GAMING REALMS
PLAYING A NEW GAME

A platform **for growth**

Annual Report
& Accounts **2023**

Gaming Realms is an international developer, publisher and licensor of mobile games, building a portfolio of highly popular gaming content and brands.

Through its unique IP and brands, Gaming Realms is bringing together media, entertainment and gaming assets in new game formats. The Gaming Realms management team includes accomplished entrepreneurs and experienced executives from a wide range of leading gaming and media companies.

Strategic Report

Highlights	1
At a Glance	2
Executive Chairman's Statement	4
Chief Executive's Review	6
Financial Review	8
Engaging with Stakeholders	12
Principal Risks and Uncertainties	14

Corporate Governance

Board and Executive Management	16
Directors' Report	18
Statement of Directors' Responsibilities	19
Corporate Governance	20

Financial Statements

Independent Auditor's Report	24
Consolidated Statement of Comprehensive Income	30
Consolidated Statement of Financial Position	31
Consolidated Statement of Cash Flows	32
Consolidated Statement of Changes in Equity	33
Notes to the Consolidated Financial Statements	34
Parent Company Statement of Financial Position	63
Parent Company Statement of Changes in Equity	64
Notes to the Parent Company Financial Statements	65
Company Information	68

2023 Financial Highlights:

Revenue

increased by 26% to £23.4m (2022: £18.7m)

£23.4m +26%

2023 £23.4m
2022 £18.7m

Licensing revenue increased by 33% to £19.9m (2022: £14.9m)

2023 £19.9m
2022 £14.9m

Social publishing revenue fell by 5% to £3.5m (2022: £3.7m)

2023 £3.5m
2022 £3.7m

Adjusted EBITDA[1]

increased by 29% to £10.1m (2022: £7.8m)

£10.1m +29%

2023 £10.1m
2022 £7.8m

[1] EBITDA is profit before interest, tax, depreciation and amortisation and is a non-GAAP measure. The Group uses EBITDA and Adjusted EBITDA to comment on its financial performance. Adjusted EBITDA is EBITDA excluding share option and related charges and adjusting items, which are significant, non-recurring items outside the scope of the Group's ordinary activities. Adjusting items include management restructuring costs in the year. See Note 5 for further details.

EBITDA

of £9.2m (2022: £7.4m)

£9.2m +24%

2023 £9.2m
2022 £7.4m

Licensing segment generated £11.3m EBITDA (2022: £8.0m)

2023 £11.3m
2022 £8.0m

Social publishing segment generated £0.8m EBITDA (2022: £1.5m)

2023 £0.8m
2022 £1.5m

Head office costs were £2.9m (2022: £2.0m) and excluding share option and related charges were £2.4m (2022: £1.8m)

2023 £2.9m
2022 £2.0m

Profit before tax for the year

increased by 47% to £5.2m (2022: £3.5m)

£5.2m +47%

2023 £5.2m
2022 £3.5m

Year-end cash balance

increased to £7.5m (2022: £2.9m), with the Group remaining debt free

£7.5m +155%

2023 £7.5m
2022 £2.9m

2023 Operational Highlights:

Portfolio of proprietary games on the Group's remote game server ("RGS") grew to 75 (2022: 65)

Granted iGaming Supplier Licenses in West Virginia, Sweden and Greece

Launched in the regulated market in Portugal

Launched with 44 new partners for Slingo Originals content including Bet 365, Betclic, OLG (Provincial Lottery in Ontario) and PENN Entertainment in New Jersey, Michigan and Pennsylvania

Signed licensing deals with Tetris, Relax Gaming for Money Train and WMG for Fowl Play, a leading slot game in the Italian market

Increased unique players in content licensing business by 24%

Launched Slingo Space Invaders and Tetris Slingo, collaborating with two iconic games brands

Gained ISO27001 certification, an internationally recognised standard for managing information security

Continued investment in our proprietary RGS platform with the launch of free rounds product

Grew the 4ThePlayer library of games distributed on our network to 7 (2022: 3)

At a Glance

As the creator of a variety of Slingo™, bingo, slots and other casual games, we use our proprietary content to create a "Slingo" genre of games for our partners internationally. Gaming Realms has partnered with some of the most successful and popular global platforms and operators.

Innovation
Gaming Realms develops, publishes and licenses mobile gaming content.

Integrated Game Development, Licensing and Publishing

Game development

2 Mobile Games Studios
- London, United Kingdom
- Victoria, Canada

Brand licensing

IP Licensor
- North American Lottery Printed Scratch Games – Scientific Games
- Multi-player Bingo - Entain
- Global Lottery Mobile Instant Games – IWG
- Social Slot Games – Zynga Inc.

Game licensing

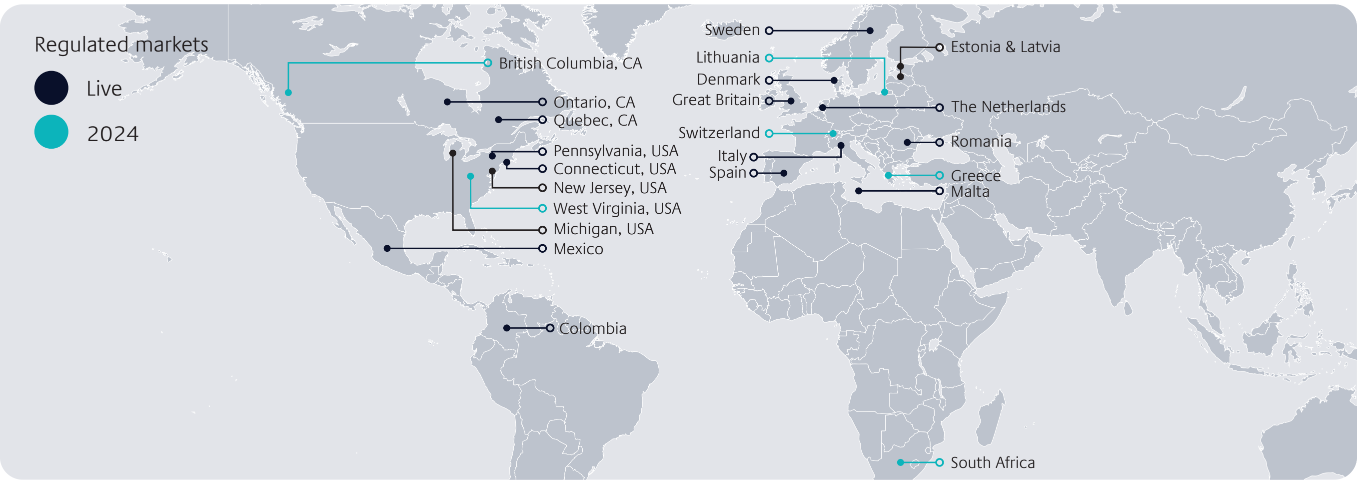
- iGaming Library – US, UK and EU
  - **US** – BetMGM, DraftKings, RSi, Golden Nugget, Betfair/Fanduel, Caesars Interactive, Resorts, Hardrock, Ocean Resorts, Bally's, Boyd Interactive, Pokerstars and PlayStar
  - **Europe** – Bally's, Entain, Sky Betting & Gaming, Paddy Power Betfair, 888, Skill On Net, Rank, 32 Red, William Hill, Kindred, Buzz Bingo, Jumpman, Mr Q, Whitehat, Leo Vegas, Betsson, Pokerstars, Betway, Bet365, Sisal, Goldbet, Lottomatica, Snaitech, Betclic, Superbet

Brand partnerships

- Banijay - Deal or No Deal
- Fremantle - Britain's Got Talent, The X Factor, The Price Is Right
- Sony – Who Wants to Be a Millionaire
- Scientific Games – Rainbow Riches
- Inspired Entertainment – Centurion, Reel King
- NetEnt – Starburst
- King Show Games – Lucky Larry Lobstermania, Stinkin' Rich, Hot Roll
- Playtech – Fluffy Favourites
- Everi – Shark Week
- IGT – Da Vinci Diamonds, Cleopatra
- Pragmatic Play – Sweet Bonanza
- Warner Discovery – Deadliest Catch
- Tetris – Tetris
- Relax Gaming – Money Train
- WMG – Fowl Play
- Taito – Space Invaders

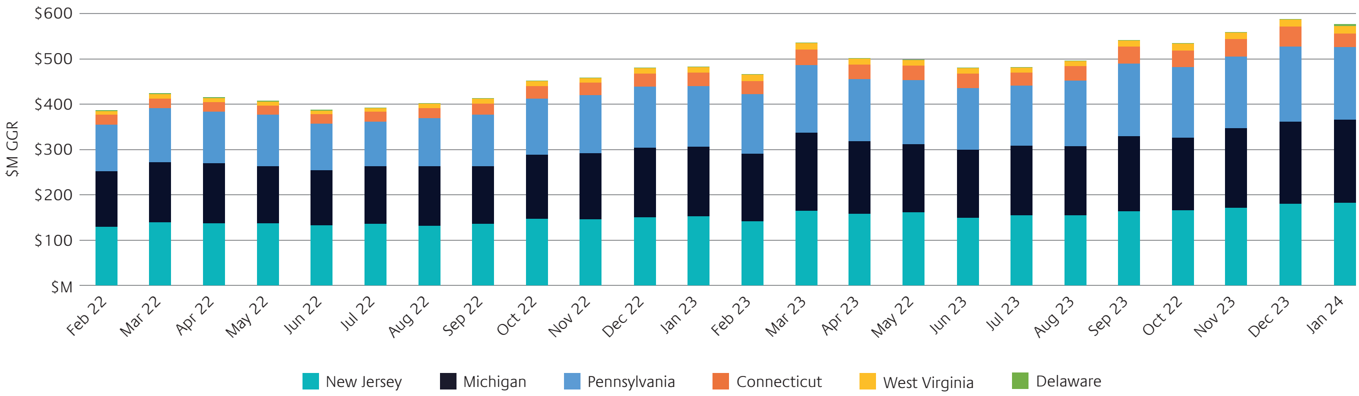
Growing international partners

International growth in regulated markets



Growing US iGaming Market

We are focusing on the growing North American market.



Source: Vixio Gambling Compliance: State gaming commissions report – Jan 2024

Key focus areas

Original Game Content & IP Development

We build original content from our London and Vancouver Island game studios incorporating social meta games and real money mechanics with Slingo and other well-known brands.

Advanced Mobile Gaming Platform

We have invested significantly in our Remote Gaming Server ("RGS"), which hosts and distributes our game portfolio. The scalable platform facilitates future growth through existing infrastructure for new games and distribution.

Data and Algorithmic Optimisation

"It's all about the data" – we put the customer first, developing engaging content and using data to enhance the development feedback loop.

Strategic Partners and Licensing

Partners include Banijay, Zynga, IWG, Inspired Entertainment, IGT, King Show Games and Scientific Games.

Not only do we leverage our own IP across multiple brands, but we also license Slingo into markets adjacent to the Group's core mobile gaming business.

Highly Experienced Team

As we have transitioned our core focus to the licensing business, we have built up a high-quality management team of sector specialists to drive the implementation of our strategy.

Responsible Gambling

Gaming Realms is committed to providing an environment for customers to play responsibly and securely. Since commencing operations, we have had measures in place to encourage responsible play – to keep it fun – and have provided tools to help keep customers' gaming and spending within their control.

In addition, we fund research, education and treatment of problem gambling through donations to GambleAware.

We always ensure that Responsible Gambling is at the heart of our game design process and have built a tool for both our partners and players to set their own limits on stakes and features within games. We only contract with licenced partners, ensuring that the players are given a high level of protection through these operators. As our games are certified in highly regulated markets such as the US, UK and Sweden, the standards we have to provide for our games and RGS systems in terms of player protection are already set to an incredibly high level.

Executive Chairman’s Statement

The Company continues to deliver on its proven strategy

↑ 29%

£10.1m
Adjusted EBITDA
(2022: £7.8m)

As we reflect on another record year, it is with a sense of achievement and optimism that I present the Chairman’s Statement for Gaming Realms for the year ended 31 December 2023. Despite the challenges posed by a dynamic market environment, our Company has demonstrated resilience, innovation, and strategic foresight, cementing our position as a leading games studio in the international regulated igaming market. During the year, our platform handled wagering of £5.5bn vs £4.7bn in the prior year.

Financial Performance Highlights

In 2023, Gaming Realms achieved significant financial milestones, reflecting our commitment to delivering sustainable growth and shareholder value. Our revenue saw an impressive increase of 26% to £23.4m (2022: £18.7m), driven by strategic expansion, innovative product launches, and engagement with our partners. Adjusted EBITDA improved markedly to £10.1m (2022: £7.8m), up 29% from the previous year, highlighting our operational efficiencies and prudent cost management.

Profit before tax reached £5.2m, a testament to our robust business model and the effectiveness of our strategic initiatives. Our balance sheet remains strong, with a healthy cash position of £7.5m (2022: £2.9m) and no debt, ensuring that we are well-placed to pursue future growth opportunities and navigate any market uncertainties.

Strategic Achievements

2023 was a year of strategic advancement for Gaming Realms. We expanded our footprint in key markets and launched new gaming titles that have been met with enthusiasm by players globally. Our focus on new engaging mechanics for our Slingo category of games has allowed us to capture new segments of the market and drive user engagement to unprecedented levels.

Partnerships have been central to our strategy, and this year we have forged significant collaborations with industry leaders, expanding our distribution channels and enhancing our product offerings. This has allowed us to grow in all our key markets. Our commitment to responsible gaming and sustainability has also been a priority, as we continue to invest in technology and initiatives that promote a safe and ethical gaming environment.

Looking Back

2023 completed five years of remarkable progress for Gaming Realms, with an adjusted 2019 EBITDA loss of £0.3m improving annually to an adjusted EBITDA surplus of £10.1m in 2023. This is principally as a result of the 48% compound growth rate in our licensing revenue, a growth from £4.1m in 2019 to £19.9m in 2023.

“We expanded our footprint in key markets and launched new gaming titles that have been met with enthusiasm by players globally.”

Michael Buckley
Executive Chairman

Looking Ahead

As we look to the future, Gaming Realms is positioned for continued success. The investments we have made in technology, talent, and market expansion set a solid foundation for growth. We remain committed to innovation, with several exciting new products in the pipeline that promise to redefine the gaming experience for our users.

Our strategic focus for the coming year will be on expanding our international presence, while growing in our existing markets, as well as delivering an innovative Slingo roadmap. We will also continue to prioritise our social responsibilities, ensuring that we contribute positively to the communities we serve.

Acknowledgements

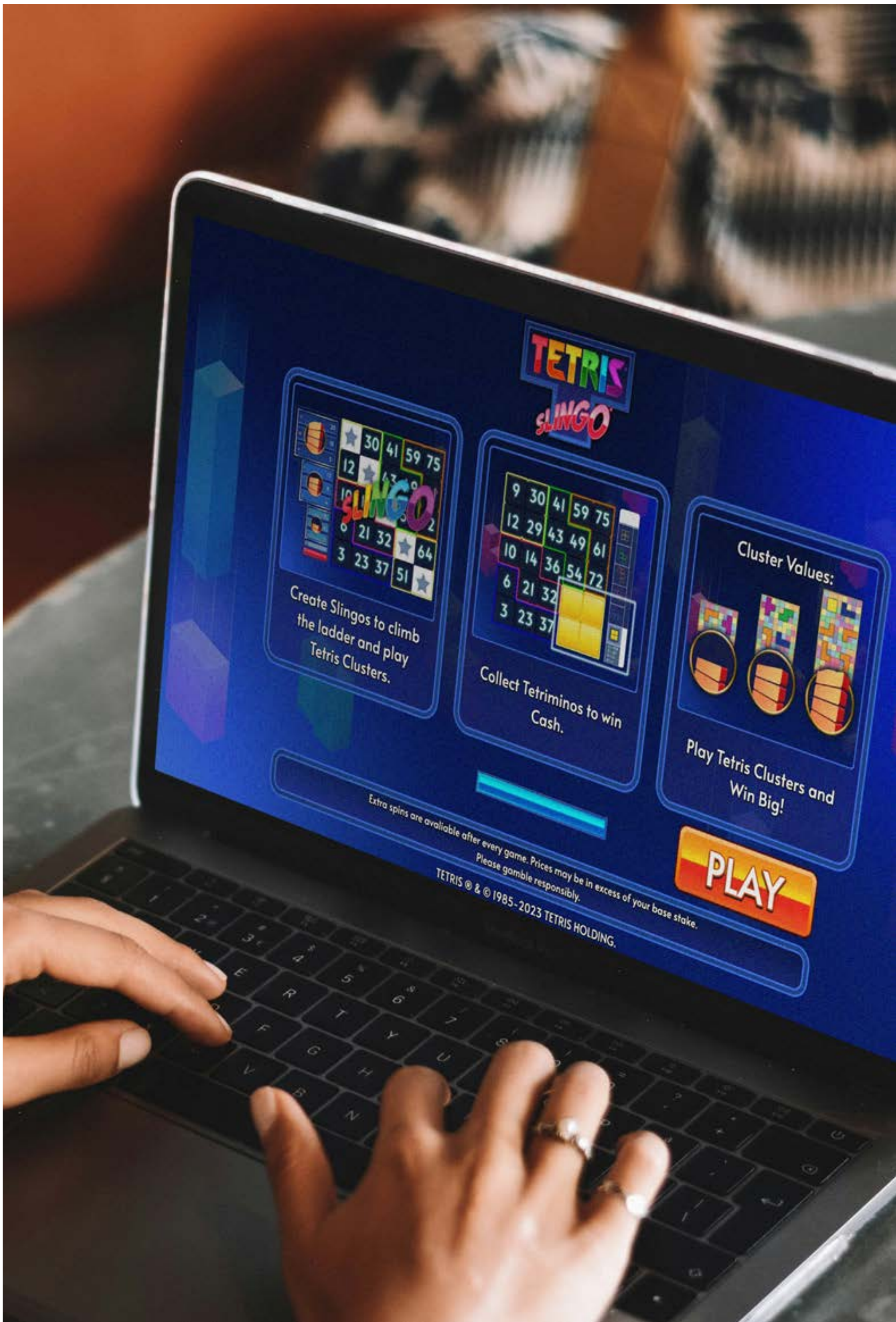
On behalf of the Board, I extend our thanks to our employees, whose commitment, creativity, and hard work have been instrumental in our achievements. I would also like to thank our shareholders for their continued trust and support.

As we move forward, we do so with confidence, guided by a clear strategy and a commitment to excellence. I am optimistic about the future of Gaming Realms plc and look forward to sharing our continued progress in the years to come.

Michael Buckley
Executive Chairman

28 March 2024

Our Company has demonstrated resilience, innovation, and strategic foresight, cementing our position as a leading games studio in the international regulated igaming market.



Chief Executive's Review

An increased international demand for Slingo Originals portfolio

Introduction

The Group continued its strong momentum in 2023, increasing revenues by 26% to £23.4m (2022: £18.7m), and Adjusted EBITDA before share option and related charges and adjusting items by 29% to £10.1m (2022: £7.8m). We continue to expand our Slingo Originals game portfolio, which grew by 10 games and now stands at 75, as well as producing bespoke games for our partners. We are investing in our proprietary Remote Game Server "RGS" platform to ensure it scales with the business into new markets and with new operators. Continuing to innovate around our unique Slingo IP and RGS will allow Gaming Realms to deliver on its strategy and continue its impressive growth.

This strong performance was driven by revenue growth of 33% in our licensing business to £19.9m (2022: £14.9m) as a result of the increased demand for our Slingo content. The combination of growing the distribution of our games via our RGS, close control of overheads and the operational leverage of the Group led to the licensing business achieving a 58% Adjusted EBITDA margin.

Licensing business

The focus of the Group remains to deliver growth in its content licensing business. The continued expansion of our Slingo portfolio and growth in distribution through more operators in Europe and North America underpinned our performance throughout the year. Content licensing revenues grew 30% in 2023 and we increased unique player numbers in the year by 24% to 5 million (2022: 4 million).

Our distribution business, where we are launching third-party slots, which complement our Slingo offering, grew in the year with 4ThePlayer and we also produced the first two games in partnership with ReelPlay. This is allowing us to utilise the wide distribution on our platform to take market leading slot games into the US market. We are encouraged by the launch of 4ThePlayer and, together with games from ReelPlay, expect to see this area of the business grow.

Our growth in Europe has been a combination of launching with new partners and growing with existing ones.

During the year, our library of proprietary games increased to 75 and we went live with 44 new partners, all of whom licensed the Company's Slingo Originals content. This illustrates the strong demand for our gaming content and our ability to offer something different to the rest of the market with our unique Slingo format. We have been able to launch bespoke games with operators which has allowed our portfolio to increase its promotion. Slingo has also become its own games category, which has been a great asset for our partners in their promotions and marketing.

Some of the most notable games released during the period included Slingo Cleopatra with IGT, a partnership with one of the leading suppliers of online and land-based casino games, and two of the largest video game brands with Slingo Space Invaders and Tetris Slingo.

North America

2023 was the year when we consolidated our position in the US and Canada, with our content licensing revenues from these markets growing 26% to £8.1m (2022: £6.4m). We have been able to launch with operators over multiple states including Pokerstars launching in three markets, Caesars Entertainment in four markets and PENN Entertainment in five markets.

In March, we launched with our second Canadian lottery when our games first went live with the Ontario Lottery and Gaming Corporation.

We also continued to launch more content in New Jersey, Michigan and Pennsylvania as we grew in these markets. We still expect to gain a higher market share in Michigan and Pennsylvania, where we have 37 and 27 games live respectively, compared to

"The early indicators for 2024 are promising, with growth already observed in the initial months and, with a robust pipeline of opportunities, we are poised for continued success and innovation."

Mark Segal
Chief Executive Officer

During the year, our library of proprietary games increased to 75 and we went live with 44 new partners, all of whom licensed the Company's Slingo Originals content.

the 65 games live in New Jersey. Ontario is continuing to grow quarterly, and we ended the year with our record month in that market.

We have also seen great success with our bespoke games in North America. This has been led by our Slingo Red Wings game which BetMGM is using to acquire and retain players off the back of a promotion with the Detroit Red Wings.

Europe

Our growth in Europe has been a combination of launching with new partners and growing with existing ones. We have taken existing partners into new markets and we have launched Slingo content with 888 in Italy and Romania. We have also launched with market leading partners including Bet365 in the UK, Fortuna Group in Romania, Mr Green in Denmark, Sweden and Spain and with Betclic in Portugal.

Revenues in Europe increased 33% to £10.5m in 2023 (2022: £7.9m) with increases in all our key markets of the UK, Italy, Spain and the Netherlands. We are still launching with new partners in these markets as we expand the audience of Slingo games.

In December 2023, we obtained our supplier licence in Greece where we expect to go live with our first partner shortly. This follows launching in the regulated Portuguese market in the third quarter of 2023.

Social

Our social business remains a key part of our activities as we bring the Slingo games to a wider audience. Revenue from social decreased by 5% to £3.5m (2022: £3.7m) whilst EBITDA reduced to £0.8m (2022: £1.5m). Social continued to make a cash contribution to the business.

Post Period End and Outlook

We continue to deliver on our clear strategy and Gaming Realms continues to focus on the following areas:

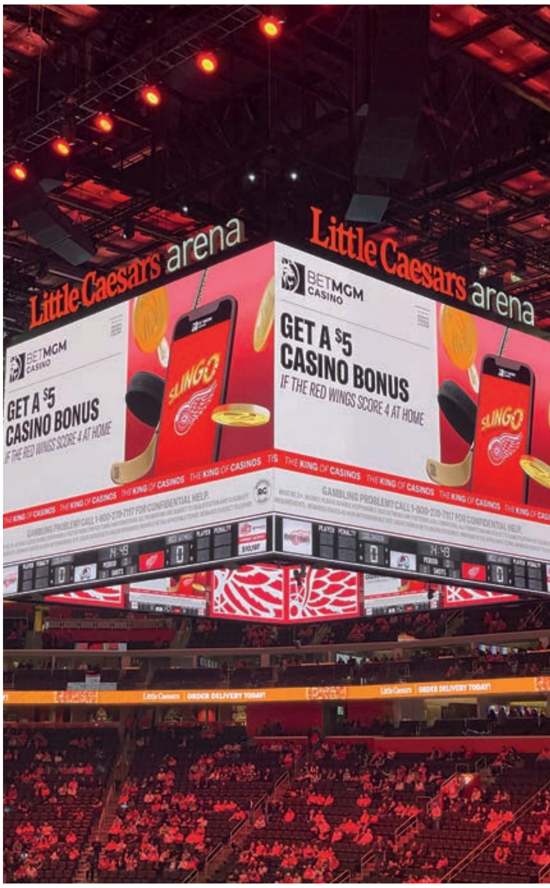
- International expansion – particularly in the US and European regulated markets
- Adding new distributors, operators and licensors
- Further penetration with existing distributors and operators driven by new games

I am pleased to see that Gaming Realms has continued to grow in the year to date, with content licensing revenues up 20% in the two months post-year-end compared with the same period in 2023. We have launched three games so far this year, including *China Shores Slingo* and the launch of *Slingo Constitution Hill* for the Cheltenham Festival and have gone live with 14 new partners.

The early indicators for 2024 are promising, with growth already observed in the initial months and, with a robust pipeline of opportunities, we are poised for continued success.

Mark Segal
Chief Executive Officer

28 March 2024



↑ 24%

5 million
Unique player numbers in the year (2022: 4 million)

Financial Review

Scaled growth in new and existing regulated markets

Gaming Realms had another strong year in 2023, continuing to deliver on the Group's core strategy of scaling the licensing business through entry into newly regulated jurisdictions and enhancing the unique Slingo games portfolio.

The Group delivered record revenue and EBITDA, while also converting this performance into cash, ending the year with a cash balance of £7.5m (2022: £2.9m).

We have also continued to invest in the future success of the business, with increased development spend on the Group's platform, distribution reach and pipeline of games content.

Performance

Total Group revenue increased 26% to £23.4m (2022: £18.7m), principally as a result of the continued growth in the licensing segment and in particular the content licensing business.

The Group generated EBITDA of £9.2m (2022: £7.4m) and Adjusted EBITDA of £10.1m (2022: £7.8m).

Adjusted EBITDA is EBITDA before share option and related charges, and adjusting items. A reconciliation between EBITDA and Adjusted EBITDA is shown below. Management considers Adjusted EBITDA the most appropriate measure to comment on the Group's underlying financial performance.

	2023 **£**	2022 £
EBITDA	**9,235,802**	7,446,038
Share option and related charges	**632,304**	351,726
Adjusting items	**193,859**	-
Adjusted EBITDA	**10,061,965**	7,797,764

The £0.2m adjusting item relates to a management restructure in the year (2022: £Nil), which is considered by Management as significant, non-recurring and outside the scope of the Group's ordinary activities, so has been presented as an adjusting item.

The £1.8m increase in EBITDA generated in 2023 compared with the prior year has seen the Group record another record profit before tax of £5.2m (2022: £3.5m), an increase of £1.6m.

Operating expenses are largely revenue related costs including license fees, hosting costs and platform provider fees. Total Group operating expenses were £4.8m, a 24% increase over the £3.9m in the prior year, driven by the growth in licensing segment revenues.

Administrative expenses increased to £8.2m (2022: £6.9m) predominantly due to increased staff costs across the business required to deliver on the Group's growth strategy, along with other incremental business expansion costs.

Share option and related charges were £0.6m in 2023 (2022: £0.4m).

The following table sets out the split of revenue, Adjusted EBITDA, EBITDA and profit before tax by segment, which is discussed further below.

2023	**Licensing** **£**	**Social Publishing** **£**	**Head office** **£**	**Total** **£**
Revenue	19,917,366	3,504,157	-	23,421,523
Other income	-	139,562	-	139,562
Marketing expense	(94,533)	(338,030)	(96,110)	(528,673)
Operating expense	(3,442,127)	(1,359,340)	-	(4,801,467)
Administrative expense	(4,763,369)	(1,141,114)	(2,264,497)	(8,168,980)
Adjusted EBITDA	**11,617,337**	**805,235**	**(2,360,607)**	**10,061,965**
Share option and related charges	(103,425)	(9,927)	(518,952)	(632,304)
Adjusting items	(193,859)	-	-	(193,859)
EBITDA	**11,320,053**	**795,308**	**(2,879,559)**	**9,235,802**
Amortisation of intangible assets	(2,488,290)	(930,857)	(444,661)	(3,863,808)
Depreciation of property, plant and equipment	(70,537)	(70,580)	(135,142)	(276,259)
Finance expense	(17,279)	(17,688)	(8,956)	(43,923)
Finance income	96,280	2,820	16,425	115,525
Profit before tax	**8,840,227**	**(220,997)**	**(3,451,893)**	**5,167,337**

2022	**Licensing** **£**	**Social Publishing** **£**	**Head office** **£**	**Total** **£**
Revenue	14,937,036	3,690,485	23,000	18,650,521
Other income	-	112,147	-	112,147
Marketing expense	(38,391)	(17,164)	(78,244)	(133,799)
Operating expense	(2,579,127)	(1,308,520)	-	(3,887,647)
Administrative expense	(4,176,964)	(1,001,569)	(1,764,925)	(6,943,458)
Adjusted EBITDA	**8,142,554**	**1,475,379**	**(1,820,169)**	**7,797,764**
Share option and related charges	(149,753)	(1,666)	(200,307)	(351,726)
EBITDA	**7,992,801**	**1,473,713**	**(2,020,476)**	**7,446,038**
Amortisation of intangible assets	(1,996,909)	(943,384)	(731,086)	(3,671,379)
Depreciation of property, plant and equipment	(60,215)	(59,822)	(138,478)	(258,515)
Finance expense	(10,087)	(11,239)	(372,716)	(394,042)
Finance income	26,658	-	375,000	401,658
Profit before tax	**5,952,248**	**459,268**	**(2,887,756)**	**3,523,760**

↑ 26%

£23.4m
Group revenues
(2022: £18.7m)

↑ 29%

£10.1m
Adjusted EBITDA
(2022: £7.8m)

↑ 155%

£7.5m
Year-end cash balance
(2022: £2.9m)

Licensing

Total licensing segment revenues increased 33% to £19.9m (2022: £14.9m), which can be broken down as follows:

- Content licensing revenue growth of 30% to £18.6m (2022: £14.3m); and
- Brand licensing revenue increased 110% to £1.3m (2022: £0.6m).

The segment contributed £11.6m Adjusted EBITDA in 2023 (2022: £8.1m).

The amortisation charge for the year increased to £2.5m (2022: £2.0m), reflecting the increased investment in development spend in the segment in recent years. Demonstrating this, capitalisation of development spend in the licensing segment increased 24% on the prior year to £3.8m (2022: £3.1m) as the business invests in its RGS platform and content. The impact of the segments increase in EBITDA offset by the increase in amortisation means the segment delivered a profit before tax of £8.8m (2022: £6.0m).

Content licensing

Content licensing remains the core focus of the Group, with the growth strategy being expansion into new markets as they regulate, growing our unique Slingo games portfolio and developing deeper relationships with our partners to maximise value and engagement.

Despite there being no material new markets entered during 2023, content licensing revenue increased 30% to £18.6m (2022: £14.3m). This has been achieved through a blend of launching with 44 new partners in our current markets, delivering exciting and premium quality games during the year, and greater penetration with our existing partners.

The 44 new partners we went live with during the year were across a number of global markets, with 24 in North America and 20 in Europe. A further 14 partners have gone live in 2024 to date.

In the second half of 2023 the Group was granted supplier licenses in both West Virginia, USA and Greece. Along with other planned new markets for the business such as Switzerland and South Africa, the Group is well placed to take advantage of further growth opportunities in 2024.

The high margin nature of content licensing revenues gives the business strong operational leverage. This is demonstrated by the 22% increase in total segmental expenses (excluding share option and related charges and adjusting items) to £8.3m (2022: £6.8m), while content licensing revenues have increased at a notably higher rate, 30% over the prior year.

The Group released 10 new Slingo games to the market during 2023, including Slingo Space Invaders and Tetris Slingo, along with a series of bespoke Slingo branded games for our partners. Slingo continues to prove highly popular with our partners and players. Slingo is a unique genre of game in the market, which is driving engagement with partners.

"We have also continued to invest in the future success of the business, with increased development spend on the Group's platform, distribution reach and pipeline of games content."

Geoff Green
Chief Financial Officer

Financial Review

Scaled growth in new and existing regulated markets

We continue to partner with leading brands that will complement the Slingo format. During 2023 we launched exciting Slingo game collaborations with partners such as Tetris, King Show Games and Taito. A number of further agreements have been entered into to bring new Slingo collaborations to market in 2024, including Fowl Play and Gold Cash.

Revenues from North America continued to significantly grow for the content licensing business. Revenue from these markets in 2023 was £8.1m, a 26% increase on the £6.4m in the prior year. The region represents 43% of total content licensing revenues (2022: 45%). As new US states regulate igaming and we make further progress in the existing markets, we would expect the region to grow in prominence for the business.

Brand licensing

The increase in brand licensing revenues in 2023 compared with the prior year is predominantly the result of two brand deals completed in the year, including a deal with Entain to launch Slingo Bingo which went live in May 2023.

The Group's Slingo brand is well-known by consumers, which allows us to license this brand into adjacent markets where the right opportunities arise, such as physical and digital lottery scratch games.

Social publishing

The Group's social publishing business reported a 5% reduction in revenues to £3.5m (2022: £3.7m).

During the year £0.3m was invested in marketing spend in the segment with the aim of driving player activity and engagement.

Operational costs increased by 4% from the previous year to £1.4m (2022: £1.3m) as a result of increases in the cost of hosting and third-party content fees.

The segment continues to have a stable underlying cost base, with administrative expenses of £1.1m (2022: £1.0m).

As a result, the segment delivered £0.8m Adjusted EBITDA for the year, falling from £1.5m in the prior year.

The amortisation charge related to the social publishing segment for the year was £0.9m, a 1% reduction on the prior year (2022: £0.9m).

Cashflow and Balance Sheet

The Group's cash balance increased by £4.5m in 2023 to £7.5m at 31 December 2023 (2022: £2.9m).

The Group remains debt free, following the full repayment of the convertible loan to Gamesys Group in the prior year.

The Group capitalised £4.6m (2022: £4.0m) into intangible assets as development costs during the year. This £0.6m increase over the prior year represents an increase in investment in both the licensing and social publishing segments. This investment is to both expand the Group's unique game portfolio across both segments and develop the Group's proprietary RGS platform with enhanced capabilities, scale and features.

Aside from the £4.6m development costs capitalised in the year discussed above, the remaining movement in cash is substantially explained by the £9.3m (2022: £6.5m) cash inflow from operating activities. A reconciliation between profit for the year and cash from operating activities is provided below.

Net assets totaled £24.4m (2022: £17.9m).

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	**5,925,003**	3,614,115
Adjustments for:		
Depreciation of property, plant and equipment	**276,259**	258,515
Loss on disposal of property, plant and equipment	**1,571**	-
Amortisation of intangible fixed assets	**3,863,808**	3,671,379
Other income	**(139,562)**	(112,147)
Other income received during the year	**185,184**	121,962
Finance income	**(115,525)**	(401,658)
Finance expense	**43,923**	394,042
Tax credit	**(757,666)**	(90,355)
Exchange differences	**(105,268)**	54,013
Share based payment expense	**419,961**	438,868
Decrease / (increase) in trade and other receivables	**368,986**	(1,973,278)
Increase in trade and other payables	**244,710**	607,560
Decrease in other assets	**-**	11,848
Net cash flows from operating activities before taxation	**10,211,384**	6,594,864
Net tax paid in the year	**(935,660)**	(45,213)
Net cash flows from operating activities	**9,275,724**	6,549,651

Going concern

In adopting the going concern basis of preparation in the financial statements, the Directors have performed both qualitative and quantitative assessments of the associated risks facing the business and its ability to meet its short and medium-term forecasts. The forecasts were subject to stress testing to analyse the reduction in forecast cash flows required to bring about insolvency of the Company unless capital was raised. In such cases it is anticipated that mitigation actions, such as reduction in overheads could be implemented to stall such an outcome.

The Directors confirm their view that they have carried out a robust assessment of the emerging and principal risks facing the business. As a result of the assessment performed, the Directors consider that the Group has adequate resources to continue its normal course of operations for the foreseeable future.

Dividend

During the year, Gaming Realms did not pay an interim or final dividend. The Board of Directors are not proposing a final dividend for the current year as we continue to execute our strategy and invest in the growth of the business.

Corporation and deferred taxation

The current year tax credit of £0.8m (2022: £0.1m) largely relates to the recognition of an additional £1.6m deferred tax asset (see Note 13) and £0.7m corporation tax charge in overseas jurisdictions (2022: £0.3m).

Geoff Green
Chief Financial Officer

28 March 2024

The Group delivered record revenue and EBITDA, while also converting this performance into cash.

The high margin nature of content licensing gives the business strong operational leverage.

Engaging with Stakeholders

The Board recognises that Gaming Realms has a number of stakeholders, including shareholders, customers, employees, suppliers and regulators. The Board is cognizant of its responsibility to understand each of their views and does this through a variety of methods, which are continually reviewed to remain effective. Updates are provided and discussed at Board and relevant Committee meetings. Throughout this Annual Report, we have provided information on some of the initiatives and approaches undertaken in relation to stakeholder engagement by the Group during 2023.

Section 172 statement

The Board of Directors, in line with their duties under section 172 ("s172") of the Companies Act 2016, act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Company are appropriately informed by s172 factors.

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, the impact of its activities on the community, the environment and the Company's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its members in the long term. We explain in this Annual Report, and below, how the Board engages with stakeholders.

The Board regularly reviews the Company's principal stakeholders and how it engages with them. This is achieved through information provided by management and also by direct engagement with stakeholders themselves.

Shareholders

The Board is committed to maintaining constructive dialogue with shareholders and ensuring that it has a deep understanding of their views. It also recognises that shareholders consider a range of environmental, social and governance matters. The Chair, Chief Executive Officer and Chief Financial Officer, on behalf of the Board, meet shareholders regularly and report to the Board on these discussions. All Directors are also available to meet institutional investors on request.

Some of the activities undertaken during 2023 are summarised below:

- The Company has engaged with an Investor Relations consultant.
- The Chair engaged with key shareholders on corporate governance matters.
- The Non-Executive Directors have engaged with stakeholders during the year.
- Private individual shareholders were communicated with via the Company Secretary.
- The Chairman, Chief Executive Officer and Chief Financial Officer have conducted a number of "online" presentations and interviews in order to have greater transparency with shareholders.

AGM

All three of our Executive Directors attended the 2023 AGM and an average of 42% of the total issued share capital was voted across all resolutions. Shareholders were given the opportunity to send in questions in advance to be answered by the directors at the 2023 AGM on the Group's strategy and future outlook.

The 2024 AGM will be held on 12 June 2024. Separate resolutions are proposed on each item of business.

Website and shareholder communications

Further details on the Group, our business and key financial dates can be found on our corporate website: www.gamingrealms.com

Players

We always ensure that Responsible Gambling is at the heart of our game design process and have recently built a tool for operators to configure stakes within games in order to manage their players responsibly. We only contract with licensed partners, ensuring that the players are given a high level of protection through these operators. As our games are certified in highly regulated markets such as the UK, USA and Sweden, the standards we have to provide for our games and RGS systems in terms of player protection is already set to an incredibly high level.

Customers

We are providing our customers with an increasing portfolio of unique games each year. We are making significant improvements to our platform in order to prepare for large scale growth.

We ensure our games and platform are fully tested before each new launch and adhere to any regulations required for them.

Trust is important to our customers and their end users, and our competitive customer offering is maintained through our unique Slingo IP, together with constant communication and emphasis on accounts management.

We have invested in account managers who work closely with our B2B partners to ensure good relationships and that we get maximum exposure for our content.

Employees

Employee engagement is critical to our future success. In a year of hybrid remote working, our employees have worked hard to support the business and sustain our culture.

Empowerment, career development, health and well-being and social responsibility are all areas our employees have told us they consider important in the workplace.

The Board gains an understanding of the views of our employees and the culture of the organisation through visits to our offices, one-to-one meetings, Board presentations and via assessment of office wide engagement scores and views.

We continue to monitor and develop our approach to performance management, to promote a culture of continuous improvement.

As a method of retaining its Executive Team, senior management and key employees, the Group issues share options linked to future service periods. During the year the Group granted 3.5 million such options (see Note 23) to its Executive Directors and certain employees.

Suppliers

We have established long-term partnerships that complement our in-house expertise and have built a network of specialised partners within the industry and beyond.

We have an open, constructive and effective relationship with all suppliers through regular meetings which provide both parties the ability to feedback on successes, challenges and the future roadmap.

Our procurement policy includes a commitment to sustainable procurement and mitigation against the risk of modern slavery, anti-bribery and corruption, and data protection/privacy breaches across our supply chain. We aim to operate to the highest professional standards, treating our suppliers in a fair and reasonable manner and settling invoices promptly.

We regularly monitor the relationship and engagement approach with our third-party suppliers.

Regulators

We have an open and transparent dialogue with the regulatory and industry bodies that we work with.

The Group has a compliance team to ensure that all regulatory guidelines are met in its gambling operations. The Group also maintains close legal counsel to advise on any changes to the regulatory framework, as well as updates on territories currently outside the Group’s activities.

We have spent 2023 working with the Regulators on our successful applications for supplier licenses in West Virginia, Greece and Sweden, as well as our pending application in British Columbia.

Principal Risks and Uncertainties

The Board constantly monitors and assesses risks and uncertainties within the Group's trading activities. There will always be a level of risk that needs to be evaluated against the Group's potential returns in any activity.

Risk	How this Risk is managed
Regulatory and Legislation Online gambling and gaming are subject to a dynamic and complex regulatory regime. The Group now holds supplier licences from the following regulators; • UK Gambling Commission; • New Jersey Division for Gaming Enforcement; • Michigan Gaming Control Board; • Pennsylvania Gaming Control Board; • Connecticut Department of Consumer Protection; • Alcohol and Gaming Commission of Ontario; • National Gambling Office of Romania; • Malta Gaming Authority; • Swedish Gambling Authority; • Greek Hellenic Gaming Commission; and • West Virginia Lottery Commission. The Group is part way through the process of acquiring a supplier license in British Columbia, and will be pursuing further licenses in regulated markets in 2024, with a focus on U.S. markets as they open. In late 2020, the UK Government launched a review of the Gambling Act 2005, with the aim to ensure it is "fit for the digital age". The initial findings report was published in 2023, however the detailed consultations on each section are still ongoing, with new guidance and regulations yet to be issued. It is key to the Group to maintain compliance with all licences and any new ones that are required. These are critical to the continuing operation of the Group's gambling activities and also the production and supply of its unique content into both its operations and other third parties. The Board considers this to be a greater risk than the previous year due to the Group operating in more regulated territories and the potential disruption in the UK market.	The Group has a compliance team to ensure that all regulatory guidelines are met in its gambling operations, including any potential changes arising from the UK Government's review of the Gambling Act 2005. The Group also maintains close legal counsel to advise on any changes to the regulatory framework, as well as updates on territories currently outside the Group's activities.
Taxation Risk From the end of 2014, the gaming industry has been subject to point of consumption tax in relation to gambling activities within the UK. The rate increased to 21% in April 2019. There is a risk that increased gaming duty or taxes in the UK or other significant jurisdictions for the Group impacts revenues generated. The Board considers this risk to remain static with the previous year.	The licensing business operates in multiple jurisdictions reducing the impact of individual jurisdiction specific tax changes. The tax liability is borne by the operator.
Residency The Group has legal entities in several jurisdictions, including US, Canada, Malta and the UK. The Board considers this risk to remain static with the previous year.	The Group has undertaken a detailed transfer pricing exercise to ensure that revenue and profits are attributed correctly between the operating locations and continues to monitor taxation policies in all jurisdictions.
Competition The online and free to play gaming markets are highly competitive in North America and Europe. Failure to be able to hold a competitive advantage would result in attracting less players and have lower engagement on our apps and sites. The Board considers this risk to remain static with the previous year.	In following the Group's strategy of developing new unique IP and content, the Group feels well placed to be able to compete in the markets it operates in. It invests significant resource to be able to improve its development and operations. We have protected the Slingo mark and game mechanics through various registered marks and patents that the Group owns. Diverse products and geographies also help to diversify the risk.

Risk	How this Risk is managed
Time to Market The Group invests highly in technology and bringing new products and games to market. A delay in time to market will result in a loss of competitive advantage, a loss in potential revenue and also increasing cost of development. The Board considers this risk to remain static with the previous year.	The Group has invested highly in having a dual product track to allow its products and games to be ready for both licensing and publishing exploitation in the same release. Extensive work is undergone on the planning stage to ensure that timeframes can be met, and products go live at the highest standard.
Dependence on technology As a provider of online gambling services, the Group's business is reliant on technology and advanced information systems. If the Group does not invest in the maintenance and further development of its technology systems, there is a risk that these systems may not cope with the needs of the business and may fail. The Group is reliant on the Internet and is vulnerable to activities such as distributed denial of service attacks, other forms of cyber-crime and a wide range of malicious viruses. The Board considers this risk to remain static with the previous year.	The Group continues to invest in its proprietary platform to ensure the necessary features and functionality meet partner needs. In addition, it has adopted industry standard protections to detect intrusions or other security breaches and implements preventative measures to protect against sabotage, hackers, viruses and other cyber-crime. The Group also holds relevant insurance to cover against this.
Dependence on third-party service providers The Group engages with a number of providers for cloud-based technology and remote deployment, as well as other important service providers. In the event that there is any interruption to the products or services provided by third parties, problems in supplying the products, one or more ceased to be provided or are provided on onerous terms to the Group, this may have an adverse effect on the Group's business and performance. The Board considers this risk to remain static with the previous year.	The Group uses reliable and well-known suppliers and ensures that contractual agreements with key partners offer adequate protection.
The Team The ability to carry out the Group's strategy is dependent on the engagement of its senior management team, its technology, commercial and operations teams. The Group operates with a small team across 2 main locations. If key employees leave, there is a risk of loss of knowledge. The Board considers this risk to remain static with the previous year.	The Group continues to invest in its employees to ensure that it can attract, recruit and maintain a high-quality team. During the year, The Group has made a number of hires in key positions to ensure the team is appropriate for the next phase of the Company's growth.
Business disruption Business disruptions may occur where the Group's workforce is unable to work or communicate, including due to pandemics such as COVID-19. Such disruptions affect the global economy and therefore our B2B operators and end users, if spending and confidence are significantly affected. The Board considers this risk to remain static with the previous year.	The Group actively monitors developments which may affect its operations and the Directors have taken practical steps to mitigate disruption this is causing to the business. The Group's workforce is predominantly based in the UK, Canada and the US. We successfully migrated to a home working model during the pandemic. Our colleagues' mental and physical well-being is being closely monitored and managed with training and support for all employees.

The 2023 Strategic Report on pages 1 to 15 has been approved by the Board of Directors.

On behalf of the Board:

Mark Segal
Chief Executive Officer

28 March 2024

Board and Executive Management

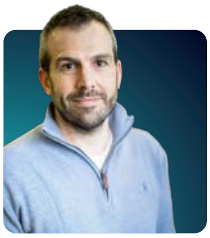
Michael Buckley
Executive Chairman

Michael Buckley was Chairman of Cashcade, founded in 2000. Cashcade became a leading UK-based online gaming company prior to its sale to PartyGaming plc in 2009 for an aggregate sale consideration of £96m for shareholders.

Michael has invested in and been Chairman of a number of public companies. These include SelecTV plc, a producer of comedy and comedy drama series for television such as Lovejoy, Birds of a Feather and The New Statesman. SelecTV invested in a consortium which in 1991 won the franchise to create Meridian Television, part of the ITV Network, of which Michael was a founding Director. He was also Chairman of Pacific Media plc, which invested in a number of internet backbone companies in Asia during the 1990s as well as creating a chain of movie theatres in South East Asia in partnership with United Artists Theatre Circuit Inc. Michael has held other public and private company directorships, having obtained a professional qualification as a chartered accountant in the UK.

Mark Segal
Chief Executive Officer

Mark Segal joined Gaming Realms in May 2013 having left bwin.party as Finance Director for the bingo vertical. Previous to that Mark was Finance Director of Cashcade until it was acquired by PartyGaming plc in July 2009. Mark was responsible for the full finance function, including commercial negotiations, business intelligence and operational support in the business, and was involved in the sale to PartyGaming plc and acquisition by Cashcade of Independent Technology Ventures in July 2007. Prior to joining Cashcade, in May 2005, Mark spent five years at the accountancy firm Martin Greene Ravden, where he qualified as a chartered accountant in 2003.



Geoff Green
Chief Financial Officer

Geoff Green was appointed as Gaming Realms' Chief Financial on 1 February 2023, having joined the Group in July 2019 and was previously Finance Director in support of the CFO. Prior to Gaming Realms, Geoff spent 8 years at BDO LLP, where he qualified as a chartered accountant in 2013.

JR

Jim Ryan

Non-executive Director

Jim Ryan is the CEO of Pala Interactive, LLC a real money gambling operator and B2B platform provider focused on the US regulated online gaming market. Prior to Pala Interactive, Jim was the Co-CEO of bwin.party digital entertainment plc. He has spent the last 23 years of his career in leadership roles within the online gaming sector. Jim has led a number of the industry's largest merger and acquisition transactions which include the merger of PartyGaming plc and bwin, the acquisitions of Cashcade (Foxy Bingo) and the World Poker Tour and the sale of St Minver Limited to GTECH. Jim held senior posts at four publicly listed companies. In addition to his role of CEO of PartyGaming plc and Co-CEO of bwin.party digital entertainment plc he was President and Chief Executive Officer of Excapsa Software Inc. and as Chief Financial Officer of CryptoLogic Inc. and Chief Financial Officer of SXC Health Solutions Corp and was CEO of St. Minver Limited. Jim also held senior management posts at Procuron Inc., Metcan Information Technologies Inc. and Epson Canada Limited. Educated at Brock University (Goodman School of Business) in Ontario, Canada, where he obtained a business degree with first class honours, Jim obtained professional qualifications as a chartered accountant and certified public accountant from the Canadian Institute of Chartered Accountants.

MW

Mark Wilson

Non-executive Director

Mark Wilson is a strategic adviser and investor in media, gaming and real estate. Mark has held multiple senior leadership positions, serving as CEO of Television Games Network, Executive Chairman of Music Choice International, President of Hubbard Enterprises, Managing Member of New Mexico Gaming LLC, and General Counsel and Corporate Secretary of Churchill Downs. He received a Juris Doctorate from the University of Louisville.

MB

Mark Blandford

Non-executive Director

Mark was the owner of a traditional 'bricks and mortar' bookmaker's chain for over 15 years, then recognised the potential of the internet in the mid 1990's. In 1998 he founded Sportingbet.com, and in 2001 floated the company on AIM. Mark stepped down from the Board of Sportingbet in 2007 before its eventual sale in 2013 for £485m, with the assets being split between William Hill and GVC. In 2002, Mark was awarded AIM Entrepreneur of the Year.

After stepping down from the board of Sportingbet, Mark has become an active, successful and widely followed investor in the digital pay2play entertainment space.

AM

Anna Massion

Non-executive Director

On November 1, 2022 Anna Massion was appointed as a member of the board of the Company. Ms. Massion currently serves as an Independent Non-Executive Director on several boards including Playtech PLC, PlayAGS, Betmakers AU and Artemis Strategic Investment Corp. Previously, Ms. Massion was a Senior Analyst for PAR Capital Management from February 2014 through June 2019. Ms. Massion has also served as a Director of Gaming, Lodging and Leisure Research at Hedgeye Risk Management, LLC from November 2008 through February 2014, Vice President/Senior Research Analyst at Marathon Asset Management from April 2008 through October 2008 and at JP Morgan from September 2001 through March 2008 as a Vice President on the Proprietary Trading Desk from 2004. Ms. Massion holds a Bachelor of Science in Economics, Concentration in Finance, Minor in Russian and a Master of Business Administration in Finance, Major in Finance from The Wharton School at the University of Pennsylvania.

Directors' Report

The Directors present their Annual Report together with the audited financial statements for the year ended 31 December 2023.

Principal activities

The Group's principal activities during the year were that of content development and licensing to real money and social gaming customers in Europe and North America.

These financial statements present the results of the Group for the year ended 31 December 2023.

Names of Directors and dates of any changes

The Directors who served during the year and to the date of this report were:

- Michael Buckley
- Mark Segal
- Geoff Green
- Anna Massion
- Jim Ryan
- Mark Wilson
- Mark Blandford

Directors' and Officers' liability insurance

The Group has purchased and maintains appropriate insurance cover in respect of Directors' and Officers liabilities. The Group has also entered into qualifying third-party indemnity arrangements for the benefit of all its Directors, in a form and scope which comply with the requirements of the Companies Act 2006.

Results and dividends

The results for the year are set out on page 30. The Company will not be paying a dividend this year (2022: none).

Post balance sheet events

There were no significant events impacting the Company that occurred after 31 December 2023.

Going concern

Under Company law, the Company's Directors are required to consider whether it is appropriate to prepare the financial statements on the basis that the Group and Company are a going concern.

The Group meets its day-to-day working capital requirements from the cash flows generated by its trading activities and its available cash resources.

As disclosed further in Note 1 of the financial statements, whilst there are a number of risks to the Group's trading performance as summarised on page 14, the Group is confident of its ability to continue to meet its liabilities as they fall due. The Group's strategic forecasts, based on reasonable assumptions, indicate that the Group should be able to operate within the level of its currently available resources. After making enquiries and after consideration of the Group's existing operations, cash flow forecasts and assessment of business, regulatory and financing risks, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing the Annual report and Accounts.

Disclosure to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, as far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that ought to have been taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

BDO LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting in accordance with Section 489 of the Companies Act 2006.

Financial instruments

Details of the Group's financial risk management objectives and policies are included in Note 21 to the financial statements.

Research and development

The Group maintains its level of investment in software development activities. In the opinion of the Directors, continued investment in this area is essential to strengthen the Group's market position for future growth. During the year, the Group capitalised £4.6m (2022: £4.0m) of development costs (see Note 15).

During the year, the Group claimed Research and Development relief as per Notes 4 and 13 to the financial statements.

Future developments

Future developments are discussed in the Executive Chairman's Statement on page 4.

The Directors report was approved on behalf of the Board on 28 March 2024 and signed on its behalf by

Mark Segal
Chief Executive Officer

28 March 2024

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with UK adopted International Accounting Standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market ('AIM').

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006, 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 Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Corporate Governance

Chairman's Introduction

The Directors recognise the importance of good corporate governance and have chosen to apply the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code'). The QCA Code was developed by the QCA in consultation with a number of significant institutional small company investors, as an alternative corporate governance code applicable to AIM companies. The underlying principle of the QCA Code is that "the purpose of good corporate governance is to ensure that the company is managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term". The Group is not in compliance with all aspects of the Code due to the size and relative stage of development of the business, but remains committed to developing its compliance position over time as the business grows and matures. To see how the Company addresses the key governance principles defined in the QCA Code please refer to the Company's website and the below table. (The Company has not prepared an official Chairman's corporate governance statement).

The principles of the Quoted Company Alliance (QCA) Code

QCA Code Principle	What we do and why
1. Establish a strategy and business model which promote long-term value for shareholders	The Company develops, publishes and licenses mobile real money and social games. Through its market leading mobile platform and unique IP and brands, Gaming Realms is bringing together media, entertainment and gaming assets in new game formats. Our goal is to try to beat the market by investing in unique content and relationships with partners. We do that through: - Investing in unique mobile content and features on our gaming platform - Investing with discipline, because we are able to test new opportunities before we roll them out - Using data and technology to continuously improve. We are able to AB test all developments in games and platform and able to deploy only the best. - We generate revenue by licensing our unique gaming content and Slingo brand to online real money gaming operators, social publishing operators, lotteries and land-based gambling games manufacturers. Key Challenges in implementing the strategy: • Regulatory framework is continually changing for Gambling which requires constant updates and development work per territory • Continuing to create best in class Games to licence to operators • Having technical resource to integrate the games onto Client sites
2. Seek to understand and meet shareholder needs and expectations	Please refer to our website for further details on how we comply with this requirement of the QCA code: https://www.gamingrealms.com/wp-content/uploads/Statement-of-Compliance-with-the-QCA-Corporate-Governance-Code-2020-02.pdf
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success	Please refer to our website for further details on how we comply with this requirement of the QCA code: https://www.gamingrealms.com/wp-content/uploads/Statement-of-Compliance-with-the-QCA-Corporate-Governance-Code-2020-02.pdf
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation	The Board recognises that maintaining sound controls and discipline is critical to managing the downside risks to our plan. To continue the improvement in this area we are adding to our existing controls department, expanding the remit of the compliance teams, and engaging with external advisors to ensure we remain compliant with regulations in all territories we will be working in and continued tight control on investment as we continue to develop the platform and the games content. Both the Board and senior managers are responsible for reviewing and evaluating risk and the Executive Directors meet at least monthly to review ongoing trading performance, discuss budgets and forecasts and new risks associated with ongoing trading.

5. Maintain the board as a well- functioning, balanced team led by the chair	The Board comprises the Executive Chairman, two Executive Directors and four Non-Executive Directors. Michael Buckley, the Executive Chairman, is responsible for the running of the Board and is supported by Mark Segal and Geoff Green, the Chief Executive Officer and Chief Financial Officer respectively. Michael has executive responsibility for running the Group's business and implementing Group strategy. The Board has 4 Non-Executive Directors and is able to govern on an effective basis. The Directors considered to be independent are Jim Ryan, Mark Wilson, Mark Blandford and Anna Massion. Key Board activities this year included: • Input into the accelerating growth plan • Considered our financial and non-financial policies • Discussed strategic priorities, including expansion into new territories • Discussed the Group's capital structure and financial strategy • Reviewed the Group risk register, including Compliance • Reviewed feedback from shareholders post full and half year results The Board is supported by the Audit and Remuneration Committees. The Committees' roles and members are available on the Company's website. During the year there were 16 board meetings. Attendance records were:

Board Member	Meetings Attended
Michael Buckley	16
Mark Segal	16
Geoff Green*	15
Jim Ryan	16
Mark Wilson	16
Mark Blandford	16
Anna Massion	16

* Geoff Green, appointed on 1 February 2023 was eligible to attend 15 meetings

6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, including in the areas of international online gambling, international licensing, finance, innovation, and marketing. All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. The business reports monthly on its headline performance against its agreed budget, and the Board reviews the monthly update on performance and any significant variances are reviewed at each meeting. The Board makes decisions regarding the appointment and removal of Directors, and there is a formal, rigorous and transparent procedure for appointments. Full details of the Board members and their experience and skills can be found on page 16 of the 2023 Annual Report or via the Investor link on Gaming Realms plc's website. The Board has not sought external advice on any significant matter, apart from advice sought in the normal course of business from our lawyers and tax compliance and other advisors. No external advisors have been engaged by the Board of Directors, except as noted above.

Corporate Governance continued

7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	A Board evaluation process will be carried out annually going forward as part of a wider strategy review and future planning discussion. The process will be led by the Chairman and every three years with the help of an external facilitator, the Board will be challenged to review its performance and effectiveness objectively. During this process the Board will consider: • Performance of the Board against the current strategy; • Effectiveness of the Board in areas such as supervision, leadership and management of personnel and risk areas; • Areas of weakness either at Board level or executive management level for which recruitment may be required; and • Succession planning.
8. Promote a culture that is based on ethical values and behaviours	Our long-term growth is underpinned by our corporate culture and core beliefs. As part of a new starter pack all new employees are provided with the core values in which the Group operates. At Gaming Realm's we take pride in our work ethic, creativity and cooperative team dynamic. It is important to us to keep moving forward as a company, producing innovative work, reflecting on mistakes, and striving to improve with each new project. None of this is achievable without strong relationships and a collaborative working environment, which is at the core of our company ethos and success. The culture of the Company is to ensure we operate in an environmentally friendly way, with an energy efficient approach. The Group has policies in the following areas to help promote ethical values and behaviour: whistleblowing, antibribery, anti-slavery, fraud, equal opportunities, disciplinary and grievance procedures, health and safety. These policies form part of a globally applicable Group Policy Handbook and Code of Conduct.
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board	Please refer to our website for further details on how we comply with this requirement of the QCA code: https://www.gamingrealms.com/wp-content/uploads/Statement-of-Compliance-with-the-QCA-Corporate-Governance-Code-2020-02.pdf
10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	The Company communicates with shareholders through the Annual Report and Accounts, full-year and half-year announcements, the Annual General Meeting (AGM) and one-to-one meetings with large existing or potential new shareholders. The Board receives regular updates on the views of shareholders through briefings and reports from the Executive Chairman, Chief Executive Officer, Chief Financial Officer and the Company's brokers. The Company communicates with institutional investors through briefings with management. In addition, analysts' notes and brokers' briefings are reviewed to achieve a wide understanding of investors' views. The Company completes regular employee surveys to maintain an open dialogue with employees. There is a requirement to prepare both an Audit Committee report and a Remuneration report. These have not been done in this report but we will look to publish such reports in the future.

Roles of the Board, Executive Chairman, Chief Executive Officer and Chief Financial Officer

The Board is responsible for the long-term success of the Company. There is a formal schedule of matters reserved to the Board. It is responsible for overall Group strategy; approval of major investments (whether Capex or Opex); approval of the annual and interim results; annual budgets; dividend policy; and Board structure. It monitors the exposure to key business risks and reviews the strategic direction of all trading subsidiaries, their annual budgets and their performance in relation to those budgets. There is a clear division of responsibility at the head of the Company. The Chairman is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction. The Chairman, Chief Executive Officer and Chief Financial Officer are responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Company through the Executive Team.

All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. The business reports monthly on its headline performance against its agreed budget, and the Board reviews the monthly update on performance and any significant variances are reviewed at each meeting. Senior executives below Board level maybe invited to attend Board meetings where appropriate to present business updates. Board meetings throughout the year are held at the Company's Head Office in London.

Executive Team

The Executive Team consists of Michael Buckley, Mark Segal and Geoff Green with input from the vertical directors and teams. They are responsible for formulation of the proposed strategic focus for submission to the Board, the day-to-day management of the Group's businesses and its overall trading, operational and financial performance in fulfilment of that strategy, as well as plans and budgets approved by the Board of Directors. It also manages and oversees key risks, management development and corporate responsibility programmes. The Executive team reports to the plc Board on issues, progress and recommendations for change. The controls applied by the Executive Team to financial and non-financial matters are set out earlier in this document, and the effectiveness of these controls is regularly reported to the Audit Committee and the Board.

Board committees

The Board is supported by the Audit and Remuneration committees. Each committee has access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duties.

The Audit Committee has the primary responsibility of monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. It will receive and review reports from the Group's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee will meet not less than twice in each financial year and will have unrestricted access to the Group's external auditors. The Audit Committee is chaired by Jim Ryan and also comprises Mark Blandford and Anna Massion.

The Remuneration Committee reviews the performance of the executive directors and make recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee meets as and when necessary. In exercising this role, the directors shall have regard to the recommendations put forward in the QCA Guidelines. The Remuneration Committee is chaired by Anna Massion and comprises Jim Ryan and Mark Wilson.

The Company will continue to review the corporate governance framework as the business grows.

Independent auditor's report to the members of Gaming Realms plc

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 2023 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 United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Gaming Realms plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of material accounting information.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and 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 remain 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 as applied to listed entities, 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

A critical evaluation of Directors' assessment of the entity's ability to continue as a going concern by:

- Evaluating the process the Directors followed in making their assessment, including confirming that the assessment and underlying projections were prepared by appropriate individuals with sufficient knowledge of the detailed figures as well as an understanding of the entities markets, strategies and risks.
- Understanding, challenging and corroborating the key assumptions included by the Directors in their cash flow forecasts against prior year, our knowledge of the business and industry, and other areas of the audit.
- Enquiry with Directors, review of board minutes and review of external resources to identify any key future events that may have been omitted from cash flow forecasts which would impact future cash flows and cash reserves.
- Assessing the appropriateness of assumptions made in the Directors' stress testing, scenario modelling and sensitivity analysis, and the appropriateness of the mitigating actions including challenging whether other reasonably possible scenarios could occur.
- Considering the adequacy of the disclosures relating to Going Concern included within the annual report against the requirements of the accounting standards and consistency of the disclosure against the going concern assessment.

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

Overview

Coverage	98% (2022: 100%) of Group profit before tax 100% (2022: 100%) of Group revenue 100% (2022: 99%) of Group total assets		
Key audit matters		**2023**	**2022**
	Revenue Recognition (licensing revenue)	✓	✓
	Capitalisation of development cost related to platform	✓	✓
Materiality	*Group financial statements as a whole* £416k (2022: £225k) based on 8.1% of Group profit before tax (2022: 1.2% of Group revenue)		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

In determining the scope of our audit we considered the level of work to be performed at each component in order to ensure sufficient assurance was gained to allow us to express an opinion on the financial statements of the Group as a whole. We tailored the extent of the work to be performed on each component based on our assessment of the risk of material misstatement at each component.

The Group consists of the Parent Company and eight subsidiaries. Two of the subsidiaries and the Parent Company were considered to be significant components and were subject to a full scope audit by the Group audit team. The financial information of other components not considered significant were subject to specified audit procedures on certain account balances and analytical review procedures by the Group audit team.

Independent auditor's report to the members of Gaming Realms plc continued

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
Revenue recognition – Licencing Revenue (with reference to notes 1 and 3)	Licencing revenues include a number of significant transactions where contracts entered during the current and previous year span multiple accounting periods and include minimum guarantees and/or uncertain future events. There are significant judgements required by Directors in determining the performance obligations in these contracts, whether revenue should be recorded at a point in time or over a period of time and the amount of revenue to be recognised. For these reasons, Licensing revenues was considered to be a Key Audit Matter. License revenue for the year was £19.9m (2022: £14.9m).	We assessed whether the revenue recognition policies adopted by the Group was in accordance with applicable accounting standards. For existing and new contracts: • We reviewed the terms of a sample of agreements to assess whether the revenue had been recognised in accordance with the Group's accounting policy and whether any other terms within the contract had any material accounting or disclosure implications; • We challenged the significant judgements by reviewing the underlying terms of the contracts, identifying the performance obligations, and assessing whether performance obligations had been met in order to recognise revenue; • We inspected supporting documentation of the satisfaction of the performance obligation. **Key observations** Based on the work performed, we consider that revenue has been recognised appropriately and in accordance with the Group's revenue recognition accounting policy and IFRS 15 requirements.
Capitalisation of development costs (with reference to notes 1 and 15)	The Group incurs material expenditure on the internal development of intangible assets for RGS platform. Capital costs comprise of payroll and external development costs. Such expenditure should only be capitalised when it meets the criteria of applicable accounting standards. Due to judgement being required by Directors in determining the projects and costs that meet the criteria for capitalisation, this was considered to be an area of focus for our audit, and hence a Key Audit Matter. Capitalised development costs in the year for RGS platform were £1.5m (2022: £1.5m).	Our procedures included the following: • We assessed whether the capitalisation policies adopted by the Group comply with applicable accounting standards. • We challenged Director's project analysis to check that the projects capitalised met the criteria of applicable accounting standards. This included: - For a sample of projects ensuring that projects met capitalisation criteria of IAS 38; - Agreeing a sample of costs capitalised in the year to source documentation; - Agreeing the accuracy of time capitalised to related timecards and payroll records; and - Inspecting evidence of the projects subsequent launch or intention to launch. **Key observations** Based on the work performed, we consider Director's judgements to be appropriate and adequate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2023 **£000**	2022 £000	**2023** **£000**	2022 £000
Materiality	**416**	225	**139**	63
Basis for determining materiality	Based on 8.1% of Group profit before tax.	Based on 1.2% of Group revenue.	Based on 1% of total assets of Parent Company.	Based on 1% of total assets of Parent Company.
Rationale for the benchmark applied	Profit before tax is considered as the most appropriate benchmark in current year instead of revenue. As the Group has been profitable since past few years and profit before tax is the key focus area for the stakeholders therefore, materiality is based on profit before tax. Further, Materiality has also been benchmarked against prior year basis and underlying performance.	Revenue was a fundamental KPI and a key focus area for investors.	Total assets are considered to be the most appropriate benchmark as the principal activity of the Parent Company is a holding company.	
Performance materiality	**312**	169	**104**	47
Basis for determining performance materiality	Based on 75% of the Group Materiality.		Based on 75% of the Parent Company Materiality.	
Rationale for the percentage applied for performance materiality	Based on history of minimal adjustments, with few accounts subject to estimation and management's attitude to adjustments.		Based on history of minimal adjustments, few accounts subject to estimation and management's attitude to adjustments.	

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group and other components subject to specified audit procedures, apart from the Parent Company whose materiality is set above, based on a percentage of between 50% and 80% (2022: 50% and 98%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £139k to £333k (2022: £112k to £220k). In the audit of each component, we further applied performance materiality levels of 75% (2022: 75%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £21k (2022: £11k). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Independent auditor's report to the members of Gaming Realms plc continued

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, 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

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and 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.
Matters on which we are required to report by exception	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 Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the 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 Directors 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, those charged with governance, legal and Compliance Director and Audit Committee; and
- Obtaining an 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, applicable accounting frameworks and AIM rules.

The Group is also subject to laws and regulations in jurisdictions where it holds gaming licenses. Non-compliance of these laws and regulations 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:

- Enquiries of Directors and those responsible for legal and compliance procedures to understand how the Group is complying with those legal and regulatory frameworks;
- We assessed compliance with laws and regulations through enquiry with Directors, the Audit Committee and the Legal and Compliance Director and through review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Confirmation that the Group and Parent Company held gaming licenses for various territories of operation through inspection of licenses;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures against the requirements of the applicable accounting framework and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

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

- Enquiry with Directors 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; and
  - Internal controls established to mitigate risks related to 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 identified fraud risks in relation to management override of controls and overstatement of revenue during the year specifically through manual journal entries where incentive might exist to accelerate earnings:

- Testing journal entries throughout the year, particularly on revenue and consolidation journals, which met a defined risk criteria, by agreeing to supporting documentation where we considered there to be a higher risk of potential fraud and other adjustment;
- Assessing whether the judgements made by Directors, are indicative of a potential bias, and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. This included those set out in the key audit matters section of our report;
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud.

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: 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 Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Charles Morelli (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom

28 March 2024

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

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

	Note	2023 £	2022 £
Revenue	3	**23,421,523**	18,650,521
Other income	4	**139,562**	112,147
Marketing expenses		**(528,673)**	(133,799)
Operating expenses		**(4,801,467)**	(3,887,647)
Administrative expenses		**(8,168,980)**	(6,943,458)
Share option and related charges	23	**(632,304)**	(351,726)
EBITDA before adjusting items	11	**9,429,661**	7,446,038
Adjusting items	5	**(193,859)**	-
EBITDA	11	**9,235,802**	7,446,038
Amortisation of intangible assets	15	**(3,863,808)**	(3,671,379)
Depreciation of property, plant and equipment	16	**(276,259)**	(258,515)
Finance expense	12	**(43,923)**	(394,042)
Finance income	12	**115,525**	401,658
Profit before tax		**5,167,337**	3,523,760
Tax credit	13	**757,666**	90,355
Profit for the financial year		**5,925,003**	3,614,115
Other comprehensive income			
Items that will or may be reclassified to profit or loss:			
Exchange (loss) / gain arising on translation of foreign operations		**(105,004)**	131,432
Total other comprehensive income		**(105,004)**	131,432
Total comprehensive income		**5,819,999**	3,745,547
Profit attributable to:			
Owners of the parent		**5,925,003**	3,614,115
		5,925,003	3,614,115
Total comprehensive income attributable to:			
Owners of the parent		**5,819,999**	3,745,547
		5,819,999	3,745,547
Earnings per share		**Pence**	Pence
Basic	14	**2.02**	1.24
Diluted	14	**1.96**	1.21

*EBITDA is a non-GAAP measure used to represent the trading performance and results of the Group. EBITDA is defined as profit before tax adjusted for finance income and expense, depreciation and amortisation.

The notes on pages 34 to 62 form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2023

	Note	**31 December 2023 £**	31 December 2022 £
Non-current assets			
Intangible assets	15	**13,272,711**	12,422,852
Property, plant and equipment	16	**367,092**	535,409
Deferred tax asset	13	**1,891,000**	287,407
Other assets	17	**139,531**	138,798
		15,670,334	13,384,466
Current assets			
Trade and other receivables	18	**5,060,528**	5,336,330
Cash and cash equivalents		**7,455,316**	2,922,775
		12,515,844	8,259,105
Total assets		**28,186,178**	21,643,571
Current liabilities			
Trade and other payables	19	**3,383,248**	3,270,319
Lease liabilities	20	**52,135**	217,731
		3,435,383	3,488,050
Non-current liabilities			
Deferred tax liability	13	**219,921**	75,592
Lease liabilities	20	**133,445**	167,680
		353,366	243,272
Total liabilities		**3,788,749**	3,731,322
Net assets		**24,397,429**	17,912,249
Equity			
Share capital	22	**29,366,782**	29,200,676
Share premium	22	**87,732,888**	87,653,774
Merger reserve		**(67,673,657)**	(67,673,657)
Foreign exchange reserve		**1,444,697**	1,549,701
Retained earnings		**(26,473,281)**	(32,818,245)
Total equity		**24,397,429**	17,912,249

The notes on pages 34 to 62 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 28 March 2024 and were signed on its behalf by:

Mark Segal
Chief Executive Officer

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Note	**2023 £**	2022 £
Cash flows from operating activities			
Profit for the financial year		**5,925,003**	3,614,115
Adjustments for:			
Depreciation of property, plant and equipment	16	**276,259**	258,515
Loss on disposal of property, plant and equipment	16	**1,571**	-
Amortisation of intangible fixed assets	15	**3,863,808**	3,671,379
Other income	4	**(139,562)**	(112,147)
Other income received during the year		**185,184**	121,962
Finance income	12	**(115,525)**	(401,658)
Finance expense	12	**43,923**	394,042
Tax credit	13	**(757,666)**	(90,355)
Exchange differences		**(105,268)**	54,013
Share based payment expense	23	**419,961**	438,868
Decrease / (increase) in trade and other receivables		**368,986**	(1,973,278)
Increase in trade and other payables		**244,710**	607,560
Decrease in other assets		**-**	11,848
Net cash flows from operating activities before taxation		**10,211,384**	6,594,864
Net tax paid in the year		**(935,660)**	(45,213)
Net cash flows from operating activities		**9,275,724**	6,549,651
Investing activities			
Acquisition of property, plant and equipment	16	**(89,715)**	(124,104)
Acquisition of intangible assets	15	**(157,751)**	(125,684)
Capitalised development costs	15	**(4,633,403)**	(4,009,171)
Interest received	12	**85,679**	-
Net cash used in investing activities		**(4,795,190)**	(4,258,959)
Financing activities			
Repayment of convertible loan and additional charges		**-**	(3,375,000)
Principal paid on lease liability	20	**(236,659)**	(163,638)
Issue of share capital on exercise of options	22	**245,220**	13,332
Interest paid		**(28,538)**	(186,880)
Net cash used in financing activities		**(19,977)**	(3,712,186)
Net increase / (decrease) in cash and cash equivalents		**4,460,557**	(1,421,494)
Cash and cash equivalents at beginning of year		**2,922,775**	4,412,375
Exchange gain / (loss) on cash and cash equivalents		**71,984**	(68,106)
Cash and cash equivalents at end of year		**7,455,316**	2,922,775

The notes on pages 34 to 62 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Share capital £	Share premium £	Merger reserve £	Foreign Exchange Reserve £	Retained earnings £	Total to equity £
1 January 2022	**28,970,262**	**87,370,856**	**(67,673,657)**	**1,418,269**	**(36,977,228)**	**13,108,502**
Profit for the year	-	-	-	-	3,614,115	3,614,115
Other comprehensive income	-	-	-	131,432	-	131,432
Total comprehensive income for the year	-	-	-	131,432	3,614,115	3,745,547
Contributions by and distributions to owners						
Share-based payment on share options (Note 23)	-	-	-	-	438,868	438,868
Exercise of options (Note 22)	13,332	-	-	-	-	13,332
Conversion of loan	217,082	282,918	-	-	106,000	606,000
31 December 2022	**29,200,676**	**87,653,774**	**(67,673,657)**	**1,549,701**	**(32,818,245)**	**17,912,249**

	Share capital £	Share premium £	Merger reserve £	Foreign Exchange Reserve £	Retained earnings £	Total to equity £
1 January 2023	**29,200,676**	**87,653,774**	**(67,673,657)**	**1,549,701**	**(32,818,245)**	**17,912,249**
Profit for the year	-	-	-	-	5,925,003	5,925,003
Other comprehensive income	-	-	-	(105,004)	-	(105,004)
Total comprehensive income for the year	-	-	-	(105,004)	5,925,003	5,819,999
Contributions by and distributions to owners						
Share-based payment on share options (Note 23)	-	-	-	-	419,961	419,961
Exercise of options (Note 22)	166,106	79,114	-	-	-	245,220
31 December 2023	**29,366,782**	**87,732,888**	**(67,673,657)**	**1,444,697**	**(26,473,281)**	**24,397,429**

The notes on pages 34 to 62 form part of these financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

1. Accounting policies

General information

Gaming Realms Plc (the "Company") and its subsidiaries (together the "Group").

The Company is admitted to trading on the Alternative Investment Market (AIM) of the London Stock Exchange. It is incorporated and domiciled in the UK. The address of its registered office is Two Valentine Place, London, SE1 8QH.

The consolidated financial statements are presented in British Pounds Sterling.

Basis of preparation

The Group financial statements have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

The Group financial statements have been prepared on the historical cost basis, except where certain assets or liabilities are held at amortised cost or at fair value as described in the accounting policies below.

Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and entities controlled by the Company (subsidiaries). Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition up to the effective date of disposal. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Going concern

The Group meets its day-to-day working capital requirements from the cash flows generated by its trading activities and its available cash resources.

The Group prepares cash flow forecasts and re-forecasts at least bi-annually as part of the business planning process. The Directors have reviewed forecast cash flows for the period to December 2026 and consider that the Group will have sufficient cash resources available to meet its liabilities as they fall due for at least the forthcoming 12 months from the date of the approval of the financial statements.

Given the various macro-economic uncertainties such as inflation, recession fears and the war in Ukraine, these cash flow forecasts have been subject to short- and medium-term stress testing, scenario modelling and sensitivity analysis through to June 2025, which the Directors consider sufficiently robust. Scenarios considered include but are not limited to; failure to expand into planned new regulated jurisdictions during the forecast period and a significant reduction in trading cash flows compared to Group forecasts. The Directors note that in an extreme scenario, the Group also has the option to rationalise its cost base including cuts to discretionary capital, marketing and overhead expenditure. The Directors consider that the required level of change to the Group's forecast cash flows to give a rise to a material risk over going concern are sufficiently remote.

Accordingly, these financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Group and the Company will realise its assets and discharge its liabilities in the normal course of business. Management has carried out an assessment of the going concern assumption and has concluded that the Group and the Company will generate sufficient cash and cash equivalents to continue operating for the next 12 months.

Adoption of new and revised standards

The following amendments are effective for the year beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

These amendments did not have a material impact on the Group, however the accounting policies included within this note have changed as a result.

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are 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 2024:

» IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback);
» IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current); and
» IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants).

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

» IAS 21 The Effects of Changes in Foreign Exchange rates (Amendment- Lack of exchangeability)

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not expect any of the standards or amendments issued by the IASB, but not yet effective, to have a material impact on the Group.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities, including separately identifiable intangible assets, of a subsidiary, associate or jointly controlled entity at the date of acquisition.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated impairment. On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree.

Contingent consideration is initially recognised at fair value on the date of acquisition and subsequently remeasured subsequently through profit or loss.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

Adjusted EBITDA

The Board of Directors believes that in order to best represent the trading performance and results of the Group, the reported numbers should exclude certain one-off items. The Group therefore presents adjusted results, as described in Note 5, which differ from statutory results due to the exclusion of these items.

Management regularly uses the adjusted financial measures internally to understand, manage and evaluate the business and make operating decisions. These adjusted measures are among the primary factors management uses in planning for and forecasting future periods.

EBITDA is a non-GAAP Company specific measure defined as profit or loss before tax adjusted for finance income and expense, depreciation and amortisation.

Adjusted EBITDA excludes non-recurring significant items which are outside the normal scope of the Group's ordinary activities which the directors consider to be one-off in nature that should be brought to the reader's attention in understanding the Group's financial performance.

The adjusting items are separately disclosed in order to enhance the reader's understanding of the Group's profitability and cash flow generation.

Adjusting items in the current year relate to management restructuring costs.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

Performance obligations and timing of revenue recognition

Revenue comprises licensing of content and IP, and social publishing.

The following is a description of the principal activities – separated by reportable segments – from which the Group generates its revenue. For more detailed information about reportable segments see Note 11.

The Group accounts for revenue as principal where it is the licenced entity in the provision of gaming services to end users and controls the service provision. Where the Group is considered to be acting as agent in the service provision, revenues are recognised net.

Licensing revenue

Licensing revenue derives from contractual relationships for the right to use of intellectual property and the amount of consideration receivable is dependent upon the value of sales the customer makes using the IP.

For content licensing, revenue is sales-based dependent on the activity of the Group's customers. Revenue is recognised as the usage occurs by the customer (under the IFRS 15 royalty exception).

Any minimum guarantees are recognised at a point in time when the control of the licence is passed to the customer.

For brand licensing, revenue is recognised at a point in time when there are no further monetary or financial obligations to be fulfilled by the licensor. However, where the Group has ongoing obligations, licensing fees are further analysed for the contractual service provision and recognised either at point in time or over time, applying the royalty exception as applicable.

Determining the transaction price

Most of the Group's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices and rates.

Contracts where the transaction price is not fixed are royalties which are accounted for in accordance with the usage-based royalty exception in IFRS 15.

Allocating amounts to performance obligations

For most contracts, there is a fixed amount for each wager or credit purchased and only one performance obligation, being the honouring of the outcome of the wager/purchase. Therefore, there is no judgement involved in allocating the contract price. Licensing contracts work on a sales-based royalty. Therefore, there is no judgement involved in allocating the contract price.

Social publishing revenue

Social publishing revenue derives from the purchase of credits and awards on social gaming sites. In addition, revenue is generated from in app advertisements.

Revenue is recognised at a point in time when the user credit has been purchased as there is no further service to be delivered and credits are non-refundable. In app advertising revenue is recognised at a point in time when the advertisement is displayed, or offer has been completed by the customer and confirmed by third-party reports.

Other income

The Group receives government grants in respect of its research and development activities performed. This is presented as other income in the consolidated statement of comprehensive income and is recognised in the same period as the expenses incurred in performing the applicable activities.

Leases

Group as a lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

» Leases of low value assets; and
» Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

» amounts expected to be payable under any residual value guarantee;
» the exercise price of any purchase option granted in favour of the group if it is reasonable certain to assess that option; and
» any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
» lease payments made at or before commencement of the lease;
» initial direct costs incurred; and
» the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Foreign currency

The financial information of the Group is prepared in British Pounds Sterling, which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Group. The Group has subsidiaries with functional currencies of British Pounds Sterling, U.S. Dollars, Euros and Canadian Dollars.

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the statement of comprehensive income. Foreign exchange differences arising from financing transactions are recognised in finance income/loss, differences arising from trading balances are recognised in administration costs.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

Exchange differences recognised as profit or loss in Group entities' separate financial statements on the translation of long-term monetary items forming part of the Parent company's net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

Impairment of non-financial assets

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ("CGUs"). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in the income statement, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received.

The fair value of share options issued without market-based vesting conditions is measured by the application of the Black-Scholes option pricing model by reference to the grant date of the options.

Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or arise from other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques (see section related to critical estimates and judgements below).

Internally generated intangible assets (development costs)

The Group has material development spend on internally developed products which fall into two categories; (i) build of new games content to be released in the licensing and social publishing segments, and (ii) platform enhancements and development.

Expenditure on internally developed products is capitalised if it can be demonstrated that:
» it is technically feasible to develop the product for it to be used or sold;
» adequate resources are available to complete the development;
» there is an intention to complete and use or sell the product;
» the Group is able to use or sell the product;
» use or sale of the product will generate future economic benefits; and
» expenditure on the project can be measured reliably.

Once a product is either used or distributed, capitalised development costs in relation to that product are amortised over the period the Group expects to benefit from using or selling the product developed.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated statement of comprehensive income as incurred.

The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible asset	Useful economic life
Customer databases	1–2 years
Development costs	3-5 years
Intellectual property	8 years
Domain names	2-3 years
Software	3-5 years

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost less estimated residual value, of each asset evenly over its expected useful life as follows:

Office, furniture and equipment	20% per annum straight-line
Computer equipment	33% per annum straight-line
Leasehold improvements	Over the life of the lease

Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of shares subscribed for.
Share premium	Amount subscribed for share capital in excess of nominal value.
Merger reserve	Adjustments arising on the reverse transaction and the excess of the fair value over nominal value for shares issued in business combinations qualifying for merger relief under the Companies Act 2006.
Retained earnings	All other net gains and losses and transactions with owners not recognised elsewhere.
Foreign exchange reserve	Gains/losses arising on retranslating the net assets of overseas operations into sterling.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit
- Investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

2. Critical ccounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates

(a) Impairment of goodwill and other intangible assets

Goodwill and other intangible assets are reviewed for impairment and their values are written down on the basis of the Group's expectations of future economic benefits expected to be received. Any process which attempts to estimate future outcomes to determine the recoverable amount is subject to uncertainty. The recoverable amount is determined based on the lower of value in use calculations, which require the estimate of future cash flows and the choice of discount rate to calculate the present value of the cash flows. Calculations are based on management's forecasts for the period, and past experience of the same or similar assets. Where it is believed that the estimation uncertainty can give rise to material differences in asset carrying values, this will be stated in the relevant notes to the financial statements. For both CGU's impairment reviews were performed over, a reasonably possible change to an input to the impairment review calculation (such as WACC, long term growth rate, reduction in medium term cash flows) would not result in an impairment. See Note 15.

(b) Amortisation of development costs

Capitalised development costs are subject to amortisation over the estimated useful life and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The estimated useful life of these assets is based on management's estimates of the period over which the assets are expected to generate revenue and are periodically reviewed to confirm they are still appropriate.

(c) Recognition of deferred tax assets

The Group has material unused tax losses carried forward at the balance sheet date. A deferred tax asset of £1.9m (2022: £0.3m) has been recognised in respect of the Group's historic UK trading losses which are being carried forward (see Note 13). The increase in the asset recognised compared with the prior year is a result of the improvement in current trading along with the Directors future anticipated performance of the Group. The utilisation of these losses is dependent on the existence of future taxable profits, to which the tax losses can be applied against.

In assessing the quantum and probability of recovery of tax losses carried forward, the Directors have reviewed the Group's three-year forecasts used for both the going concern assessment and annual impairment testing, which have been approved by the Board. The process of forecasting future performance is inherently subject to estimation uncertainty. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred tax assets as well as the amounts recognised in income in the period in which the change occurs.

Taxation information, including deferred tax assets, is presented in Note 13.

Judgements

(a) Revenue recognition

Certain brand licensing agreements involve judgement over the nature, timing and extent of the Group's activities in fulfilling contractual performance obligations. This judgement therefore impacts the timing of revenues recognised for such agreements. On a contract-by-contract basis, the Group assesses its expected ongoing commitments to fulfil its contractual obligations. Where an agreement provides the right for a customer to use the Group's intellectual property and there are no significant ongoing commitments for the Group to satisfy, the performance obligation is considered to be satisfied at a point in time, when the associated revenues are recognised. However, where there is expected to be significant ongoing commitment for the Group, revenues are recognised over time with the satisfaction of the performance obligations.

(b) Capitalisation of development costs

The identification of development costs that meet the criteria for capitalisation is dependent on management's judgement and knowledge of the work done. Development costs of gaming software platforms are separately identified. Key judgements relate to the separately identified projects, the expected future benefits and the useful economic life and are based on the information available at each period end. Economic success of any development is assessed on a reasonable basis but remains uncertain at the time of recognition. Development costs capitalised total £4.6m (2022: £4.0m). See Note 15.

(c) Taxes

Judgement is required to interpret international tax laws relating to e-commerce in order to identify and value provisions in relation to indirect taxes. The principal risks relating to the Group's tax liabilities arise from domestic and international tax laws and practices in the e-commerce environment which continues to evolve. The Group is basing its tax provisions on current (and enacted but not yet implemented) tax rules and practices, together with advice received, where necessary, from professional advisers, and believes that its accruals for tax liabilities are adequate for all open enquiry years based on its assessment of many factors including past experience and interpretations of tax law. The Group monitors changes in legislation and updates its tax liabilities accordingly, However, due to different interpretations and evolving practice there is a risk that additional liabilities could arise. To the extent that the final outcome of such matters differs to management's assessment at any reporting dates, such differences may impact the financial results or contingent liabilities disclosed in the period in which such determination is made. Further details can be found in Note 25 to the financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

3. Revenue from contracts with customers

Disaggregation of revenue

The Group has disaggregated revenue into various categories in the following table which is intended to:

» depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic date; and

» enable users to understand the relationship with revenue segment information provided in Note 11.

B2B licensing revenue by primary geographical market is split according to the location of the operator.

In 2023 there was one customer (2022: one customer) who individually accounted for more than 10% of total revenue of the Group. Total revenue from this customer in 2023 was £2,344,286 (2022: £2,672,153).

2023 revenue	Licensing £	Social publishing £	Other £	Total £
Primary geographical markets				
UK (including Channel Islands)	1,101,487	-	-	1,101,487
USA	8,099,555	3,504,157	-	11,603,712
Isle of Man	1,093,050	-	-	1,093,050
Malta	3,766,252	-	-	3,766,252
Gibraltar	4,203,155	-	-	4,203,155
Rest of the World	1,653,867	-	-	1,653,867
	19,917,366	**3,504,157**	**-**	**23,421,523**
Contract counterparties				
Direct to consumers (B2C)	-	3,504,157	-	3,504,157
B2B	19,917,366	-	-	19,917,366
	19,917,366	**3,504,157**	**-**	**23,421,523**

2022 revenue	Licensing £	Social publishing £	Other £	Total £
Primary geographical markets				
UK (including Channel Islands)	831,518	-	23,000	854,518
USA	6,480,346	3,690,485	-	10,170,831
Isle of Man	672,098	-	-	672,098
Malta	2,838,486	-	-	2,838,486
Gibraltar	3,079,594	-	-	3,079,594
Rest of the World	1,034,994	-	-	1,034,994
	14,937,036	**3,690,485**	**23,000**	**18,650,521**
Contract counterparties				
Direct to consumers (B2C)	-	3,690,485	-	3,690,485
B2B	14,937,036	-	23,000	14,960,036
	14,937,036	**3,690,485**	**23,000**	**18,650,521**

Remaining performance Obligations

The vast majority of the Group's contracts are for services that will be provided within the next 12 months. Certain licence contracts have been entered into for which both:

» the original contractual period was greater than 12 months; and
» the Group's right to consideration does not correspond directly with the performance.

The amount of revenue that will be recognised in future periods on these contracts when those remaining performance obligations will be satisfied is:

	2023 £	2022 £
Next 12 months	-	600,000
	-	600,000

4. Other income

The Group receives government grants in respect of its research and development activities performed in certain jurisdictions in which the Group operates. Amounts recognised in the income statement are summarised below.

	2023 £	2022 £
Other income	**139,562**	112,147
	139,562	112,147

5. Adjusted EBITDA

EBITDA is profit before interest, tax, depreciation and amortisation and is a non-GAAP measure. Adjusted EBITDA is EBITDA before adjusting items, which are items that Management considers to be significant, non-recurring and outside the scope of the Group's ordinary activities that may distort an understanding of financial performance or impair comparability.

Adjusted EBITDA is stated before adjusting items as follows:

	2023 £	2022 £
Restructuring costs	**193,859**	-
Adjusting items	**193,859**	-

Restructuring costs of £0.2m in 2023 (2022: £Nil) relate to a management restructure during the year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

6. Expenses by nature

Profit before interest and tax has been arrived at after charging/(crediting):

	Note	2023 £	2022 £
Employee benefit expenses (excluding share option and related charges)	10	**5,154,730**	4,596,796
License and platform fees		**2,905,326**	2,582,636
IT software and hosting costs		**1,968,783**	1,528,098
Legal, professional and consulting		**911,676**	738,919
Share option and related charges	23	**632,304**	351,726
Marketing expenses		**528,673**	133,799
Depreciation of property, plant and equipment	16	**276,259**	258,515
Amortisation of intangible assets	15	**3,863,808**	3,671,379
Low value and short term leases		**4,325**	-
Foreign exchange loss/ (gain)		**144,165**	(111,557)

7. Auditor’s remuneration

During the year the Group obtained the following services from the Company’s auditor:

	2023 £	2022 £
Fees payable to the Company's auditor for the audit of the Group's annual accounts	**35,000**	30,000
Fees payable to the Company's auditor for the audit of the subsidiary financial statements	**98,000**	90,750
Fees payable to the Company's auditor for the review of the interim statement	**-**	3,000
Fees payable to the Company's auditor for other services:		
- Tax compliance services	**38,612**	50,785
- Research and development tax credit services	**20,000**	54,850
- Other	**-**	4,713
	191,612	234,098

8. Key management personnel remuneration

During the year the Group paid the following remuneration to the key management personnel (which include directors) of the consolidated entity:

	2023 £	2022 £
Short-term benefits of key management personnel	**2,301,993**	1,914,893
Post-employment benefits of key management personnel	**43,805**	40,162
Share-based benefits of key management personnel	**368,746**	394,149
Compensation for loss of office	**74,350**	-
	2,788,894	2,349,204

9. Directors' remuneration

The following table presents the Directors' remuneration of the Company for the year ended 31 December 2023.

	Salary and fees £	Bonus £	Benefits £	2023 Total £	2022 Total £
Michael Buckley	**290,000**	**147,253**	**-**	**437,253**	357,500
Mark Segal	**315,000**	**222,615**	**16,441**	**554,056**	372,896
Geoff Green	**150,000**	**61,941**	**10,447**	**222,388**	-
Jim Ryan	**50,000**	**-**	**-**	**50,000**	50,000
Mark Wilson	**50,000**	**-**	**-**	**50,000**	50,000
Mark Blandford	**50,000**	**-**	**-**	**50,000**	50,000
Anna Massion	**53,750**	**-**	**-**	**53,750**	8,333
	958,750	**431,809**	**26,888**	**1,417,447**	888,729

The Directors' ordinary shares in the Company, were as follows:

	2023 No. of shares	2022 No. of shares
Michael Buckley	**25,700,000**	25,700,000
Mark Segal	**740,761**	740,761
Jim Ryan	**1,153,845**	1,153,845
Mark Wilson	**1,153,845**	1,153,845
Mark Blandford	**12,598,738**	11,730,000
Anna Massion	**33,250**	-
	41,380,439	40,478,451

Directors' interests in long-term incentive plans

The Directors' interests in share options, over ordinary shares in the Company, were as follows:

		Options at 1 Jan 2023	Options granted	Options exercised	Options lapsed	Options at 31 Dec 2023	Exercise price	Date of grant
Michael Buckley	1	2,000,000	-	-	-	2,000,000	£0.10	02-Jun-20
	2	5,769,229	-	-	-	5,769,229	£0.20	28-Jul-20
	3	1,000,000	-	-	-	1,000,000	£0.325	06-Jan-22
	4	500,000	-	-	-	500,000	£0.325	06-Jan-22
	5	-	1,000,000	-	-	1,000,000	£0.00	02-Aug-23
Mark Segal	1	3,000,000	-	-	-	3,000,000	£0.10	02-Jun-20
	2	3,076,923	-	-	-	3,076,923	£0.20	28-Jul-20
	3	1,000,000	-	-	-	1,000,000	£0.325	06-Jan-22
	4	500,000	-	-	-	500,000	£0.325	06-Jan-22
	5	-	1,000,000	-	-	1,000,000	£0.00	02-Aug-23

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

9. Directors' remuneration (continued)

		Options at 1 Jan 2023	Options granted	Options exercised	Options lapsed	Options at 31 Dec 2023	Exercise price	Date of grant
Geoff Green		350,000	-	-	-	350,000	£0.10	01-May-20
		50,000	-	-	-	50,000	£0.20	26-Nov-20
	3	150,000	-	-	-	150,000	£0.325	06-Jan-22
	5	-	500,000	-	-	500,000	£0.00	02-Aug-23

1 On 2 June 2020, the Company granted these equity settled awards to certain Directors, which vest in three equal tranches on 3 February 2021, 2022 and 2023 subject to certain performance criteria.
2 On 28 July 2020, the Company granted these equity settled awards to certain Directors, which vest in two equal tranches 12 and 24 months from the date of grant.
3 On 6 January 2022, the Company granted these equity settled awards to certain Directors. The options vest immediately on certain non-market-based conditions occurring and lapse on the third anniversary of grant if the conditions do not occur.
4 On 6 January 2022, the Company granted these equity settled awards to certain Directors, which vest in three equal tranches on 15 October 2022, 2023 and 2024.
5 On 2 August 2023, the Company granted these equity settled awards to certain Directors, which vest on 30 June 2026.

10. Employee benefit expenses

The Group makes contributions to defined contribution plans and has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. The assets of the individual schemes are held separately from those of the Group in independently administered funds. Unpaid contributions at 31 December 2023 were £68,326 (2022: £20,600).

The average number of employees was 78 (2022: 67).

	2023 £	2022 £
Employee benefit expenses (including directors) comprise:		
Wages and salaries	**6,572,848**	5,615,054
Share option and related charges (Note 23)	**632,304**	351,726
Social security contributions and similar taxes	**668,009**	585,604
Pension contributions	**224,994**	179,845
	8,098,155	6,732,229
Staff costs capitalised in respect of internally generated intangible assets	**(2,311,121)**	(1,783,707)
	5,787,034	4,948,522

11. Segment information

The Board is the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Board for the purposes of allocating resources and assessing performance.

The Group has 2 reportable operating segments:
» Licensing - brand and content licensing to partners in Europe and the US
» Social Publishing - providing freemium games to the US

2023	Licencing £	Social Publishing £	Head Office £	Total £
Revenue	19,917,366	3,504,157	-	23,421,523
Other income	-	139,562	-	139,562
Marketing expense	(94,533)	(338,030)	(96,110)	(528,673)
Operating expense	(3,442,127)	(1,359,340)	-	(4,801,467)
Administrative expense	(4,763,369)	(1,141,114)	(2,264,497)	(8,168,980)
Share option and related charges	(103,425)	(9,927)	(518,952)	(632,304)
EBITDA before adjusting items	**11,513,912**	**795,308**	**(2,879,559)**	**9,429,661**
Adjusting items	(193,859)	-	-	(193,859)
EBITDA	**11,320,053**	**795,308**	**(2,879,559)**	**9,235,802**
Amortisation of intangible assets	(2,488,290)	(930,857)	(444,661)	(3,863,808)
Depreciation of property, plant and equipment	(70,537)	(70,580)	(135,142)	(276,259)
Finance expense	(17,279)	(17,688)	(8,956)	(43,923)
Finance income	96,280	2,820	16,425	115,525
Profit before tax	**8,840,227**	**(220,997)**	**(3,451,893)**	**5,167,337**

2022	Licencing £	Social Publishing £	Head Office £	Total £
Revenue	14,937,036	3,690,485	23,000	18,650,521
Other income	-	112,147	-	112,147
Marketing expense	(38,391)	(17,164)	(78,244)	(133,799)
Operating expense	(2,579,127)	(1,308,520)	-	(3,887,647)
Administrative expense	(4,176,964)	(1,001,569)	(1,764,925)	(6,943,458)
Share option and related charges	(149,753)	(1,666)	(200,307)	(351,726)
EBITDA	**7,992,801**	**1,473,713**	**(2,020,476)**	**7,446,038**
Amortisation of intangible assets	(1,996,909)	(943,384)	(731,086)	(3,671,379)
Depreciation of property, plant and equipment	(60,215)	(59,822)	(138,478)	(258,515)
Finance expense	(10,087)	(11,239)	(372,716)	(394,042)
Finance income	26,658	-	375,000	401,658
Profit before tax	**5,952,248**	**459,268**	**(2,887,756)**	**3,523,760**

The Group's non-current assets (excluding deferred tax assets) by geographical area are detailed below.

	2023 £	2022 £
UK	**12,723,635**	12,038,678
USA	**1,642**	1,040
Canada	**1,054,057**	1,043,871
Malta	**-**	13,470
	13,779,334	13,097,059

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

12. Finance income and expense

		2023 £	2022 £
Finance income			
Interest received		**85,679**	-
Net release of derivative liability on non-conversion of loan	21	**-**	375,000
Interest income on unwind of deferred income		**29,846**	26,658
Total finance income		**115,525**	401,658
Finance expense			
Bank interest paid and bank fees		**28,538**	20,445
Fair value movement on derivative liability	21	**-**	112,000
Effective interest on other creditor	21	**-**	237,157
Interest expense on lease liability	20	**15,385**	24,440
Total finance expense		**43,923**	394,042

13. Taxation

	2023 £	2022 £
Current tax		
Current tax charge	**(745,653)**	(312,922)
Adjustment for current tax of prior periods	**43,160**	(8,414)
Total current tax	**(702,493)**	(321,336)
Deferred tax		
Recognition of deferred tax asset	**1,603,593**	287,407
Overseas temporary differences	**(143,434)**	124,284
Total deferred tax credit	**1,460,159**	411,691
Total tax credit	**757,666**	90,355

The reasons for the difference between the actual tax credit for the period and the standard rate of corporation tax in the UK applied to profits for the year are as follows:

	2023 £	2022 £
Profit before tax for the year	**5,167,337**	3,523,760
Expected tax at effective rate of corporation tax in the UK of 23.52% (2022: 19.0%)	**1,215,358**	669,514
Expenses not deductible for tax purposes	**47,717**	141,812
Income not chargeable for tax purposes	**(32,825)**	(71,278)
Share scheme deductions under Part 12 CTA 09	**(62,044)**	-
Effects of overseas taxation	**292,759**	(93,850)
Adjustment for tax in respect of prior periods	**(43,160)**	8,414
Research and development tax credit	**(159,701)**	(131,100)
Movement in deferred tax not previously recognised	**(590,553)**	(326,460)
Difference between current and deferred tax rates	**(30,116)**	-
Recognition of deferred tax asset on losses previously unrecognised	**(1,395,101)**	(287,407)
	(757,666)	(90,355)

The Group has a net corporation tax payable at the balance sheet date of £34,670 (2022: £276,123) being the £702,493 current tax charge for the year, less £935,660 payments made during the year (including settlement of the brought forward payable) and £8,286 of foreign exchange differences relating to US corporation tax payments.

Deferred Tax

The analysis of deferred tax included in the financial statements at the end of the year is as follows:

	2023 £	2022 £
Deferred tax assets		
Tax losses carried forward	**1,891,000**	287,407
Deferred tax assets	**1,891,000**	287,407
Deferred tax liabilities		
Overseas temporary differences	**(219,921)**	-
Business combinations - acquired intangibles	**-**	(75,592)
Deferred tax liabilities	**(219,921)**	(75,592)
Net deferred tax asset	**1,671,079**	211,815

The deferred tax included in the Group income statement is as follows:

	2023 £	2022 £
Deferred tax asset recognised for losses	**1,603,593**	287,407
Overseas temporary differences	**(219,921)**	-
Unwind of deferred tax liability on business combinations	**75,592**	124,284
Exchange differences	**895**	-
Total deferred tax credit	**1,460,159**	411,691

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

13. Taxation (continued)

The deferred tax movement on the balance sheet is as follows:

	2023 £	2022 £
As at the start of the year	**211,815**	(199,876)
Deferred tax asset recognised for losses	**1,603,593**	287,407
Unwind of deferred tax liability on business combinations	**75,592**	124,284
Overseas temporary differences	**(219,026)**	-
Exchange differences	**(895)**	-
As at the end of the year	**1,671,079**	211,815

The Group has unused UK tax losses carried forward as at the balance sheet date of £28.4m (2022: £30.6m) and US tax losses carried forward of $3.9m (2022: $3.9m). Given the Group now has a three-year track record of delivering pre-tax profits, along with expected future profitability levels forecast by management, the Directors have recognised a deferred tax asset of £1.9m (2022: £0.3m) relating to unused tax losses that are expected to be offset against the Group's taxable profits generated over the following two accounting periods (2022: one accounting period). The Directors consider two years to be prudent and appropriate for a number of factors, including the changing and uncertain regulatory environment, notably but not limited to the UK, and uncertainty around the timing of entry into planned new markets. Management have based their assessment on the latest Group forecasts approved by the Board. No deferred tax has been recognised on £20.8m (2022: £29.4m) of UK losses carried forward that are not expected to be utilised over the next two accounting periods. No deferred tax has been recognised on $3.9m (2022: $3.9m) of US tax losses carried forward, as the Directors do not anticipate future profits in the Company where these losses reside.

No deferred tax asset is recognised in respect of potential share scheme deductions under part 12 of the Corporation Tax Act 2009, since management have restricted the deferred tax asset recorded on unused UK losses to two years. The unrecognised deferred tax asset on unexercised share options is £1,057,112.

The amount of the asset is determined using tax rates that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax assets are recovered. From April 2023, there is no longer a single Corporation Tax rate for non-ring fence profits. At the Spring Budget 2021, the UK government announced that the Corporation Tax main rate for non-ring fence profits would increase to 25% for profits above £250,000.

14. Earnings per share

Basic earnings per share is calculated by dividing the result attributable to ordinary shareholders by the weighted average number of shares in issue during the year. The calculation of diluted EPS is based on the result attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjusting for the effects of all dilutive potential ordinary shares. The Group's potentially dilutive securities consist of share options (see Note 23) and a convertible loan that was repaid in full during the prior year. The convertible loan was anti-dilutive in the prior year so was not included in the diluted EPS calculation.

	2023 £	2022 £
Profit after tax attributable to the owners of the parent Company	**5,925,003**	3,614,115

	Number	Number
Denominator - basic		
Weighted average number of ordinary shares	**292,715,123**	291,655,659
Denominator - diluted		
Weighted average number of ordinary shares	**292,715,123**	291,655,659
Weighted average number of option shares	**9,961,871**	7,057,892
Weighted average number of shares	**302,676,994**	298,713,551

	Pence	Pence
Basic earnings per share	**2.02**	1.24
Diluted earnings per share	**1.96**	1.21

15. Intangible assets

	Goodwill £	Customer database £	Software £	Development costs £	Licenses £	Domain names £	Intellectual Property £	Total £
Cost								
At 1 January 2022	6,673,924	1,490,537	1,354,602	17,843,431	247,322	8,874	5,859,424	33,478,114
Additions	-	-	54,229	4,009,171	71,455	-	-	4,134,855
Exchange differences	125,326	-	-	14,080	694	-	-	140,100
At 31 December 2022	6,799,250	1,490,537	1,408,831	21,866,682	319,471	8,874	5,859,424	37,753,069
Additions	-	-	16,627	4,633,403	141,124	-	-	4,791,154
Disposals	-	(5,124)	-	-	(80,398)	-	-	(85,522)
Exchange differences	(53,694)	-	-	(36,573)	(292)	-	-	(90,559)
At 31 December 2023	**6,745,556**	**1,485,413**	**1,425,458**	**26,463,512**	**379,905**	**8,874**	**5,859,424**	**42,368,142**
Accumulated amortisation and impairment								
At 1 January 2022	1,650,000	1,490,537	1,310,294	12,475,353	43,469	8,874	4,683,679	21,662,206
Amortisation charge	-	-	73,177	2,781,155	85,961	-	731,086	3,671,379
Exchange differences	-	-	-	(3,368)	-	-	-	(3,368)
At 31 December 2022	1,650,000	1,490,537	1,383,471	15,253,140	129,430	8,874	5,414,765	25,330,217
Amortisation charge	-	-	33,347	3,239,928	145,874	-	444,659	3,863,808
Disposals	-	(5,124)	-	-	(80,398)	-	-	(85,522)
Exchange differences	-	-	-	(13,137)	65	-	-	(13,072)
At 31 December 2023	**1,650,000**	**1,485,413**	**1,416,818**	**18,479,931**	**194,971**	**8,874**	**5,859,424**	**29,095,431**
Net book value								
At 31 December 2022	5,149,250	-	25,360	6,613,542	190,041	-	444,659	12,422,852
At 31 December 2023	**5,095,556**	**-**	**8,640**	**7,983,581**	**184,934**	**-**	**-**	**13,272,711**

* Brought forward cost and accumulated amortisation has been updated. No changes to net book value at 31 December 2022 or 31 December 2023 in total or by category.

The Group has no contractual commitments for development costs (2022: none).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

15. Intangible assets (continued)

Goodwill

The Group has 2 Cash Generating Units ("CGUs") (2022: 2) for which the carrying amount of goodwill is allocated as follows:

	2023 £	2022 £
Licensing	**4,929,352**	4,975,634
Social Publishing	**166,204**	173,616
	5,095,556	5,149,250

Impairment of goodwill

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. A detailed impairment test was undertaken at 31 December 2023 to assess whether the carrying value of assets was supported by its recoverable amount.

The recoverable amount is the higher of fair value less costs of disposal, and value in use. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows. No indicators of impairment arose as a result of this review.

The recoverable amounts of both CGUs have been determined from value in use calculations based on cash flow projections from formally approved budgets. Cash flow projections have been prepared by management for a three-year period to 31 December 2026, which have been presented and approved by the Board. These projections have been extended by a further 2 years using estimated growth rates to give 5-year projections. Other major assumptions are as follows:

	Discount rate	Long-term growth rate *
2023		
Licensing	**22.8%**	**2%**
Social Publishing	**22.8%**	**2%**
2022		
Licensing	19.0%	2%
Social Publishing	19.0%	2%

* The growth rate assumptions apply only to the period beyond the formal budgeted period with the value in use calculation based on an extrapolation of the budgeted cash flows for year 5.

The discount rates used in discounting the projected cash flows are based on the Group's Weighted Average Cost of Capital, after considering the specific risks of the different CGU's.

The discount rates used have been considered based on the risks involved in each of the underlying business units and terminal growth rates and reflect the expected growth in underlying EBITDA expected from these units. These CGUs have been considered for impairment and sensitivities have been calculated around the terminal growth rates and discount factors used together with specific scenarios including the loss of revenue where those revenues might be considered to be at risk.

No indicators of impairment have arisen as a result as the impact of all sensitivities were judged to be within tolerable levels.

16. Property, plant and equipment

	ROU lease assets* £	Leasehold improvements £	Computers and related equipment £	Office furniture and equipment £	Total £
Cost					
At 1 January 2022	720,042	67,481	329,375	65,262	1,182,160
Additions	181,228	-	121,306	2,798	305,332
Disposals	(121,966)	-	-	-	(121,966)
Exchange differences	5,021	279	4,038	1,825	11,163
At 31 December 2022	784,325	67,760	454,719	69,885	1,376,689
Additions	25,893	-	73,876	15,839	115,608
Disposals	-	-	(3,362)	-	(3,362)
Exchange differences	(4,686)	(190)	(4,223)	(1,292)	(10,391)
At 31 December 2023	**805,532**	**67,570**	**521,010**	**84,432**	**1,478,544**
Accumulated deprecation					
At 1 January 2022	405,927	37,202	198,057	56,395	697,581
Depreciation charge	154,349	13,579	84,605	5,982	258,515
Disposals	(121,966)	-	-	-	(121,966)
Exchange differences	3,215	191	2,196	1,548	7,150
At 31 December 2022	441,525	50,972	284,858	63,925	841,280
Depreciation charge	159,083	12,311	101,360	3,505	276,259
Disposals	-	-	(1,791)	-	(1,791)
Exchange differences	(258)	(190)	(2,686)	(1,162)	(4,296)
At 31 December 2023	**600,350**	**63,093**	**381,741**	**66,268**	**1,111,452**
Net book value					
At 31 December 2022	342,800	16,788	169,861	5,960	535,409
At 31 December 2023	**205,182**	**4,477**	**139,269**	**18,164**	**367,092**

* See Note 20 for further analysis by lease category.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

17. Other assets

	2023 £	2022 £
Other assets	**139,531**	138,798

Other assets represent the rental deposit on operating leases and deposits held with third-party suppliers.

18. Trade and other receivables

	2023 £	2022 £
Trade receivables	**3,024,745**	3,497,710
Other receivables	**134,558**	145,506
Tax and social security	**223,113**	280,912
Prepayments and accrued income	**1,678,112**	1,412,202
	5,060,528	5,336,330

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

All amounts shown fall due for payment within one year.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

Management have assessed the expected loss rate based on the Group's historical credit losses experienced over the five-year period ended 31 December 2023. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. On the basis of this review, no impairment has been recorded (2022: None).

19. Trade and other payables

	2023 £	2022 £
Trade payables	**727,706**	669,024
Other payables	**157,785**	118,777
Tax and social security	**368,894**	464,557
Accruals and deferred income	**2,128,863**	2,017,961
	3,383,248	3,270,319

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

20. Leases

Group as a lessee

Set out below, are the carrying amount of the Group's right-of-use asset and lease liability, along with the movements during the year.

Right-of-use assets

	Land and buildings £	Motor vehicles £	Total £
At 1 January 2022	308,017	6,099	314,116
Additions	181,228	-	181,228
Amortisation	(150,861)	(3,488)	(154,349)
Exchange differences	1,805	-	1,805
At 31 December 2022	340,189	2,611	342,800
Additions	25,893	-	25,893
Amortisation	(156,472)	(2,611)	(159,083)
Exchange differences	(4,428)	-	(4,428)
At 31 December 2023	**205,182**	**-**	**205,182**

Lease liabilities

	Land and buildings £	Motor vehicles £	Total £
At 1 January 2022	335,176	5,938	341,114
Additions	181,228	-	181,228
Lease payments	(160,071)	(3,567)	(163,638)
Interest expense	24,219	221	24,440
Exchange differences	2,267	-	2,267
At 31 December 2022	382,819	2,592	385,411
Additions	25,893	-	25,893
Lease payments	(234,010)	(2,649)	(236,659)
Interest expense	15,328	57	15,385
Exchange differences	(4,450)	-	(4,450)
At 31 December 2023	**185,580**	**-**	**185,580**

Ageing of lease liabilities

	2023 £	2022 £
Current	**52,135**	217,731
Non-current	**133,445**	167,680
	185,580	385,411

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

21. Financial instruments and risk management – Group

The Group is exposed through its operations to risks that arise from use of its financial instruments. The Group's financial assets and liabilities are shown on the face of the consolidated statement of financial position and are presented in the table below by category, as defined by IFRS 9 'Financial Instruments'.

	Amortised cost		Fair Value	
	2023 £	2022 £	**2023 £**	2022 £
Financial assets				
Cash and cash equivalents	**7,455,316**	2,922,775	**-**	-
Trade and other receivables	**3,159,303**	3,643,216	**-**	-
Accrued income	**1,260,642**	1,101,410	**-**	-
Other assets	**139,531**	138,798	**-**	-
Financial liabilities				
Trade and other payables	**885,491**	787,801	**-**	-
Accruals	**2,128,863**	1,417,961	**-**	-
Lease liability	**185,580**	385,411	**-**	-

Financial assets and financial liabilities are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

The Group classifies its financial instruments in the following categories:

» Financial assets held at amortised cost;
» Financial assets held at fair value;
» Financial liabilities held at amortised cost; and
» Financial liabilities held at fair value.

The classification depends on the purpose for which the financial assets and liabilities were acquired. Management determines the classification of its financial instruments at initial recognition or in certain circumstances on modification.

In the Directors' opinion, there is no material difference between the book value and the fair value of any of the financial instruments.

The Group has some exposure to credit risk and liquidity risk. There has been no material change to the financial instruments used within the business during the year and therefore no material changes to the risk management policies put in place by the Board which are now discussed below.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. Whilst acknowledging this responsibility, it has delegated the authority and day to day responsibility for designing and operating systems and controls which meet these risk management objectives to the finance and administration function. The Board regularly reviews the effectiveness of these processes in meeting its objectives and considers any necessary changes in response to changes within the business or the environment in which it operates.

Currency risk

The Group is exposed to currency risk on translation and on sales and purchases that are denominated in a currency other than Pounds Sterling (GBP). The currency in which these transactions are primarily denominated is US Dollars (USD) and Euros (EUR).

The Group's policy is, where possible to allow Group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where Group entities have liabilities denominated in a currency other than their functional currency cash already denominated in that currency will, where possible, be transferred from elsewhere in the Group.

As of 31 December 2023 the Group's net exposure to foreign exchange risk was as follows:

Net foreign currency financial assets	2023 £	2022 £
US Dollar	**2,358,406**	1,973,465
Euro	**857,828**	996,279
Other	-	153,892
	3,216,234	3,123,636

The effect of a 20% strengthening in Sterling against other currencies, all other variables held constant, have resulted in a increase in profit and an increase in net assets of £643,247 (2022:£624,727). A 20% weakening in the exchange rates would, on same basis reduce profit after tax and decrease net assets by £643,247. (2022: £624,727).

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The ongoing lease liabilities are included in the Group's cash flow modelling.

The following table sets out the undiscounted contractual cash flows:

At 31 December 2023	Within 1 year £	1–2 years £	Over 2 years £
Trade and other payables	**885,491**	-	-
Accruals	**2,128,863**	-	-
Lease liability	**67,327**	**46,060**	**94,273**
Total	**3,081,681**	**46,060**	**94,273**

At 31 December 2022	Within 1 year £	1–2 years £	Over 2 years £
Trade and other payables	885,492	-	-
Accruals	2,089,463	-	-
Lease liability	232,035	61,566	120,317
Total	**3,206,990**	**61,566**	**120,317**

Credit risk

The Group's trading is mainly exposed to credit risk through credit sales in both the Licencing and Social Publishing segments. Generally, receivables are due and collected within 30 days of invoice or contract. See Note 18 for further detail on receivables exposure and expected credit loss analysis.

Management considered the credit risk and the counterparty debt risk and recognised an impairment provision of £Nil (2022: £Nil). In the opinion of management, the credit risk to cash and lease deposits is immaterial.

See further disclosure on results of expected credit losses in Note 18.

Capital management

The Group is funded through shareholders' funds. The Group monitors its capital structure, which comprises all components of equity (i.e. share capital, share premium, non-controlling interest and retained earnings) and monitors external debt. The Group is not subject to any externally imposed capital requirements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

21. Financial instruments and risk management – Group (continued)

Changes in liabilities

IAS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. The Group's liabilities arising from financing activities consist of lease liabilities (see Note 20). A reconciliation between the opening and closing balances of these items is provided below.

2023

	Fair value of debt host £	Obligation to provide free services £	Fair value of derivative liability £	Lease liability £
Opening balance	-	-	-	385,411
New leases entered into during the year	-	-	-	25,893
Cash paid	-	-	-	(236,659)
Unwind of discount	-	-	-	15,385
Exchange differences	-	-	-	(4,450)
Carried forward	**-**	**-**	**-**	**185,580**

2022

	Fair value of debt host £	Obligation to provide free services £	Fair value of derivative liability £	Lease liability £
Opening balance	3,429,278	60,000	744,000	341,114
New leases entered into during the year	-	-	-	181,228
Cash paid	(3,166,435)	-	(375,000)	(163,638)
Utilisation of free services	-	(60,000)	-	-
Partial conversion of loan	(500,000)	-	(106,000)	-
Unwind of discount	237,157	-	-	24,440
Exchange differences	-	-	-	2,267
Change in fair value	-	-	112,000	-
Release of liability on non-conversion	-	-	(375,000)	-
Carried forward	**-**	**-**	**-**	**385,411**

22. Share capital

Ordinary shares

	2023 Number	2023 £	2022 Number	2022 £
Ordinary shares of 10 pence each	**293,667,839**	**29,366,782**	292,006,775	29,200,676

The increase of 1,661,064 ordinary shares relates to the exercise of share options during the year (see Note 23). The changes in share capital and share premium as a result of these events is shown below.

	Share capital £	Share premium £
At 1 January 2022	28,970,262	87,370,856
Exercise of share options	13,332	-
Conversion of loan	217,082	282,918
At 31 December 2022	29,200,676	87,653,774
Exercise of share options	166,106	79,114
At 31 December 2023	**29,366,782**	**87,732,888**

23. Share-based payments

Gaming Realms 2013 EMI Plan

On 1 August 2013 the Company adopted the Gaming Realms 2013 EMI Plan to allow, at the discretion of the Board, eligible employees to be granted EMI or non-EMI options at an exercise price to be determined by the Board not less than the nominal value of a share. Options will vest subject to such time based and share price performance-based conditions as the Board may determine.

Options to acquire ordinary shares under the EMI plan may be granted up to a maximum of £3m (based on the market value of the shares placed under option at the date of the grant).

No consideration is payable for the grant of the option and the options are not transferable or assignable. Cash consideration is paid to the Company by the employee at the point that the share options are exercised.

The following table illustrates the number and weighted average exercise price of share options:

	Number	Weighted average exercise price (pence)
Outstanding at 1 January 2022	23,133,169	16.39
Granted during the year	3,900,000	32.50
Exercised during the year	(133,332)	10.00
Number of options outstanding at 31 December 2022	**26,899,837**	18.76
Granted during the year	3,455,000	-
Forfeited during the year	(266,668)	28.08
Exercised during the year	(1,661,064)	14.76
Number of options outstanding at 31 December 2023	**28,427,105**	16.61
Exercisable at 31 December 2023	**22,388,771**	17.34

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

Options to subscribe under various schemes, including those noted in Directors' interests in Note 9, are shown in the table below:

	Date granted	Exercise price (pence)	Exercisable between	2023 Number of shares	2022 Number of shares
Approved	2 April 2014	23.00	1 April 2017 to 1 April 2024	**771,003**	1,015,199
Approved	19 February 2015	33.00	19 February 2018 to 19 February 2025	**172,475**	172,475
Approved	15 October 2015	25.13	15 October 2018 to 15 October 2025	**450,000**	475,000
Approved	10 November 2015	25.00	10 November 2018 to 10 November 2025	**184,975**	560,175
Approved	28 July 2016	20.00	28 July 2018 to 28 July 2026	**167,500**	167,500
Unapproved	28 July 2016	20.00	28 July 2018 to 28 July 2026	**30,000**	30,000
Approved	1 May 2020	10.00	3 February 2021 to 1 May 2030	**700,000**	1,333,336
Unapproved	1 May 2020	10.00	3 February 2021 to 1 May 2030	**1,300,000**	1,300,000
Unapproved	1 May 2020	10.00	1 May 2020 to 1 May 2030	**750,000**	750,000
Approved	2 June 2020	20.00	3 February 2021 to 2 June 2030	**5,000,000**	5,000,000
Approved	28 July 2020	20.00	1 August 2021 to 28 July 2030	**8,846,152**	8,846,152
Approved	26 November 2020	20.00	26 November 2021 to 26 November 2030	**2,350,000**	2,500,000
Unapproved	26 November 2020	20.00	26 November 2021 to 26 November 2030	**500,000**	500,000
Approved	5 January 2021	22.40	1 January 2022 to 5 January 2031	**-**	350,000
Unapproved	6 January 2022	32.50	6 January 2022 to 6 January 2025	**2,000,000**	2,000,000
Unapproved	6 January 2022	32.50	15 October 2022 to 6 January 2032	**1,000,000**	1,150,000
Approved	6 January 2022	32.50	15 October 2022 to 6 January 2032	**750,000**	750,000
Unapproved	2 August 2023	0.00	1 July 2023- 30 June 2033	**3,455,000**	-
				28,427,105	26,899,837

During the year 3,455,000 share options were granted to certain directors and employees. The shares options vest on 30 June 2026 providing an associated service condition is satisfied. The share options were valued as follows:

Grant date	2 August 2023
No. of options	3,455,000
Vesting date	30 June 2026
Model used	Black Scholes
Share price at date of grant (pence)	35.00
Expected option life	3 years
Dividend yield	n/a
Fair value per option at grant date (pence)	0.35
Exercise price (pence)	-
Exercisable to	30 June 2033

The share option and related charges income statement expense comprises:

	2023 £	2022 £
IFRS 2 share-based payment charge	**419,961**	438,868
Direct taxes related to share options	**212,343**	(87,142)
	632,304	351,726

IFRS 2 (Share-based payments) requires that the fair value of such equity-settled transactions are calculated and systematically charged to the statement of comprehensive income over the vesting period. The total fair value that was charged to the income statement in relation to the equity-settled share-based payments was £419,961 (2022: £438,868).

Where individual EMI thresholds are exceeded or when unapproved share options are exercised by overseas employees, the Group is subject to employer taxes payable on the taxable gain on exercise. Since these taxes are directly related to outstanding share options, the income statement charge has been included within share option and related charges. The Group uses its closing share price at the reporting date to calculate such taxes to accrue. The tax related income statement charge for the year was £212,343 (2022: credit of £87,142).

24. Related party transactions

Jim Ryan is a Non-Executive Director of the Company and the CEO of Pala Interactive, which has a real-money online casino in New Jersey, Pennsylvania and Ontario. During the year, total license fees earned by the Group were $84,630 (2022: $15,697) with $13,613 due at 31 December 2023 (2022: $366). During the prior year the Group began distributing its content to certain North American partners via Pala's B2B platform distribution network, with platform fees of $18,626 being incurred (2022: $1,477) with $3,566 unpaid at 31 December 2023 (2022: $984).

During the year £165,000 (2022: £150,000) of consulting fees were paid to Dawnglen Finance Limited, a company controlled by Michael Buckley, which is included in the remuneration figure of £437,253 (2022: £357,500) shown in Note 9. No amounts were owed at 31 December 2023 (2022: £Nil).

The details of key management compensation are set out in Note 8.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

25. Contingent liabilities

Judgement is required to interpret international tax laws relating to e-commerce in order to identify and value provisions in relation to indirect taxes. The principal risks relating to the Group's tax liabilities arise from domestic and international tax laws and practices in the e-commerce environment which continues to evolve. The Group is basing its tax provisions on current (and enacted but not yet implemented) tax rules and practices, together with advice received, where necessary, from professional advisers, and believes that its accruals for tax liabilities are adequate for all open enquiry years based on its assessment of many factors including past experience and interpretations of tax law. The Group monitors changes in legislation and updates its tax liabilities accordingly. However, due to different interpretations and evolving practice there is a risk that additional liabilities could arise.

26. Subsidiaries

The subsidiaries of the Company, all of which have been included in these consolidated financial statements, are as follows:

Name	Registered Office	Country of Incorporation	Principal activity	Proportion held by Parent Company	Proportion held by Group
Blastworks Limited	2 Valentine Place, London, SE1 8QH	UK	IP owner	100%	100%
Alchemybet Limited	2 Valentine Place, London, SE1 8QH	UK	Software Developer	100%	100%
Blastworks Inc.	300 Deschutes Way SW, Tumwater, WA 98501	USA	Social publishing operator	100%	100%
Backstage Technologies, Inc.	808 Douglas Street, Victoria, BC, V8W 2B6	Canada	Software Developer	100%	100%
Alchemybet Malta Holdings Limited	MK Business Centre, 115A Floor 2, Valley Road, Birkirkara, BKR 9022	Malta	Holding company	100%	100%
Alchemybet Malta Limited	MK Business Centre, 115A Floor 2, Valley Road, Birkirkara, BKR 9022	Malta	License holder	0%	100%
Blueburra Holdings Limited	49 Victoria Street, Douglas, Isle of Man, IM1 2LD	Isle of Man	Marketing services	100%	100%
Digital Blue Limited	49 Victoria Street, Douglas, Isle of Man, IM1 2LD	Isle of Man	Marketing services	0%	100%

Parent Company Statement of Financial Position

As at 31 December 2023

Company number: 04175777	Note	31 December 2023 £	31 December 2022 £
Non-current assets			
Investment in subsidiary undertakings	2	**5,662,961**	5,662,961
Property, plant and equipment	3	**56,440**	183,773
Other assets		**139,531**	138,798
		5,858,932	5,985,532
Current assets			
Trade and other receivables	4	**6,785,937**	9,534,411
Cash and cash equivalents		**925,003**	96,230
		7,710,940	9,630,641
Total assets		**13,569,872**	15,616,173
Current liabilities			
Trade and other payables	5	**8,915,499**	8,335,358
Lease liabilities		**18,801**	147,305
		8,934,300	8,482,663
Non-current liabilities			
Lease liabilities		-	20,908
		-	20,908
Total liabilities		**8,934,300**	8,503,571
Net assets		**4,635,572**	7,112,602
Equity			
Share capital	6	**29,366,782**	29,200,676
Share premium		**88,452,888**	88,373,774
Merger reserve		**2,683,702**	2,683,702
Retained earnings		**(115,867,800)**	(113,145,550)
Total equity		**4,635,572**	7,112,602

As permitted by section 408 of the Companies Act 2006, a separate profit and loss account of the Company is not presented. The Company's loss for the financial year was £3,142,211 (2022: £1,790,759).

The notes on pages 65 to 67 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 28 March 2024 and were signed on its behalf by:

Mark Segal
Chief Executive Officer

Parent Company Statement of Changes in Equity

For the year ended 31 December 2023

	Share capital £	Share premium £	Merger reserve £	Retained earnings £	Total equity £
1 January 2022	**28,970,262**	**88,090,856**	**2,683,702**	**(111,899,659)**	**7,845,161**
Loss for the year	-	-	-	(1,790,759)	(1,790,759)
Share-based payment on share options	-	-	-	438,868	438,868
Exercise of options	13,332	-	-	-	13,332
Conversion of loan	217,082	282,918	-	106,000	606,000
31 December 2022	**29,200,676**	**88,373,774**	**2,683,702**	**(113,145,550)**	**7,112,602**
Loss for the year	-	-	-	(3,142,211)	(3,142,211)
Share-based payment on share options	-	-	-	419,961	419,961
Exercise of options	166,106	79,114	-	-	245,220
31 December 2023	**29,366,782**	**88,452,888**	**2,683,702**	**(115,867,800)**	**4,635,572**

The notes on pages 65 to 67 form part of these financial statements.

Notes to the Parent Company Financial Statements

For the year ended 31 December 2023

1. Principal accounting policies

These financial statements present the results of Gaming Realms plc for the year ended 31 December 2023.

The Company is the ultimate parent company of the Gaming Realms Group and is admitted to trading on the Alternative Investment Market (AIM) of the London Stock Exchange. It is incorporated and domiciled in the UK. The address of its registered office is Two Valentine Place, London, SE1 8QH.

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

The financial statements are prepared under the historical cost convention. No profit and loss account is presented by the Company as permitted by Section 408 of the Companies Act 2006.

The financial statements are prepared in British Pounds Sterling.

Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2023.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

a) IFRS 2 Share-based Payment disclosure, the share-based payment arrangement concerns its own equity instruments and its separate financial statements are presented alongside the consolidated financial statements of the Group;
b) IFRS 7 Financial Instruments disclosures, given that equivalent disclosures are included in the consolidated financial statements of the Group in which the entity is consolidated;
c) IFRS 13 Fair Value Measurement disclosures;
d) Certain disclosures required by IAS 1 Presentation of Financial Statements, including certain comparative information in respect of share capital movements;
e) IAS 7 Statement of Cash Flows and related notes;
a) IAS 24 Related Party Disclosures relating to key management personnel compensation; and
g) IAS 24 Disclosure of related party transactions entered into between two or more members of a group, given that any subsidiary which is party to the transaction is wholly owned by such a member.

Investments

Investments in subsidiaries and associates are stated at cost less provision for impairment in value, except for investments acquired before 1 October 2013 (date of adoption of IFRS) where shares issued to effect business combinations and the conditions of the Companies Act 2006 are met, merger relief was applied and the resulting investment is recorded at the nominal value of the shares issued.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Foreign currencies

Transactions denominated in foreign currencies are recorded at exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Financial liabilities

Financial liabilities held by the company consist of trade payables, long-term borrowings and other short-term monetary liabilities, which are held at amortised cost, and derivative liabilities which are held at fair value through profit and loss.

Notes to the Parent Company Financial Statements

For the year ended 31 December 2023

2. Investments

	Investment in subsidiary undertakings £
At 31 December 2022 and 31 December 2023	**5,662,961**

Details of the Company's investments can be found in Note 26 of the consolidated financial statements.

3. Property, plant and equipment

	ROU lease assets £	Leasehold improvements £	Computers and related equipment £	Office furniture and equipment £	Total £
Cost					
At 1 January 2023	603,097	60,968	14,133	20,000	698,198
Additions	-	-	1,737	6,072	7,809
At 31 December 2023	**603,097**	**60,968**	**15,870**	**26,072**	**706,007**
Accumulated deprecation and impairment					
At 1 January 2023	438,445	44,298	11,725	19,957	514,425
Depreciation charge	121,138	12,194	1,567	243	135,142
At 31 December 2023	**559,583**	**56,492**	**13,292**	**20,200**	**649,567**
Net book value					
At 31 December 2022	164,652	16,670	2,408	43	183,773
At 31 December 2023	**43,514**	**4,476**	**2,578**	**5,872**	**56,440**

4. Trade and other receivables

	2023 £	2022 £
Amounts due from Group companies	**6,616,495**	9,304,706
Tax and social security	**24,388**	86,992
Other debtors	**1,262**	-
Prepayments and accrued income	**143,792**	142,713
	6,785,937	9,534,411

The balances due from fellow Group companies are repayable on demand and interest free. Management has assessed its receivables from Group companies using a forward-looking expected credit loss model. The methodology used in determining the amount of provision as at the reporting date is that of lifetime expected credit losses which is defined as a credit loss estimate of the present value of cash shortfalls over the expected life of the financial assets (receivables from Group companies).
The expected credit loss charge in the year was calculated to be £Nil (2022: £Nil).

5. Trade and other payables

	2023 £	2022 £
Creditors: amounts falling due within one year		
Amounts due to Group companies	**7,762,248**	7,546,692
Trade creditors	**46,531**	140,687
Accruals and deferred income	**1,026,726**	618,627
Tax and social security	**79,994**	29,352
	8,915,499	8,335,358

6. Called up share capital

Allotted, called up and fully paid

	2023 Number	**2023 £**	2022 Number	2022 £
Ordinary shares of 10 pence each	**293,667,839**	**29,366,782**	292,006,775	29,200,676

Allotted and fully paid up	**£**
At 1 January 2022	28,970,262
Exercise of options	13,332
Conversion of loan	217,082
At 31 December 2022	29,200,676
Exercise of options	166,106
At 31 December 2023	**29,366,782**

7. Employee information

The Company had an average of 7 (2022: 6) employees during the year.

The employee costs for the Company were £1,643,601 (2022: £1,201,297).

Details of Directors' remuneration can be found in Note 9 of the consolidated financial statements.

8. Related party transactions

During the year £165,000 (2022: £150,000) of consulting fees were paid to Dawnglen Finance Limited, a company controlled by Michael Buckley. No amounts were owed at 31 December 2023 (2022: £Nil).

The details of key management compensation are set out in Note 8 of the consolidated financial statements.

Company Information

Directors
Michael Buckley, Executive Chairman

Mark Segal, Chief Executive Officer

Geoff Green, Chief Financial Officer

Jim Ryan, Non-executive Director

Mark Wilson, Non-executive Director

Mark Blandford, Non-executive Director

Anna Massion, Non-executive Director

Company Secretary
Mark Segal

Auditors
BDO LLP, 55 Baker Street, London, W1U 7EU

Bankers
Barclays Bank plc, 1 Churchill Place, London, E14 5HP

Nominated advisors and Joint Brokers
Peel Hunt, 120 London Wall, London, EC2Y 5ET

Joint Brokers
Investec, 30 Gresham Street, London, EC2V 7QN

Solicitors
Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP

Registrars
Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE

Registered office
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Registered Number
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