Company Registration No. 00278208

William Hill Organization Limited

Annual Report and Financial Statements

52 weeks ended 29 December 2020

William Hill Organization Limited

Annual report and financial statements 2020

Contents

William Hill Organization Limited

Officers and professional advisers

Directors

Mr R U Bengtsson
Mr M E Ashley
Mr S J Callander

Company secretary

Mr S J Callander

Registered office

1 Bedford Avenue
London
WC1B 3AU

Auditor

Deloitte LLP
Statutory Auditor
1 New Street Square
London
United Kingdom
EC4A 3HQ

William Hill Organization Limited

Strategic report

The Company is a wholly owned subsidiary of William Hill PLC and together with its fellow subsidiaries comprises the William Hill Group of companies ("the Group"). The Company's principal activity during the period was the operation of Licensed Betting Offices (LBOs) and, through its subsidiary companies, the provision of online and telephone betting services in the United Kingdom. The Company is also responsible for the employment of the Group's UK based staff and facilitates UK financing activities in relation to the Group's external borrowings including the repayment of loans and interest.

Business update

During the period the directors of the ultimate parent Company William Hill PLC recommended to its shareholders a cash offer of 272p per share for the Group. On 19 November 2020, the shareholders of the William Hill PLC formally approved the offer made for William Hill PLC by Caesars Entertainment, Inc. ("Caesars"), which is now in the process of obtaining the required formal legal and regulatory clearances.

Further details on the Offer for William Hill PLC can be found in the William Hill PLC Annual Report and Accounts 2020 (WH Report 2020).

Caesars have indicated their intentions to retain the US business only of the Group and subsequently sell the remaining businesses.

Trading performance

Retail performance during the financial period reflects a number of significant dynamics: the first anniversary of the implementation of the £2 stake limit on the B2 gaming machines in April 2019; a year since the implementing the shop closure programme in September 2019; a series of UK national and regional lockdowns in response to the Covid-19 pandemic; and a further closure of 119 shops in June 2020 as a result of the first national lockdown, leaving an estate of 1,414 shops at the end of the period. As a consequence revenue decreased by £352.0m to £349.5m. Through disciplined cost management operating expenses fell by 35.87% whilst cost of sales fell by 53.03% in line with net revenue.

The UK Government's swift action to support businesses with job retention payments in the immediate aftermath of the Covid-19 pandemic enabled the Company to protect the jobs of over 7,000 Retail employees during lockdown, additionally the Company was able to top up wages to 100% for colleagues who were furloughed. As a result of good performance after the end of the first lockdown and the other measures implemented by the Group, the furlough monies of £24.5m were repaid in the October 2020 and the Company has since forgone further Government job support.

Statutory results include the VAT refund in cost of sales and net financing costs (interest received on the amounts owed), and the costs related to the Caesars transaction in net operating expenses. The impact of which, in conjunction with trading performance, resulted in profit after tax of £163.3m.

At the period end date, the Company had net assets of £430.6m (31 December 2019: £267.6m).

Outlook statement - business development

During the period, the Covid-19 pandemic impacted the Company with the closure of all retail shops from 20 March 2020 until 15 June 2020 followed by localised closures before the second nationwide closure in England from 5 November 2020 to 2 December 2020. Even when open, shops were often subjected to restrictions on trade such as no screening of live sport and a maximum of two gaming machines in use per shop. As a result, revenue reduced significantly.

Despite these trading anomalies, careful financial management has enabled the Company to emerge from 2020, with a strong balance sheet enabling the Company to capture the opportunities that 2021 will bring through the acquisition by Caesars and the subsequent sale of the non-US businesses.

The activities of the Company are in line with the operational strategy of the Retail division within William Hill PLC. Further details of the Retail's divisional strategy can be found on pages 22 to 23 of the WH Report 2020. The WH Report 2020 does not form part of this report but is referred to where relevant for the purposes of this report.

Principal Risks and Uncertainties

The principal risks and uncertainties of the Company are integrated within the principal risks of the Group and are not managed separately. The principal risks of the Company are discussed on pages 50 to 53 of the WH Report 2020. Further is it noted that subsequent to the period end the Company continued to be impacted by the Covid-19 pandemic. Please see note 28 for further details of this and the subsequent impact on the Company.

William Hill Organization Limited

Strategic report

Financial risk management

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the Company's business and the assets and liabilities contained within the Company's statement of financial position, the only financial risks the Directors consider relevant to this Company are credit risk and liquidity risk. These risks are mitigated by the nature of the receivables balances owed, with these primarily due from other Group companies.

Key Performance Indicators (KPIs)

The Company sets targets for KPIs on an annual basis as part of the Group's operational planning for the coming period having regard to historic achievements, expected new developments and the Group's strategy. The KPIs used by the Directors in monitoring performance against strategy mainly relate to earnings growth including its constituent parts.

The KPIs for the current and preceding period for the Company are shown below:

	52 weeks ended 29 December 2020	**52 weeks ended 31 December 2019**
Gross win (decline) [1]	(50.19)%	(20.20)%
Gross win [2]	12.32%	8.84%
Gross profit (decline) [3]	(49.35)%	(17.31)%
Net change in operating expenses (excl. exceptional items) [4]	(35.87)%	(42.50)%

1 gross win decline represents the decline in total customer stakes less customer winnings in the period

2 gross win percentage represents gross win as a percentage of total customer stakes

3 gross profit decline represents the decline in gross win less cost of sales in the period

4 net operating expense growth, exceptional items are excluded from the calculation of expenses growth because the Directors believe that pre-exceptional costs are a better measure of the underlying cost trends of the business

Directors Statement on s172(1)

The Directors, in line with their duties under s172 of the Companies Act 2006, 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.

Through an open and transparent dialogue with the Company's key stakeholders, the Directors have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on the Company's strategic ambition and culture. As part of the Company's decision-making process, the Directors consider the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the Company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

Employees

From the perspective of the board, as a result of the Group governance structure, the Group board has taken the lead in carrying out the duties of a board in respect of the Company's employees, including engaging with them, having regard to their interests and the effect of that regard (including on the principal decisions taken by the Company during the financial period). The board of the Company has also considered relevant matters where appropriate. An explanation of how the Group board has carried out these responsibilities (for the Group and for the Company) is set out on page 16 of the WH Report 2020, which does not form part of this report.

Other stakeholders

Similarly, from the perspective of the board, as a result of the Group governance structure, the Group board has taken the lead in carrying out the duties of a board in respect of the company's other stakeholders including customers, key suppliers, community, the environment, the regulators, the UK Government and wider industry groups. The board of the Company has also considered relevant matters where appropriate. An explanation of how the directors on the Group board have had regard to the need to foster the Company's business relationships with other stakeholders, and the effect of that regard, including on the principal decisions taken by the Company during the financial period, is set out (for the Group and for the Company) on pages 16 and 17 of the WH Report 2020, which does not form part of this report.

Environment

The Company is committed to continuous improvement in its environmental performance and applies a structured approach to monitoring its environmental impact through a number of different processes, details of which can be found in the WH Report 2020 Sustainability Report on page 38.

Approved by the Board of Directors and signed on behalf of the Board

simon callander

S J Callander
Company Secretary
30 March 2021

William Hill Organization Limited

Directors' report

The Directors present their Annual Report and audited financial statements for the 52 weeks ended 29 December 2020 (2019: 52 weeks ended 31 December 2019). The Company has chosen, in accordance with section 414C(11) of the Companies Act 2006, to include such matters of strategic importance to the Company in the Strategic Report which would otherwise be required to be disclosed in the Directors' Report.

Directors

The present membership of the Board of Directors is set out on page 1.

The Directors who served throughout the period and up to the date of this report, except as noted, were:

Mr R U Bengtsson	
Mr M E Ashley	(appointed 5 May 2020)
Mr S J Callander	(appointed 25 March 2020)
Ms R C Prior	(resigned 5 May 2020)
Ms B Kelly-Bisla	(resigned 25 March 2020)

Results and dividend

During the period, the Company made a profit after tax of £163.3m (52 weeks ended 31 December 2019: £18.4m).

The Company did not pay an interim dividend in the period (31 December 2019: £nil). The Directors do not recommend the payment of a final dividend (31 December 2019: £nil).

Going concern

The Directors have prepared the financial statements on a going concern basis consistent with their view formed after making appropriate enquiries as outlined in note 2 to the financial statements.

Covid-19

Since the outbreak of the Covid-19 pandemic, regular reviews have been held by the Board and executive management of William Hill PLC to closely monitor and manage the Group's business and liquidity position. Please see note 2 for more information of the impact of Covid-19 on the Company's assessment of going concern.

Auditor

Each of the Directors in office at the date when this report was approved confirms that:

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

The confirmation should be interpreted in accordance with Section 418 of the Companies Act 2006.

Appointment of auditor

The independent auditor, Deloitte LLP, have indicated their willingness to continue in office, and appropriate arrangements have been put in place for them to be deemed reappointed as auditor.

Statement of Corporate Governance Arrangements

For the 52 weeks ended 29 December 2020, under the Companies (Miscellaneous Reporting) Regulations 2018, the Company has, as part of the wider Group, applied the principles of the new 2018 UK Corporate Governance Code (the "Code") as the standard against which we measure ourselves.

The Group promotes the highest standards of governance and ensures that these standards cascade throughout the Group and its subsidiaries. Guiding principles are in place for the relationship between the Group Board and the Boards of the Group's principal subsidiaries. This framework promotes full and effective interaction across all levels of the Group to support the delivery of strategy and business objectives within a framework of best corporate governance practice. A full description of the Group's governance arrangements and application of the Code can be found in the WH Report 2020.

William Hill Organization Limited

Directors' report

Approved by the Board of Directors and signed on behalf of the Board

simon callander

S J Callander
Company Secretary
30 March 2021

William Hill Organization Limited

Directors' responsibilities Statement

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, 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 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.

Independent auditor's report to the members of William Hill Organization Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 December 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of William Hill Organization Limited (the 'company') which comprise:

- the income statement;
- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 29.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Independent auditor's report to the members of William Hill Organization Limited

Report on the audit of the financial statements

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial period 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 Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of William Hill Organization Limited

Report on the audit of the financial statements

Use of our report

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

David Griffin FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
1 April 2021

William Hill Organization Limited

Income Statement
for the 52 weeks ended 29 December 2020

	Note	52 weeks ended 29 December 2020 £m	52 weeks ended 31 December 2019 £m
Revenue	4	349.5	701.5
Cost of sales		(75.1)	(159.9)
Gross profit		274.4	541.6
Other operating income	4	5.6	2.0
Other operating expenses		(335.3)	(516.1)
Exceptional operating items	5	219.7	(198.2)
Operating profit/(loss)		164.4	(170.7)
Investment income	9	48.7	210.4
Finance costs	10	(25.0)	(37.2)
Profit before tax		188.1	2.5
Tax on profit on ordinary activities	11	(24.8)	15.9
Profit for the financial period attributable to Owners of the Company		163.3	18.4

All transactions in the current and preceding financial period are attributable to continuing activities.

The notes on pages 15 to 42 form part of these financial statements.

William Hill Organization Limited

Statement of Comprehensive Income
for the 52 weeks ended 29 December 2020

	Note	52 weeks ended 29 December 2020 £m	52 weeks ended 31 December 2019 £m
Profit for the period		163.3	18.4
Items that will not be reclassified subsequently to profit or loss:			
Actuarial remeasurements in defined benefit pension scheme	8	(1.1)	(2.0)
Tax on remeasurements in defined benefit pension scheme	19	0.2	0.3
		(0.9)	(1.7)
Items that may be reclassified subsequently to profit or loss:			
Changes in fair value of investments		-	(0.5)
		-	(0.5)
Other comprehensive loss for the period		(0.9)	(2.2)
Total comprehensive income for the period attributable to Owners of the Company		162.4	16.2

The notes on pages 15 to 42 form part of these financial statements.

William Hill Organization Limited

Statement of Financial Position
As at 29 December 2020

	Note	29 December 2020 £m	31 December 2019 £m
Non-current assets			
Intangible assets	12	32.3	38.6
Property, plant and equipment	13	153.7	203.6
Investments in subsidiaries	14	841.7	851.2
Investments in redeemable preference shares	23	545.7	525.1
Interests in associates	15	13.6	17.1
Deferred tax assets	19	20.2	19.8
Retirement benefit asset		49.2	48.4
Loans receivable		9.7	9.9
		1,666.1	1,713.7
Current assets			
Trade and other receivables	16	681.0	576.4
Cash and cash equivalents		403.0	261.5
Freehold property held for sale		1.0	0.7
		1,085.0	838.6
Total assets		2,751.1	2,552.3
Current liabilities			
Trade and other payables	17	(2,185.7)	(2,104.1)
Corporation tax liabilities		(14.0)	(9.4)
Provisions	18	(8.0)	(21.5)
Lease liabilities		(28.3)	(41.1)
Derivative financial instruments		(1.5)	(2.4)
		(2,237.5)	(2,178.5)
Non-current liabilities			
Deferred tax liabilities	19	(9.3)	(8.2)
Provisions	18	(4.0)	-
Lease liabilities		(69.7)	(98.0)
		(83.0)	(106.2)
Total liabilities		(2,320.5)	(2,284.7)
Net assets		430.6	267.6
Equity			
Called-up share capital	22	1.5	1.5
Share premium account		2.5	2.5
Capital reserve		1,006.4	1,006.4
Translation reserve		(0.2)	(0.2)
Accumulated losses		(579.6)	(742.6)
Equity attributable to owners of the Company		430.6	267.6

The notes on pages 15 to 42 form part of these financial statements.

The financial statements of William Hill Organization Limited, registered number 00278208 were approved by the board of Directors and authorised for issue on 30 March 2021. They were signed on its behalf by:

M E Ashley MAshley
Director

William Hill Organization Limited

Statement of Changes in Equity
for the 52 weeks ended 29 December 2020

	Share capital £m	Share premium account £m	Translation reserve £m	Capital reserve £m	Accumulated losses £m	Total equity £m
Balance at 31 December 2019	1.5	2.5	(0.2)	1,006.4	(742.6)	267.6
Profit for the period	-	-	-	-	163.3	163.3
Actuarial remeasurements in defined benefit pension scheme	-	-	-	-	(1.1)	(1.1)
Tax on remeasurements in defined benefit pension scheme	-	-	-	-	0.2	0.2
Changes in fair value of financial assets held for sale	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	162.4	162.4
Credit recognised in respect of share remuneration (note 20)	-	-	-	-	2.8	2.8
Tax charged to share remuneration	-	-	-	-	(2.2)	(2.2)
Balance at 29 December 2020	1.5	2.5	(0.2)	1,006.4	(579.6)	430.6

For the 52 weeks ended 31 December 2019

	Share capital £m	Share premium account £m	Translation reserve £m	Capital reserve £m	Accumulated losses £m	Total equity £m
Balance at 1 January 2019	1.5	2.5	(0.2)	1,006.4	(764.3)	245.9
Profit for the period	-	-	-	-	18.4	18.4
Actuarial remeasurements in defined benefit pension scheme	-	-	-	-	(2.0)	(2.0)
Tax on remeasurements in defined benefit pension scheme	-	-	-	-	0.3	0.3
Changes in fair value of financial assets held for sale	-	-	-	-	(0.5)	(0.5)
Total comprehensive income for the period	-	-	-	-	16.2	16.2
Credit recognised in respect of share remuneration (note 20)	-	-	-	-	4.2	4.2
Tax credit on share remuneration	-	-	-	-	1.3	1.3
Balance at 31 December 2019	1.5	2.5	(0.2)	1,006.4	(742.6)	267.6

The notes on pages 15 to 42 form part of these financial statements.

William Hill Organization Limited

Notes to the financial statements
for the 52 weeks ended 29 December 2020

1. General information and basis of preparation

William Hill Organization Limited (the Company) is a company incorporated in the United Kingdom under the Companies Act 2006.

The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The nature of the Company's operations and its principal activities are set out in the Strategic report on pages 2 to 3.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company is exempt by virtue of section 400 of the Companies Act 2006 from the preparation and delivery of consolidated financial statements, because it is included in the Group accounts of William Hill PLC. The Group accounts of William Hill PLC are available to the public and can be obtained as set out in note 27. The registered office address of the parent Company preparing consolidated accounts is 1 Bedford Avenue, London, WC1B 3AU.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2017. The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS101:

- *Paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based Payment'*
- *Paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 'Business Combinations'*
- *IFRS 7 'Financial Instruments: Disclosures'*
- *Paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)*
- *The second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers'*
- *Paragraph 52, paragraph 58, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 'Leases'*
- *Paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:*
  - *paragraph 79(a)(iv) of IAS 1;*
  - *paragraph 73(e) of IAS 16 Property, Plant and Equipment; and*
  - *paragraph 118(e) of IAS 38 Intangible Assets*
- *The following paragraphs of IAS 1 'Presentation of Financial Statements':*
  - *10(d) in respect of statement of cash flows;*
  - *16 in respect of a statement of compliance with all IFRS;*
  - *38A in respect of requirement for minimum of two primary statements, including cash flow statements;*
  - *38B-D in respect of additional comparative information;*
  - *111 in respect of cash flow statement information; and*
  - *134-136 in respect of capital management disclosures*
- *IAS 7 'Statement of Cash Flows'*
- *Paragraph 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'*
- *Paragraph 17 and 18A of IAS 24 'Related Party Disclosures'*
- *The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered*
- *Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 'Impairment of Assets'*

Where relevant, equivalent disclosures have been given in the Group accounts of William Hill PLC.

1. General information and basis of preparation (continued)

Adoption of new and revised Standards

In preparing the financial statements for the current period, the Company has adopted the following new IFRSs, amendments to IFRSs and IFRS Interpretations Committee (IFRIC) interpretations:

- *Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform*
- *Amendments to IFRS 3: Definition of a Business*
- *Amendments to References to the Conceptual Framework in IFRS Standards*
- *Amendments to IAS 1 and IAS 8: Definition of Material*

There is no significant impact on the Company's results or balance sheet as a result of adopting new IFRS standards other than as described below.

2. Significant accounting policies

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

Measurement convention

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern

Background

The financial statements have been prepared using the going concern basis of accounting. The Company has net assets of £430.6m (31 December 2019: £267.6m) and generated an operating loss before exceptional items of £55.3m during the period (31 December 2019: £27.5m profit). However, the Company also has net current liabilities of £1,152.5m (31 December 2019: £1,339.9m), which mainly comprise of amounts owed to fellow Group undertakings. As at 29 December 2020, the amount owed to the parent was £608.7m out of the total £2,091.6m payable to fellow Group undertakings, with the difference owed to subsidiaries and associates of the Company and other Group companies.

2. Significant accounting policies (continued)

On 19 November 2020, the shareholders of William Hill PLC ("the Group") approved the offer for the Company by Caesars Entertainment, Inc. (Caesars). The Directors have assessed the impact of this on the going concern basis of accounting and have outlined their considerations below including the continuance of support provided by the Group, a potential future divestment of the non-US businesses by Caesars and the Company's ability to continue as a going concern in its own right.

Support provided by William Hill PLC and acquisition by Caesars

Given the intercompany amount payable, the Company relies on continued support, either directly or indirectly, from the Group, to ensure the Company continues as a going concern. The Directors are confident of the Group's ability to continue to provide support given (i) forecasts for the Company demonstrate it will generate profits and cash in the period ending 28 December 2021 and for the 12 months from the date of approval of these financial statements and (ii) that the Group has sufficient cash reserves to enable it to meet its obligations as they fall due, as well as operate within its banking covenants, for a period of at least 12 months from the date of signing of these financial statements. This includes consideration of the covenant waivers the Group obtained for 2020 with a reset for 2021 which were announced by the Group on 15 May 2020.

The acquisition of the Group by Caesars will be fully funded through a combination of Caesars' existing cash resources (including amounts drawn down under its revolving credit facilities) and the net proceeds of an equity raise of US$1.7 billion. In addition, Caesars has entered into binding commitment letters in relation to certain credit facilities to be provided in connection with the acquisition with Deutsche Bank AG, London Branch and JPMorgan Chase Bank, N.A., including an interim facilities agreement which may be entered into by (amongst others) an affiliate of Caesars and certain lenders in connection with the acquisition at a later date, following certain regulatory approvals being obtained in relation to such credit facilities. As a result, the Directors are confident that Caesars have the financing in place to acquire and operate the Group after the completion of the acquisition.

Consideration of potential subsequent sale by Caesars

Whilst the Directors are confident of the Group's ability to continue to offer continued support, should the offer from Caesars to acquire the entire issued and to be issued share capital of the Group proceed to completion the Directors note that Caesars have publicly stated within the Rule 2.7 offer announcement (available on both the Group's and Caesars' websites) that their intention is to seek suitable partners for acquiring the Group's non-US businesses. Depending on the timing of completion of the Caesars' offer and of any future potential divestment and the granting of associated regulatory approvals, it is possible that such a subsequent sale could be made within the next 12 months of the date of signing of these financial statements, and the intentions of management following any subsequent sale are currently uncertain.

The Directors also note that Caesars state in the Rule 2.7 offer document that they believe in the "compelling proposition that William Hill's presence in the UK and other non-US international markets offers to their gaming customers in those markets and believe those businesses have a strong future". That document also notes Caesars' intention to seek "suitable partners or owners who have aligned objectives and approaches and who will be focussed on the longer-term ambitions of those non-US businesses and for the benefit of its customers". Furthermore, Caesars have also stated in the Rule 2.7 offer document that they believe retaining key staff within William Hill is of paramount importance, and has given assurances that, following completion of the proposed acquisition, the existing employment rights, including pension rights, of the management and employees of William Hill and its subsidiaries will be fully safeguarded in accordance with applicable law.

The Company's future prospects

The Company itself is forecast to remain profitable and cash generative. The Company meets its day-to-day working capital requirements from the positive cash flows generated by its trading activities and its available cash resources. The Company holds cash and cash equivalents of £403.0m (31 December 2019: £261.5m) and is forecast to continue to generate operating cash across the next 12 months from date of signing. These are supplemented when required by additional drawings under the Group's revolving credit bank loan facilities, which are predominately committed until October 2023 (with £35m committed until November 2022).

2. Significant accounting policies (continued)

The Company has also assessed a range of downside scenarios to assess if there was a significant risk to the Group's liquidity position, and thus the ability of the Company to draw down from the Group as it meets its day-to-day working capital requirements. The forecasts and scenarios prepared consider the trading performance during the pandemic to date and the Directors have modelled downside scenarios such as possible further lockdowns, cancellation of ongoing sporting events and a slower recovery of operations than expected from the pandemic. These scenarios individually, and a combination of these scenarios, have enabled the Directors to conclude that the Company has adequate resources available to it, to continue to operate for the foreseeable future. Management have performed separate reverse stress tests and have identified further actions to conserve cash that would be actioned to mitigate the impact.

As the Company is forecast to remain cash generative, the Directors consider it highly unlikely that either Caesars or any subsequent owners would cease to provide support and therefore would not demand repayment of loans and other intercompany balances until such time as the Company was able to repay such amounts. Furthermore, the Directors are confident in the Company's ability to raise finance in the unlikely event the support from the Group was removed subsequent to any potential further sale by Caesars within the going concern outlook period.

Conclusion

Based on the above considerations, the Directors continue to adopt the going concern basis in preparing these financial statements.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable from customers and represents amounts receivable for goods and services that the Company is in business to provide, net of discounts, marketing inducements and VAT as set out below. Revenue is treated as a derivative under IFRS 9 'Financial Instruments' and is therefore out of scope of IFRS 15 'Revenue from Contracts with Customers'.

In the case of LBOs betting activity (including gaming machines), revenue represents gains and losses from gambling activity in the period. Open positions are carried at fair value and gains and losses arising on this valuation are recognised in revenue, as well as gains and losses realised on positions that have closed.

Other operating income

Other operating income mostly represents rents receivable on properties let by the Company, vending income, and profit on sales of certain investments which are recognised on an accruals basis.

Dividend and interest income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Company as a lessee

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

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that have not been paid at the commencement date, discounted using an appropriate discount rate. The discount rate used to calculate the lease liability is the rate implicit in the lease, if it can be readily determined, or the lessee's incremental borrowing rate if not. The Company uses an incremental borrowing rate for its leases, and this is determined based on the margin requirements of our revolving credit facilities as well as country specific adjustments. A right-of-use asset is also recognised equal to the lease liability and depreciated over the period from the commencement date to the earlier of, the end of the useful life of the right-of-use asset or the lease term. The Company has assessed the lease term of properties within its retail estate to be up to the first available contractual break within the lease. The Company has deemed that it cannot be

2. *Significant accounting policies (continued)*

reasonably certain that it will continue beyond this time given the continued uncertainty surrounding the Company's retail business. The Company has also applied the below practical expedients:

- exclude leases from measurement and recognition where the lease term ends within 12 months from the date of initial application and account for these leases as short-term leases;
- exclude low value leases for lease values less than £5,000;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- use hindsight to determine the lease term if the contract contains options to extend or terminate; and
- exclude initial direct lease costs in the measurement of the right-of-use asset.

This policy is applied to contracts entered, or modified, on or after January 2, 2019.

Investments in subsidiaries

Investments in subsidiaries are shown at cost less provision, if any, for impairment.

Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for at cost less, where appropriate, provisions for impairment.

Investments comprise shareholdings in entities where the Company is not able to have control, joint control or significant influence over the financial and operating policy decisions of the entity. The Company elects to classify investments as either fair value through other comprehensive income or fair value through profit or loss on a case by case basis. Investments are revalued to fair value at each period end date with any fair value movements recognised in other comprehensive income or the Income Statement respectively. The fair value is measured based on the share price of the entity.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For the defined benefit retirement scheme, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each period end date. Actuarial remeasurements are recognised in full in the period in which they occur. They are recognised outside profit or loss and presented in Statement of Other Comprehensive Income.

The net retirement benefit asset or obligation recognised in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost plus the present value of available refunds and reductions in future contributions to the plan.

Tax

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the period end date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not

2. Significant accounting policies (continued)

recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each period end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the period end date. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Foreign currencies

Transactions in currencies other than pounds sterling, which is the functional currency of the Company, are recorded at the rates of exchange prevailing on the dates of the transactions. At each period end date, monetary assets and liabilities that are denominated in foreign currencies are re-translated at the rates prevailing at the period end date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising or retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities, where the changes in fair value are recognised directly in equity.

Property, plant and equipment

Land and buildings held for use in the supply of goods or services, or for administrative purposes, are stated in the Statement of Financial Position at their cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Fixtures, fittings and equipment are stated at cost less accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is provided on all property plant and equipment, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Freehold buildings	50 years
Leasehold properties	over the unexpired period of the lease
Fixtures, fittings and equipment	at variable rates between three and ten years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Acquisitions

On the acquisition of LBOs, the excess of the purchase consideration over the fair value of tangible fixed assets, other assets and liabilities acquired represents an intangible asset which is accounted for in accordance with the policy set out under intangible assets.

Intangible assets

Internally generated intangible assets – computer software and systems

Expenditure on initial investigation and research of computer software and systems is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from the Company's development of computer systems is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes);
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

2. Significant accounting policies (continued)

Internally generated intangible assets are amortised on a straight line basis over their useful lives, generally between three and ten years. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it incurred.

Impairment of tangible and intangible assets

At each period end date, the Company reviews the carrying amounts of its goodwill, tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Impairment of tangible and intangible assets (continued)

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

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

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the point that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior periods. A reversal of an impairment loss is recognised as income immediately.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits held by the Company with an original maturity of three months or less.

Receivables

Trade and other receivables are recorded initially at fair value and subsequently measured at amortised cost using the effective interest method less loss allowance. This generally results in their recognition at nominal value less an allowance for any estimated irrecoverable amounts. In previous periods, the allowance for irrecoverable amounts was recognised under an 'incurred loss' model. From 2 January 2019 the allowance for irrecoverable amounts is recognised based on management's expectation of losses occurring, rather than when the loss has actually been incurred (an 'expected credit loss' model).

Loans receivable

Loans receivable comprise loans granted to other parties which have fixed or determinable payments and are not quoted in an active market. These are measured at amortised cost, less any impairment, with interest income recognised using the effective interest method. Impairments are recognised using the same expected credit loss model as described above.

2. Significant accounting policies (continued)

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or otherwise expire.

Interest-bearing borrowings

Interest-bearing borrowings are recorded at the fair value of the proceeds received, net of discounts and direct issue costs. Finance charges, including the unwinding of any discounts, premia payable on settlement or redemption and direct issue costs, are charged on an accrual basis to the Income Statement using the effective interest method. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost. Any accrued finance costs are included in borrowings.

Payables

Trade and other payables are not interest-bearing and are initially measured at their fair value, and subsequently at their amortised cost.

Derivative financial instruments

All derivative financial instruments are initially measured at fair value at the contract date and are subsequently remeasured to their fair value at subsequent reporting dates. Changes in fair value of any derivative instrument are recognised immediately in the Income Statement.

Ante post bets are carried at fair market value as they meet the definition of a derivative. The resulting gains and losses from bets are included in revenue. The net liability resulting from open positions is reported on the Statement of Financial Position under the term 'Derivative financial instruments'.

Exceptional items

Exceptional items are those items the Directors consider to be one-off or material in nature that should be brought to the reader's attention in understanding the Company's financial performance. These are discussed in more detail in note 5.

Share-based payments

The Company issues equity-settled share-based payments to certain employees and operates an HMRC approved Save As You Earn (SAYE) share option scheme open to all eligible employees which allow the purchase of shares at a discount. The cost to the Company of share-based payment plans is measured at fair value at the date of grant. Fair value is expensed on a straight line basis over the vesting period, adjusted for the Company's estimate of shares that will eventually vest.

Fair value is measured by use of the Black-Scholes-Merton pricing formula. The expected life used in the model has been adjusted, based on management's best estimates, for the effects of non-transferability, exercise restrictions and behavioural considerations. Where relevant, the value of the option has also been adjusted to take into account any market conditions applicable to the option.

At each period end date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment in reserves.

SAYE share options granted to employees are treated as cancelled when employees cease to contribute to the scheme or resign from the Company. This results in accelerated recognition of the expenses that would have arisen over the remainder of the original vesting period.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where it affects only that period or in the period and future periods if it affects both current and future periods.

Critical accounting judgements

The following are the critical accounting judgements that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Exceptional items and adjustments

The Company separately reports exceptional items and adjustments in order to calculate adjusted results, as it believes these measures provide additional useful information on underlying performance and trends to shareholders, together with an understanding of the effect of non-recurring or large individual items upon the overall profitability of the Company. These adjusted results are not recognised results under IFRS and may not be directly comparable with those used by other companies.

The classification of adjusting items requires significant management judgement after considering the nature and materiality of a transaction. The Company's definitions of adjusting items are outlined within notes 2 and 5. Note 5 provides further details on current period adjusting items and their adherence to Company policy.

IFRS 16 'Leases'

IFRS 16 'Leases' replaced IAS 17 'Leases' in its entirety in the previous period. The Directors have addressed the key judgements, including the assessment of the lease term at the point where the lessee can be reasonably certain of its right to use the underlying asset.

Across the Retail estate, the Company has recognised a lease liability of £98.0m at 29 December 2020. In the previous two years, the Retail estate has experienced both the unprecedented regulatory change with the implementation of the £2 stake limit on B2 gaming products on 1 April 2019 leading to the Company deciding to close 713 shops in the third quarter of 2019, and then the Covid-19 pandemic, which led to the Company deciding to close a further 119 shops in 2020. Given these closure programmes, and the continued uncertainty surrounding the Retail estate from both these external shocks to the business, the Directors have determined the lease term under IFRS 16 across the Retail shop estate as the next available break date as this uncertainty means the Company is not 'reasonably certain' that any lease break will not be exercised.

Key sources of estimation uncertainty

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

Retirement benefit costs

The determination of the pension cost and defined benefit obligation of the Group's defined benefit pension scheme depends on the selection of certain assumptions which include discount rate, inflation rate and mortality assumptions. Differences arising from actual experience or future changes in assumptions will be reflected in subsequent periods. Note 33 to the Group financial statements within the WH Report 2020 provides information on the assumptions used in these financial statements, including a sensitivity analysis of the principal assumptions used to measure scheme liabilities.

Notes to the financial statements
for the 52 weeks ended 29 December 2020

4. Revenue

Revenue arises exclusively in the United Kingdom and from a single class of business.

	52 weeks ended 29 December 2020 £m	52 weeks ended 31 December 2019 £m
Revenue	349.5	701.5
Other operating income	5.6	2.0
Interest income (note 9)	45.4	36.4
Dividend income (note 9)	3.3	172.7
Total revenue	403.8	912.6

Other operating income mostly represents disposal of shares in NeoGames S.a.r.l ("NeoGames") of £4.4m.

5. Exceptional operating items

	52 weeks ended 29 December 2020 £m	52 weeks ended 31 December 2019 £m
Operating		
Other operating items		
VAT Income [1]	238.3	-
Deal related costs [2]	(9.1)	-
Impairment of investments [5]	(9.5)	(98.8)
Portfolio shop closures [3]	-	(96.7)
Other [4]	-	(2.7)
	219.7	(198.2)
Non-operating		
Investment income		
Finance income in respect of VAT reclaim [1]	18.9	-
	18.9	-
Exceptional operating items	238.6	(198.2)

1 In May 2020, HMRC confirmed it would not appeal the ruling of the Upper Tier Tribunal in the cases of Rank Group Plc and Done Brothers (Cash Betting) Ltd (trading as Betfred) that VAT was incorrectly applied to revenues earned from certain gaming machines prior to 2013. The Company submitted claims which were substantially similar, and these claims have been agreed and settled excluding interest income receivable (£18.9m) which has been agreed and the Company expects to receive within the first quarter of 2021. This is recognised as a receivable within other receivables. The Company continues to engage with HMRC on a number of smaller related claims which have not been recognised in these financial statements as they are not virtually certain of an amount of £8.0m. The refund, net of associated costs, has been classified as an exceptional item as it is both material and one-off in nature. The net of the gross refund of VAT from HMRC and the associated third party costs have been recognised in other operating items to match where the original charges were recognised. The interest income has been recognised within investment income.

5. Exceptional operating items (continued)

2 The Company has incurred £9.1m costs due to advisors associated with the proposed transaction with Caesars, which it has presented as an exceptional item given their material size and one-off nature. Amounts due to advisors are costs that have already been borne by the Company for work performed during the period. Several further costs are contingent on the deal completing and are disclosed as a contingent liability, see note 25.

3 During 2019 and 2020 there have been two separate shop closure programmes. In 2019, 713 shops were closed as a part of the Triennial Review mitigation restructuring costs programme and in the 52 weeks ended 29 December 2020 a further 119 shops have not been re-opened post the initial Covid-19 lockdown. As a result, £6.6m of credit relating to the Triennial mitigation shop closures was recognised principally in relation to the negotiated early exit of certain property leases, sale of freehold properties and disposal of operations in Northern Ireland and Isle of Man. A charge of £6.2m relating to the 2020 shop closures, being a combination of specific asset write offs (£3.3m) and provision creation (£3.2m), with a £0.3m provision release, was recognised in the period. All portfolio shop closure costs have been included within the statutory results and not presented as an exceptional item for the 52 weeks ended 29 December 2020 as management do not deem these costs to be material as they net out to a total credit of £0.4m. In the 52 weeks ended 31 December 2019, £47.3m related to an impairment charge against the relevant right-of-use assets and £49.4m related to other costs of closure, onerous costs, redundancy costs and other related costs.

4 The other category combined several items that were previously disclosed separately and all relating to continuing items that were presented as exceptional items in the previous financial reporting period. For the 52 weeks ended 29 December 2020, all these items have been included in the statutory results rather than included as exceptional items. Management do not deem these costs to be material and as such have made the decision to move into the statutory results. £1.0m (52 weeks ended 31 December 2019: £1.6m) of this relates to reclassification of dual running costs from moving the Group's land-based data centres into the cloud, £0.5m related to reclassification of corporate transaction and integration costs associated with the acquisition of Mr Green (52 weeks ended 31 December 2019: £nil). The other category also included corporate restructuring costs of £1.1m for the 52 weeks ended 31 December 2019.

5 During the period, the Company, along with fellow Group undertakings, was included in an exercise to clear up the intercompany balances of the William Hill Group. As a result of this exercise, certain of the Company's subsidiary undertakings paid up dividends in specie to the Company, which meant that those entities' net assets were reduced to such an extent that a review of the investments held by the Company was necessary. As a result of this review, an impairment of the Company's investments was made in the period.

The Directors assess these costs as exceptional as they are both material and not considered part of recurring operational or management activities that are part of the Company's underlying performance.

6. Operating profit before interest and tax

Operating profit before interest and tax for the period has been arrived at after charging/(crediting):

	52 weeks ended 29 December 2020 £m	52 weeks ended 31 December 2019 £m
Net foreign exchange (gains)/losses	(6.2)	7.6
Gain on disposal of property, plant and equipment	(0.2)	-
Gain on disposal of NeoGames	(4.4)	-
Gain on disposal of 49's Limited	(2.0)	-
Impairment of right-of-use asset	1.3	-
Staff costs (see note 8)	187.7	278.8
Depreciation of property, plant and equipment (see note 13)	44.2	54.9
Amortisation of intangible assets (see note 12)	13.8	12.4

7. Auditor's remuneration

Fees payable to Deloitte LLP for the audit of the Company's annual financial statements were £10,000 (31 December 2019: £10,000).

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent Company are required to disclose such fees on a consolidated basis.

8. Staff costs

The average monthly number of employees (including Directors) was:

	52 weeks ended 29 December 2020 Number	52 weeks ended 31 December 2019 Number
Average monthly number of persons employed during the period, including Directors, all of whom were engaged in the administration and provision of betting services	8,819	12,169
	8,819	12,169

Their aggregate remuneration comprised:

	52 weeks ended 29 December 2020 £m	52 weeks ended 31 December 2019 £m
Wages and salaries	162.9	247.6
Social security costs	14.0	17.7
Share-based remuneration (including social security costs)	3.6	4.7
Other pension net costs	7.2	8.8
	187.7	278.8
Actuarial remeasurements in defined benefit pension scheme	1.1	2.0
Total staff costs	188.8	280.8

The £1.1m relating to remeasurement losses (2019: £2.0m loss) has been recognised in other comprehensive income. The remainder of staff costs were charged to the income statement.

Notes to the financial statements
for the 52 weeks ended 29 December 2020

9. Investment income

	52 weeks ended 29 December 2020 £m	52 weeks ended 31 December 2019 £m
Interest income		
Interest on cash and cash equivalents	1.9	1.3
Interest receivable on loans to Group undertakings	3.0	14.5
Interest on redeemable preference shares (note 23)	20.6	20.6
Interest on net pension scheme assets or liabilities	1.0	1.3
Finance income in respect of VAT reclaim (note 5)	18.9	-
Total interest income	45.4	37.7
Dividend income		
From shares in subsidiary undertakings	3.3	171.4
From interests in associates	-	1.3
	3.3	172.7
Total investment income	48.7	210.4

10. Finance costs

	52 weeks ended 29 December 2020 £m	52 weeks ended 31 December 2019 £m
Interest payable on loans from Group undertakings	21.2	33.0
IFRS 16 lease interest	3.8	4.2
Total finance costs	25.0	37.2

Notes to the financial statements
for the 52 weeks ended 29 December 2020

11. Tax

	52 weeks ended 29 December 2020 £m	52 weeks ended 31 December 2019 £m
Current tax		
UK corporation tax	26.6	3.1
Adjustments in respect of prior periods	-	(7.0)
Total current taxation	26.6	(3.9)
Deferred tax		
Originating and reversal of temporary differences of current period	(1.5)	(12.0)
Adjustments in respect of prior periods	0.9	-
Effects of changes in tax rates	(1.2)	-
Total deferred tax credit (note 19)	(1.8)	(12.0)
Total tax charge/(credit) on profit on ordinary activities	24.8	(15.9)

The tax rate applied to the company's profit on ordinary activities is the standard rate of UK corporation tax of 19.0% (52 week period ended 31 December 2019: standard tax rate of 19.0%).

The credit in respect of the change in deferred tax rates arises on the restatement of UK net opening deferred tax liabilities from 17% to 19% following the UK Government's decision to reverse of the previously enacted reduction in the UK corporation tax rate to 17%. The tax rate that is currently enacted at the period end date is 19%. Therefore, this is the rate used for deferred tax.

In addition, on 3 March 2021, the UK Government announced its intention to increase the headline UK corporation tax rate from 19% to 25% from 1 April 2023. Deferred tax assets and liabilities are currently stated at 19%. Once the rate increase has been substantively enacted these assets and liabilities will be restated to reflect the fact that part of the temporary difference is expected to reverse after 1 April 2023 when the rate is 25%. The estimated impact is an increase in net deferred tax assets of £3.5m.

The difference between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	52 weeks ended 29 December 2020 £m	52 weeks ended 31 December 2019 £m
Profit before taxation	188.1	2.5
Tax at the UK corporation tax rate of 19% (2019: 19%)	35.7	0.5
Impact of changes in statutory tax rates	(1.2)	1.1
Permanent differences	(6.7)	(8.8)
Group relief for no consideration	(7.2)	1.5
Adjustments in respect of prior periods	0.9	(7.1)
Accrual of liabilities for uncertain provisions	2.3	(3.1)
Chargeable gains	1.0	-
Total tax charge/(credit) for the period	24.8	(15.9)

12. Intangible assets

	Computer Software £m
Cost	
At 31 December 2019	108.5
Additions	8.0
Disposals	(2.8)
At 29 December 2020	113.7
Amortisation	
At 31 December 2019	69.9
Charge for the period	13.8
Disposals	(2.3)
At 29 December 2020	81.4
Carrying amount	
At 29 December 2020	32.3
At 31 December 2019	38.6

13. Property, plant and equipment

	Land and buildings £m	Fixtures, fittings and equipment £m	Right of use asset £m	Total £m
Cost				
At 31 December 2019	289.8	116.6	153.7	560.1
Additions	-	3.4	15.0	18.4
Disposals	(19.7)	(4.1)	(16.1)	(39.9)
Impairment losses	-	-	(9.7)	(9.7)
At 29 December 2020	270.1	115.9	142.9	528.9
Accumulated depreciation				
At 31 December 2019	224.5	95.3	36.7	356.5
Charge for the period	12.1	3.1	29.0	44.2
Disposals	(15.5)	(0.8)	(0.8)	(17.1)
Impairment losses	-	-	(8.4)	(8.4)
At 29 December 2020	221.1	97.6	56.5	375.2
Carrying amount				
At 29 December 2020	49.0	18.3	86.4	153.7
At 31 December 2019	65.3	21.3	117.0	203.6

Notes to the financial statements
for the 52 weeks ended 29 December 2020

13. Property, plant and equipment (continued)

	29 December 2020 £m	31 December 2019 £m
The net book value of land and buildings comprises:		
Freehold	6.0	8.3
Long leasehold improvements	-	0.6
Short leasehold improvements	43.0	56.4
	49.0	65.3

14. Investments in subsidiaries

	£m
Cost	
At 31 December 2019 and 29 December 2020	960.3
Provisions for impairment	
At 31 December 2019	(109.1)
Impairment of investments in financial period [1]	(9.5)
At 29 December 2020	(118.6)
Carrying amount	
At 29 December 2020	841.7
At 31 December 2019	851.2

1 During the period, the Company, along with fellow Group undertakings, was included in an exercise to clear up the intercompany balances of the William Hill Group. As a result of this exercise, certain of the Company's subsidiary undertakings paid up dividends in specie to the Company, which meant that those entities' net assets were reduced to such an extent that a review of the investments held by the Company was necessary. As a result of this review, an impairment of the Company's investments was made in the period as an exceptional cost through the income statement.

In the Directors' opinion the total value of the Company's investments in its subsidiaries is not less than the amounts at which they are stated in the Statement of Financial Position. Note 29 includes details of all related undertakings.

15. Interests in associates

	£m
Cost	
At 31 December 2019	33.1
Disposal of NeoGames and 49's Limited	(3.5)
At 29 December 2020	29.6
Provisions for impairment	
At 31 December 2019 and 29 December 2020	(16.0)
Carrying amount	
At 29 December 2020	13.6
At 31 December 2019	17.1

The investments in associates are all stated at cost less provision for impairment.

As at 29 December 2020, the Company owned 19.5% of the ordinary share capital of Sports Information Services (Holdings) Limited ('SIS'), a company incorporated in Great Britain. A provision was made for the cost of the investment in 1999, to recognise an impairment in its carrying value.

On 7 August 2015, the Company acquired 30.9% of the ordinary share capital of NeoGames S.a.r.l ("NeoGames"), a company incorporated in Luxembourg, for a total cash consideration of US$25.0m. During the period, NeoGames announced an Initial Public Offering ('IPO') which was taken up on 18 November 2020. As part of the IPO, the Company sold an effective holding of 6.4% in NeoGames for proceeds of $10.7m (£8.0m) and, at 29 December 2020, the Company held 24.5% of the ordinary share capital of NeoGames. As part of the original acquisition, the Company had an option to acquire the remaining share capital in 2021. Prior to the IPO, the Company waived its right to the option. The Company has made available a $15m loan facility to NeoGames which can be drawn down on request and which attracts compound interest at varying rates on each drawn down amount (note 26).

At the end of the previous reporting period, the Company held directly or indirectly 33% of the entire share capital of Lucky Choice Limited and of 49's Limited. These companies were formed for the purpose of promoting and publicising certain numbers betting formats. During the period, the Company sold its entire shareholding in 49's Limited for proceeds of £2.0m (note 26). The investment in Lucky Choice Limited has been stated at cost.

Note 29 includes details of all related undertakings.

16. Trade and other receivables

	29 December 2020 £m	31 December 2019 £m
Trade receivables	1.2	1.6
Other receivables	23.7	6.8
Amounts owed by fellow Group undertakings	653.3	565.4
Prepayments	2.8	2.6
	681.0	576.4

16. Trade and other receivables (continued)

There were no amounts falling due after more than one year (31 December 2019: £nil).

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

In general, amounts due to/from Group undertakings arise from normal trading activities, including financing activities, between the Company and fellow Group companies. Interest arising on intercompany balances is calculated using LIBOR plus 100 basis points.

17. Trade and other payables

	29 December 2020 £m	31 December 2019 £m
Trade payables	15.6	20.4
Amounts owed to Group undertakings	2,091.6	1,981.4
Taxation and social security	24.5	33.0
Other payables	3.9	4.3
Accruals	50.1	65.0
Amounts falling due within one year:	2,185.7	2,104.1

The Directors consider that the carrying amount of trade payables approximates their fair value.

In general, amounts due to/from Group undertakings arise from normal trading activities, including financing activities, between the Company and fellow Group companies. Interest arising on intercompany balances is calculated using LIBOR plus 100 basis points.

The Company also has outstanding loans with William Hill PLC, totalling £125m, which attract an annual interest charge at a rate of 8.5%.

18. Provisions

	Shop closure provisions £m	Other restructuring costs £m	Total £m
At 31 December 2019	21.5	-	21.5
Charged/(credited) to income statement			
Additional provisions recognised	9.2	3.4	12.6
Released to the income statement	(3.4)	-	(3.4)
Total charged to income statement	5.8	3.4	9.2
Provisions utilised	(16.0)	(2.7)	(18.7)
As at 29 December 2020	**11.3**	**0.7**	**12.0**

18. Provisions (continued)

Shop closure provisions

The Company holds a provision relating to the associated costs of closure of 713 shops in 2019, 119 shops closed in the current period and certain shops that ceased to trade as part of normal trading activities. At 29 December 2020, £7.3m of this provision is held within current liabilities and £4.0m within non-current liabilities.

Other restructuring costs

As a result of the announced restructuring to bring our UK Online and Retail operations together under one leadership team, in addition to other restructurings announced across the Company, predominantly in the technology team, the Company has recognised certain provisions for staff severance. At 29 December 2020, the balance of this provision is held within current liabilities.

19. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting period.

	At 31 December 2019 £m	Prior period adjustments £m	Amount charged to reserves £m	Amount credited/ (charged) to income £m	Amount credited to Statement of Comprehensive Income £m	At 29 December 2020 £m
Accelerated capital allowances	3.9	0.2	-	2.7	-	6.8
Retirement benefit obligations	(8.2)	-	-	(1.3)	0.2	(9.3)
Licences and other intangibles	0.8	-	-	0.1	-	0.9
Share remuneration	2.2	-	(2.7)	3.9	-	3.4
Tax losses	4.7	(1.0)	-	(3.7)	-	-
Corporate Interest Reduction	8.2	(0.1)	-	1.0	-	9.1
Deferred tax asset/(liability)	11.6	(0.9)	(2.7)	2.7	0.2	10.9

The enacted future rate of UK corporation tax of 19% (52 week period ended 31 December 2019: 17%) has been used to calculate the amount of deferred tax. The 19% future rate of UK corporation tax was enacted in March 2020.

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances for financial reporting purposes:

	29 December 2020 £m	31 December 2019 £m
Deferred tax liabilities	(9.3)	(8.2)
Deferred tax assets	20.2	19.8
	10.9	11.6

20. Share-based payments

The Company had the following share-based payment schemes in operation during the period, all of which will be settled by equity of the ultimate parent company:

(a) Performance Share Plan (PSP), Executive Bonus Matching Scheme (EBMS), Restricted Share Plan (RSP) and Retention Awards (RA), encompassing awards made in the years from 2015 to 2020; and

(b) Save As You Earn (SAYE) share option schemes, encompassing awards made in the years from 2015 to 2020.

Details of these schemes are provided in the Directors' Remuneration Report in the WH Report 2020 on pages 85 to 99.

PSP, EBMS, RSP and RA

The PSP provides conditional awards of shares dependent on the Group's Adjusted Earnings per Share (EPS) growth, Total Shareholder Return (TSR) performance and certain business performance measures over a three or four-year period as well as continued employment of the individual at the date of vesting (awards are usually forfeited if the employee leaves the Group voluntarily before the awards vest). EBMS shares are partly deferred shares conditional on continued employment of the individual at the date of vesting and partly share awards dependent on the Group's Adjusted EPS growth as well as continued employment at the date of vesting. EBMS awards must be exercised within one month from their vesting date, which is between one and three years after their grant date. If PSP options remain unexercised after a period of ten years from the date of grant, the options lapse.

The RSP and RA are deferred grants of shares contingent upon continued employment.

The PSP, EBMS, RSP and RA are conditional awards of shares and the recipients do not have to pay an exercise price. The weighted average share price at the date of exercise for share options exercised during the period was £1.54 (52 weeks ended 31 December 2019: £1.53). The options outstanding at 29 December 2020 had a weighted average remaining contractual life of 6.6 years (31 December 2019: 7.8 years). In 2020, options were granted on the 9th March, 1st June, 5th August and 19th October. The weighted average fair value of the options granted on these dates was £1.40 per option. In 2019, options were granted on the 18th March, 31st May and 2nd December. The weighted average fair value of the options granted on these dates was £1.52 per option.

The expense recognised (excluding employers' national insurance costs) in respect of the PSP, EBMS, RSP and RA in the 52 weeks ended 29 December 2020 was £2.2m (52 weeks ended 31 December 2019: £4.3m).

SAYE schemes

Options under the SAYE schemes, which are open to all eligible employees, are based on a two, three or five-year monthly savings contract. Options under the schemes are granted with an exercise price up to 20% below the share price when the savings contract is entered into. The options remain valid for six months beyond the end of the relevant savings contract.

The exercise prices for the 2015, 2016, 2017, 2018, 2019 and 2020 SAYE schemes were £3.03, £2.64, £1.96, £1.99, £1.45 and £1.45 respectively.

There were 790,499 share options exercised during the period (52 weeks ended 31 December 2019: nil). The options outstanding at 29 December 2020 had a weighted average remaining contractual life of 3.1 years (31 December 2019: 2.7 years). In 2020, options were granted on the 6th October. The weighted average fair value of the options granted on this date was £1.15. In 2019, options were granted on the 4th October. The weighted average fair value of the options granted on this date was £0.32.

The expense recognised in respect of the relevant SAYE schemes in the period was £0.9m (52 weeks ended 31 December 2019: £1.3m).

Notes to the financial statements
for the 52 weeks ended 29 December 2020

21. Retirement benefit schemes

Defined contribution schemes

The Company operates defined contribution retirement benefit schemes available for all eligible employees. The assets of the scheme are held separately from those of the Company in funds under the control of trustees. The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to these schemes is to make the specified contributions.

The total cost charged to income in respect of the scheme represents contributions payable to these schemes by the Company at rates specified in the rules of the respective schemes. As at 29 December 2020, contributions of £nil (31 December 2019: £0.1m) due in respect of the current reporting period were outstanding to be paid over to the schemes.

Defined benefit schemes

The Company participates in a Group defined benefit scheme in the UK for eligible employees which closed to new members in 2002. Under the scheme, employees are entitled to retirement benefits varying between 1.67% and 3.33% of final pensionable pay for each year of service on attainment of a retirement age of 63. With effect from 1 April 2011, the defined benefit scheme was closed to future accrual but maintains the link for benefits accrued up to 31 March 2011 with future salary increases (up to a maximum of 5% per annum). Employed members of this scheme were automatically transferred into one of the defined contribution schemes.

The Company's ultimate parent company, William Hill PLC, is the sponsoring employer of the scheme. There is no contractual agreement or stated policy for charging the net defined benefit cost and in accordance with IAS 19, the Company recognises a cost equal to its contribution payable for the period, which in the 52 weeks ended 29 December 2020 was £3.8m (52 weeks ended 31 December 2019: £1.2m).

We have concluded that, following professional advice, no adjustment is required to our accounting to reflect either the recovery of the current IAS 19 surplus or a minimum funding requirement; this reflects that the Company has an unconditional right to recover that surplus in the future. We have also concluded that, given that advice, the proposed changes to IFRIC 14 would not have any effect upon our accounting treatment.

Further details of the Group defined benefit scheme are disclosed in the consolidated financial statements of the ultimate parent Company, which are available as disclosed in note 27 below.

22. Share capital

	29 December 2020 £m	31 December 2019 £m
Called-up, authorised, allotted and fully paid		
14,685,856 ordinary shares of 10p each	1.5	1.5
100 'B' shares of 10p each	-	-
	1.5	1.5

The 'B' shares have no voting rights and entitle the holders of the 'B' shares to receive a fixed non-cumulative dividend at the rate of 7% per annum only after holders of the ordinary shares have received dividends of £1,000 per ordinary share held. The holders are only entitled to participate in the assets of the Company on liquidation or otherwise after holders of the ordinary shares have received a return on assets of £10,000 in respect of each ordinary share held. The Company has the power and authority to purchase all or any of the 'B' shares for an aggregate consideration of £10.

23. Investments in redeemable preference shares

At the period end date, the Company held the following investments in redeemable preference shares in William Hill Steeplechase Limited, a fellow Group undertaking.

	29 December 2020 £m	31 December 2019 £m
Acquired in March 2013 for a term of nine years with a coupon of 5.00%	444.4	428.4
Acquired in April 2016 for a term of ten years with a coupon of 5.79%	101.3	96.7

The interest rates in each of the instruments held are such that each constitutes an arms-length transaction.

The following table shows the movements for each instrument in the period:

	At 31 December 2019 £m	Interest received £m	Share redemption reversal £m	At 29 December 2020 £m
March 2013 redeemable preference shares	428.4	16.0	-	444.4
April 2016 redeemable preference shares	96.7	4.6	-	101.3
At 29 December 2020	525.1	20.6	-	545.7

	At 1 January 2019 £m	Interest received £m	Share redemption reversal £m	At 31 December 2019 £m
March 2013 redeemable preference shares	412.4	16.0	-	428.4
April 2016 redeemable preference shares	92.1	4.6	-	96.7
At 31 December 2019	504.5	20.6	-	525.1

In March 2013, the Company subscribed for 3,200 redeemable preference shares at a price of £100,000 per share in William Hill Steeplechase limited.

In April 2016, the Company subscribed for 800 redeemable preference shares in William Hill Steeplechase Limited at a price of £100,000 per share.

At the period end date, the Company held 3,200 of the 5.00% redeemable preference shares and 800 of the 5.79% redeemable preference shares.

It is not currently the intention of the Directors to redeem any of the preference shares during the next financial period and accordingly the investment has been categorised as a non-current asset in the current financial period.

24. Leases

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The lease liability is initially measured at the present value of the lease payments that have not been paid at the commencement date, discounted using an appropriate discount rate. The discount rate used to calculate the lease liability is the rate implicit in the lease, if it can be readily determined, or the lessee's incremental borrowing rate if not. The Company uses an incremental borrowing rate for its leases, and this is determined based on a series of inputs including a risk-free rate based on our debt portfolio as well as country specific adjustments.

A right-of-use asset is also recognised equal to the lease liability and depreciated over the period from the commencement date to the earlier of, the end of the useful life of the right-of-use asset or the end of the lease term.

The Company has assessed the lease term of properties within its Retail estate to be up to the first available contractual break within the lease. The Company has deemed that it cannot be reasonably certain that it will continue beyond this time given the continued uncertainty surrounding the Company's Retail business. The Company has also applied several practical expedients that are detailed in note 2.

Amounts recognised in the Income Statement

	£m
Right-of-use depreciation	27.9
Finance Costs	3.8

A schedule detailing a maturity analysis of the contractual undiscounted cash flows as at 29 December 2020 is as follows:

	£m
Due within one year	31.1
Due between one and two years	23.5
Due between two and three years	17.1
Due between three and four years	12.0
Due between four and five years	8.6
Due beyond five years	16.1

25. Contingent liabilities

Contingent Advisor fees

The Company have entered into agreements with third parties for a range of fees and expenses in connection of the acquisition by Caesars, including financial, corporate broking, legal and public relations advice. £34.2m (inclusive of VAT where applicable) of these fees are only payable contingent on the completion of the transaction and as such have been disclosed as a contingent liability given the regulatory clearances still being obtained in 2021.

£9.1m of fees (inclusive of VAT) have been incurred and recognised in the period (see note 5), which, along with the fees expected to be incurred in 2021,'is consistent with the expected fees and costs publicly stated within the Rule 2.7 Offer announcement.

In addition, the Company have confirmed with Caesars the payment of £8.0m (net of tax) of retention payments to key employees to be paid contingent on completion of the transaction which are disclosed as a contingent liability consistent to the advisor fees.

26. Related party transactions

Associates

During the period, the Company made purchases of £30.7m (52 weeks ended 31 December 2019: £72.9m) from Sports Information Services Limited, a subsidiary of Sports Information Services (Holdings) Limited. At 29 December 2020, the amount payable to Sports Information Services Limited by the Company was £2.9m (31 December 2019: £nil).

During the period, the Company sold its investment in 49's Limited to Sports Information Services Limited, see note 15 for further details.

The Company made purchases of £nil (52 weeks ended 31 December 2019: £2.5m) from its associated undertaking, NeoGames. At 29 December 2020, £nil was payable to NeoGames in respect of purchases (31 December 2019: £nil). The Company made available a $15m loan facility to NeoGames in 2018. At 29 December 2020, $12.5m (£9.3m) of the drawn down amount along with $0.7m (£0.5m). associated interest was receivable from NeoGames (31 December 2019: $12.5m drawn down with $0.4m interest). This loan is considered to be low credit risk as Neogames have a low risk of default and a strong capacity to meet its contractual cash flow obligations in the near term. During the period, the Company divested a portion of its shareholding in NeoGames for proceeds of $10.7m (£8.0m), see note 15 for further details.

27. Controlling party

In the opinion of the Directors, the Company's ultimate parent Company and ultimate controlling party is William Hill PLC, a Company incorporated in Great Britain and registered in England and Wales. The parent undertaking of the largest and smallest group, which includes the Company and for which group accounts are prepared, is William Hill PLC, a company incorporated in Great Britain. The Company's immediate parent company and controlling entity is Will Hill Limited, a company incorporated in Great Britain and registered in England and Wales.

The address of William Hill PLC is 1 Bedford Avenue, London, WC1B 3AU.

The financial statements of William Hill PLC and Will Hill Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

28. Events after the reporting period

Subsequent to the reporting period, the third national lockdown was introduced by the UK Government due to the Covid-19 pandemic and a large majority of UK LBOs were closed again and, at the time of signing of this annual report, remain closed. The financial impact on the trading of the Company has not been adjusted for in these financial statements.

Notes to the financial statements
for the 52 weeks ended 29 December 2020

29. Related undertakings disclosure

This forms part of these financial statements.

The parent Company and the Company have investments in the following subsidiary undertakings and associates.

Subsidiary undertakings	Country of incorporation	Holding
A.J.Schofield Limited (1)	Great Britain	100%*
Arena Racing Limited (1)	Great Britain	100%*
Arthur Roye (Turf Accountants) Limited (1)	Great Britain	100%*
Arthur Wilson Limited (1) (in liquidation)	Great Britain	100%*
Bill Taylor of Huyton Limited (1) (in liquidation)	Great Britain	100%*
Bookhost Limited (1) (in liquidation)	Great Britain	100%*
Bradlow Limited (1)	Great Britain	100%*
Brooke Bookmakers Limited (1)	Great Britain	100%*
Camec (Provincial) Limited (1) (in liquidation)	Great Britain	100%*
Camec (Scotland) Limited (1)	Great Britain	100%*
Camec (Southern) Limited (1)	Great Britain	100%*
Camec Limited (1)	Great Britain	100%*
City Tote Limited (1)	Great Britain	100%*
Cleveley House Limited (6) (awaiting dissolution)	Guernsey	100%*
Concession Bookmakers Limited (1)	Great Britain	100%*
Dawcar Limited (1)	Great Britain	100%*
Deviceguide Limited (1)	Great Britain	100%*
Douglas Tyler Limited (1)	Great Britain	100%*
Eclipse Bookmakers Limited (1) (in liquidation)	Great Britain	100%*
Evenmedia Limited (1)	Great Britain	100%*
Eventip Limited (1)	Great Britain	100%*
Fred Parkinson Management Limited (1)	Great Britain	100%*
Gearnet Limited (1) (in liquidation)	Great Britain	100%*
Goodfigure Limited (1)	Great Britain	100%*
Grand Parade Limited (1)	Great Britain	100%*
Gus Carter (Cash) Limited (1)	Great Britain	100%*
Ivy Lodge Limited (6)	Guernsey	100%*
James Lane (Bookmaker) Limited (1)	Great Britain	100%*
James Lane (Turf Accountants) Limited (1)	Great Britain	100%*
James Lane Group Limited (1)	Great Britain	100%*
Laystall Limited (1)	Great Britain	100%*
Les Rosiers Limited (6) (in liquidation)	Guernsey	100%*
Matsbest Limited (1)	Great Britain	100%*
Matsdom Limited (1)	Great Britain	100%*
Matsgood Limited (1)	Great Britain	100%*
Nalim Limited (1)	Great Britain	100%*
Pandashield Limited (1) (in liquidation)	Great Britain	100%*
Phonethread Limited (1)	Great Britain	100%*
Premier Bookmakers Limited (1)	Great Britain	100%*

*Held directly by William Hill Organization Limited

29. Related undertakings disclosure (continued)

	Country of incorporation	Holding
Regency Bookmakers (Midlands) Limited (1)	Great Britain	100%*
Regionmodel Limited (1) (in liquidation)	Great Britain	100%*
Selwyn Demmy (Racing) Limited (1)	Great Britain	100%*
Sherman Racing (Western) Limited (1)	Great Britain	100%*
St James Place Limited (6)	Guernsey	100%*
T H Jennings (Harlow Pools) Limited (1)	Great Britain	100%*
Trackcycle Limited (1)	Great Britain	100%*
Transdawn Limited (1) (in liquidation)	Great Britain	100%*
Vickers Bookmakers Limited (1)	Great Britain	100%*
Vynplex Limited (1)	Great Britain	100%*
WHG (International) Limited (2)	Gibraltar	100%*
WHG Italia S.R.L (13)	Italy	100%*
WHG Trading Limited (2)	Gibraltar	100%*
William Hill (Alba) Limited (1)	Great Britain	100%*
William Hill (Caledonian) Limited (1)	Great Britain	100%*
William Hill (Course) Limited (1)	Great Britain	100%*
William Hill (Effects) Limited (1)	Great Britain	100%*
William Hill (Essex) Limited (1)	Great Britain	100%*
William Hill (Football) Limited (1)	Great Britain	100%*
William Hill (Goods) Limited (1)	Great Britain	100%*
William Hill (Grampian) Limited (1)	Great Britain	100%*
William Hill (London) Limited (1)	Great Britain	100%*
William Hill (Midlands) Limited (1)	Great Britain	100%*
William Hill (North Eastern) Limited (1)	Great Britain	100%*
William Hill (North Western) Limited (1)	Great Britain	100%*
William Hill (Northern) Limited (1)	Great Britain	100%*
William Hill (Products) Limited (1)	Great Britain	100%*
William Hill (Resources) Limited (1)	Great Britain	100%*
William Hill (Scotland) Limited (1)	Great Britain	100%*
William Hill (Southern) Limited (1)	Great Britain	100%*
William Hill (Stock) Limited (1) (in liquidation)	Great Britain	100%*
William Hill (Strathclyde) Limited (1)	Great Britain	100%*
William Hill (Supplies) Limited (1)	Great Britain	100%*
William Hill (Wares) Limited (1)	Great Britain	100%*
William Hill (Western) Limited (1)	Great Britain	100%*
William Hill Credit Limited (1)	Great Britain	100%*
William Hill Employee Shares Trustee Limited (1)	Great Britain	100%*
William Hill Index (London) Limited (1) (in liquidation)	Great Britain	100%*
William Hill Leisure Limited (1) (in liquidation)	Great Britain	100%*
William Hill Offshore Limited (5)	Ireland	100%*
William Hill Steeplechase Limited (2)	Gibraltar	100%*
Willstan Racing (Ireland) Limited (5)	Ireland	100%*
Willstan Racing Holdings Limited (1)	Great Britain	100%*

*Held directly by William Hill Organization Limited

29. Related undertakings disclosure (continued)

	Country of incorporation	Holding
Willstan Racing Limited (1)	Great Britain	100%*
Windsors (Sporting Investments) Limited (1)	Great Britain	100%*
Winning Post Racing Limited (1) (in liquidation)	Great Britain	100%*
Ad-gency Limited (8) (entered dissolution process in 2018)	Israel	100%
B.B.O'Connor (Lottery) Limited (3)	Jersey	100%
B.J.O'Connor Holdings Limited (3)	Jersey	100%
B.J.O'Connor Limited (3)	Jersey	100%
Baseflame Limited (1)	Great Britain	100%
Camec (Western) Limited (1)	Great Britain	100%
Cellpoint Investments Limited (9)	Cyprus	100%
Daniel McLaren Limited (1)	Great Britain	100%
Demmy Investments Limited (1) (in liquidation)	Great Britain	100%
Grand Parade sp. z o.o (14)	Poland	100%
Groatbray Limited (1) (in liquidation)	Great Britain	100%
Gus Carter Limited (1)	Great Britain	100%
WHG Customer Services Philippines, Inc. (7)	Philippines	100%
WHG IP Licensing Limited (2)	Gibraltar	100%
WHG Online Marketing Spain S.A. (12)	Spain	100%
WHG Services (Bulgaria) Limited EOOD (10)	Bulgaria	100%
WHG Services (Philippines) Ltd (2)	Gibraltar	100%
WHG Spain PLC (2)	Gibraltar	100%
WHG-IP Partnership (2)	Gibraltar	100%
William Hill (Edgeware Road) Limited (1)	Great Britain	100%
William Hill (IOM) No.3 Limited (4)	Isle of Man	100%
William Hill (Malta) Limited (11)	Malta	100%
William Hill Bookmakers (Ireland) Limited (5)	Ireland	100%
William Hill Call Centre Limited (5)	Ireland	100%
William Hill Trustee Limited (1)	Great Britain	100%
Willstan Properties Limited (18)	Northern Ireland	100%
Associates		
Sports Information Services (Holdings) Limited (16)	Great Britain	19.5%*
NeoGames S.a.r.l (17)	Luxembourg	24.5%*
Lucky Choice Limited (15)	Great Britain	33%*

*Held directly by William Hill Organization Limited

The proportion of voting rights held is the same as the proportion of shares held. The percentage holding represents the proportion of all classes of issued share capital owned by the Company.

29. Related undertakings disclosure (continued)

The registered addresses of the subsidiary undertakings and associates are as follows:

(1) Great Britain: 1 Bedford Avenue, London, WC1B 3AU
(2) Gibraltar: 6/1 Waterport Place, Gibraltar
(3) Jersey: PO Box 384, 6 Hilgrove Street, St Helier, Jersey, Channel Islands
(4) Isle of Man: First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF
(5) Ireland: 39/40 Upper Mount Street, Dublin 2, Republic of Ireland
(6) Guernsey: Quay House, South Esplanade, St Peter Port, GY1 1EL
(7) Philippines: 11th Floor, Net Lima Plaza, 5th Avenue, corner 26th St, Crescent Park West, Bonifacio Global City, Taguig City, Philippines
(8) Israel: Azrielli Square Tower, floors 31&32 132 Menachim Begin Road, Tel Aviv, 67011, Israel
(9) Cyprus: Ioanni Stylianou, 6 2nd Floor, Flat/office 202, 2003 Nicosia, Cyprus
(10) Bulgaria: 115-L Tsarigradsilo Shosse Blvd, European Trade Center, Building C, Floor 5
(11) Malta: Level 7, Tagliaferro Business Centre, 14 High Street, Sliema, SLM 1549
(12) Spain: Calle Alcala, 55-PISO 1, 28014 Madrid
(13) Italy: Via San Giovanni, Sul Muro 18 Milano, Milan, Italy
(14) Poland: Ul. Prądnicka 20a 30-002 Krakow
(15) Great Britain: 1 Stratford Place, Montfichet Road, London, England, E20 1EJ
(16) Great Britain: Whitehall Avenue, Milton Keynes, MK10 0AX
(17) Luxembourg: 5 Rue de Bonnevoie, L-1260, Luxembourg
(18) Northern Ireland: 369 Newtownards Road, Belfast BT4 1AJ