of its previous assessment, thereby settling the appeal. As a result, the remainder liability of £9.8m (€10.9m) was reversed in the current year.

24 Retirement benefit schemes

Defined contribution schemes

	2024	2023
	£000	£000
Charge to profit or loss in respect of defined contribution schemes	294	328

From 1 April 2016, the Company has operated a defined contribution pension plan for the benefit of qualifying UK based employees. During the year ending 31 December 2024, the Company matched employees' contribution up to 6%.

Also on 01 November 2021, the Group introduced a defined contribution pension plan for qualifying Maltese and US based employees.

The assets of the scheme are held separately from those of the Group in an independently administered fund.

25 Deferred taxation

Deferred tax assets and liabilities were attributable to the following:

	2024	2023
	£000	£000
Tax effected temporary timing differences		
Property, plant and equipment	(42)	(49)
Short term temporary differences	10	49
Net deferred tax	(32)	-
Movement recognised in income		
Property, plant and equipment	42	28
Short term temporary differences	(10)	16
Tax value of loss carry-forwards utilised	(32)	(44)
	-	-

Unused tax losses in the Group for which no deferred tax asset was recognised amounted to £35,505,069 (2023 - £36,082,022). The Group has not recognised a deferred tax asset due to the lack of sufficient evidence of future taxable profits, The utilisation of these losses is contingent upon the Group generating future taxable profits.

26 Share-based payments

The Company operated an employee share-based incentive scheme granting options to eligible employees of the Group during the year ended 31 December 2024.

The options grant the holder the right to acquire Ordinary shares in the Company and vest over a four-year period commencing from the employee's employment start date. The first 25% of the number of options granted vest after 1 year of service, and the remainder vest in equal monthly tranches over the following three years of service.

On 23 January 2024, the Company granted 1,734,652 replacement share options to employees at an exercise price of £1.75. These options were replacements for employees who agreed to surrender their previously issued options which had an exercise price of £5.59 and were subject to the same terms.

During the year ended 31 December 2024 holders exercised 1,000 options to receive 1,000 Ordinary shares.

The options issued under this scheme to UK resident employees have been issued under the Enterprise Management Initiative ('EMI') arrangements as the Company has met and continues to meet the qualifying criteria. These EMI arrangements provide tax advantages to the option holders.

	Number of share options	
	2024	**2023**
Outstanding at 1 January	2,262,652	2,523,336
Granted in the period	1,734,652	459,000
Exercised in the period	(1,000)	(6,510)
Cancelled in the year	(1,815,090)	-
Expired in the period	-	(713,174)
Outstanding at 31 December 2024	2,181,214	2,262,652
Exercisable at 31 December 2024	1,604,041	659,282

The options outstanding at 31 December 2024 had an exercise price ranging from £0.10 to £1.75 and a remaining weighted average contractual life of 8.8 years.

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) as determined using a Black-Scholes model. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the relevant vesting period based upon provision of service by the employees and an estimate of the number of share options that will eventually vest.

	2024	2023
Weighted average share price	£1.80	£1.75
Weighted average exercise price	£1.76	£1.75
Expected volatility	14.15%	14.4% - 14.9%
Expected option life	4.0 years	4.0 years
Weighted average contractual life of outstanding share options	8.8 years	8.8 years
Risk free rate	3.8%	
Expected dividend yield	0.00%	0.00%

Volatility for the options issued in 31 December 2024 was determined by reference to movements in the share prices of the FTSE 350 index for the previous 12 months adjusted for the increased risk of a private company.

The total expense recognised for the year and the total liabilities recognised at the end of the year arising from share-based payments was £58,000 for the year ended 31 December 2024 (2023 - £156,000).

The Director did not exercise any share options for the years ended 31 December 2024 and 2023.

27 Share premium account

	2024	2023
At the beginning of the year	27,817	27,816
Issue of new shares		1
At the end of the year	27,817	27,817

28 Share capital

	2024	2023	2024	2023
Ordinary share capital *Issued and fully paid*	**Number**	**Number**	**£000**	**£000**
Ordinary shares of 0.05p each	17,360,259	17,359,259	9	8

	2024	2023	2024	2023
Preference share capital *Issued and fully paid*	**Number**	**Number**	**£000**	**£000**
Series A of 0.05p each	7,514,680	7,514,680	4	4
Series B of 0.05p each	4,288,930	4,288,930	2	2
	11,803,610	11,803,610	6	6
Preference shares classified as equity			6	6
Total equity share capital			15	15

During the year ended 31 December 2024, 1,000 ordinary shares were issued as a result of the exercise of share options. In 2023 the Company issued 6,510 shares.

Classes of share

The Ordinary Shares, the Series A Preference Shares, and the Series B Preference Shares each constitute a separate class of shareholders of Ordinary Shares in the Company and, except as set out below, rank pari passu in all respects. All such shares confer equal rights to dividend payments and equal rights to vote at meetings of the Company on a show of hands, each holder of such shares having one vote. On a poll, each holder shall have one vote for each such share held.

The Series A Preference Shares and Series B Preference Shares are automatically converted into Ordinary Shares immediately upon the occurrence of a qualifying IPO otherwise they may be converted at the option of the holder at the issue price of the shares held. They are not redeemable for cash.

In the event of liquidation, dissolution or winding up of the Company, the deferred shareholders will receive £1 for the entire issue and the remaining proceeds shall be distributed among the holders of the Ordinary, Series A Preference Shares, and Series B Preference Shares pro rata to the number of shares held plus any arrears of dividend, provided that the amount of the distribution per share exceeds £15.54. Below this threshold amount, holders of the Series A Preference shares will receive an amount of up to £0.3108 per share and the holders of the Series B Preference shares will receive an amount of up to £5.59 per share. Any remaining proceeds, if any, will then be distributed among the holders of the Ordinary Series A Preference Shares, and Series B Preference Shares pro rata to the number of shares held plus any arrears of dividend.

Dividends

No dividends were paid during the year or the preceding year. No dividends have been proposed by the Director.

29 Financial Instruments

Fair values of financial instruments

Financial assets and liabilities of the Group comprise trade and other receivables, cash and cash equivalents and other betting related financial assets and liabilities including open betting transactions and amounts owing to customers.

The fair values of all financial assets and financial liabilities together with their carrying amounts shown in the balance sheet are as follows:

	Carrying amount 2024	Fair Value 2024	Carrying amount 2023	Fair Value 2023
Trade and other receivables (note 17)	942	942	946	946
Cash and cash equivalents (note 19)	32,044	32,044	30,085	30,085
Other financial assets (note 18)	71	71	34	34
Total Financial assets	33,057	33,057	31,065	31,065
Trade and other payables (note 20)	(22,471)	(22,471)	(35,734)	(35,734)
Other financial liabilities (note 18)	(21)	(21)	(107)	(107)
Non-current liabilities (note 21)	-	-	(445)	(412)
Total Financial liabilities	(22,492)	(22,492)	(36,286)	(36,253)
Net Financial assets	10,565	10,565	5,221	5,188

The carrying value of open betting transactions equates to fair value as such transactions are accounted for as derivatives. Non-current liabilities comprise lease liabilities (note 21) for which fair value has been calculated using a discounted cashflow model. For all other financial assets and liabilities, carrying value approximates to fair value because of their short-term nature.

Open betting asset and liability transactions are derivative positions which are valued at fair value in the balance sheet. These fair values are calculated based upon the latest open market prices on the relevant underlying sporting or other events available at the close of business at the valuation date. As such, the valuation method used falls into Level 2 of the standard financial instruments fair value hierarchy, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The financial instrument credit risk of the Group arises principally from the Group's receivables from other betting businesses. Customers of the Group are required to deposit monies with the Group sufficient to cover any exposure arising from betting transactions that they then proceed to undertake and, as such, no credit risk arises from such activities.

The exposure to credit risk of other betting businesses comprises deposits made with such businesses so that the Group can undertake betting transactions. These funds, classified as other debtors, may be withdrawn at will to the extent that the amount exceeds the exposure created by open betting transactions entered into with the particular counterparty. As most betting activity occurs on the day of the event to which the transaction relates, the amount of outstanding transactions at the end of any trading day tends to be small.

The credit risk arising from deposits with other betting businesses is best represented by their balance sheet carrying value which at 31 December 2024 amounted to £271,000 (2023 - £234,000).

No impairment losses have been recognised against such assets.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's approach to managing liquidity is to ensure, to the extent practicable, that there will always be sufficient liquid resources to meet any liabilities or other contractual obligations as they fall due.

The betting transactions of the Group are to a very large extent of a short-term nature, much of it occurring on the day of the sporting or other event to which the transactions relate. As such, the Group is well able to monitor its potential liquidity risks and take action accordingly if those risks become exacerbated by stressed conditions.

Further, as customers of the Group are required to deposit monies with the Group sufficient to cover any exposure arising from betting transactions that they then proceed to undertake, and these customer assets are held in segregated cash accounts, the risk of failing to meet the obligations arising on the customer transactions is minimised.

The Group has no outstanding borrowings, nor financial liabilities for which the contractual maturity extends beyond one year.

Market Risk

Market risk is the risk that changes in market prices, such as betting prices, foreign exchange rates, and interest rates, will affect the Group's income or the value of its holdings of financial instruments.

Betting position risk

The Group monitors its price risks to open events on an ongoing basis.

Open betting positions on individual events tend to remain limited until the day of the sporting or other event concerned but can then expand rapidly, in the immediate period before the event takes place. When positions arise that exceed the risk appetite of the Risk Manager, hedging transactions are undertaken with other betting businesses to mitigate the exposure.

Management of the Group actively discusses the extent of risk to be taken and also monitors the performance of the risk taking and hedging activities on a daily basis.

Interest rate risk

Subsequent to the period covered by these financial statements, central banks across the world began to raise interest rates to address inflation. The Group has no borrowings nor other financial instruments linked to interest rates and, as such, is only affected to a limited extent by these rises through interest earned on customer deposits invested with financial institutions. The effect of this is slightly positive to profit and loss. Similarly, the effect of interest rate benchmark reforms is of only marginal impact to the Group.

Foreign currency risk

The Group is exposed to foreign currency risk primarily from

- Commissions earned from betting transaction activity where the customer has a settlement currency other than GBP.

- Expenses incurred in operations in jurisdictions in which the local currency is not GBP. In particular, the Group incurs expenses in EUR in connection with the operation of the betting exchange in Malta.

Assets deposited by customers are retained in the currencies in which they were deposited so mitigating the outstanding liabilities to the customers. All betting risk is monitored, and settlements are calculated, in GBP.

At 31 December 2024, the Group's exposure to foreign currency risk was as follows. This is based on the carrying amount for monetary financial instruments.

31 December 2024	GBP	EUR	USD	Other	Total
	£000	£000	£000	£000	£000
Other financial assets	71	-	-	-	71
Trade and other receivables	915	3	24	-	942
Cash and cash equivalents	29,830	408	1,201	605	32,044
Other financial liabilities	(21)	-	-	-	(21)
Trade and other payables	(20,371)	(1,118)	(739)	(243)	(22,471)
	10,424	(707)	486	362	10,565

31 December 2023	GBP	EUR	USD	Other	Total
	£000	£000	£000	£000	£000
Other financial assets	34	-	-	-	34
Trade and other receivables	872	70	4	-	946
Cash and cash equivalents	27,524	1,023	1,161	377	30,085
Non-current liabilities	(427)	(18)	-	-	(445)
Other financial liabilities	(107)	-	-	-	(107)
Trade and other payables	(25,153)	(1,487)	(1,498)	(261)	(28,399)
	2,743	(412)	(333)	116	2,114

A 10% weakening of GBP against all other currencies at 31 December 2024 would have decreased equity and profit and loss by £16,000 (2023 – decrease of £82,000). This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date and assumes that all other variables and other exchange rates remain constant.

A 10% strengthening of GBP against all other currencies at 31 December 2024 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.

Capital management

The capital structure of the Group consists of the equity attributable to equity holders of the Company comprising Capital and Reserves and Retained Earnings. The Group finances its operations through generation of retained earnings and management of the cash and cash equivalent balances and has sufficient capital to meet its regulatory and operational needs.

The Director has prepared forecasts of future profitability, cash flow and capital adequacy of the Group for the period up to 31 December 2026 incorporating the modelling of scenarios including flat SBK revenues, stable exchange trading volumes, inflationary pressure on costs, increased international marketing expenditure, and rising payroll costs.

As a result, the Director has no expectation that under any reasonable scenario, that the financing of the Company and of the Group would be insufficient to fully finance its operations with adequate contingency available for unexpected events for the foreseeable future.

Dividends

Management do not propose any dividends or other distributions for the year ended 31 December 2024 (2023 - £Nil).

30 Segmental Reporting

Management has determined that the Group has a single operating segment and makes strategic decisions based on the performance of the business as a whole.

Accordingly, no separate segment information is presented in these financial statements.

31 Events after the reporting date

In April 2025, the Group received a fully favourable ruling from the competent tax court regarding a tax provision (see note 23).

In August 2025, new US entities were incorporated in anticipation of re-entering the United States market. Apart from this no other matters or regulatory events arose.

32 Ultimate parent company

The Company is the ultimate parent company of the Group. There is no one ultimate controlling party.

33 Related parties

All related parties are within the Group and included as part of the consolidation.

At 31 December 2024 the Director of the Company and his immediate relatives controlled 23.0 per cent of the voting shares of the Company (2023 – 23.0 per cent). Details of the Director's remuneration are disclosed in note 10.

Company statement of financial position

as at 31 december 2024

	Notes	2024 £000	2023 £000
Non-current assets			
Intangible assets	38	3,461	2,033
Property, plant and equipment	40	433	969
Investments	39	61	56
		3,955	3,058
Current assets			
Trade and other receivables	41	522	3,635
Tax recoverable		3,234	2,096
Cash at bank and in hand		1,518	916
		5,274	6,647
Current liabilities			
Trade and other payables	43	11,554	5,497
Lease liabilities	42	430	393
		11,984	5,890
Net current (liabilities)/assets		(6,710)	757
Non-current liabilities			
Lease liabilities	42		427
Net (liabilities)/assets	42	(2,755)	3,388

	Notes	2023 £000	2022 £000
Equity			
Called up share capital	45	15	15
Share premium account		27,817	27,817
Capital redemption reserve		3	3
Retained earnings		(30,590)	(24,447)
Total equity		(2,755)	3,388

The notes on pages 40 - 107 form an integral part of these financial statements.

The financial statements were approved and signed by the Director and authorised for issue on:23 / 09 / 2025.

On behalf of the board

Director

Company Registration No. 06475845

Company statement of changes in equity

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Retained earnings £000	Total £000
Balance at 1 January 2023		15	27,816	3	(24,769)	3,065
Year ended 31 December 2023:						
Profit and total comprehensive income for the year					170	166
Issue of share capital	45		1			1
Share based payments					152	155
Balance at 31 December 2023		15	27,817	3	(24,447)	3,388
Year ended 31 December 2024:						
Loss and total comprehensive income for the year					(6,197)	(6,197)
Share based payment transactions					54	54
Balance at 31 December 2024		15	27,817	3	(30,590)	(2,755)

The notes on pages 40 - 107 form an integral part of these financial statements.

Notes to the company financial statements

34 Accounting policies

Company information

The following accounting policies below have, unless otherwise stated, been applied consistently in dealing with items which are considered material in relation to the financial statements.

34.1 Accounting convention

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 and UK adopted IFRSs, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements have been prepared on a going concern basis. For full details of the going concern assessment performed by the Director please see note 2.3 to the Consolidated Financial Statements.

Under section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account. The Company's loss for the financial year was £6.3m (2023 – profit of £170,000).

The financial statements are prepared in Pound Sterling, which is the functional currency of the company.

The company applies accounting policies consistent with those applied by the group. To the extent that an accounting policy is relevant to both group and parent company financial statements, please refer to the group financial statements for disclosure of the relevant accounting policy.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related disclosures
- Disclosures in respect of transactions with wholly owned subsidiaries
- Disclosures in respect of capital management
- Disclosures of key personnel compensations
- The effects of new but not yet effective IFRSs.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The preparation of financial statements in conformity with FRS 101 requires management to exercise its judgement in the process of applying the Company's accounting policies. However, the Director has not had to make any judgements resulting in a material financial impact on the financial statements as a result of the application of these accounting policies.

The financial statements have been prepared prepared under the historical cost convention. The principal accounting policies adopted are set out below.

34.2 Going concern

The financial statements have been prepared on a going concern basis. For full details of the going concern assessment performed by the Director please see note 2.3 to the Consolidated Financial Statements.

34.3 Foreign Currency

Transactions in foreign currencies are translated to the Company's functional currency of United Kingdom Pounds Sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the income statement.

34.4 Intangible fixed assets and amortisation

Externally acquired intangible assets

All intangible assets acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of the intangible assets.

The estimated useful lives are as follows:

Access intangibles	Contractual period of the market access rights granted
Other intangibles	3 years

Amortisation methods, useful lives and residual values are reviewed at each balance sheet date.

Internally generated intangible assets (development costs)

Platform development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale;
- The intention to complete the software and use or sell it;
- The ability to use the software or sell it;
- The software will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software; and
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is provided on intangible assets to write-off the cost, less any estimated residual value, over their expected useful economic life, using the straight-line method. Amortisation is included within administrative expenses.

Intangible assets are amortised over the following useful economic lives:

Smarkets Platform	5 years

34.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets are recognised and measured as described in note 34.7.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Leasehold property	Life of the lease
Leasehold improvements	10 years or the remaining life of the lease, if shorter
Computer equipment	3 years
Fixtures and fittings, including office equipment	5 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

34.6 Investments in subsidiaries

Investments in subsidiaries are recognised at cost less any provision for impairment.

34.7 Leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the Group accounts for each lease component separately from the non-lease components. The Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

34.8 Employee benefits

Defined contribution pension plans

A defined contribution pension plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment transactions in which the Group receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the Group's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is re-measured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss.

Where the Company grants options over its own shares to the employees of its subsidiaries it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity.

34.9 Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

34.10 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

34.11 Revenue

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.The Company has applied the five-step model set out in IFRS 15, Revenue from Contracts with Customers in order to determine the revenues to be recognised, the five steps being: Identify the contract, Identify the performance obligations in the contract, Determine the transaction price, Allocate the transaction price to the performance obligations in the contract, and Recognise the revenue when the entity satisfies the performance obligation.The Company enters into two forms of contract with other Group companies, as follows:

- To grant intellectual property rights to exclusive use of software owned and developed by the Company. The contract transaction price is based on a percentage of revenues generated by the counterparty on a monthly basis, the percentage having been determined by comparison with available market information.

- To commit to provide specified management services, including software development and support services. The contract sets out the specific service obligations as well as the transaction price which is determined and charged on a monthly basis.

For both types of contract, the whole transaction price is recognised as revenue by the Company at the end of each month, at which point the Company has fulfilled its performance obligation to provide either exclusive use of the software or the specified services for that period.

34.12 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

The Company incurs research and development expense for which it is entitled to UK Corporation Tax relief on eligible expenditure enhanced in accordance with the rules of the scheme. Historically, the Company has calculated the amounts reclaimable and booked the associated tax receivable at the time of submission. During the year ended 31 December 2020, this policy was amended so that the tax receivables arising are accrued in the year to which they relate.

When losses made by Group companies are surrendered to other Group companies by way of Group Relief, payment is made by the receiving company for the tax effect of those losses.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

35 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the Group's accounting policies, may require the Director to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. Estimates and underlying assumptions used are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, the Director was required to estimate the amount of a potential tax liability, discussed in note 23, by consulting with legal advisors and making judgements based on that feedback. This estimate has been made based on the information available at the date of approving the financial statements, and the actual amount that may be settled in future could be materially more or less than this amount.

For the year ended 31 December 2023, the lease liabilities were measured using an incremental borrowing rate of 4.75%, which was estimated based on management's assessment of market borrowing rates for companies with similar credit risk profiles, adjusted for the lease term and economic environment. No new lease agreements were entered into during the current financial year; accordingly, determination of a new incremental borrowing rate was not necessary.

Management has determined that platform development should be amortised over an estimated useful life of five years. This estimate is based on consultations with experienced professionals in the engineering team.

Additionally, for the year ended 31 December 2024, the Director was required to estimate the amount of Research and Development tax credit receivable for that year. This was achieved based on prior experience of such claims and the percentage that these claims formed of relevant payroll totals. Given the availability of the payroll information, and on preliminary discussions around the continuation of the platform development from the prior year, as well as new initiatives in the current year, the Director is able to estimate that the claim for the current year would likely be lower than the prior year as a result of the change in rates for R&D submissions implemented from 1 April 2023, with the impact that in 2024, the Company was subject to a full year at this lower rate. On that basis, the amount recognised in the current year is lower than the amount recognised in the prior year, and the director is confident that that amount is recoverable in full.

36 Adoption of new and revised standards and accounting policies

New standards, interpretations and amendments adopted from 1 January 2024.

The following new standards and amendments are effective for the period beginning 1 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

None of these amendments had any impact on the company.

New and revised IFRSs in issue but not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates).

The following amendments are effective for the period beginning 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7); and
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The following amendments are effective for the period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements; and
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Company is currently assessing the impact of these new accounting standards and amendments.

Other

37 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2024 Number £000	2023 Number £000
Software Engineers	41	40
Business Operations	8	23
Management and Administration	14	28
Total	63	91

Their aggregate remuneration comprised:

	2024 Number £000	2023 Number £000
Wages and salaries	4,708	6,081
Social security costs	596	725
Pension costs	254	286
	5,558	7,092

38 Intangible assets

	Patents & licences £000	Platform Development £000	Total £000
Cost			
At 1 January 2023	41	-	41
Additions	-	2,168	2,168
At 31 December 2023	41	2,168	2,209
Additions - purchased	-	1,974	1,974
At 31 December 2024	41	4,142	4,183
Amortisation and impairment			
At 1 January 2023	36	-	36
Charge for the year	1	138	139
At 31 December 2023	37	138	175
Charge for the year	1	546	547
At 31 December 2024	38	684	722
Carrying amount			
At 31 December 2024	3	3,458	3,461
At 31 December 2023	4	2,030	2,034

39 Investments

	Current		Non-current	
	2024	2023	2024	2023
	£000	£000	£000	£000
Investments in subsidiaries	-	-	61	56

Fair value of financial assets carried at amortised cost

In 2023, Smarkets Limited assigned its intercompany receivables from its US subsidiaries to Smarkets Holdings (USA) Inc.. These debts were contributed to Smarkets Holdings (USA) Inc. as additional paid in capital, totalling £14m.

In line with its full provision against the intercompany receivables from its US subsidiaries in the prior year,

Management made a provision in full against its investment in Smarkets Holdings (USA) Inc.

The director considers that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Investment in subsidiary undertakings

Details of the Company's principal operating subsidiaries are included in note 16.

40 Property, plant and equipment

	Leasehold land and buildings	Leasehold improvements	Fixtures and fittings	Computers	Total
	£000	£000	£000	£000	£000
Cost					
At 1 January 2023	5,077	667	270	505	6,519
Disposals	(885)	-	-	(81)	(966)
At 31 December 2023	4,192	667	270	424	5,553
Additions	-	-	-	17	17
At 31 December 2024	4,192	667	270	441	5,570
Accumulated depreciation and impairment					
At 1 January 2023	3,629	459	243	345	4,676
Charge for the year	552	66	12	69	699
Disposals	(723)	-	-	(68)	(791)
At 31 December 2023	3,458	525	255	346	4,584
Charge for the year	419	66	10	58	553
At 31 December 2024	3,877	591	265	404	5,137
Carrying amount					
At 31 December 2024	315	76	5	37	433
At 31 December 2023	734	142	15	78	969

All Leasehold land and buildings are right-of-use assets.

41 Trade and other receivables

	2024	2023
	£000	£000
Income and other taxes recoverable	146	156
Amounts owed by subsidiary undertakings	47	3,280
Other receivables	123	
Prepayments	206	199
	522	3,635

In reviewing the carrying amounts of debtors due within 1 year and due after more than 1 year, management decided to book a full provision against the intercompany receivable balances associated with the subsidiary Smarkets (Malta) Limited totalling £38.9m (2023 - £30.8m).

42 Lease liabilities

	2024 £000	2023 £000
Maturity analysis		
Within one year	430	393
In two to five years	-	427
Total undiscounted liabilities	430	820

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date.

On 4 September 2015, the Company entered into a 10-year lease, with a tenant exercisable break clause after 7 years, for the 7th floor of Commodity Quay, St. Katharine Docks, London, E1W 1AZ. The lease commenced on 25 September 2015 with an annual rental of £570,000.

On 16 October 2023, the Company surrendered a lease for part of the 1st floor of Commodity Quay, St. Katharine Docks, London, E1W 1AZ.

The borrowing rate implicit in the leases is 4.75% (2023: 4.75%).

43 Trade and other payables

	2024 £000	2023 £000
Trade payables	201	253
Amounts owed to group undertakings	9,190	4,527
Accruals	2,023	583
Social security and other taxation	-	41
Other payables	140	93
	11,554	5,497

44 Deferred taxation

Deferred tax assets and liabilities were attributable to the following:

	2024 £000	2023 £000
Tax effected temporary timing differences		
Property, plant and equipment	42	49
Short term temporary differences	(10)	(49)
Tax value of loss carry-forwards	-	-
Net deferred tax	32	-
Movement recognised in income		
Property, plant and equipment	(42)	(28)
Short term temporary differences	10	(16)
Tax value of loss carry-forwards utilised	32	44
	-	-

Unused tax losses in the Company for which no deferred tax assets was recognised amounted to £25,761,770 (2023 - £27,049,367).

45 Share capital

Refer to note 28 of the group financial statements.

46 Subsequent events

Other than the matters discussed in note 23 with regards to the payment made in relation to the tax liability, no other matters arose in the period from the balance sheet up to the date of approval of these financial statements that require further disclosure.

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