

Annual Report and Financial Statements

Ladbrokes Betting & Gaming Limited

For the year ended 31 December 2020



LADBROKES BETTING & GAMING LIMITED

STRATEGIC REPORT – FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their strategic report for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company operates licensed betting offices and receives some financing facilities from other group companies.

The Company's key financial performance indicators during the year were as follows:

	2020	2019
	£'000	£'000
Revenue	681,252	983,371
Operating profit before separately disclosed items	2,436	84,349
Net Assets	1,137,034	1,188,089
Average monthly number of employees (including executive directors)	15,812	16,976
Number of shops	3,156	3,159

Revenue was 31% behind last year reflecting a year significantly impacted by Covid-19. There was significant impact to both revenue generated from Sports betting and machines stakes with temporary closures due to Covid-19 impacting the Company during 2020. Despite spending large periods of the year with the doors closed, trading has been promising whilst the estate has been open.

FUTURE DEVELOPMENTS

Given the Company has its trade placed in the retail industry and Sports market there has been a noticeable impact to the trading of the Company during the pandemic which has placed a larger reliance on support from the Entain plc group. From 1 January 2021 to 17 May 2021 all of the retail stores in the UK were closed as a result of UK Government legislation. Since the release from tier 3 style restrictions in the UK, we have seen volumes return to levels around 90% of prepandemic levels. Machines have performed particularly well whilst sports continues to recover steadily from the extended period of shop closures. During the close period the Company has placed reliance on the UK Government through use of the furlough scheme.

The Entain plc Group has assessed the impact of the Covid-19 outbreak on the business and has revised its cash flow forecasts for 2021 to take account of the consequent reduction in profits and net cash inflows. The revised forecasts indicate that the group will remain within its present bank facilities and will continue to be able to pay its liabilities as they fall due. The Group will continue to offer support to the Company should it be required for a period of up to at least 12 months from the date of signing these financial statements.

PRINCIPAL RISK AND UNCERTAINTIES

Entain plc reviews and evaluates key risks and uncertainties faced by the group as part of the reviews undertaken at its regular board meetings. The impact of risks and uncertainties of the Company is considered as part of this review process.

The principal risks and uncertainties facing the company are broadly grouped as:

- **Marketplace**

Economic, consumer and environmental factors within the key markets could reduce customers' disposable income.

Changing consumer trends and opportunities for betting and gaming, and competition from existing competitors or new entrants could have an adverse effect on the results of the Company.

Whilst the risk of a global pandemic was not recognised in our UK Retail Risk Register at the end of 2019, following the outbreak of Covid-19 UK retail has responded well and plans have been well executed to ensure the Company complies with both national and local guidance regarding lockdown procedures and to protect the health and safety of our colleagues and customers. Entain plc has created a pandemic risk register which includes retail related risks and this is updated on a regular basis and discussed by the Board and its committees on an ongoing basis.

LADBROKES BETTING & GAMING LIMITED

STRATEGIC REPORT – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

- **Laws, regulations, licensing and regulatory compliance**

Regulatory, legislative and fiscal regimes for betting and gaming can change, sometimes at short notice. These changes could benefit or have an adverse effect on the Company and additional costs could be incurred in order to comply with any new laws or regulations.

The Company closely monitors regulatory, legislative and fiscal developments allowing it to assess, adapt and take the necessary action where appropriate. Management also takes external advice, which incorporates risk evaluation and regulatory updates are provided on a weekly basis to management to allow for timely action where necessary.

- **Betting and gaming industry**

Revenue and operating results may vary significantly from year to year. Customer betting patterns, particularly with regard to those who bet large stakes, the outcome of individual events or a prolonged period of good or bad results could have a material effect on results.

- **Information technology and communications**

A failure in the infrastructure and operation of core systems could have an adverse impact on operations and financial results. The integrity and availability of systems is vital to deliver a high quality service to customers.

- **Financial Risk**

The Company has an exposure to changes in interest rates, which affect the balances with other group companies and the interest due on those balances.

The Company has no other significant risks or uncertainties other than those that arise from being a part of the Entain plc. The significant risks or uncertainties, including the Company's exposure to financial risk management and those arising from Brexit are dealt with on pages 72 to 75 presented in the Annual Report 2020 of Entain plc.

S172 STATEMENT

In performing their duties under the Companies Act 2006 the Board are required to describe how they have had regard to the matters set out in section 172(1)(a) to (f).

When making decisions throughout the year the directors have taken into consideration, and had regard to, the Company's shareholders, stakeholders, business relationships, employees, reputation for high standards, the community and environment and the impact of the Board's decision making on the long term success of the business.

Engagement with employees

Interests of the employees include training, development and prospects; diversity and inclusion; fair pay and benefits; health and safety and working conditions. Management are actively involved through leadership townhalls. Management also engage through the intranet with all staff emails and newsletter-style updates, employee questionnaires and workforce communications. Feedback is also given to management from the HR function including feedback received through townhalls.

Engagement with customers

Customers interests range from product availability, ethical behavior, service, pricing and promoting responsible attitudes to gambling. The Company as part of its commitment to responsible and safer gambling engages through initiatives like Responsible Gambling Week, where responsible gambling messages dominate the websites and social media channels and all shop colleagues wearing safer gambling t-shirts.

LADBROKES BETTING & GAMING LIMITED

STRATEGIC REPORT – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

Engagement with regulators

The company maintains communication with regulators liaising on an open and frequent basis to ensure that all regulators are engaged in the operating practices and that the Company can help policymakers shape the industry environment to best serve the stakeholder group whilst operating in a legal and fair way. This includes but is not limited to, a liaison programme with MPs, Ministers and government officials; attendance from the British gambling Commission at CSR focused Entain Board meeting; quarterly meetings (as a minimum) between the UK Gambling Commission and the UK Compliance Director; detailing governance, risk management and safer gambling strategies through submission to the British Gambling Commission Annual Assurance Statement process and being invited to lead the industry on behalf of the UK Betting and Gaming Council in the creation of an Industry Code for Incentivisation of High Value Customers.

The Company is a wholly owned subsidiary of Entain plc and therefore the directors have also considered the wider context in which the Company operates to adhere to the high standards of professionalism, culture, values, ethics, strategy, employee well-being, and environmental and social responsibility set by the Entain group.

In discharging their duties under section 172 the directors have access to the full resource, assistance, support and guidance offered by the Entain group and are committed to driving further improvements in shareholder and stakeholder engagement.

The 2020 annual report and accounts for Entain plc can be found here: <https://entaingroup.com/investor-relations/financial-reports/>

CORPORATE GOVERNANCE

During the year Entain plc announced as part of its revised strategy that it will adopt a best practice, gold standard approach to good corporate governance. Additionally an extensive review is being performed by the firm of Alvarez & Martel to verify the quality of the approach and to identify any possible gaps to fill. As the Company is a part of the Entain plc Group it too follows the same approach.

FINANCIAL POSITION

As at 31 December 2020 the company had net assets of £1,137,034,000 (31 December 2019: £1,188,089,000).

MODERN SLAVERY

Entain plc and its global subsidiaries ("The Group") recognise that companies have an obligation to ensure that their business and supporting supply chains are slavery free. The Group's full modern slavery statement can be found at <https://entaingroup.com/sustainability/modern-slavery-statement/>

On behalf of the board



J Kerr
Director

20 December 2021

LADBROKES BETTING & GAMING LIMITED

DIRECTORS' REPORT – FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their Directors' Report and the Company's audited financial statements for the year ended 31 December 2020. Comparative information is presented for the year ended 31 December 2019.

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

Directors: R Wood
J D Kerr
A Hicks

Secretary : Ladbrokes Coral Corporate Secretaries Limited

Registered Office : 3rd Floor One New Change, London, EC4M 9AF

Principal place of business: 1 Stratford Place, Montfichet Rd, London E20 1EJ

Company Number: 00775667

RESULTS AND DIVIDENDS

The financial statements for the year show a loss for the financial year of £50,454,000 (2019: profit of £462,802,000). The company has paid no dividends during the year (2019: £nil). The directors do not recommend payment of a further dividend for the year (2019: £nil).

A consideration of future developments can be found within the strategic report to these financial statements.

FINANCIAL RISK MANAGEMENT

The company's exposure to financial risk management is outlined in the Strategic Report.

GOING CONCERN

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company is a subsidiary of the Group headed by Entain Plc (the Group) and responsible for reporting the trading results of a retail estate held by the Group in the United Kingdom (excluding Northern Ireland) and is therefore integral to the Group's business model. Consequently, the ability of the Company to continue as a going concern is based on the ability of the Group to continue as a going concern.

The Group has prepared financial forecasts comprising operating profit, balance sheet and cash flows covering the 36-month period to 2023. In preparing these forecasts, the directors have assessed the impact of the Covid-19 outbreak on the business and have revised the cash flow forecasts for 2021 and 2022 to take account of the consequent reduction in profits and net cash inflows. These revised forecasts indicate that the Group will remain within its present facilities and that there is sufficient covenant headroom even under the sensitised downside scenarios.

Entain Plc has indicated its intention not to seek repayment of the amounts currently due to the group, which at 31 December 2020 amounted to £691,764,000, and to continue to make available such funds as are needed by the company, until at least 31 December 2022 and for the foreseeable future. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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

LADBROKES BETTING & GAMING LIMITED

DIRECTORS' REPORT – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

EMPLOYEE INVOLVEMENT

- i) Consultation with employees takes place through regular departmental meetings, and for the field staff, manager meetings and cashier meetings, with views and feedback being obtained either direct or via the regional team meetings.
- ii) The financial and economic factors affecting the Company are brought to the attention of our staff through the Entain plc Group Annual Report.
- iii) We do not discriminate on the basis of age, disability, gender or gender reassignment, pregnancy or maternity, race, religion or belief, sexual orientation or marriage/civil partnership.

DISABLED PERSONS

The policies that the Company applied during the year were as follows:

- i) Full and fair consideration was given to disabled applicants for employment, having regard to their particular aptitudes and abilities.
- ii) If an employee becomes disabled, the objective is to continue the provision of suitable employment either in the same or an alternative position, with appropriate adjustments being made if necessary.
- iii) Disabled employees were to share equally in the opportunities for training, career development and promotion.

POLITICAL DONATIONS

Neither the Company nor any of its subsidiaries made any disclosable political donations or incurred any disclosable political expenditure during the year (2019: £nil).

DIRECTORS' INDEMNITIES AND INSURANCE

Entain plc maintains a qualifying (as defined by law) directors' and officers' liability insurance. The above named directors, have received an indemnity from the group to the extent permitted by law throughout the period and up to the date of signing this report. Neither the indemnity nor the insurance will provide cover in situations where a director has acted fraudulently or dishonestly.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR

For all the directors at the time this report was approved, the following applies:

- a) so far as each director is aware, there is no relevant audit information of which the company's Auditor is unaware; and
- b) each director has taken all the steps that they ought to have taken as director in order to make themselves aware of any relevant audit information and to establish that the company's Auditor is aware of that information

INDEPENDENT AUDITOR

Pursuant to Section 487 of the Companies Act 2006, KPMG LLP will be deemed to be reappointed and will therefore continue in office following a resolution put to the shareholders at the Annual General Meeting.

LADBROKES BETTING & GAMING LIMITED

DIRECTORS' REPORT – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

On behalf of the Board



J Kerr
Director
20 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LADBROKES BETTING & GAMING LIMITED

Opinion

We have audited the financial statements of Ladbrokes Betting & Gaming Limited ("the company") for the year ended 31st December 2020 which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 4.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management, directors, and shop staff.
- Using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting. On this audit we do not believe there is a fraud risk related to revenue recognition because there is limited estimated or judgement in relation to revenue recognition and limited opportunity to manipulate revenue.

We did not identify any additional fraud risks.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LADBROKES BETTING & GAMING LIMITED

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual postings with a debit or a credit entry to cash.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of Company's license to operate. We identified the following areas as those most likely to have such an effect: anti-bribery and corruption, recognizing the nature of the Company's operations, and responsible betting and gaming legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LADBROKES BETTING & GAMING LIMITED

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

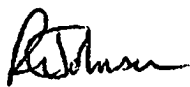
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



**Richard Johnson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

15 Canada Square

London

E14 5GL

20 December 2021

LADBROKES BETTING & GAMING LIMITED**INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

	<u>Note</u>	2020 £'000	2019 £'000
Revenue	4.9	681,252	983,371
Cost of sales		(177,389)	(268,478)
Operating expenses before separately disclosed items		(588,386)	(641,859)
Other operating income	5a	86,959	11,315
Operating profit before separately disclosed items		2,436	84,349
Separately disclosed items	5b	(7,859)	176,935
Income from investments	12	10,092	346,021
Impairment of investments	12	(460)	(103,552)
Profit before tax and finance income	5a	4,209	503,753
Interest receivable and similar income	6	590	14,546
Interest payable and similar expenses	7	(52,996)	(56,095)
(Loss)/profit before taxation		(48,197)	462,204
Taxation	9	(2,257)	598
(Loss)/profit for the financial year		(50,454)	462,802
Attributable to: Equity holders of the parent		(50,454)	462,802

All items dealt with in arriving at the loss before taxation relate to continuing operations.

The notes on pages 14 to 32 form an integral part of these financial statements.

LADBROKES BETTING & GAMING LIMITED**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £'000	2019 £'000
(Loss)/profit for the financial year	(50,454)	462,802
Other comprehensive expense for the financial period		
Actuarial loss on defined benefit pension plans	(4,400)	(1,000)
Deferred tax impact from actuarial loss	1,540	350
Other comprehensive expense	(2,860)	(650)
Total comprehensive (expense)/income for the financial period	(53,314)	462,152

The notes on pages 14 to 32 form an integral part of these financial statements.

LADBROKES BETTING & GAMING LIMITED**BALANCE SHEET AS AT 31 DECEMBER 2020**

Company number: 00775667

		<u>2020</u>	<u>2019</u>
	<u>Note</u>	<u>£'000</u>	<u>£'000</u>
NON CURRENT ASSETS			
Intangible assets	10	64,559	70,630
Property, plant and equipment	11	303,200	301,205
Investments in subsidiaries	12	1,497,665	1,497,678
Retirement benefit asset	18	56,800	59,900
Finance lease receivable	17	3,770	3,144
Deferred tax asset	9d	59,900	61,442
		1,985,894	1,993,999
CURRENT ASSETS			
Trade and other receivables	14	272,017	861,731
Corporation tax recoverable		1,651	7,242
Finance lease receivable	17	1,169	1,013
Cash at bank and in hand		7,839	29,350
		282,676	899,336
CURRENT LIABILITIES			
Trade and other payables	15	(833,833)	(1,401,480)
Provisions	16	(21,603)	(5,188)
Lease liabilities	17	(68,816)	(56,877)
		(924,252)	(1,463,545)
NET CURRENT LIABILITIES			
		(641,576)	(564,209)
TOTAL ASSETS LESS CURRENT LIABILITIES			
		1,344,318	1,429,790
NON-CURRENT LIABILITIES			
Provisions	16	(12,094)	(8,724)
Lease liabilities	17	(175,310)	(212,012)
Deferred tax liability	9d	(19,880)	(20,965)
		(207,284)	(241,701)
NET ASSETS			
		1,137,034	1,188,089
EQUITY			
Issued share capital	19	503,759	503,759
Retained Earnings		633,275	684,330
TOTAL SHAREHOLDERS' EQUITY			
		1,137,034	1,188,089

The financial statements on pages 10 to 32 were approved by the board of directors on 20 December 2021 and were signed on its behalf by:



J Kerr
Director
20 December 2021

LADBROKES BETTING & GAMING LIMITED**STATEMENT OF CHANGES IN EQUITY – FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called share capital	Retained earnings	Total shareholders' funds
	£'000	£'000	£'000
At 1 January 2019	503,759	222,178	725,937
Profit for the year	-	462,802	462,802
Other comprehensive expense	-	(650)	(650)
Total comprehensive income	-	462,152	462,152
At 31 December 2019	503,759	684,330	1,188,089
Loss for the year	-	(50,454)	(50,454)
Other comprehensive expense	-	(2,860)	(2,860)
Total comprehensive expense	-	(53,314)	(53,314)
Share based payments charge	-	2,259	2,259
At 31 December 2020	503,759	633,275	1,137,034

The notes on pages 14 to 32 form an integral part of these financial statements.

LADBROKES BETTING & GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2020

1. CORPORATE INFORMATION

Ladbrokes Betting & Gaming Limited ('the Company') is a private company limited by shares incorporated and domiciled in England and Wales within the United Kingdom. The address of its registered office and principal place of business is disclosed in the Directors' Report.

The financial statements of the Company for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors.

2. BASIS OF PREPARATION

These financial statements were prepared in accordance with The Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The financial statements are prepared under the historical cost convention.

The Company's financial statements are presented in Sterling. The Company's functional currency is considered to be Sterling, and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated. The Company's financial statements are individual entity financial statements.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group financial statements as it is a wholly owned subsidiary of Entain plc.

The accounting policies which follow in note 4 set out those policies which apply in preparing the financial statements for the period ended 31 December 2020. These policies have been applied consistently other than those newly adopted in the year.

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

- IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of IAS16.73 (e) comparative information
- IAS 8.30-31 Accounting Policies, Changes in Accounting Estimates and Errors;
- IAS 24 Related Party Disclosures
- the requirements of paragraph 17 of IAS 24;
- Paragraphs 113 (a), 114, 115, 118, 119a) to (c), 120 to 127 and 129 of IFRS 15 revenue from Contracts with Customers.
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

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

- IFRS 2 Share-Based Payments in respect of group settled share-based payments
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

New standards and IFRIC interpretations

The Company has adopted the following IFRSs in these financial statements:

- Amendments to IAS 8; Accounting Policies, Changes in Accounting Estimates and Errors.
- Amendments to IAS 39; Financial Instruments
- Amendments to IFRS 3; Business Combinations
- Amendments to IFRS 7; Financial Instruments, Disclosures
- Amendments to IFRS 9; Financial Instruments.

These new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the period ended 31 December 2020, did not have a material impact on the company.

3. KEY JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make assumptions, estimates and judgements that affect the amounts reported as assets and liabilities as at the balance sheet date and the amounts reported as revenues and expenses during the year. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future may differ from those reported. In this regard, management believes that the accounting policies where judgement is necessarily applied are those set out below.

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. The following estimates are dependent upon assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised at the balance sheet date.

Pension costs

The company participates in the Gala Coral Pension Plan. The scheme has a defined benefit section and a defined contribution section. The assets of the scheme are managed separately from those of the group. The defined benefit section of the scheme is closed to new entrants and to future accrual.

For the defined benefit pension scheme, the group has adopted the provisions of IAS 19 (Revised) Employee Benefits in that the amounts charged to operating profit are the current service costs. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount within administrative expenses. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. Actuarial valuations are obtained every three years and are updated at each balance sheet date.

Certain employees of the Company are also members of the Ladbrokes Pension Plan which is a defined benefit pension scheme that shares risks between entities that are under common control. Management has determined that no contractual agreement or stated policy exists for charging to individual group entities the net defined benefit cost for the plan as a whole measured in accordance with IAS 19 *Employee Benefits* (IAS 19). As a result, the net defined benefit cost is recognised in the individual financial statements of the group entity that is legally the sponsoring employer for the plan, being Ladbrokes Coral Group Limited.

Contributions to defined contribution schemes are recognised in the income statement in the period in which they become payable.

Investment in subsidiaries

Investments in subsidiaries and joint ventures are held at historical cost less any provision for impairment.

Investment in subsidiaries are reviewed annually for impairment when indicators for impairment are identified, using a value in use calculation where the investment is considered a single cash generating unit. In determining value in use for the investment, future discounted cash flows from both possible and expected dividends are considered.

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****4.1 Recoverable amount of deferred tax**

Deferred tax assets are recognised for all deductible temporary differences and carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward of unused tax assets and unused tax losses can be utilized.

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

4.2 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company is a subsidiary of the Group headed by Entain Plc (the Group) and responsible for reporting the trading results of a retail estate held by the Group in the United Kingdom (excluding Northern Ireland) and is therefore integral to the Group's business model. Consequently, the ability of the Company to continue as a going concern is based on the ability of the Group to continue as a going concern.

The Group has prepared financial forecasts comprising operating profit, balance sheet and cash flows covering the 36-month period to 2023. In preparing these forecasts, the directors have assessed the impact of the Covid-19 outbreak on the business and have revised the cash flow forecasts for 2021 and 2022 to take account of the consequent reduction in profits and net cash inflows. These revised forecasts indicate that the Group will remain within its present facilities and that there is sufficient covenant headroom even under the sensitised downside scenarios.

Entain Plc has indicated its intention not to seek repayment of the amounts currently due to the group, which at 31 December 2020 amounted to £691,764,000, and to continue to make available such funds as are needed by the company, until at least 31 December 2021 and for the foreseeable future. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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

4.3 Property, plant and equipment and software

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

Leasehold properties	over 50 years or the life of the lease if shorter
Leased assets	over the life of the lease
Fixtures, fittings, & equipment	over a period of 4 – 10 years
Freehold buildings	over a period of 50 years
Right-of-use (ROU) Assets	over the term of the lease
Software	Over a period of 2 – 15 years

4.4 Intangible fixed assets

The Company capitalises acquired intangible assets (betting office licenses) and reviews their carrying value annually with a view to write down if impairment arises. Betting offices licenses are held at historical cost less any amount written off for amortisation and impairment. The costs taken into account include the costs of acquiring or obtaining the licence. Licenses are amortised over 15 years.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Leases

Company as a lessee

Leases, other than those with a lease period of less than one year or where the original cost of the asset acquired would be a negligible amount, are capitalized as an ROU asset at inception at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

ROU assets are included within tangible fixed assets at cost and depreciated over their estimated useful lives, which equates to the lives of the leases, after taking into account anticipated residual values.

Company as a lessor

ROU assets which are sub-leased to customers are classified as finance leases if the lease agreements transfer substantially all the risks and rewards of usage to the lessee. All other sub-leases are classified as operating leases. When assets are subject to finance leases, the present value of the sub-lease is recognised as a receivable, net of allowances for expected credit losses and the related ROU asset is de-recognised. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance lease income. Finance lease income is recognised in interest income over the term of the lease using the net investment method (before tax) so as to give a constant rate of return on the net investment in the leases.

Operating lease rental income is recognised on a straight-line basis over the life of the lease.

4.5 Recoverable amount of non-current assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

4.6 Financial assets

Financial assets are recognised when the Company becomes party to the contracts that give rise to them. The Company classifies financial assets at inception as loans and receivables, financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income. At 31 December 2020, the Company had only financial assets classified as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. On initial recognition, loans and receivables are measured at fair value plus directly attributable transaction costs. Subsequently, such assets are measured at amortised cost, using the effective interest (EIR) method, less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest receivable in the income statement. Losses arising from impairment are recognised in the income statement in other operating expenses. The Company's financial assets include cash and short-term deposits and trade and other receivables.

Trade receivables are generally accounted for at amortised cost. Expected credit losses are recognised for financial assets recorded at amortised cost, including trade receivables. Expected credit losses are calculated by using an appropriate probability of default, taking accounts of a range of possible future scenarios and applying this to the estimated exposure of the Group at the point of default.

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Derecognition of financial assets and liabilities

Financial assets are derecognised when the right to receive cash flows from the assets has expired or when the Company has transferred its contractual right to receive the cash flows from the financial assets or has assumed an obligation to pay the received cash flows in full without material delay to a third party, and either:

- substantially all the risks and rewards of ownership have been transferred; or
- substantially all the risks and rewards have neither been retained nor transferred but control is not retained.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

4.8 Provisions for liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance expense within interest payable and similar charges.

4.9 Revenue

The Company reports the gains and losses on all betting and gaming activities as revenue, which is measured at the fair value of the consideration received or receivable from customers less free bets, promotions, bonuses and other fair value adjustments.

For licensed betting offices (LBOs), On Course Betting, Core Telephone Betting, Mobile Betting, Digital Businesses, revenue represents gains and losses, being the amounts staked and fees received, less total payouts. Open betting positions are carried at fair value and gains and losses arising on these positions are recognised in revenue. Vending income is also included within revenue. All revenue is generated within the United Kingdom.

Dividend income is recognised when the right to receive payment is established and is recognized separately within the income statement.

The Company receives royalty income in respect of other Group companies using the brand IP held by the Company. Income of this nature is recognised within Other Operating Income within the Income Statement.

4.10 Separately disclosed items

To assist in understanding its underlying performance, the Company has defined the following items of pre-tax income and expense which are separately disclosed as they either reflect items which are exceptional in nature or size or are associated with the amortization of acquired intangibles. Items treated as separately disclosed include:

- profits or losses on disposal, closure or impairment of assets or businesses;
- corporate transaction and restructuring costs; and
- amortization of acquired intangibles.

The separate disclosure of these items allows a clearer understanding of the trading performance on a consistent comparable basis, together with an understanding of the effect of non-recurring or large individual transactions upon the overall profitability of the Company. Further details are given in note 5b.

4.11 Finance expense and income

Finance expense and income arising on interest bearing on interest bearing financial instruments carried at amortised cost are recognised in the income statement using the effective interest rate method. Finance income represents income arising principally from loans to fellow group companies.

4.12 Government assistance

Receipts from government assistance programs such as, furlough, are recorded as other operating income within the income statement. See note 5a for more details.

LADBROKES BETTING & GAMING LIMITED**NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)****4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****4.13 Income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date.

Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment. Income tax is charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

5a. LOSS BEFORE TAX AND FINANCE INCOME

This is stated after (charging)/crediting:

	2020	2019
	£'000	£'000
Management charges payable to group companies	(21,764)	(18,754)
Depreciation of property, plant and equipment	(39,025)	(31,310)
Depreciation of ROU Assets	(34,487)	(29,586)
Amortisation of software assets	(25,625)	(16,763)
Auditor's remuneration - audit of the financial statements	(145)	(145)
Rent receivable	1,653	701
Royalties received from group companies	27,811	10,614
Receipts from government assistance (note 8.2)	57,495	-

5b. SEPARATELY DISCLOSED ITEMS

	2020	2019
	£'000	£'000
Amortisation of licenses ^(a)	(804)	(744)
Integration costs ^(b)	(3,919)	(18,356)
Triennial restructuring costs ^(c)	(8,293)	(8,681)
Legal and onerous contract provision ^(d)	(12,695)	(14,799)
Tax litigation/ one off claims ^(e)	10,118	197,650
Profit on disposal of assets ^(f)	9,400	21,865
Other one off items ^(h)	(1,666)	-
	(7,859)	176,935

LADBROKES BETTING & GAMING LIMITED**NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)****5b. SEPARATELY DISCLOSED ITEMS (continued)**

- (a) Licenses are amortised over 15 years which is assessed to be their useful economic life. The change was effective from 1 November 2016 and affected periods from this date onwards.
- (b) The company incurred costs in relation to the integration of the GVC Holdings, Ladbrokes and Coral businesses.
- (c) Costs associated with the shop closure program including redundancy, consultation costs and other costs directly associated with the triennial response strategy, but excluding property related costs which are included in d below.
- (d) Legal and onerous provisions include onerous contracts that have arisen as a result of closure of shops and other legal provisions outside the ordinary course of the business.
- (e) Following a favourable ruling the Upper Tribunal on the lead case in the Ladbrokes VAT claim, a ruling HMRC have elected not to appeal, the Company has recognized an income for its claim, net of associated costs. In the prior year and initial receivable was estimate to be £197,650,000, since that date a further £10,118,000 has been recognised.
- (f) Relates to profit on disposal of various items of plant, property, and equipment.
- (h) Relates predominantly to the one-off costs associated with Covid-19 such as initial one-off costs of reopening and certain social distancing equipment not meeting the definition of capital.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2020</u>	<u>2019</u>
	<u>£'000</u>	<u>£'000</u>
From group undertakings	400	824
Tax litigation claim (note 5b)	-	13,276
Other	190	446
	<u>590</u>	<u>14,546</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	<u>2020</u>	<u>2019</u>
	<u>£'000</u>	<u>£'000</u>
Group interest	40,345	43,923
Lease interest	11,692	11,925
Other	959	247
	<u>52,996</u>	<u>56,095</u>

8. DIRECTORS AND EMPLOYEES

The directors who have served during the period are also directors of other undertakings within the group and their remuneration is paid by various subsidiaries of Entain plc. It is not practicable to identify the emoluments related solely to the Company and accordingly the aggregate amounts for remuneration for the directors of the Company paid across the entire Group are included below.

8.1 Directors' emoluments	<u>2020</u>	<u>2019</u>
	<u>£'000</u>	<u>£'000</u>
Emoluments	1,700	1,528

Directors received £nil compensation for loss of office during the year ended 31 December 2020 (2019: £nil).

LADBROKES BETTING & GAMING LIMITED**NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)****8. DIRECTORS AND EMPLOYEES (continued)**

	No.	No.
Members of Ladbrokes plc and Gala Coral Group (2019: Ladbrokes plc) pension scheme	2	2

The amounts in respect of the highest paid director are as follows:

	<u>2020</u>	<u>2019</u>
	£'000	£'000
Aggregate emoluments	<u>689</u>	<u>1,011</u>

Included within the figure above is £18,000 relating to Group contributions to Group pension schemes (2019: £12,000) and £270,000 relating to amounts due under long term incentive plans (2019: £nil).

8.2 Employee staff costs

	<u>2020</u>	<u>2019</u>
	£'000	£'000
Wages and salaries	288,257	276,669
Social security costs	21,100	19,638
Other pension costs	6,663	5,720
Share based payment charges	2,259	-
	<u>318,279</u>	<u>302,027</u>

During the year the Company benefited from £57,495,000 (2019: £nil) of government support in the form of furlough receipts. There are no ongoing obligations on the Company for the amounts received which have been recorded as Other Operating Income within the Income Statement.

8.3 Employee staff numbers

	<u>2020</u>	<u>2019</u>
	No.	No.
The average monthly numbers of employees was:		
Administrative staff (including directors)	1,002	1,186
Betting shop staff	14,810	15,790
	<u>15,812</u>	<u>16,976</u>

9. TAXATION**(a) Tax charge/(credit) in the income statement**

	<u>2020</u>	<u>2019</u>
	£'000	£'000
Current tax		
UK corporation tax – current year	-	19
UK corporation tax – prior year	256	(1,134)
Total current tax	<u>256</u>	<u>(1,115)</u>
Deferred tax		
Origination and reversal of timing differences	7,424	9,050
Effect of tax rate changes	(7,038)	-
Adjustment in respect of prior years	1,615	(8,533)
Total deferred tax	<u>2,001</u>	<u>517</u>
Tax charge/(credit) reported in the income statement	<u>2,257</u>	<u>(598)</u>
Deferred tax credited directly to other comprehensive income	<u>(1,540)</u>	<u>(350)</u>

LADBROKES BETTING & GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

9. TAXATION (continued)

(b) Reconciliation of the total income tax credit

	2020	2019
	£'000	£'000
(Loss)/profit before taxation	(48,197)	462,204
(Loss)/profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2019 – 19.00%)	(9,157)	87,819
Adjusted for the effects of:		
Impact of tax rate changes	(6,829)	(723)
Increase in unrecognised tax assets	1,851	-
Non-taxable income	(4,664)	(69,648)
Non-deductible expenses	424	650
Impairment of investments	87	19,675
Group relief surrendered/(claimed) for nil consideration	18,878	(28,836)
Transfer pricing adjustments	(204)	132
Adjustment in respect of prior years – current tax	256	(1,134)
Adjustment in respect of prior years – deferred tax	1,615	(8,533)
Total tax on profit/(loss) reported in the income statement	2,257	(598)

(c) Change in corporation tax rate

In the Budget on 11 March 2020 the Chancellor announced that the standard rate of UK Corporation Tax would increase from the planned 17% rate to 19% on 1 April 2020. This change was substantively enacted on 17 March 2020 and therefore the deferred tax assets and liabilities at the balance sheet date are calculated at the substantively enacted rate of 19%.

In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the Company's future tax charge. If this rate change had been substantively enacted at the current balance sheet date the deferred tax asset would have increased by £18,566,000. There would be no resulting impact to the deferred tax liability.

(d) Deferred tax

Movements in the deferred tax asset during the period were as follows:

	£'000
At 1 January 2020	61,442
Effect of tax rate changes	7,038
Origination and reversal of timing differences	(6,965)
Adjustment in respect of prior years	(1,615)
At 31 December 2020	59,900

The deferred tax asset included in the Company balance sheet consists of

	2020	2019
	£'000	£'000
Fixed asset timing differences	59,900	61,442
Deferred tax asset	59,900	61,442

As at 31 December 2020 the company has an unrecognised deferred tax asset of £1,913,000 (2019: £55,000) in respect of capital losses carried forward.

LADBROKES BETTING & GAMING LIMITED**NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)****9. TAXATION (continued)**

Movements in the deferred tax liability during the period were as follows:

	£'000
At 1 January 2020	(20,965)
Origination and reversal of timing differences	(455)
Deferred tax impact from actuarial loss	1,540
At 31 December 2020	(19,880)

The deferred tax liability included in the Company balance sheet consists of

	2020 £'000	2019 £'000
Relating to retirement benefit assets	(19,880)	(20,965)
Deferred tax liability	(19,880)	(20,965)

10. INTANGIBLE ASSETS

	<u>Software</u> £'000	<u>Licenses</u> £'000	<u>Total</u> £'000
Cost			
At 1 January 2020	108,471	826,056	934,527
Additions	20,458	80	20,538
Disposals	(87)	(510)	(597)
At 31 December 2020	128,842	825,626	954,468
Accumulated amortization and impairment			
At 1 January 2020	47,577	816,320	863,897
Provided during the year	25,625	804	26,429
Disposals	-	(417)	(417)
At 31 December 2020	73,202	816,707	889,909
NET BOOK VALUE:			
At 31 December 2020	55,640	8,919	64,559
At 31 December 2019	60,894	9,736	70,630

LADBROKES BETTING & GAMING LIMITED
NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)
11. PROPERTY PLANT AND EQUIPMENT

	Fixtures, Fittings & Equipment £'000	Freehold Property £'000	Long Leasehold Property £'000	Short Leasehold Property £'000	ROU Assets £'000	Total £'000
Cost						
At 1 January 2020	401,113	14,385	840	94,172	303,157	813,667
Additions	41,729	1,682	899	11,491	24,695	80,496
Disposals	(27,709)	(376)	(168)	(16,400)	(26,314)	(70,967)
Reclassifications	(38,266)	-	-	-	38,266	-
At 31 December 2020	376,867	15,691	1,571	89,263	339,804	823,196
Accumulated Depreciation						
At 1 January 2020	287,459	4,003	486	79,911	140,603	512,462
Charge for the year	29,405	445	94	9,081	34,487	73,512
Disposals	(24,068)	(12)	(7)	(15,577)	(26,314)	(65,978)
Reclassifications	(5,903)	-	-	-	5,903	-
At 31 December 2020	286,893	4,436	573	73,415	154,679	519,996
Net book value						
At 31 December 2020	89,974	11,255	998	15,848	185,125	303,200
At 31 December 2019	113,654	10,382	354	14,261	162,554	301,205

At 31 December 2020, the Company had not entered into contractual commitments for the acquisition of any property, plant and equipment (2019: £nil).

In the year the Company reclassified certain leased assets that were previously held within fixtures and fittings to be presented within leased assets.

All right of use assets held at 31 December 2020 related mostly land and buildings (2019: land and buildings).

12. INVESTMENTS IN SUBSIDIARIES

	Shares in subsidiary companies £'000
Cost:	
At 1 January and 31 December 2020	1,633,874
Impairment Provisions:	
At 1 January 2020	136,196
Amounts provided in the year	13
At 31 December 2020	136,209
Net book value:	
At 31 December 2020	1,497,665
At 31 December 2019	1,497,678

An impairment loss is recognized for any amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use where the investment is considered a single cash generating unit.

During the year the Company received a dividend for £10,092,000 from it's investment in Ladbroke (Ireland) Limited (2019: £346,021,000 from it's investment in Margolis and Ridley Limited).

The expected cash flows generated by the assets are discounted using appropriate discount rates that reflect the time value of money and risks associate with the group of asset.

LADBROKES BETTING & GAMING LIMITED**NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)****13. INVESTMENTS IN SUBSIDIARIES (continued)**

The list below represents the Company's investment in the following subsidiary companies at 31 December 2020.

Related Undertakings – (Direct)					
Country of incorporation	Registered office	Company	Holding	Proportion of voting rights and shares held	Nature of business
United Kingdom	3rd Floor One New Change, London, United Kingdom, EC4M 9AF	Ganton House Investments Limited	Ordinary shares	100.0	Property holding company
		Margolis & Ridley Limited	Ordinary shares	100.0	Investment holding company
		Sabrinet Limited	Ordinary shares	100.0	Dormant company
		Ladbroke (Course) Limited	Ordinary shares	100.0	Dormant company
		Bartletts Limited	Ordinary shares	100.0	Dormant company
		Chequered Racing Limited	Ordinary shares	100.0	Dormant company
		E.F.Politt & Son Limited	Ordinary shares	100.0	Dormant company
		Krullind Limited	Ordinary shares	100.0	Dormant company
		Greatmark Limited	Ordinary shares	100.0	Dormant company
		Ladbroke PT Limited	Ordinary shares	100.0	Dormant company
		Ladbroke (CJLEA) Limited	Ordinary shares	100.0	Dormant company
		Ladbroke (CJLHC) Limited	Ordinary shares	100.0	Dormant company
		Ladbroke (CJLSW) Limited	Ordinary shares	100.0	Dormant company
		Ladbroke CPCB Limited	Ordinary shares	100.0	Dormant company
		Ladbroke Leasing (South East) Limited	Ordinary shares	100.0	Dormant company
		Ladbroke Racing (South East) Limited	Ordinary shares	100.0	Inactive
		CE Acquisition 1 Limited	Ordinary shares	100.0	Investments holding company
United Kingdom	1 Stratford Place, Montfichet Rd, London E20 1EJ	Lucky Choice Limited	Ordinary shares	66.66	Dormant company
Jersey	1 st Floor, Liberation House, Castle Street, St Helier, Jersey, JE1 1GL	Ladbroke (Channel Islands) Limited	Ordinary shares	100.0	Bookmaking company
Gibraltar	57/63 Line Wall Road, Gibraltar	LC International Limited	Ordinary shares	100.0	Internet-based company
Ireland	1 st Floor, Otter House, Naas Road. Dublin, 22, Ireland	Ladbroke (Ireland) Limited	Ordinary Shares	100.0	Bookmaking company
Spain	Castello 82 4 IZQ, 28806, Madrid, Spain	Ladbroke Betting & Gaming Spain S.A.	Ordinary shares	100.0	Bookmaking company

LADBROKES BETTING & GAMING LIMITED**NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)****13. INVESTMENTS IN SUBSIDIARIES (continued)****Related Undertakings – (Indirect)**

Country of incorporation	Registered office	Company	Holding	Proportion of voting rights and shares held	Nature of business
United Kingdom	3rd Floor One New Change, London, United Kingdom, EC4M 9AF	Coral (Holdings) Limited	Ordinary shares	100.0	Investments holding company
		Coral Eurobet Limited	Ordinary shares	100.0	Inactive
		Coral Eurobet Holdings Limited	Ordinary shares	100.0	Investments holding company
		Coral Group Limited	Ordinary shares	100.0	Investments holding company
		Coral Limited	Ordinary shares	100.0	Investments holding company
		Coral Group Trading Limited	Ordinary shares	100.0	Investments holding company
		Brickagent Limited	Ordinary shares	100.0	Investments holding company
		Coral Racing Limited	Ordinary shares	100.0	Bookmaking company
		Coral Estates Limited	Ordinary shares	100.0	Bookmaking company
		Coral Stadia Limited	Ordinary shares	100.0	Bookmaking company
		Romford Stadium Limited	Ordinary shares	100.0	Bookmaking company
		Reuben Page Limited	Ordinary shares	100.0	Dormant company
		Coral (Stoke) Limited	Ordinary shares	100.0	Dormant company
		C L Jennings (1995) Limited	Ordinary shares	100.0	Dormant company
		Joe Jennings Limited	Ordinary shares	100.0	Dormant company
		Joe Jennings (1995) Limited	Ordinary shares	100.0	Dormant company
		Lightworld Limited	Ordinary shares	100.0	Dormant company
		Vegas Betting Limited	Ordinary shares	100.0	Dormant company
		Hillside (LBO Holdings) Limited	Ordinary shares	100.0	Dormant company
		Chas Kendall (Turf Accountants) Limited	Ordinary shares	100.0	Dormant company
		Bloxhams Bookmakers Limited	Ordinary shares	100.0	Dormant company
		J G Leisure Limited	Ordinary shares	100.0	Dormant company
		Choicebet Limited	Ordinary shares	100.0	Dormant company
		Forster's (Bookmakers) Limited	Ordinary shares	100.0	Dormant company
		Sports (Bookmakers) Limited	Ordinary shares	100.0	Dormant company
		Arthur Prince (Turf Accountants) Limited	Ordinary shares	100.0	Dormant company
		Reg. Boyle Limited	Ordinary shares	100.0	Dormant company

LADBROKES BETTING & GAMING LIMITED**NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)****13. INVESTMENTS IN SUBSIDIARIES (continued)****Related Undertakings – (Indirect)**

Country of incorporation	Registered office	Company	Holding	Proportion of voting rights and shares held	Nature of business
Gibraltar	57/63 Line Wall Road, Gibraltar	Balltree (International) Limited	Ordinary shares	100.0	Bookmaking company
		Ladbrokes Sportsbook Limited Partnership	Ordinary shares	100.0	Bookmaking company
		Gala Coral Interactive (Gibraltar) Limited	Ordinary shares	100.0	Bookmaking company
		Gala Interactive (Gibraltar) Limited	Ordinary shares	100.0	Bookmaking company
		GVC Finance Limited	Ordinary shares	100.0	Financing company
		Coral interactive (Gibraltar) Limited	Ordinary shares	100.0	Bookmaking company
Ireland	1 st Floor, Otter House, Naas Road. Dublin, 22, Ireland	Dara Properties Limited	Ordinary Shares	100.0	Dormant
		Harney Bookmakers Limited	Ordinary Shares	100.0	Property leasing company
		Ladbroke Leisure (Ireland) Limited	Ordinary Shares	100.0	Dormant
		M D Betting Limited	Ordinary Shares	100.0	Bookmaking company
		Ladbrokes Payments (Ireland) Limited	Ordinary Shares	100.0	Dormant
Ireland	4th Floor, IFSC House, Custom House Quay, Dublin 1, Ireland	Ladbroke Services (Ireland) Limited	Ordinary Shares	100.0	Bookmaking company

14. TRADE AND OTHER RECEIVABLES

Amounts falling due within one year	<u>31 December</u> <u>2020</u> <u>£'000</u>	<u>31 December</u> <u>2019</u> <u>£'000</u>
Amounts owed by group companies	231,076	607,826
Other debtors	21,772	30,881
VAT debtor	4,809	210,925
Prepayments and accrued income	14,360	12,099
	<u>272,017</u>	<u>861,731</u>

Amounts owed by other group undertakings are included under amounts falling due within one year as they are repayable on demand and relate to trading and financing type transactions. These balances are repaid, and drawn down on a periodic basis.

LADBROKES BETTING & GAMING LIMITED**NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)****15. TRADE AND OTHER PAYABLES**

	31 December	31 December
	2020	2019
	£'000	£'000
Trade creditors	9,328	22,600
Amounts owed to group companies	691,764	1,166,400
Other taxes and social security costs	36,648	61,656
Other creditors	6,772	11,708
Accruals and deferred income	89,321	139,116
	833,833	1,401,480

Amounts owed to group undertakings are included under amounts falling due within one year where they are subject to repayment at any time by either the Lender or the Borrower giving written notice to the other.

16. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Vacant property</u>	<u>Other</u>	
	<u>Provisions</u>	<u>Provisions ⁽¹⁾</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
At 1 January 2020	9,848	4,064	13,912
Provided	14,507	18,406	32,913
Utilised during the year	(9,142)	(886)	(10,028)
Released during the year	(3,100)	-	(3,100)
At 31 December 2020	12,113	21,584	33,697

⁽¹⁾ The other provision balance is made up of fees and other amounts payable in relation to the Company's VAT receipt, as discussed in note 5b, as well as provisions for redundancy and other legal claims.

Of the total provisions as at 31 December 2020, £21,603,000 (2019: £5,188,000) is current and £12,094,000 (2019: £8,724,000) is non-current.

17. LEASES

	2020	2019
	£'000	£'000
Current		
Lease liabilities	68,816	56,877
Non-current		
Lease liabilities	175,310	212,012
Total lease liabilities	244,126	268,889

Please refer to note 7 for interest expense on lease liabilities.

The company's leasing activity consists of leases on property, cars, gaming machines and office equipment.

The majority of those relate to the leasing of LBO's within the United Kingdom.

LADBROKES BETTING & GAMING LIMITED**NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)****17. LEASES (continued)**

The maturity analysis of lease liabilities at 31 December 2020 is as follows:

	<i>Within 1 year £'000</i>	<i>1-2 years £'000</i>	<i>2-5 years £'000</i>	<i>>5 years £'000</i>	<i>Total £'000</i>
2020					
Net present value	68,816	84,571	46,664	44,074	244,126
2019					
Net present value	56,877	50,370	99,014	62,628	268,889

The maturity analysis of finance lease receivables are as follows:

	<i>Within 1 year £'000</i>	<i>1-2 years £'000</i>	<i>2-5 years £'000</i>	<i>>5 years £'000</i>	<i>Total £'000</i>
2020					
Lease payments receivable	1,169	1,839	825	1,106	4,939
2019					
Lease payments receivable	1,013	752	1,181	1,211	4,157

18. RETIREMENT BENEFIT SCHEMES**Defined Contribution Pension Scheme**

During 2013, the group closed its defined contribution pension scheme, which the company participated in, and transferred all its participants into personal pension plans. The pension cost charge for the period represents contributions paid by the company in respect of its employees into the current personal pension plans and the old group defined contribution scheme and amounted to £6,663,000 (2019: £5,720,000). A liability of nil (2019: £nil) existed in respect of pension contributions at 31 December 2020.

Defined Benefit Pension Scheme

On 5 April 2019 the Gala Coral Pension Plan was transferred to the company from Coral Racing Limited.

The company participates in the Gala Coral Pension Plan, a fully funded defined benefit pension scheme which is closed to new entrants and future accrual of benefits. The Gala Coral Pension Plan was created on 1 July 2009 through the merger of the Gala Pension Plan and the Coral Pension Plan. On 28 September 2013 the scheme was closed to future accrual and all participants were transferred to personal pension plans.

Following the merger of the schemes, it was agreed that the pension payable to an individual will be based on their average earnings calculated over the period of pensionable service (career average revalued earnings or CARE). A full actuarial valuation of the Gala Coral Pension Plan was undertaken at 30 June 2019.

An actuarial review of the scheme valuation was carried out by a qualified independent actuary as at 31 December 2020, in order to provide the following information required by IAS 19 "Employee Benefits". The amounts presented below represent the company's allocation of the total scheme assets and liabilities.

The following disclosures are presented in round millions (£m).

The amounts recognised in the balance sheet are as follows

	2020 £m	2019 £m
Present value of funded obligations	(450.1)	(396.0)
Fair value of plan assets	506.9	455.9
Net asset	56.8	59.9
Disclosed in the balance sheet as: Retirement benefit asset	56.8	59.9

The Group has considered the appropriate accounting treatment in respect of the pension plan surplus, taking into account the current agreement with the Trustees and concluded the recognition of the surplus is appropriate.

LADBROKES BETTING & GAMING LIMITED**NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)****18. RETIREMENT BENEFIT SCHEMES (continued)**

The amounts recognised in the income statement are as follows:

	2020 £m	2019 £m
Analysis of amounts charged to staff costs		
Other administrative expenses	(0.1)	-
Net interest on net asset	(1.2)	(1.7)
Total credit recognised in the income statement in staff costs	(1.3)	(1.7)

The actual return on plan assets over the year was a gain of £63.6m (2019: £50.6m).

The amounts recognised in the statement of comprehensive income are as follows:

	2020 £m	2019 £m
Actual return on assets less interest on plan assets	54.6	39.0
Actuarial gains on defined benefit obligation due to changes in demographic assumptions	0.2	5.5
Actuarial losses on defined benefit obligation due to changes in financial assumptions	(63.3)	(49.0)
Experience adjustments on benefit obligation	4.1	3.5
Actuarial losses recognised in the statement of comprehensive income	(4.4)	(1.0)

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

	2020 £m	2019 £m
At 1 January	(396.0)	-
On transfer from other group company	-	(358.9)
Interest on obligation	(7.8)	(9.9)
Actuarial gains due to changes in demographic assumptions	0.2	5.5
Actuarial losses due to changes in financial assumptions	(63.3)	(49.0)
Experience adjustments on obligations	4.1	3.5
Benefits paid	12.7	12.8
At 31 December	(450.1)	(396.0)

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

	2020 £m	2019 £m
At 1 January	455.9	-
On transfer from other group company	-	418.1
Interest on plan assets	9.0	11.6
Administrative expenses	0.1	-
Actual return less interest on plan assets	54.6	39.0
Benefits paid	(12.7)	(12.8)
At 31 December	506.9	455.9

The Company does not expect to contribute in 2021 but will continue to meet the administrative expenses.

The major categories of plan assets as a percentage of total plan assets are as follows:

	2020 %	2019 %
Equities and Diversified Growth Funds	26.9	25.4
Liability Driven Investment (%)	69.5	72.5
Private credit	3.2	1.8
Cash	0.4	0.5
	100	100

LADBROKES BETTING & GAMING LIMITED**NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)****18. RETIREMENT BENEFIT SCHEMES (continued)**

The Plan assets are held exclusively within instruments with quoted market prices in an active market with the exception of a private credit asset.

The Plan does not invest directly in property occupied by the Company or in financial securities issued by the Company. Although, as the Plan holds pooled investment vehicles, there may at times be indirect employer related investment. At 31 December 2020 these represented less than 0.1% of the Plan's total assets.

The investment strategy is set by the Trustees of the Plans in consultation with the Company. The current long-term strategy is to invest in a matching portfolio sufficient to meet the next 15 years of cash flows with the remaining assets invested in return seeking funds

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages where appropriate):

	2020	2019
	% p.a.	% p.a.
Discount rate	1.2	2.0
Price inflation (CPI/RPI)	1.9/2.9	2.1/2.9
Future pension increases – LPI 5% (CPI)	2.9	2.8
– LPI 3% (RPI)	2.3	2.3
– LPI 2.5% (CPI)	2.1	1.7

The post-retirement mortality assumed for most members is based on the standard SAPS mortality table with the CMI 2018 projections, which takes into account future improvements, adjusted to reflect plan specific experience.

The assumption used implies that the expected lifetime of members aged 65 in 2020 is 86.4 (2019: 86.4) years for males and 88.5 (2019: 88.5) years for females.

Changes to the assumptions will impact the amounts recognised in the balance sheet and the income statement in respect of the Plan. For the significant assumptions, the following sensitivity analysis provides an indication of the impact on the defined benefit obligation for the year ended 31 December 2020:

	2020	2019
	%	%
– 0.5% p.a. decrease in the discount rate	10.3	9.9
– 0.5% p.a. increase in price inflation	7.7	7.3
– One year increase in life expectancy	4.5	4.0

These sensitivities have been calculated to show the movement in the defined benefit obligation in isolation, and assuming no other changes in market conditions at the accounting date. This is unlikely in practice, for example, a change in discount rate is unlikely to occur without any movement in the value of the assets held by the plan.

Certain employees of the Company are deferred members of the Ladbrokes Pension plan. Details of the plan and particulars of the actuarial valuation are contained in the financial statements of Entain plc for the financial year ended 31 December 2020.

Ladbrokes Coral Group Limited operates this defined benefit scheme based on the final pensionable salary and the Company was recharged for its proportion of the group contributions, which were determined by an independent qualified actuary. The Company's contributions were the amounts advised by Ladbrokes Coral Group Limited in order to meet regular costs of providing benefits to the Company's employees. Although the plan was a defined benefit scheme between entities under common control, it was accounted for in the books of the Company as a defined contribution scheme as detailed in the accounting policy note.

19. CALLED UP SHARE CAPITAL

Allotted, called up and fully paid:

	At 31 December 2020 and at 31 December 2019	
	Number '000	£'000
Ordinary shares of £1 each	503,759	503,759

The Company's share capital consists entirely of ordinary shares, accordingly all shares rank pari passu in all respects.

LADBROKES BETTING & GAMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

20. SHARE BASED PAYMENTS

The following options to purchase €0.01 Ordinary Shares in the Entain plc group were granted, exercised, forfeited or existing at the year-end:

2019 LTIP Scheme – These equity settled awards were awarded to certain directors and employees and vest over a three-year period from the date of grant. The number of awards to vest are conditional on both cumulative 3 year Earnings Per Share ("EPS") exceeding 184p of Entain plc, with a pro-rata increase in the amount vesting between 184p and 214p, and TSR performance conditions being met which are split with equal weighting.

2020 LTIP Scheme – These equity settled awards were awarded to certain directors and employees and vest over a three-year period from the date of grant. The number of awards to vest are conditional on both cumulative 3 year Earnings Per Share ("EPS") exceeding 267p of Entain plc, with a pro-rata increase in the amount vesting between 267p and 295p, and certain TSR performance conditions being met which are split with the weighting of one third based on EPS and two thirds relating to TSR conditions. There were also a number of restricted share plan shares issued during 2020 against which service conditions apply.

Both of the schemes described above have an exercise price of 0p.

The options outstanding at 31 December 2020 have a weighted average contractual life of 2.3 years.

21. CASH FLOW STATEMENT

The Company has taken advantage of the exemption under paragraph 8(h) of FRS 101, which exempt qualifying entities from the requirements of IAS 7. The ultimate parent company, Entain plc, has included the required consolidated cash flow statement within its consolidated financial statements.

22. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries or the requirements of paragraph 17 of IAS 24 Key Management Compensation.

During the year the Company entered into the following transactions with related parties who are not wholly owned members of the group:

Content expenditure with Sports Information Services (Holdings) Limited ("SIS") of £56,600,000 (2019: £82,300,000). The balance as at 31 December 2020 remaining owed to SIS was £100,000 (2019: £300,000).

SIS is an associate investment of Entain plc who hold a 23.4% investment.

All transactions with related parties have been performed on an arm's length basis.

23. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking of the Company as at 31 December 2020 is Birchgree Limited, a company with the registered address 3rd Floor, One New Change, London, EC4M 9AF and the ultimate parent undertaking is Entain plc, a company with registered address; 32 Athol Street, Douglas, Isle of Man, IM1 1JB. The only group preparing consolidated group financial statements which include the Company is Entain plc for the year ended 31 December 2020.

Copies of the Annual Report and Financial Statements for Entain plc can be obtained from the registered office of the company at 3rd Floor One New Change, London, United Kingdom, EC4M 9AF. They can also be obtained from the Group's corporate website at <https://entaingroup.com/investor-relations/financial-reports/>.

23. SUBSEQUENT EVENTS

On 22 November 2021 the Company acquired the entire issued share capital of Ladbrokes (Northern Ireland) Holdings Limited for total consideration of £1. Following this, the Company subscribed for an additional 38,000,000 shares of £1 each in the capital of Ladbrokes (Northern Ireland) Holdings Limited for nominal value.

On 30 November 2021 the Company subscribed for a further 25,000,000,000 ordinary shares of £0.01 each in its investment in CE Acquisition 1 Limited for a total consideration of £250,000,000.