

William Hill Limited (formerly William Hill PLC)

Company Registration Number 04212563

Annual Report and Financial Statements

52 weeks ended 28 December 2021



Contents

Page	
2	Officers, Registered Office, and Professional Advisors
3	Introduction, Sustainability Report
3	People & Wellbeing
5	Community Contribution
6	Sustainability and Environment
9	Strategic Report
9	Principal risks and Uncertainties
11	Analysis of Financial Key Performance Indicators
13	Group Performance Indicators
13	S.172(1) Companies Act 2006 statement
13	Stakeholder Engagement
17	Governance structure
18	Audit and Risk Management Committee Report
20	Directors' Report
22	Directors' Statement of Responsibilities
23	Independent Auditor's Report
31	Accounts and notes to the accounts

Officers, Registered Office, and Professional Advisors

Current Directors

Mr R U Bengtsson, CEO
Mr W T J Hageman, CFO (appointed 21 June 2021)
Mr B Yunker (appointed 22 April 2021)
Mr P V N Le Grice (appointed 10 June 2021)

Directors who also served during the financial period to 28 December 2021:

Mr M E Ashley (resigned 21 June 2021)
Mr M Brooker (resigned 22 April 2021)
Mr R W Devlin (resigned 22 April 2021)
Ms J C Hanson (resigned 22 April 2021)
Mr R J Terrell (resigned 22 April 2021)
Ms L M Weedall (resigned 22 April 2021)
Mr G A Wilson (resigned 22 April 2021)

Company Secretary

Mr S J Callander
Ms J Havita

Registered Office

1 Bedford Avenue, London, WC1B 3AU
Company Registration Number 04212563

Auditor

Deloitte LLP
1 New Street Square
London EC4A 3HQ

Introduction

Review of the 52 weeks to 28 December 2021

It's been another transformational year for the business despite the challenges of the ongoing COVID pandemic. The year has included the completion of the acquisition by Caesars Entertainment Inc. ("Caesars"), the delisting of William Hill plc (now William Hill Limited), the intercompany sale of the US business to Caesars and the proposed on-sale of the non-US business to 888 Holdings plc ("888"). Despite these changes, the continued focus on our operations has seen both growth in online revenues and the taking of significant market share in the UK.

Whilst our strategy continues to diversify our business through International growth, our product has become more competitive in the UK and Retail is demonstrating unprecedented resilience bouncing back after COVID lockdowns. The growth in online has been possible due to our relentless focus on product and technology, brand rejuvenation and the considerable improvement in our core offering. Furthermore, we are building a proprietary platform called 'Unity' that can be rolled out across our geographies over the next couple of years, creating more growth opportunities.

Across our International business the landscape continues to change rapidly, with regulators adopting very different approaches and because of this, black-market operators are gaining large footholds across European markets. This makes it challenging to participate successfully as the playing field is not always balanced and fair. Coupled with regulatory pressures, in particular in Germany and Netherlands in the second half of the year, this has led to a decline in revenue in the period and a shift to increase our focus to core and regulated markets.

Outlook

2022 will bring more change and uncertainty as we build a new joint company with 888 through the integration and transformation of our businesses. Throughout the year we will continue to balance the continued work on separation with Caesars Entertainment, the on-sale of non-US assets and the integration work with 888 during the second half of the year. In the meantime, it will be crucial for us to continue to focus on business as usual and execution on our operational plans.

The Gambling Act review in the UK is expected in 2022 and has the potential to significantly impact the market. Nevertheless, in the current environment we expect to be able to hold our market share and mid-term to continue to grow. The key drivers of competitiveness will remain our brand, product excellence, data and personalisation capability, leveraging the UK Retail estate through Smart Retail and omni-channel initiatives, and scaling marketing spend to leverage better return on investment from the improved customer experience. Through maintenance of the key drivers, the business is expected to remain cash generative in the future and to have a healthy cash figure on its balance sheet.

Despite the significant progress in our product offering, we recognise that there is still more to do, specifically around sports in the UK, and more broadly in our core international markets. Our focus on product and technology in 2021 has driven our commitment to the roll out of our proprietary platform, Unity over the next 2 years. This will be significant for us and will enable us to deliver consistent product excellence. Looking towards 2022, we will build on the momentum created over the last 18 months and stay laser-focused on building market leading products that will drive our competitive edge.

Sustainability Report

People & Wellbeing

Embedding our People Strategy

In 2021 we continued to embed the refreshed People Strategy launched in 2020, working to create an environment where people want to join and love to stay. The year represented a period of continuous change, both within and outside of William Hill, but we remained focussed on the three key initiatives of our People Strategy: Balance, Belong and Build.

Balance

Balance aims to create a two-way, high-trust culture, tied to our values, that empowers colleagues to work flexibly in a way that suits them. The need for this cultural shift in our approach to hybrid working has been brought to the fore by the impact of the Coronavirus pandemic.

For office-based colleagues this meant they could return to a working pattern of their choice, with far greater flexibility and control over how they split their time between home and office working. Across all locations we have seen colleagues take advantage of Balance which has had a positive impact both for them and the business.

For our retail shop colleagues we recognised the difficulty of implementing significant changes to shift patterns and allocations and instead introduced a new financial incentive. The Find Your Balance allowance was launched in July, designed to support colleagues to maintain their personal wellbeing and ensure a healthy balance between work and other interests. Over 2,500 colleagues claimed this allowance within 3 months of launch.

This shift in our working culture was supported throughout 2021 by a comprehensive package of learning aimed primarily at leaders to ensure they are equipped to support their teams. As a result, we have seen increased colleague engagement and productivity maintained across our business.

Belong

We began 2021 by publishing the results of our first ever William Hill Census, an anonymous survey collecting an unprecedented amount of demographic information – from identity to cultural and socio-economic background. Over 4,200 colleagues completed the Census, and the results gave us a range of unique insights into what makes our colleagues who they are.

The release of our Census results was followed by our first Belong Focus Month. This month saw a week of activity for each of the four pillars of Belong. We published the first set of Opportunity Statements for each pillar, which set out the opportunities we have to improve and make impactful change. These were launched alongside a series of podcasts featuring conversations between members of our Same Side Forum alongside executive sponsors for each pillar.

People & Wellbeing (continued)

Alongside this broader activity we also ran a ground-breaking initiative to bring together our Belong and Build programmes under one umbrella as part of our Build & Beyond Leadership Talent Programme. Thirty-nine senior leaders participated in projects which saw them partner with six charities covering a range of sectors and locations – all of whom champion diversity and inclusion across a variety of communities.

Throughout 2021, we recognised the importance of sharing colleague stories and experiences, to raise awareness and to contribute to the shift towards a culture where people feel they can be themselves at work. Colleague stories were shared to mark events throughout the year including Hanukkah, World Prematurity Day, World Diabetes Day, Diwali and Eid. We also ran events across the group to mark Pride month and International Women's Day. In the UK, our retail shop teams created their own Pride with A Week To Be You to inspire and help colleagues learn about Belong, Pride and one another.

The year ended as it had started with the launch of the 2021 edition of our William Hill Census in November. Our response rate increased by 60% across the group, allowing us to view a much more complete picture of our colleagues. The full census results will be published internally in H1 2022.

Alongside the census we again measured engagement in Belong and our wider ambitions, demonstrating the impact of our Belong activity throughout 2021.

Question	2020 YourSay						2021 PeakOn					Δ
	Fav.	Promoters	Passives	Detractors	NPS	Avg Score	Promoters	Passives	Detractors	NPS		
I feel like I belong at William Hill and I am valued and respected for who I am	65%	21	44	35	-14	7.6	44	32	24	20	+34	
I believe William Hill treats all employees equally (regardless of age, race or ethnicity, gender, sex, disability, belief or sexual orientation)	81%	37	44	19	18	8.5	66	20	14	52	+34	
I believe that William Hill's Senior Leaders represent me	46%	14	32	53	-39	6.8	32	32	36	-4	+35	
I feel well informed about the purpose and value of Belong for William Hill colleagues	57%	16	41	43	-27	7.6	42	33	25	17	+44	
I believe that achieving the Belong ambitions will make William Hill a stronger company	63%	19	44	37	-18	7.7	43	34	23	20	+38	

Build

Our goal is that by 2023, we will be known in our sector as the company that gives colleagues the opportunity to thrive both personally and professionally. We are determined to ensure colleagues can progress in their careers and are given the opportunity for personal growth.

September saw the full launch of Build across the group with the ambition to create a true learning culture, where learning is accessible and relevant and where our people feel supported to learn and grow enabling them to achieve their career aspirations, their way.

We demonstrated our commitment with the launch of Build15 which asks colleagues to prioritise their time to learn, encouraging them to find 15 minutes, each day, at any point in the day to prioritise learning. The launch of Build15 was accompanied by a refresh of our digital learning platform Accelerate to provide colleagues with a wealth of opportunities for learning.

We continued to focus on our Internals First initiative to identify talent and develop our existing people to fill key roles. In 2021, 41% of roles were filled internally and we will aim to continue to increase this going forward.

The year also saw the launch of our Building Excellence learning events. Bringing together colleagues from across the group to hear from external and internal speakers on a range of topics. Events held in 2021 were based on our key People Strategy programmes with Virtual Working (Balance), Belonging in the Workplace (Belong) and Development Your Way (Build). We saw an average of 350 unique attendees for each of these events, translating to thousands of learning hours delivered and achieving a satisfaction rate well above 90%.

Wellbeing

The start of 2021 saw a continuation of the uncertainty created by the pandemic in 2020. We responded with a comprehensive Winter Wellbeing campaign ('the campaign') in the first quarter of the year, which built on the success of the campaign at the end of 2020 featuring our Winter Wellbeing Advent Calendar.

January saw the launch of Power Hours. We recognised that through the support we offered, colleagues were able to identify what helped keep them in balance, but finding the time remained the biggest barrier. Power Hours were designed to give colleagues permission to take time out of their week to take a break and focus on themselves. The launch was supported with a four-week campaign encouraging colleagues to take time focussed on four elements – Connect, Explore, Nurture and Give. Power Hours were formally ended at the end of March as Balance was launched in earnest, allowing colleagues the flexibility to shape work around their needs.

Throughout the remainder of 2021 we continued to remind colleagues of the extensive resources already available such as the Unmind app and our employee assistance programme ('EAP'). We also continued to form new partnerships, including working with Let's Get Healthy to run a series of Headsmart Sessions designed to give colleagues the knowledge and skills to spot indicators of poor mental health, confidently have conversations with colleagues and signpost specific support.

People & Wellbeing (continued)

Health & Safety ('H&S')

The number of accident reports submitted for 2021 was down 4% against 2020, with a total of 387 reports made in 2021, 9 of which were RIDDOR reportable (Seven met the criteria for reporting, and two reports were not strictly required but submitted for good practice). During late 2021, our Primary Authority ('PA') relationship with Westminster City Council for Health and Safety dissolved as they were no longer able to support businesses as a PA for H&S following staff shortages as a result of COVID-19, and a new partnership was formed with Wakefield Council as our new Primary Authority for Health and Safety. Our Primary Authority relationship for fire safety remains with the Buckinghamshire Fire and Rescue Service.

Health and Safety activity in 2021 included; liaison with and support offered to our colleagues in the US around H&S, and COVID-19, and a successful hand over of the US risk register to the US team at the point of sale, regular contact with our H&S contacts at our overseas offices with updates provided at each Steering Group Committee Meeting, the inclusion of new members to the H&S Steering Group Committee including our Group Risk Framework Manager, Group Business Continuity Manager, Retail Operations Director, and upon the retirement of Bill South, the Steering Group welcomed Phillip Le Feuvre, Chief Risk and Compliance Officer as the new Chair. COVID-19 risk assessments were regularly reviewed throughout the year in line with changing government guidance, and interactions with Public Health and Local Authorities when reporting multiple cases was positive. Our Grey Fleet Audit was brought forward to Q3 from Q4 in response to a return to work for many who had spent long periods working from home during the pandemic. Fire risk assessment training was provided to our team of Safety and Security Managers and Investigators, who conduct Fire Risk Assessments ('FRA') in our more complex retail LBOs, by PrePro our external H&S consultants, and FRA guidance was created to support BPMs in conducting the FRAs for the lower risk LBOs of standard construction. Reviews of our Lone Working Policy and Security Screen Policy were undertaken with a view to process changes, both of which were supported and are being passed through the appropriate approval channels.

Community Contribution

At William Hill, we have a long and proud history of giving back to the communities where we live and work. Making a positive contribution to the areas where we are based is ingrained in the culture of the Company, with opportunities across the year for colleagues to lead on and contribute to our community approach.

Alzheimer's Society partnership

In 2021, William Hill continued its work towards becoming a dementia-friendly organization in partnership with Alzheimer's Society.

Despite the ongoing challenges posed by the pandemic, colleagues participated in a range of activities and challenges across the year to raise funds for the charity, including virtual quizzes, marathons, and steps challenges. As a company we have raised over £250,000 for Alzheimer's Society and Alzheimer's Scotland combined, a testament to our colleagues' commitment to the partnership, and a figure that will support a range of vital care and services that the charity provides for those living with the disease.

Over 3,000 colleagues completed the bespoke Dementia Friends training module, which provided guidance and information to help support people living with dementia.

Rugby League Cares

In 2021, William Hill continued its support for Rugby League Cares. Rugby League Cares is a charity that touches upon the lives of people involved at every level of the sport, from junior clubs to current and former players. They provide targeted health and wellbeing support to members across the Rugby League community, both during their careers and post-retirement.

As part of the partnership, we worked with the charity to deliver bespoke mental fitness sessions to our colleagues as part of our Winter Wellbeing campaign. The sessions were led by a number of ex Rugby League players, including Keith Senior and Robbie Hunter-Paul, and provided everyday tips to encourage positive mental wellbeing.

Switch the Play

We contributed to Switch the Play, a charity dedicated to supporting all sportspeople to successfully transition to life outside of sport. William Hill's contributions to the charity this year supported their efforts to expand their mental health service, which was launched in 2020, and supported the development of their employability programmes.

Lead IT, Lady

In 2021, the William Hill Foundation created and rolled out Lead IT, Lady, a digital skills programme in Krakow focussed on developing the next female leaders in the field of technology.

In collaboration with the organisation Women in Tech, the programme involved both current William Hill employees and external candidates from other organisations.

Alongside undertaking individual learning and development modules, participants of the programme also ran 5 pro-bono volunteering projects to share the wide range of skills they had acquired on the course. These projects enabled participants on the programme to share a wide range of skills with over 850 individuals in the community. Projects included creating a mobile application for a local charity and delivering an IT skills conference for young people.

LEAD IT LADY case study, Martyna Morales, Business Analyst/Product Owner

'As part of the pro bono module of the Lead IT Lady program, I was involved in the Wit4people project in which we prepared a mobile application for volunteers of the Mam Marzenie Foundation. It is fantastic to participate in a project that allows you to test the skills you have just acquired during the workshops, use those that we had previously in a completely new environment, but most of all help in a good cause'.

Sustainability Report (continued)

Update on the William Hill Foundation

10 years since its inception, the William Hill Foundation was closed this year. In the last 10 years, colleagues have raised over £1 million through the Foundation to support a wide range of charities and causes across the globe, including our recent partnership with Alzheimer's Society and Alzheimer's Scotland.

While this is sad news for the many colleagues who have been close to the Foundation and its activities over the years, this decision will not impact William Hill's charity work going forward. Our hardship fund and match-funding programme will continue outside of the Foundation, alongside a full programme of activity to support our local communities in 2022.

Sustainability and Environment

We achieved a significant goal of becoming a certified carbon-neutral business in 2022. We want to ensure as a business we are doing all we can in the global fight against climate change. We have a commitment to become a Net Zero business by aligning to the 1.5% goal of the Paris Climate Agreement. Net Zero means negating the amount of greenhouse gases produced by William Hill directly and indirectly. To be achieved by reducing emissions and implementing methods of absorbing carbon dioxide from the atmosphere. We recognize every company has a part to play in minimizing its environmental footprint. The journey to net Zero has already begun and in 2022, we achieved the first milestone of that journey by achieving Carbon Neutrality. The decarbonization of the business over the last 4 years has and will give us the learnings to apply a Net Zero target timescale.

Numerous environmental saving measures have been instigated across our major carbon emitter: the Retail shops. Initiatives such as the continued roll out of smart meters which are fundamental to a new monitoring and targeting approach of minimizing wasted energy enabling us to implement solid control and demand side management. LED lighting upgrades have taken place. We have also reviewed Shop Standard Operating Procedures targeting energy efficiency and a business review of waterless urinals.

A more detailed summary of our key environmental initiatives is shown below:

- We have a sustainability committee set-up led by Procurement focussing on Carbon Reduction, water conservation and minimizing waste.
- Implementation of LED lighting across the UK Retail Estate.
- In 2020 we switched to using fully renewable sourced electricity in our UK offices and shops.
- In 2021 we commenced an aggressive roll out of smart electricity metering across all UK shops to bring our carbon footprint down even more by implementing monitoring and targeting of demand. By Q4 2022 most of the UK estate will be smart metered. We are using this data to guide us to better control and therefore better housekeeping to drive down usage and overall carbon.
- We've also set tough five-year targets to reduce our waste to landfill by 30% and make sure that 95% of our waste never goes to landfill. In 2021 we achieved a 47% reduction in waste to landfill and, landfill diversion currently sits at 91%.
- We have a target to make our transport fleet 30% electric/hybrid which has moved from 13% in 2020 to 19% in 2021.
- We have baselined our water consumption at 339,649 cubic metres post the pandemic shop closures in 2020 and are now developing a plan to significantly reduce this consumption.
- To drive down rail, car and flight transportation of employees, we initiated a pre COVID-19 target to utilise a new video conferencing system and increase adoption post year 1 of 400%. In 2021, we had surpassed this by achieving 484% of our target.

Direct carbon dioxide emissions (Scope 1 and 2)

There has been a 6% increase in absolute emissions which has been driven from the impact of COVID-19 in 2020, due to shop closures through national lockdowns. Shops reopened in 2021, which increased demand.

Scope	2020 Tonnes CO2	2021 Tonnes CO2	% Annual Change
Scope 1	1,263	1,025	-19%
Scope 2	11,237	12,218	9%
Total	12,499	13,243	6%

Indirect carbon dioxide emissions – (scope 3)

Our largest scope 3 emissions will result from our diverse supply chain as well as business travel. These emissions occur from sources not controlled or owned by William Hill. These have not been measured in 2021, but plan to be measured in 2022. We will identify our most material emissions and increase the breadth and depth of our reporting in order to track progress against our Net Zero commitment. Understanding the extent of our Scope 3 emissions and influencing their reduction, will be pivotal to us reaching our goals of achieving Net Zero and will be by far our greatest challenge.

Sustainability Report (continued)

Carbon Neutral and 2022 Actions

Having achieved Carbon Neutrality in 2022, we will assess and commit to achieving Net Zero in an agreed timescale. We will measure Scope 3 Emissions which will be predominantly in our supply chain. Having achieved Carbon Neutral will allow us to be in a position of influence with our Supply Chain so Net Zero can be implemented in the most effective and time efficient manner.

2021 Environmental Headlines vs 2020

- We had an increase in CO2 from 12,499 tonnes to 13,243 tonnes
- Total waste was down by 1% to 1,519 tonnes with landfill diversion now at 91%
- The mix of electric and hybrid company vehicles increased from 13% to 19% with overall fleet down from 274 vehicles to 180
- Virtual meetings increased 9.4% to now 367,791 surpassing our 5-year target of a 400% adoption by achieving an adoption of 484%
- Our water usage has been baselined at 339,649 cubic meters an increase of 52%

	2020	2021	Metric
CO2	12,499	13,243	Tonnes of CO2
Waste to Landfill	257	137	Tonnes of Waste
Landfill Diversion	2,520	1,382	Tonnes of Waste
Landfill Diversion %	83%	91%	Landfill Diversion Target %
Electric and Hybrid Vehicles	13%	19%	% of Fleet Electric and Hybrid
Virtual Meetings	336,149	367,791	No of Video Conference Meetings
Water Usage	222,915	339,649	Cubic Metres

*Increases in 2021 usage driven off the fact that Retail Shops were shut for circa 4 months in 2020 due to UK National Restrictions.

Streamlined energy carbon reporting (SECR) requirements

We are committed to becoming more sustainable. In 2019, the Group set itself a target to generate zero carbon from its operations, which means reducing carbon emissions from Scope 1 and 2 sources and becoming carbon neutral. We have achieved Carbon Neutrality in 2022. Following this we aim to set our targets for achieving Net Zero after conducting an analysis on Scope 3 emissions.

Reporting period:

We report for the calendar year 2021, providing 2020 as comparative year and 2018 as our baseline year.

Annual UK quantity of energy consumed from activities for which the company is responsible and from purchase of electricity by company for own use.

Annual UK Energy in 2021 was 53,670,742kWh (vs 45,008,806 in 2020 – increase due to Covid LBOs closures for 4 months in 2020, LBOs being by far the biggest consumers of energy)

	2020	2021	Metric
Electricity	45,008,806	53,670,742	kWh

Associated greenhouse gas (GHG) emissions (scope 1 (direct) and scope 2 (indirect) GHG emissions)

2021 Scope 1 = 1,025 tCO2e

2021 Scope 2 = 12,218 tCO2e

Sustainability Report (continued)

2021 Total Scope 1 + 2 = 13,243 tCO₂e

2020 Scope 1 = 1,263 tCO₂e

2020 Scope 2 = 11,237 tCO₂e

2020 Total Scope 1 + 2 = 12,499 tCO₂e

Scope	2020 Tonnes CO ₂	2021 Tonnes CO ₂	% Annual Change
Scope 1	1,263	1,025	-19%
Scope 2	11,237	12,218	9%
Total	12,499	13,243	6%

Intensity Ratio

We always give the intensity ratio in relation to Group Revenue (tCO₂e per £1 Million Group Revenue). The methodology used is the "GHG Reporting Protocol – Corporate Standard"

The Intensity Ratio for 2020 was 12,499 tCO₂e / £1,324m = 9.44

The intensity Ration for 2021 is 13,243 tCO₂e / £1,241m = 10.67

Strategic Report

Principal Risks and Uncertainties

Approach

We take a thorough and proportionate approach to managing risk which is carefully balanced with our commercial position. We put our regulatory and legal requirements and the protection of our customers as key priorities when setting our risk appetite. We have invested in our governance and control environment to ensure this approach to regulation and player safety is understood, embedded throughout our business, and is executed consistently.

The William Hill Executive Committee is responsible for the oversight and approval of appropriate mitigation of potentially significant risks in pursuit of the Group's objectives. During the year, the Executive Committee re-affirmed the existing risk appetite as being appropriate. This is reviewed and optimised on an ongoing basis. The Executive Committee reviews and challenges the assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency, or liquidity.

The Executive Committee is charged with managing risk and undertakes these duties through regular reviews of business unit risk registers. This is done by monitoring key risk indicators, formally considering risk as part of the investment approval process and through the review of key business changes.

We set out below the principal risks facing the business, as well as commentary summarising how we mitigate these risks. This list is not exhaustive but encompasses management's assessment of those risks which require our considered response at this time.

Events in 2021

Covid-19

The impact of Covid-19 continued to affect the risk profile of the business throughout 2021 to varying degrees. We successfully migrated to a home working model during the pandemic and implemented our "Balance" initiative as restrictions began to ease allowing a return to our shops and offices. For our back-office staff this allows a flexible working pattern to support our colleagues as they return to the office and to match hybrid working offered by other businesses as an incentive to new and existing staff. Our colleagues' mental and physical wellbeing was, and continues to be, closely monitored and managed, with training and support for all employees. Information security risks around home working have been identified and controls further strengthened to mitigate this risk. This is being kept under continual review by our information security team.

Caesars and 888 Holdings acquisitions

The Caesars Entertainment, Inc. ("Caesars") transaction completed successfully in the year. Caesars then indicated the intention to sell the non-US business, with 888 being the successful bidder for this part of the business.

The proposed acquisition by 888 has led to the investment of considerable time and effort by management to ensure it proceeds smoothly, with completion targeted for end of Q2 2022. This raises the risk that business as usual activities could be negatively impacted both up to the acquisition date and beyond, as we move into the integration phase, if this is not appropriately managed. It will also require considerable effort to ensure this challenge is met in a relatively short timeframe and the impact is minimised.

Business units have highlighted a risk regarding the retention of key colleagues and the acquisition of new employees to maintain operational effectiveness both whilst the acquisition proceeds, and once it has been concluded. A plan to mitigate the risk in respect of employee retention has been developed and is being monitored for effectiveness. We have a senior management steering group in place to oversee the onward sale of the non-US business from Caesars to 888 and to identify, monitor and mitigate any impact on the business.

Malta Grey Listing

In 2021, the Council of Europe's anti money laundering committee, Moneyval, undertook a review of Malta's anti money laundering regime. Following the completion of this assessment, in June 2021 the Financial Action Task Force ('FATF'), the global money laundering watchdog, placed Malta on its list of jurisdictions under increased monitoring, more widely known as the grey list. Malta has since made a high-level political commitment to work with the FATF and Moneyval to strengthen the effectiveness of its AML regime.

We assessed the impact of the grey listing on our International business based in Malta both before and after the result of the assessment was known. These risks included potential headwinds due to increased regulator and media scrutiny, any possible impact on our existing licences or new licences, on our banking services in Malta or those of our colleagues, the continued willingness of payment service providers and other third parties to provide services to our operations, and the effect on the wider Maltese economy and talent pool. Mitigating actions were identified and implemented where appropriate. To date only one payment service provider has withdrawn services from us as a result of the grey listing, which has been successfully addressed. Some additional information requests have been received from regulators and suppliers which are now being handled as part of normal operations. No significant issues have been identified in relation to services we receive from our Maltese bank and there has been no significant effect on any of our existing licences or licence applications. The situation is under constant review and the senior management team in Malta receives regular updates on the status of the risks.

Strategic Report (continued)

Emerging risks

Emerging risks are new and developing risks that are often difficult to quantify but may materially affect our business. These are usually uncertain risks external to the business or which relate to changes in the environments in which the Company operates. We take a proactive approach to managing them, with the objective of mitigating their impact on the delivery of our strategy.

The longer-term impact of the pandemic, along with the ongoing situation in the Ukraine and significant inflationary pressures from increased energy, transport, and commodity costs, could all have a negative impact on the global economy and erode our customers' leisure spending. Interest rates are also likely to increase further in an effort to combat the current inflationary cost increases. This may affect both our growth prospects and our cost base (including utilities, supplier, and employee costs), at least in the short term, which we keep under continual review. Governments around the world could make taxation and duty changes to pay for the cost of the pandemic and/or to support schemes aimed at addressing the inflationary impact on their citizens. The introduction of advertising restrictions and affordability changes in some European markets is being monitored to determine whether this could be replicated elsewhere. We monitor changes to regulation and the legal environment in all countries that may need us to amend the products and services offered, the ways we interact with customers or otherwise conduct business in those locations. Cyber risks continue to evolve as new technology is developed and from increased activity from state sponsored agents. Opportunities for growth continue to arise, for example in Latin America and Ontario, which carries risk when we undertake decision-making on which opportunities to develop and in our ability to operate effectively and compliantly in new markets as they develop.

Regulatory, Political and Legal

Risks in this area relate to changes to regulation, such as the Gambling Act review in the UK, the impact of UK affordability measures, potential changes to a maximum stake level on UK online slot games, changes to the legal and regulatory environments in our International markets, and also changes to policy leading to the regulation of some of our other markets, as seen recently in the Netherlands and Germany which led to a reduction in our offering in these markets in 2021. Media and public attention continues to be significant in relation to the industry as a whole and has a strong influence on how regulators set their priorities.

Our global expansion plans, and the opening of newly licensed markets continue to add complexity to our regulatory and compliance position, such that we need to remain vigilant to ensure we continue to monitor and manage our regulatory and legal obligations effectively to mitigate against compliance issues.

We work closely with the UK Betting and Gaming Council and interact with the UK Government in order to support a data and evidence-led approach to the UK Gambling Act review which is underway. We use specialists to support our approach with regulators and governments and to enhance our evidence-gathering processes. We work with regulators where they conduct assessments of our compliance policies, processes, and controls to ensure they receive all the support they need to assess our business functions. As described on page 59, William Hill UK had an assessment by the UK Gambling Commission ("UKGC") in July/August 2021. Following that assessment, the UK business was placed under a UKGC Licence Review. The UK business has responded to the UKGC with a full action plan which is being delivered according to the timescales notified to the Commission. We received the preliminary findings of the assessment on Friday 20th May, and we are now working through our response to the Commission's findings. We had a first appeal against a fine of €3 million by the SGA for failings in AML/SG activities in Sweden rejected. We now have the option for a further appeal.

We have safer gambling teams within the first line of defence, and compliance teams throughout the business supported by the Director of Group Compliance. We have a continuous controls monitoring model in place across the UK and International businesses, which has strengthened the monitoring, testing, and reporting of key compliance activities to senior management. There is oversight of compliance activities by our Chief Risk Officer ('CRO') function and continual strengthening of our compliance teams and processes within each of the divisions to mitigate against compliance failures and any associated customer and reputational impact that may lead to regulatory sanctions and/or customer claims and could be a threat to one or more of our licences.

Local CEOs/MDs have direct accountability for managing legal and regulatory risks under our Three Lines of Defence model. Additionally, there are Compliance Committees and a Regulatory Impacts Group in place to provide senior management challenge and oversight of our position and performance. As described above, we take appropriate action in order to mitigate our external risks and to continually improve the controls over our internal risks. The legal and regulatory landscape continues to develop as we drive growth in our existing markets, as we develop new regulated and unregulated markets and encounter changes in policy, approach to regulatory sanctions and customer claims activity. To manage any impact from these developments we consult with internal and external legal advisors as appropriate.

Given the amount of change in this area, we have assessed that the overall regulatory, legal and compliance risk is increasing.

Tax Changes

Following the pandemic, there is a risk that governments in our key markets will look to increase taxes and gaming duties in order to rebalance their spending plans.

We have dedicated tax experts within the business, supported by our legal teams and external specialists where appropriate. We hold regular meetings with government representatives in all of our regulated markets, engage actively in the monitoring of emerging government policy, and continually work to ensure we maintain our compliant position. Our continued expansion into new markets in the rest of the world increases the complexity of our tax requirements.

Our assessment of the overall risk trend is stable in comparison with prior years.

Strategic Report (continued)

Operational

Group and local management across our global business work to ensure that appropriate policies, procedures, and controls are in place to manage operations on a day-to-day basis, and to maintain effective oversight so that mitigating actions can be taken on a timely basis.

Specific focus was placed upon additional information security and colleague wellbeing risks resulting from increased and prolonged working from home during the pandemic, and this remains in place as our back-office colleagues now operate under our flexible "Balance" initiative, with working from home decreasing but still higher than pre-pandemic levels.

The planned sale of the non-US business to 888 has introduced some uncertainty for our colleagues, which management are addressing to ensure we retain key employees and continue to attract new quality recruits to support the delivery of our strategy throughout 2022.

The availability and stability of our technology is key to maintaining and supporting the improvement in our customer service and operational activity. As such we have embedded within our overall technology strategy, a roadmap to further reduce technical debt where it exists and reduce our reliance on some suppliers so that we have greater control over our technology to support development and growth and to improve stability. Our new in-house platform has recently been rolled out to some of our European markets and a delivery plan is in place for the next territories to be transferred over. This creates significant opportunities for the business but does also carry risks to ensure the platform is implemented to time, cost and quality targets and is fully compliant with all laws and regulations.

We process a large amount of personal customer data. Such data could be wrongfully accessed or used by colleagues, customers or third parties, or could be lost, disclosed, or improperly processed in breach of data protection regulations. We continually review and update our data protection policies and procedures, as well as notices provided to our customers (e.g. privacy notices, consent, and cookie notices), to ensure we meet regulatory requirements in current and new markets. We take action to ensure data subjects requests are processed appropriately within regulatory timeframes. The Data Protection Officer team supports management in mitigating data protection risks and issues and provides training and awareness to all colleagues of our data protection obligations.

The data and management information produced by our systems needs to be complete and accurate, to ensure that management decisions are well informed. A number of initiatives are underway to improve management reporting to both management and third parties, including our regulators.

Across the Group, we continually invest in improvements to our information security control environment. This includes improved patching processes to mitigate security vulnerabilities, a programme of migrating technology to the Cloud using Amazon Web Services, thereby strengthening our protection from external threats, and a project to mitigate any remaining weaknesses in identity and access management on existing systems to prevent misuse/fraud.

In order to ensure we are able to attract, develop and retain key colleagues we have embedded succession planning throughout the business. Additionally, we have talent programmes to support and develop the next generation of management and specialists.

We have in place proactive actions to manage operational risks, and continual monitoring by management to ensure corrective actions are undertaken and completed. However, our overall assessment is that the level of operational risk is increasing relative to the prior year, with the increase mainly as a result of managing colleague uncertainty until the 888 transaction is completed.

Analysis of Financial Key Performance Indicators

The Group's key financial performance indicators that are carefully monitored by the senior management team are as below.

£m	2021	2020
Net Revenue	1,241.4	1,156.9
Adjusted Operating Profit	60.6	43.9
Operating exceptional items and adjustments	(118.9)	91.1
Profit before Interest and Tax	(58.3)	135.0
Free Cash Flow	66.3	111.1

All key financial performance indicators in the table above and commentary below relate to continuing operations unless specifically highlighted otherwise

Strategic Report (continued)

Net revenue has increased by £84.5m (7%) in the period with both years significantly impacted by the COVID-19 pandemic and national lockdowns in the UK leading to the closure of the Group's retail estate for periods of the year. The increase in revenue for the period is due to the current year's sporting calendar being unaffected, unlike the prior period, which was heavily impacted by sporting postponements, as well as underlying growth in the UK Online business.

On a divisional level, the Retail business delivered net revenue of £336.8m in 2021 compared to £354.2m in 2020, a decrease of 5%, driven by the longer period of lockdown in 2021 and 119 shop closures in 2020 but with the business returning to expected normal trading levels in the second half of 2021. The UK Online business made net revenue of £628.6m in 2021 compared to £503.1m in 2020, an increase of 25%, with increased substitution into the UK Online business with a lack of sporting postponements during lockdown in 2021 compared to 2020 and product improvements driving underlying growth, in particular for Gaming. The International business had revenue of £276.0m in 2021 compared to £299.6m in 2020, a decrease of 8%, with regulatory pressures, in particular in Germany and Netherlands in the second half of the year, driving this decline.

Adjusted Operating Profit is defined as profit before interest and tax, excluding exceptional items and other defined adjustments. Further detail on exceptional items and adjusted measures is provided in note 3 to the financial statements. It has increased by £16.7m (38%) with the revenue growth dropping down to profit and with good cost control, in particular in the Retail business during the period of lockdown and with cost savings following the acquisition of William Hill by Caesars in April 2021, and subsequent delisting of William Hill Limited (formerly William Hill PLC).

On a divisional level, the Retail business made an adjusted operating loss of £42.1m in 2021, compared to a loss of £29.5m in 2020 driven by the longer periods on lockdown in 2021. The UK Online business made an adjusted operating profit of £126.5m in 2021 compared to £96.0m in 2020, an increase of 32% with the increased revenues flowing down to profits with a broadly consistent adjusted EBIT margin. The International business made an adjusted operating profit of £13.6m compared to £25.5m in 2020, a decrease of 47% with the regulatory pressures on revenue and fixed cost base driving a larger impact on profit.

Operating exceptional items and adjustments, being material items the Directors present separately so as not to distort the view of the underlying performance of the business, were a loss of £118.9m in 2021 compared to a profit of £91.1m in 2020.

Within discontinued operations exceptional items, there are profits of £1,402.4m and £204.2m for the sale of the William Hill US business and the previous investment held in NeoGames S.a.r.l to the Group's parent undertaking, Caesars, as the Group was restructured following the acquisition by Caesars in April 2021 and preparing the Group for sale to 888 in 2022. The results of the William Hill US business prior to disposal, alongside these profits from disposal have been classified as a discontinued operation within these financial statements in both the current and prior period comparatives.

Operating exceptional items in 2021 are £96.8m with adjustment items of £22.1m. The exceptional items are made up of £81.6m relating to transaction, integration, and separation costs from the sale of the Group to Caesars (£57.1m) and preparing the business for onward sale to 888 (£24.5m). An exceptional item of £15.2m relates to a regulatory provision (£15.0m) and associated costs (£0.2m) following a periodic compliance assessment undertaken by the UKGC in July / August 2021. In that context, a provision of £15.0m has been recognised as a best estimate to cover the potential for any regulatory fine, penalty or settlement and associated costs resulting from that compliance assessment. The Business is currently addressing action points raised by the UKGC.

The adjustment items relate to the amortisation of intangibles recognised on acquisition of £22.1m, compared to £12.5m in 2020, an increase of 77%, due to the change in accounting estimate at the beginning of 2021 to assess the licences asset in the Retail business to have a definite useful life of 20 years as opposed to an indefinite useful life in 2020.

The operating exceptional items and adjustments in the current year have moved the adjusted operating profit to a statutory loss before interest and tax of £58.3m compared to a profit before interest and tax of £135.3m in 2020, a decrease of £193.6m with 2020 benefiting from the exceptional income recognised on the VAT reclaim of £238.3m before interest and tax.

See note 3 to the financial statements for further explanation of each item classified within exceptional items and adjustments.

The Group defines free cash flow as adjusted operating profit adjusted for capital expenditure; depreciation and amortisation; share based payment compensation and working capital (excluding the working capital impact of certain exceptional items) but before interest and tax cash outflows. Free cash flow from continuing operations was £66.3m in 2021, a decrease of £44.8m or 40% compared to £111.1m in 2020.

Although there has been an increase in adjusted operating profits of £16.7m (38%), this did not correspond to an increase in free cash flow due to a large working capital benefit of £46.3m in 2020 compared to a small benefit of £3.3m in 2021. Net capital expenditure (capital expenditure minus depreciation and amortisation) also increased by £16.2m with additional spend in 2021. The Group continues to invest in product and technology to drive continued growth and given the focus for investment had been the William Hill US business, in 2020 that has been excluded as a discontinued operation in our financial statements given the sale of the US business to our parent undertaking, Caesars, post their acquisition of the Group in April 2021.

These KPIs are aligned to the metrics used to determine the 2021 annual bonus of Adjusted Operating Profit, Net Revenue and Free Cash Flow.

Strategic Report (continued)

Group Key Performance Indicators

Key Performance Indicators ('KPIs') enable us to objectively track business performance over time. In 2018 we defined our long-term ambition to be a digitally led and internationally diverse business. In 2019 this was underpinned by the operational strategy of Customer, Team, Execution, which the Group's KPIs are aligned to.

In 2021 we increased our focus on employee engagement and moved from the annual survey approach taken in previous years to more regular surveys, with colleagues across the business invited to participate in an engagement survey at least quarterly. The questions contained within these regular surveys largely replicates the question set from our annual "Your Say" survey from previous years, but the increased frequency of the surveys allows us to respond quickly to any themes we see emerging.

In 2021, our overall engagement score increased from +3 to +10, building on the excellent results we saw in 2020. We saw improvements across all of the key areas we track across all areas of the business and despite being in a continued period of uncertainty for our colleagues, we've seen that score remain pretty consistent throughout the year.

We were particularly pleased to see colleagues appreciate our response to the COVID-19 pandemic with a +73-engagement score with our response.

Aggregate participation across 2021 held at 90% (same as 2020).

S.172(1) Companies Act 2006 Statement

The Board of 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, among other matters, to the:

- likely consequences of any decisions in the long term;
- interests of the Company's employees; need to foster the Company's business relationships with suppliers, customers, and others;
- impact of the Company's operations on local communities and the environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and the
- need to act fairly between members of the Company.

As a result of the Board discharging its section 172 duties, through an open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture. As part of the Board's decision-making process, the Board and its Committees 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.

Stakeholder Engagement - Aligning Our Long-Term Strategy with our Stakeholders

2021 has been a year that required significant stakeholder engagement as many of the decisions made by the Board have had direct implications on its stakeholders and in particular its previous shareholders and employees. The year represented a period of continuous change, both within and outside of William Hill. However, the Board remained committed to maintaining open channels of communication with its stakeholders and to further strengthen its dialogue with employees and wider stakeholders. The Board recognises that engagement is fundamental to the success of William Hill and, in performing its duties under s172, considers the views of key stakeholders in its decision-making, recognising they are central to the long-term prospects of the Company.

Stakeholder Engagement (continued)

Who we engage with	How we engage	Outcomes
<p>CUSTOMERS</p> <ul style="list-style-type: none"> • Our customers have access to more than a million sports betting and gaming opportunities every week. • Our business and livelihood is <i>dependent upon our customers</i>. Building strong relationships with them, using the expertise of our teams, ensuring we gain a deep understanding of their needs, allows us to identify areas of support. • Our competitive customer offering is achieved by protecting customers, improved product personalisation and innovation and best-in-class customer support. 	<ul style="list-style-type: none"> • Our distinctive brand appeals to recreational retail and online customers and we promote safer gambling behaviours. • We have invested in a new Player Protections system giving visibility of customer Player Safety activity across all online brands. • We provide safety tools for customers to limit spend and activity and continue to support the cross industry Gamstop initiative. • We also monitor and restrict spend levels for customers across all our online brands. • We welcomed customers back to our shops last year and continue to provide Player Safety support face to face, restricting activity and offering self-exclusion where needed or requested. • We continued to invest in advertising player safety across TV, digital and social channels, and promoting the tools that our customers can use. • We work with our customers in the development of new, redesigned, improved products. 	<ul style="list-style-type: none"> • We regularly measure the quality of our service performance through customer satisfaction, Net Promoter Scores ('NPS'), surveys, and web analytics. • We have continued to see NPS in our retail estate of +70% and growth in our online scores. • 69% of our UK customers have set their own deposit limits. • In a recent survey, run after Safer Gambling Week 2021; <ul style="list-style-type: none"> ◦ 93% of customers surveyed mentioned being aware of at least one safer gambling tool with William Hill, which has increased year on year. ◦ We also saw increases in the awareness of timeouts, reality checks and self-assessment. ◦ 85% of customers would know exactly where to look for information about safer gambling (+3%pt vs. 2020). • There is high awareness of the tools we offer to help customers stay in control of their betting activity.
<p>EMPLOYEES</p> <ul style="list-style-type: none"> • We work in an exciting industry and employee engagement is critical to our future success. • During another year of change and uncertainty, our employees have worked hard to embrace our values, support the business, and sustain our culture. • Empowerment, career development, health and wellbeing and social responsibility are all areas our employees have told us they consider important in the workplace. 	<ul style="list-style-type: none"> • Our approach to employee engagement is channelled through: our overall strategic narrative; the Balance, Belong, Build pillars of our People Strategy; our Exec and senior management team; employee voice enablers; and organisational integrity through our values. • All colleagues have the opportunity to provide feedback through regular employee engagement surveys, forums, and apps such as Teams, Slido and Yammer. • All employees have access to an independent whistleblowing hotline and professional support through our Employee Assistance Programme. 	<ul style="list-style-type: none"> • Across our 2021 engagement surveys, aggregate participation levels remained high at 90% and our employee engagement score increased to +8. • We continue to monitor and develop our approach to performance management, to promote a culture of high performance and continuous improvement. • Mandatory training is provided to all employees to align and embed our culture and values.

Stakeholder Engagement (continued)

Who we engage with	How we engage	Outcomes
<p>SHAREHOLDERS & BOND HOLDERS</p> <ul style="list-style-type: none"> • Our shareholders have always played an important role in monitoring the performance of the Company. • We recognise the importance of the activities and outcomes of stewardship and regularly engage with investors and shareholders on our: financial performance, strategy, and business model; Environmental, Social and Governance performance; and our approach to governance and leadership. • During the year Caesars became our ultimate shareholder. 	<ul style="list-style-type: none"> • Prior to William Hill Limited (formerly William Hill PLC) delisting on 22 April 2021, there was active engagement with institutional investors including: <ul style="list-style-type: none"> ◦ Full-year and half-year presentations; ◦ Investor days ◦ One-on-one investor meetings with the Chairman, CEO, CFO, and the Remuneration Committee Chair. At remotely held shareholder meetings, all shareholders were able to submit questions beforehand. At the General Meeting, shareholders could virtually attend, ask questions and vote on resolutions. • Since Caesars became our shareholder, we have regularly engaged with them on decisions that would previously be made by the Board. 	<ul style="list-style-type: none"> • All resolutions at the 2020 Annual General Meeting were passed. • All resolutions at the November 2020 General Meeting were passed. • Strong support for the equity placing from new and existing shareholders. • Increased efficiencies and alignment of working process across the combined group. • Updates in line with relevant DTRs and the Listing Rules, are issued to Bond holders via an RNS service.
<p>REGULATORS, GOVERNMENTS AND WIDER INDUSTRY GROUPS</p> <ul style="list-style-type: none"> • We have an open and transparent dialogue with the regulatory and industry bodies that we work with. • Building public trust in the industry through raising industry standards in sports betting and gaming and creating a safe and enjoyable gambling environment for customers is fundamental to our business. 	<ul style="list-style-type: none"> • We maintain strong relationships with national and local government bodies such as the Department for Digital, Culture, Media & Sport, the GBGC and local licensing authorities. • We are members of trade bodies in the UK (BGC) and Europe. We fully contribute to these bodies and provide input and support as required. • We have a calendar of ongoing regulatory and political engagement events and have contributed to various sector-related consultations. 	<ul style="list-style-type: none"> • We continue to work with other industry-leading companies to raise customer protection standards through the Safer Gambling Commitments. Progress against these commitments is monitored and tracked. • We adhere to and monitor compliance against the Industry Code for Socially Responsible Advertising. • In 2019, we, together with other major operators, committed to increase funding for research, prevention, and treatment from 0.1% of UK gross gambling yield to 1% over four years.

Stakeholder Engagement (continued)

Who we engage with	How we engage	Outcomes
<p>KEY SUPPLIERS</p> <ul style="list-style-type: none"> We have established long-term partnerships that complement our in-house expertise and have built a network of specialised partners within the industry and beyond. The Board fosters strong supplier relationships, ensuring suppliers are treated fairly and ethically. 	<ul style="list-style-type: none"> We have an open, constructive, and effective relationship with all suppliers through regular meetings which provide both parties the ability to feedback on successes, challenges, and the future roadmap. The Company's whistleblowing hotline is available to suppliers to allow them to raise any concerns anonymously and all issues are tracked and monitored. 	<ul style="list-style-type: none"> We regularly monitor the relationship and engagement approach with our third-party suppliers. Suppliers considered critical to the business are audited annually to assess their compliance with Anti-Bribery and Corruption, Modern Slavery, GDPR and Information Security regulations. We publish our Modern Slavery Statement on the Company's website and include KPIs to track progress. Payment policies, practice and performance are reported through the Government's Payment Practices Reporting portal. <p>In 2021 we further strengthened our relationships with our Suppliers by appointing three dedicated Supplier Relationship Managers.</p>
<p>COMMUNITY AND ENVIRONMENT</p> <ul style="list-style-type: none"> We are committed to making a positive contribution to the communities within which we operate, including through payment of taxes, reducing our environmental impact and creating employment opportunities. 	<ul style="list-style-type: none"> William Hill is focused on improving mental wellbeing, through colleague support, community programmes and employment opportunities and innovations addressing problem gambling. The Foundation provides seed funding to pilot new ideas and draw on the skills and expertise within the Group to support organisations working to tackle problem gambling. The Foundation's hardship fund supports colleagues across the Group when they face financial hardship. 	<ul style="list-style-type: none"> The Company raised over £250,000 for Alzheimer's Society and Alzheimer's Scotland over the course of our partnerships with the charities. The Foundation's hardship fund made 12 grants in 2021. Our Environmental Policy includes KPIs to track our efforts to reduce our environmental impact. During the year, we increased our carbon footprint by 6% in the context that in 2020 our Retail shops were shut for circa 4 months on the back of the various Pandemic Lockdowns. Our waste was reduced by 1% with landfill diversion now at 91%. Our virtual meetings surpassed our 5-year target achieving an adoption of nearly 500% vs a target of 400%, hence reducing transportation. Our car fleet mix improved from 13% to 19% for electric and hybrid. We achieved Carbon Neutral Status with full certification. Taxes and gambling duties paid in 2020 of £292m.

Governance Structure

Directors

R U Bengtsson, Chief Executive Officer
W T J Hageman, Chief Financial Officer (appointed 21 June 2021)
B Yunker (appointed 22 April 2021)
P V N Le Grice (appointed 10 June 2021)

The details of all directors who served during the year can be found on page 2.

Company Secretary

S J Callander

Executive committee

R U Bengtsson, Chief Executive Officer
W T J Hageman, Chief Financial Officer
S Bhens, Chief Product and Technology Officer
E Chambers, Chief Operating Officer
C Emery, Chief Brand Officer
N Hakarmeli, Managing Director, International
M Skinner, Chief People Officer
P Walker, Managing Director, UK
V Young, Group General Counsel

The biographies of the Executive Committee members can be found on our website
<https://www.williamhillgroup.com/about-us/executive-team/>.

Completion of the Sale of William Hill Limited (formerly William Hill PLC)

Following the announcement, on 30 September 2020, of the recommended cash acquisition of William Hill Limited (formerly William Hill PLC) ('William Hill') (which was implemented by way of a scheme of arrangement (the 'Scheme') approved by a shareholder vote on 19 November 2020 and sanctioned by the High Court of Justice in England and Wales on 20 April 2021), Caesars acquired the entire issued and to be issued share capital of William Hill (other than shares that were already owned by or on behalf of the Caesars Group) on 22 April 2021. The Non-Executive Directors of William Hill PLC, stepped down from the Board on that date.

On 23 April 2021, following an application by William Hill, the Financial Conduct Authority cancelled the listing of William Hill shares on the premium listing segment of the Official List and the London Stock Exchange cancelled the trading of those shares on the London Stock Exchange's main market for listed securities, in each case with effect from 8:00 a.m. (London time) on that date. On 12 May 2021, William Hill PLC re-registered as a private limited company and changed its name to William Hill Limited.

Company Share plans

In accordance with the Scheme on 22 April 2021, all employee share plans (the 'Share Plans'), subject to performance assessment, their plan terms, and the pro-rating of certain options to take account of those options becoming exercisable early in connection with the Scheme and some employees leaving William Hill, were all satisfied. Since that date, no employee share plans have been put in place.

Corporate Governance Arrangements

Until 23 April 2021, William Hill was listed on the London Stock Exchange complying with the Listing Rules, Disclosure and Transparency Rules and the UK Corporate Governance Code. Following its acquisition by Caesars, it became a wholly owned subsidiary of Caesars and an intermediate holding company for the non-US business of William Hill ("the ROW business"). The internal governance and reporting structures, processes and procedures that had been in place whilst William Hill was listed on the London Stock Exchange have remained in place since the acquisition by Caesars with William Hill being operated through its Executive Committee. Appropriate oversight of the Executive Committee has provided by senior executives at Caesars through the receipt of monthly financial and operational updates from the CEO and CFO, through the continued operation of the pre-existing schedule of delegated authority and decisions of William Hill's board of directors (which includes a senior Caesars' representative) in relation to matters reserved to that board. The Group has also benefitted from the oversight and input provided by the Audit & Risk Management Committee which consists of two independent members who have received regular updates and reports in relation to the ROW business.

Governance Structure (continued)

Caesars has always made clear its intention to sell the ROW business and, on 9 September 2021, announced that it had agreed to sell the ROW business to 888. Given its recent history as a listed company complying with the Listing Rules, Disclosure and Transparency Rules and the UK Corporate Governance Code, and the fact that many of its governance processes and procedures remained in place following completion of the Caesars acquisition, the oversight provided by senior executives at Caesars and the fact that the ROW business would imminently be acquired by 888 (which is itself listed on the London Stock Exchange), the directors have not sought to apply any particular corporate governance code to William Hill during the year but instead have reviewed and satisfied themselves that the governance arrangements in place are appropriate in all of the circumstances.

The Role of the Board and the Executive Committee

The Board's primary responsibility is to promote the long-term sustainable success of the Company and Group, and to create sustainable shareholder value and contribute to society. Since the Company was acquired by Caesars, the Executive Committee, led by the CEO and with appropriate oversight provided by senior executives at Caesars, has had responsibility for the operation of the ROW business and for delivering on its strategy. The Executive Committee's main focus is steering the Company through its transitional phase, driving growth through competitive products, smart retail, building talented engaged teams and improved execution.

Board meetings

During the year, the Board met on 6 occasions. In line with the Company's Articles of Association, several board matters were also agreed by written resolution.

Committee Information

Until 23 April 2021, the Company had shares listed on the premium segment of the Official List and the London Stock Exchange and was required to comply with the Listing Rules, Disclosure and Transparency Rules and the UK Corporate Governance Code (UK Code). In line with the requirements of the UK Code, William Hill had an Audit and Risk Management, Corporate Responsibility, a Nomination and a Remuneration Committee ('Committees') with each Committee providing regular updates to the Board.

As the UK Code requirements fell away on 23 April 2021, when William Hill de-listed and re-registered as a private limited company, the Corporate Responsibility, Nomination and Remuneration Committees were disbanded.

However, given the Company continued to hold Senior Unsecured Notes (the 'Bonds') (more details about the Bonds can be found in note 23 to the financial statements), which are listed on the London Stock Exchange, the requirement to operate an independent Audit Committee remained. Accordingly, the Board reconstituted an Audit and Risk Management Committee under new Terms of Reference and on 7 June 2021, the Board appointed two independent non-executive members to the Audit and Risk Management Committee.

The Board appointed two independent non-executive members to run the Audit and Risk Management Committee (the 'Committee'). It operates pursuant to terms of reference that specify the Committee should meet four times during the year, however it was only possible for the Committee to convene three times from when the members were appointed on 7 June 2021 to the period ended 28 December 2021. The previous Audit and Risk Management Committee met two times in the period from 1 January to 23 April 2021.

Board and Committee meetings held from 1 January to 23 April 2021*

Audit and Risk Management Committee	2
Corporate Responsibility Committee	1
Remuneration Committee	3
Nomination Committee	0

*On 23 April 2021, William Hill de-listed and re-registered as a private limited company and the Corporate Responsibility, Nomination and Remuneration Committees were disbanded.

Audit and Risk Management Committee Report

Membership

Mr G Russell (Chair) (appointed 7 June 2021)

Mr J Baker (appointed 7 June 2021)

Meetings held during the period from 7 June to 28 December 2021

Member	Possible meetings	Number of meetings attended
Mr G Russell	3	3
Mr J Baker	3	3

Governance Structure (continued)

Attendance at Meetings

All members of the Audit and Risk Management Committee are Independent Non-Executive members. The General Counsel & Company Secretary (or their nominee) acts as secretary to the Committee. Other individuals have attended at the request of the Committee Chair including representatives of the External Auditor, the CFO, the Executive Counsel Rest of World OnSale (representing Caesars), the Chief Risk and Compliance Officer, the Head of Internal Audit, the Group Financial Controller, the Head of Group Finance and the Head of Tax and Treasury. In addition, members of the management team attend by invitation to report on key matters. The Committee also meets with the External Auditor, the Chief Risk and Compliance Officer and the Head of Internal Audit without executive management present. The Committee has access to the services of the internal audit function and company secretarial department and is authorised to obtain independent professional advice if it considers it necessary.

The Committee operates under clearly defined terms of reference. Its primary function includes assessing the integrity of the Company's financial statements, maintaining an appropriate relationship with, and reviewing the independence and effectiveness of the Company's External Auditor, and reviewing the Company's system of internal controls and risk management.

Internal audit

The internal audit team provides independent assurance over the Company's risk management and internal control processes and has unrestricted access to all Group documentation, premises, functions, and employees to enable it to perform its work. The appointment and removal of the Group Director of Internal Audit is the responsibility of the Committee.

Each year, the Committee approves the annual internal audit plan and monitors progress against the plan. The Committee monitors progress against annual internal audit plan.

During the period, the Committee received reports on the adequacy of the resources of the internal audit function and received confirmation that appropriate resources were available. If necessary, the work required to be undertaken by the internal audit function is supported by external professionals.

Financial reporting

Ensuring the integrity of the financial statements is a fundamental responsibility of the Committee. The Committee reviewed, examined, and challenged the Chief Financial Officer (CFO) and the External Auditor on their respective assessments on such items as accounting policies and disclosures, financial reporting issues and significant financial judgements made. In addition, the Committee considered the processes underpinning the production and approval of this year's Annual Report and Accounts, to enable the Board to continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Key Role and Responsibilities

The Committee has authority to monitor and review the formal arrangements established by the Board in respect of the financial and non-financial reporting of the Group, reviewing the effectiveness of the Group's internal controls, risk management and audit arrangements and, investigating and advising on these or related matters.

Key activities during the period

- Received and considered updates on (i) the trading and overall financial performance of the Group and (ii) the progress being made in relation to the sale of the ROW business;
- Reviewed and advised the Board on the integrity of financial disclosures made in the financial statements, including:
 - the appropriateness of accounting policies and going concern assumptions; and
 - recommendation of the inclusion of the going concern statement in the Annual Report and Accounts 2021;
- Assisted in ensuring the Company's Annual Report and Accounts 2021 was in accordance with applicable legislation and governance including commissioning and considering advice as to the appropriate governance arrangements that should be in place in all of the circumstances;
- Reviewed the principal risks affecting the Group and considered emerging risks including oversight of regulatory risk and compliance and in particular the Group's regulatory position in the United Kingdom and issues and concerns raised by the Gambling Commission;
- Reviewed regular reports from the internal audit function, ensuring it was adequately resourced;
- Reviewed the nature and scope of the work performed by the External Auditor and the internal audit function, the results of that work, and its overall effectiveness;
- Reviewed and approved the 2021 external audit plan and fee proposal;
- Oversaw the relationship with the External Auditor reviewing and approving non-audit fees of the External Auditor; and
- Held private meetings with the internal audit function and the External Auditor without management present.

Directors' Report

For the purposes of the UK Companies Act 2006, the Directors present their report along with the audited consolidated financial statements for the 52-week period ended 28 December 2021. This report should be read with the Corporate Governance on pages 17-19, the Strategic Report on pages 9-13, and the Directors' statements of responsibilities on page 22.

Principal activities

The Company continues its activities in safely providing customers with online betting and gaming platforms, acting as holding Company for its subsidiaries and associates.

Annual Report and Accounts

The Directors are aware of their responsibilities in respect of the Annual Report and Accounts. The Directors consider that the Annual Report and Accounts, taken as a whole, is true and fair. It provides the information necessary for shareholders and stakeholders to assess the Company's position and performance, business model and strategy. The Directors' Responsibilities statement appears on page 22.

Auditor and disclosure of information to 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;
- The Director has taken all the steps that they ought to have taken as a 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; and that
- Deloitte LLP will resign as auditors on the purchase of the Company by 888. A resolution to appoint Ernst & Young LLP as the Company's new auditors will be proposed at a future Board Meeting.

Conflicts of interest

In accordance with the Companies Act 2006, the Company's Articles of Association include provisions reflecting recommended practice concerning conflicts of interest. The Board has in place procedures for Directors to report any potential or actual conflicts to the other members of the Board for their authorisation where appropriate.

In deciding whether to authorise a conflict or potential conflict of interest only non-interested directors (i.e., those who have no interest in the matter under consideration) will be able to take the relevant decision. In taking the decision, the directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. In addition, the directors may impose conditions or limitations when giving authorisation if they think this is appropriate. The Board is confident that the appropriate checks and balances are in place to identify and minimise potential conflicts of interest.

Directors' and officers' liability insurance

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

Political donations

There were no political donations made or political expenditure incurred during the period in respect of EU political parties, candidates, or organisations (2020: nil). In respect of the William Hill US Business, political expenditure of \$500 was incurred between January 2021 to April 2021. (2020: \$61,000).

Results and dividends

During the period, post-acquisition by Caesars, the Company paid a cash dividend of £275.0m to Caesars Cayman Finance Ltd. No dividends were proposed or paid in the comparative period.

Issue of new ordinary shares

There were no shares issued during the financial period ending 28 December 2021.

Share Capital and rights attaching to them

Details of the authorised and issued share capital during the year are provided in note 28 to the financial statements.

As at 27 June 2022, the Company had an allotted and fully paid-up share capital of 1,075,598,163 ordinary shares of 10p each, with an aggregate nominal value of £107,559,816.30, which included 15,004,720 ordinary shares in treasury.

Directors' Report (continued)

As at 27 June 2022, 1,060,593,443 ordinary shares of 10p each were held by Caesars Cayman Finance Limited (a company incorporated in the Cayman Islands and owned by Caesars Entertainment Inc.) (excluding treasury shares). Each ordinary share of the Company carries one vote and there were no share allotments in 2021.

Authority to purchase own shares

An authority for the Company to purchase its own shares remained valid until the Company was bought by Caesars, at which point the authority fell away.

Share Repurchase Programme and treasury shares

A total of 10,479,811 Ordinary shares (2020: 2,376,210) were exercised during the financial period, to satisfy awards under the Group's share and incentive schemes. 515 Ordinary Shares were transferred to Caesars Cayman Finance Limited on the 7 June 2021 as part of the Scheme of Arrangement between William Hill Limited (formerly William Hill PLC) and Caesars UK Holdings Limited (a company owned by Caesars). It is the current intention of the Directors that the remaining treasury shareholding will either continue to be held in treasury or will be cancelled.

Share voting rights and restrictions on transfer of shares

The Company is not aware of any agreements that may result in restrictions on the transfer of securities and voting rights. There are no restrictions on the transfer of ordinary shares in the Company other than certain restrictions imposed by laws and regulations. This includes but is not limited to the Market Abuse Regulation, insider trading laws and requirements relating to closed periods.

Significant agreements – change of control

The Company has indentures for our 4.875% senior unsecured notes due 2023 and our 4.75% senior unsecured notes due 2026. Each Noteholder is entitled to require the Company (as issuer) to redeem or purchase any outstanding Notes in the event of a change of control at a cash purchase price equal to 101 per cent of the principal amount together with interest accrued.

There are no other agreements considered to be significant in terms of their potential impact to which the Company is party which take effect, alter, or terminate in the event of a change of control in the Company.

Post balance sheet events

On the 16 May 2022, 99.73% of 888's shareholders voted to approve the acquisition of William Hill. This has no impact on these financial statements.



R U Bengtsson

CEO

27 June 2022

Directors' Statement of Responsibilities

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 are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). They have elected to prepare the parent company 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.

This responsibility statement has been approved by the Board of Directors and is signed on its behalf by:

Ulrik Bengtsson

R U Bengtsson
Chief Executive Officer
27 June 2022

Wilhelmus Theresia Josef Hageman

W T J Hageman
Chief Financial Officer
27 June 2022

Independent Auditor's Report to the Members of William Hill Limited

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of William Hill Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 28 December 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the statement of group and parent company accounting policies;
- the related notes 1 to 35 of the group financial statements; and
- the related notes 1 to 11 of the parent company financial statements.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).





2. 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 group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the group and parent company for the year are disclosed in note 5 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were:
	<ul style="list-style-type: none"> The impact of the United Kingdom's Gambling Commission ("UKGC") licence review on going concern assessment and financial statements disclosure; Classification of exceptional items; and Accounting for customer claims in Austria. Within this report, key audit matters are identified as follows: <ul style="list-style-type: none">  Newly identified  Increased level of risk  Similar level of risk  Decreased level of risk
Materiality	The materiality that we used for the group financial statements was £7.9m which was determined on the basis of revenue.
Scoping	Our scope covered four components of the group (UK Retail, UK Online, International Online and Corporate) in addition to procedures performed at group level. All components were subjected to full scope audits.

	Our scoping covered 96% of the group's revenues from continuing operations, over 96% of operating profit from continuing operations and over 94% of the group's net assets.
Significant changes in our approach	<p>We identified a new key audit matter in the current year relating to the impact on going concern assessment and financial statements disclosure of the group's non-compliance with regulations following a licence review by the UKGC.</p> <p>The following items were identified as key audit matters in the prior year but not in the current year:</p> <ul style="list-style-type: none"> • "Management override of controls" is no longer a key audit matter in the current year as the impact of the acquisition of the group by Caesars Entertainment Inc. ("Caesars") and its intention to dispose of the non-US business doesn't involve significant accounting judgements. • "Impairment of Retail licence intangible asset" has not been deemed to be a key audit matter in the current year given it is no longer an indefinite-lived asset and the judgement involved in assessing whether an indicator of impairment exists, due to proposed sale of the business, is not significant. • "Valuation of a specific derivative financial liability" is no longer a key audit matter in the current year as it was disposed of during the current year, along with the group's US operations.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting is discussed in section 5.1.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. The impact of the UKGC licence review on going concern assessment and financial statements disclosure

Key audit matter description	<p>The group provides gambling services in the UK through three licenced entities. During the third quarter of the period ended 28 December 2021, the UKGC undertook a compliance assessment of the group's licenced entities. As described on page 59, the UKGC identified a number of areas of weakness relating to the group's management of risk and compliance relevant to their licence conditions and the UKGC Code of Practice. As a result, the UKGC issued a Regulatory Action Notice marking the commencement of a Section 116(2) licence review. The possible consequences of such review include licence suspension and/or financial penalties being imposed on the licence holders.</p> <p>We have identified a key audit matter in respect of the impact on the financial statements of the group's non-compliance with regulations and the appropriateness of disclosures relating to this licence review. This principally manifests itself in respect of whether the possible consequences of the licence review create a material uncertainty regarding the group's ability to continue as a going concern. Management sought external legal advice in order to determine the possible consequences of the licence review to the group.</p> <p>Significant judgement was involved in forecasting the group's cash flows, cost assumptions and mitigation actions in the event of the group's licences in the UK being suspended for a period of time as well as the impact to the group's existing debt arrangements of the group's proposed acquisition by 888 PLC. Judgement was also required to determine the financial effect of the executed indemnity by Caesars. Consideration was given to the extent that the indemnity payments would be forthcoming in the event of the group's UK licences being suspended.</p> <p>As described on page 39, the directors have considered the potential impact of sanctions, including licence suspension, by the UKGC on its ability to continue as a going concern.</p>
How the scope of our audit responded to the key audit matter	<p>To address the key audit matter identified, our procedures involved:</p> <ul style="list-style-type: none"> - Obtaining an understanding of the relevant controls of the governance structure of the group;

- Inspecting and assessing correspondence between the UKGC, the group's management and their external legal advisors. This includes reading the group's written responses to the areas of improvement identified through the compliance assessment and understanding the remediation plan that the group has committed to in respect of improving their governance, processes and controls and considering the preliminary findings served by the UKGC on 20 May 2022;
- Making direct enquiries with the UKGC to better understand the Section 116(2) licence review process, their approach to sanctioning, the circumstances that the UKGC consider would lead to licence suspension and the process steps required for a licence holder to have their licence reinstated;
- Challenging the completeness and accuracy of the information shared with the UKGC by obtaining evidence of a sample of the committed actions to support whether the status, as reported to the UKGC, is accurate and fair;
- Considering whether the provision recognised in the financial statements for the anticipated financial sanction from the UKGC is reasonable. In doing so we have considered previous penalties issued against the group and other sanctions issued by the UKGC to similar licence holders and held discussions with the group's external legal advisors. In doing so, we also assessed the competence, capabilities and objectivity of those legal advisors;
- Evaluating management's qualitative assessment of going concern including their consideration of the possible consequences of the licence review and potential for licence suspension by holding discussions with management and their external legal advisors;
- Evaluating management's cash flow forecast for the period to June 2023, which included severe but plausible downside scenarios, through:
 - o assessing the cash flow forecasts prepared by management including consideration of management's historic forecasting accuracy, comparison to previous periods and consideration of the financial impact of the stricter Anti Money Laundering and player safety controls management are putting in place following the UKGC's compliance assessment;
 - o challenging the sufficiency of the downside scenarios and mitigating actions that management could undertake by considering the extreme event of the UKGC suspending the group's licences;
 - o reading and considering the terms of the indemnity provided by Caesars to the relevant licenced entities following completion of the sale of the group to 888 holdings PLC (as described on page 39);
 - o evidencing the financial support committed by Caesars to the group, including consideration of the terms of that support (as described on page 39);
 - o considering the extent to which the group's debt obligations could be met in the event of the holders of the group's Senior Unsecured Notes due in 2023 and 2026 exercise their redemption option upon a change of control of the group.
- Assessing the disclosures in the financial statements on page 59 to assess whether they faithfully represent the most recent facts pertaining to the UKGC's assessment.

Key observations	Based on the procedures performed we are satisfied that no material uncertainty exists in respect of going concern. As at the date of issuing the financial statements, the disclosures in the financial statements including the going concern statement on page 39 adequately and appropriately describes the most recent position of the group's ongoing licence review by the UKGC and the results of the going concern assessment undertaken by management.
-------------------------	--

5.2. Classification of exceptional items

Key audit matter description	<p>The group separately reports adjusting items of £1,530.1m (2020: £28.6m) which the group considers meet the definition of being exceptional and accordingly presented separately in the group's consolidated income statement.</p> <p>In calculating adjusted profit, there is a risk that the classification of items identified as exceptional may not be appropriate or in accordance with IAS 1 <i>Presentation of Financial Statements</i>, the European Securities and Markets Authority ("ESMA") and Financial Reporting Council ("FRC") guidance on Alternative Performance Measures and so distort the reported adjusted profit. Consistency in the identification and presentation of these items is also important to ensure comparability of year-on-year reporting in the financial statements. The classification of exceptional items is subject to management judgement, and we consider there to be a risk of potential fraud through possible management bias in the determination of which items of income and expense should be included within the adjusted profit alternative performance measure.</p> <p>In particular, we believe there is an increased risk associated with the classification and disclosure of exceptional items related to the group's proposed sale by Caesars.</p> <p>Refer to the group statement of accounting policies in page 40 for discussion of the group's policy on exceptional items. Explanations of each exceptional item are set out in note 3 of the group financial statements.</p>
-------------------------------------	---

How the scope of our audit responded to the key audit matter	<p>We have considered the classification of certain costs included within exceptional items and have challenged management on items of income and expense not classified as exceptional but reported within the statutory profit for the year. Our procedures included:</p> <ul style="list-style-type: none"> - Obtaining an understanding of the relevant controls over the group's process over the identification and classification of exceptional items; - Investigating the nature of each exceptional item, including challenging management's rationale for classification as such. In doing so we considered the nature and size of the item, whether the item meets the group's policy of being exceptional and whether there is an appropriate level of consistency compared to the group's previously recognised exceptional items; - Evaluating other significant items of income and expense not classified as exceptional as well as considering whether these are adequately and appropriately disclosed within the annual report and financial statements; - Testing a sample of exceptional items by agreeing these to supporting documentary evidence; and - Assessing the disclosure of the exceptional items, as set out in note 3 of the financial statements, including consideration of the group's compliance with ESMA and FRC guidance on Alternative Performance Measures.
Key observations	Based on the procedures performed, we are satisfied that the overall classification of exceptional items and the related disclosures in the financial statements are appropriate and that the profitability of the group's operations is not misrepresented.

5.3. Accounting for customer claims in Austria

Key audit matter description	<p>The group provided online gambling services into Austria through two principal brands, William Hill in Gibraltar, and Mr Green in Malta, under the principles of EU Law (free movement of services). However, Austrian law requires gambling providers to hold an Austrian gambling licence for the provision of online gambling in Austria. This is limited to only one licence awarded to a local operator. During the latter part of 2020 and throughout 2021, the group was subject to the receipt of claims from customers alleging that the underlying contracts are null or void given the local licensing regime. The claims relate to losses incurred by customers following the use of the group's gambling products in Austria. Upon consideration of external legal advice, the group considers that there is a possible outflow of economic benefits associated with these claims.</p> <p>Claims have continued to be received throughout the year at a comparable rate to the prior year, except for the second quarter of the year where the group experienced an increase in volume and average claim value. Such an increase led to an increase in the estimated potential effect of this matter as at period end.</p> <p>This issue is further described in note 34.</p> <p>Judgement is required in assessing whether there is sufficient evidence to determine whether management's conclusion that the existence of these claims and future potential claims represent a contingent liability is appropriate in accordance with IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i>. In particular:</p> <ul style="list-style-type: none"> - the basis upon which management believes that a contingent liability exists in accordance with IAS 37; - the legal status of these customer claims, the existence of other legal avenues available to the group and the group's intention and ability to not incur economic outflow pending the resolution of such legal avenues; and - the disclosure of the potential financial effect that has been determined to be up to £45m (2020: up to £25m). This is based on claim volumes, value received to date, the likely legal costs the group will incur to defend the claims and the presumption that local gaming tax deductions can be obtained for any payments made. <p>We identified a key audit matter relating to the classification of the customer claims in Austria as contingent liability and the related disclosure.</p>
How the scope of our audit responded to the key audit matter	<p>To address the key audit matter identified, our procedures involved:</p> <ul style="list-style-type: none"> - Obtaining an understanding of the relevant controls over the group's identification and recording of customer claims and over the accounting for such claims; - Holding discussions with internal legal counsel in order to corroborate management's conclusions on the basis upon which they believe that the existence of these claims represent a contingent liability, particularly in consideration of the legal advice upon which this is based; - Making written inquiries of and meeting with the group's external legal advisors in Malta, Austria and Gibraltar as well as the group's legal advisor pertaining to cross-border EU jurisdictional matters; - Understanding the legal status of the claims and the group's proposed course of action in dealing with these claims;

- Assessing the competence, capabilities and objectivity of management's legal advisors;
- Testing the data that supports the number and monetary value of claims received to date by agreeing a sample of claims to supporting documentation;
- Considering management's assessment of the potential financial effect of the claims and the range of possible outcomes by challenging management's assumptions used to develop this range as well as developing an independent range of possible outcomes based on the same set of data used by management to derive their calculation; and
- Evaluating the disclosure in the financial statements (note 34) to assess whether it appropriately represents the most recent fact pattern and is in accordance with IAS 37.

Key observations	Based on the procedures performed, we are satisfied that the classification and disclosure within note 34 in the financial statements is appropriate based on the best available evidence at the time of issuing the financial statements.
-------------------------	--

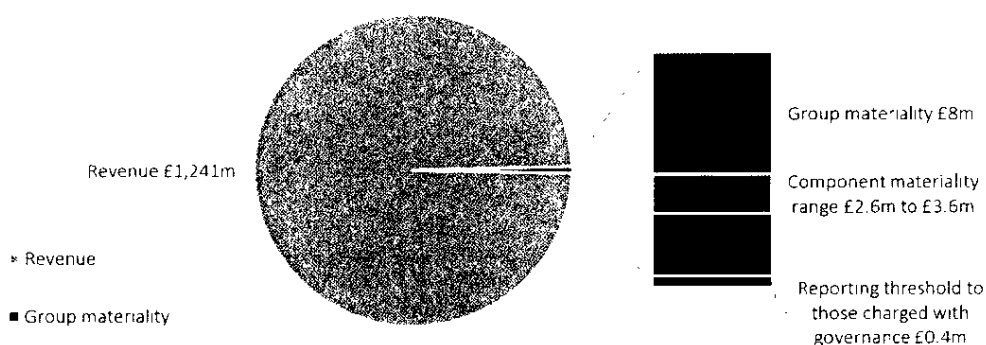
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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

	Group financial statements	Parent company financial statements
Materiality	£7.9m (2020: £5.0m)	£7.1m (2020: £4.5m)
Basis for determining materiality	We have used 0.6% of revenue (2020: 0.4% of revenue) as the benchmark.	Parent company materiality has been set at 3% of net assets (2020: 3% of net assets), capped at 90% of group materiality (2020: 90%), representing 0.4% of net assets (2020: 0.3% of net assets).
Rationale for the benchmark applied	In light of the volatile impact of Covid-19 on the profitability of the group in comparison to previous financial periods (particularly on the Retail business, which was subject to a 15-week period of closure) we consider revenue to provide a comparable and consistent benchmark for the business.	The parent company acts principally as a holding company and therefore net assets is a key measure. The cap has been applied in line with our methodology for setting component materiality.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	65% (2020: 65%) of group materiality	65% (2020: 65%) of parent company materiality
Basis and rationale for determining performance materiality	As with the prior period, the level of performance materiality was set as 65% of group materiality due to the following factors: <ul style="list-style-type: none"> a. The impact of the acquisition by Caesars and the intended onward sale of the group including consideration of changes in management personnel and the bandwidth of the finance team; 	

-
- b. The quality of the control environment and whether we were able to rely on controls in certain areas (specifically the revenue business process at the UK Online, UK Retail and International Online components); and
 - c. the nature, volume and size of misstatements (corrected and uncorrected) in the previous audit.
-

6.3. Error reporting threshold

We agreed with the Audit & Risk Committee that we would report to the Committee all audit differences in excess of £395,000 (2020: £250,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit & Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

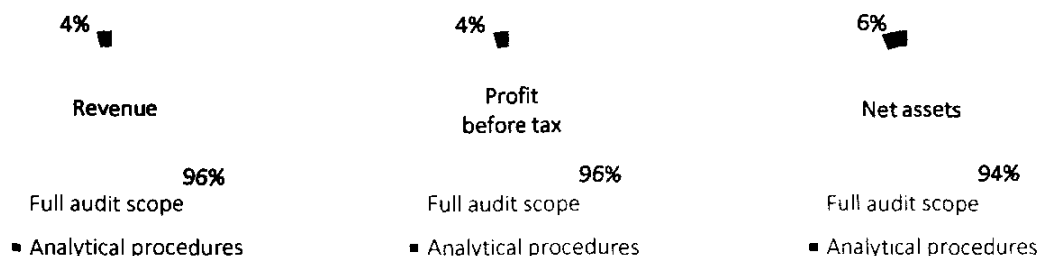
Our group audit was scoped by obtaining an understanding of the group and its environment, including group-wide controls, and assessing the risks of material misstatement at the group level.

Having assessed internal management reporting, product line, operating segments and geographical location, we identified UK Retail, UK Online, International Online and Corporate as the principal components of the group. All of these were subjected to audit procedures representing 96% (2020: 90%) of the group's revenue from continuing operations, over 96% (2020: over 90%) of operating profit from continuing operations and over 94% (2020: over 86%) of the group's net assets.

We planned our work to perform a full scope audit of UK Retail, UK Online and International Online and Corporate where the audit work of UK Retail, UK Online and Corporate was conducted by a single team from Deloitte's UK firm across two locations (the UK and Gibraltar) while the International Online audit work was undertaken by our component auditors in Malta under the direction and supervision of the group audit team.

The components in scope for the current period were selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified above. Our audit work on each location was executed at levels of materiality applicable to each individual entity which were lower than group materiality and ranged from £2.57m to £3.59m (FY20: £1.63m to £2.28m). Our materiality used for the audit of the parent company financial statements was £7.1m (FY20: £4.5m).

At the group level, we performed audit procedures on the parent company financial statements as well as on the consolidated financial statements themselves and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit. At the group level we also performed audit procedures on centrally held balances including exceptional items, post-employment benefit obligations, certain head office costs and litigation and claims.



7.2. Working with other auditors

We take an active part in the conduct of the audits at the components. For each component, we included the component audit team in our team briefings, to discuss the group risk assessment and audit instructions, to confirm their understanding of the business, and to discuss their local risk assessment. Throughout the audit, we increased the regular contact in order to support, challenge and direct their audit approach. We also attended local audit close meetings with local management, performed remote reviews of their working papers, and reviewed their reporting to us of the findings from their work.

In response to the Covid-19 pandemic, which limited our ability to make component visits, frequent calls and virtual meetings were held between the group and component teams and remote access to relevant working papers was provided.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. 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 group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

10. 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the legal and regulatory environment in which the group operates;
- the on-going licence review being undertaken by the UKGC;
- the incentives and opportunities presented by the proposed sale of the group by Caesars;
- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, general counsel, and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
 - o identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of potential non-compliance;
 - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - o the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team, including component audit teams, and relevant internal specialists, including tax, valuations, pensions, IT, forensic and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud related to the classification of exceptional items. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules and prevailing pensions and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the group's operating licences issued by the UKGC relating to the provision of betting and gaming services in the UK.

11.2. Audit response to risks identified

As a result of performing the above, we identified the impact of the UKGC licence review on the financial statements as a key audit matter related to the risk of non-compliance with regulations. In addition, we identified classification of exceptional items as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the UKGC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinion 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 year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. Other matters which we are required to address

14.1. Auditor tenure

Following the recommendation of the Audit & Risk Committee, we were appointed in December 2001 to audit the financial statements for the year ending 1 January 2002 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is twenty years, covering the periods ending 1 January 2002 to 28 December 2021.

14.2. Consistency of the audit report with the additional report to the Audit & Risk Committee

Our audit opinion is consistent with the additional report to the Audit & Risk Committee we are required to provide in accordance with ISAs (UK).

15. 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, UK

28 June 2022

CONSOLIDATED INCOME STATEMENT

for the 52 weeks ended 28 December 2021

	Notes	52 weeks ended 28 December 2021			52 weeks ended 29 December 2020 (Restated) ¹		
		Adjusted £m	Exceptional items and adjustments (note 3) £m	Statutory total £m	Adjusted £m	Exceptional items and adjustments (note 3) £m	Statutory total £m
Continuing operations							
Revenue	1, 2	1,241.4	–	1,241.4	1,156.9	–	1,156.9
Cost of sales	2, 3	(363.4)	–	(363.4)	(306.4)	238.3	(68.1)
Gross profit	2	878.0	–	878.0	850.5	238.3	1,088.8
Other operating income	1	4.3	–	4.3	9.9	–	9.9
Other operating expenses	3	(820.1)	(118.9)	(938.9)	(815.2)	(147.2)	(962.4)
Share of results of associates	2, 4	(1.6)	–	(1.6)	(1.3)	–	(1.3)
Profit before interest and tax	2, 5	60.6	(118.9)	(58.3)	43.9	91.1	135.0
Investment income	1, 2, 7	42.0	–	42.0	2.9	18.9	21.8
Finance costs	2, 8	(41.4)	(2.0)	(43.4)	(50.1)	–	(50.1)
Profit/(loss) before tax	2	61.2	(120.9)	(59.7)	(3.3)	110.0	106.7
Tax	3, 9	6.8	(3.2)	3.6	11.1	(24.6)	(13.5)
Profit/(loss) for the period from continuing operations		68.0	(124.1)	(56.1)	7.8	85.4	93.2
Attributable to:							
Equity holders of the parent		68.2	(124.1)	(55.9)	7.5	85.4	92.9
Non-controlling interests		(0.2)	–	(0.2)	0.3	–	0.3
Profit/(loss) for the period from discontinued operations	15	1.6	1,654.2	1,655.8	15.1	(56.8)	(41.7)
Attributable to:							
Equity holders of the parent		2.3	1,655.3	1,657.6	10.7	(43.4)	(32.7)
Non-controlling interests		(0.7)	(1.1)	(1.8)	4.4	(13.4)	(9.0)
Profit for the period		69.6	1,530.1	1599.7	22.9	28.6	51.5

1. See basis of preparation for details of prior period restatement

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 52 weeks ended 28 December 2021

		52 weeks ended 28 December 2021	52 weeks ended 29 December 2020 (Restated) ¹
	Notes	£m	£m
Profit for the period		1,599.7	51.5
Items that will not be reclassified subsequently to profit or loss:			
Actuarial remeasurements in defined benefit pension scheme	32	1.9	(1.2)
Defined benefit pension buy-in	32	(59.5)	–
Tax on remeasurements in defined benefit pension scheme	27	10.9	0.2
Items that may be reclassified subsequently to profit or loss:			
Translation of foreign operations		(25.6)	9.7
Exchange differences reclassified to profit and loss on disposal of US operations		(17.5)	–
Fair value movements on equity holdings		(0.3)	–
Other comprehensive (loss)/income for the period		(90.1)	8.7
Total comprehensive income for the period		1,509.6	60.2
Attributable to:			
Equity holders of the parent		1,511.6	69.9
Non-controlling interests		(2.0)	(9.7)
		1,509.6	60.2

1. See basis of preparation for details of prior period restatement

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 52 weeks ended 28 December 2021

	Attributable to equity holders of the parent						Non-controlling interests	Total equity
	Called-up share capital	Share premium account	Capital redemption reserve	Merger reserve	Own shares held	Hedging and translation reserve		
	£m	£m	£m	£m	£m	£m	£m	£m
At 29 December 2020 (Restated)¹	107.5	716.6	6.8	168.3	(83.9)	13.3	(333.6)	592.6
Profit/(loss) for the financial period	–	–	–	–	–	–	1,601.7	1,599.7
Actuarial remeasurements in defined benefit pension scheme (note 32)	–	–	–	–	–	–	1.9	1.9
Defined benefit pension buy-in (note 32)	–	–	–	–	–	–	(59.5)	(59.5)
Tax on remeasurements in defined benefit pension scheme (note 27)	–	–	–	–	–	–	10.9	10.9
Exchange differences on translation of foreign operations	–	–	–	–	–	(25.6)	–	(25.6)
Exchange differences reclassified to profit and loss on disposal of US operations (note 15)	–	–	–	–	–	(17.5)	–	(17.5)
Fair value movements in equity holdings	–	–	–	–	–	–	(0.3)	(0.3)
Total comprehensive (loss)/income for the period	–	–	–	–	–	(43.1)	1,554.7	1,509.6
Transfer of own shares to recipients (note 29)	–	–	–	–	33.4	–	(27.3)	6.1
Purchase and issue of own shares	–	–	–	–	(0.8)	–	–	(0.8)
Credit recognised in respect of share remuneration (note 31)	–	–	–	–	–	–	6.5	6.5
Tax credit in respect of share remuneration (note 27)	–	–	–	–	–	–	1.3	1.3
Other tax taken directly to reserves	–	–	–	–	–	–	(1.6)	(1.6)
Investment in subsidiaries	–	–	–	–	–	–	(4.9)	(5.6)
Non-controlling interests disposed of on sale of US operations (note 15)	–	–	–	–	–	–	6.3	6.3
Dividends paid to parent	–	–	–	–	–	–	(275.0)	(275.0)
At 28 December 2021	107.5	716.6	6.8	168.3	(51.3)	(29.8)	920.1	1,839.4

1. See basis of preparation for details of prior period restatement

	Attributable to equity holders of the parent						Non-controlling interests	Total equity
	Called-up share capital	Share premium account	Capital redemption reserve	Merger reserve	Own shares held	Hedging and translation reserve		
	£m	£m	£m	£m	£m	£m	£m	£m
At 31 December 2019 (Restated)¹	90.0	709.9	6.8	(26.1)	(87.0)	2.6	(390.5)	313.0
Profit/(loss) for the financial period (Restated) ¹	–	–	–	–	–	–	60.2	51.5
Actuarial remeasurements in defined benefit pension scheme (note 32)	–	–	–	–	–	–	(1.2)	(1.2)
Tax on remeasurements in defined benefit pension scheme (note 27)	–	–	–	–	–	–	0.2	0.2
Exchange differences on translation of foreign operations	–	–	–	–	–	10.7	(1.0)	9.7
Total comprehensive income/(loss) for the period	–	–	–	–	–	10.7	59.2	60.2
Purchase and issue of own shares (note 29)	–	–	–	–	(1.6)	–	–	(1.6)
Transfer of own shares to recipients (note 29)	–	–	–	–	4.7	–	(3.2)	1.5
Equity placing (note 28)	17.5	6.7	–	194.4	–	–	–	218.6
Credit recognised in respect of share remuneration (note 31)	–	–	–	–	–	–	3.1	3.1
Tax charge in respect of share remuneration (note 27)	–	–	–	–	–	–	(2.2)	(2.2)
At 29 December 2020 (Restated)¹	107.5	716.6	6.8	168.3	(83.9)	13.3	(333.6)	592.6

1. See basis of preparation for details of prior period restatement

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 52 weeks ended 28 December 2021

	Attributable to equity holders of the parent						Non-controlling interests £m	Total equity £m
	Called-up share capital £m	Share premium account £m	Capital redemption reserve £m	Merger reserve £m	Own shares held £m	Hedging and translation reserve £m		
At 1 January 2019	88.7	689.4	6.8	(26.1)	(88.0)	6.6	(378.5)	298.9
Loss for the financial period (Restated) ¹	–	–	–	–	–	–	(34.1)	(34.2)
Actuarial remeasurements in defined benefit pension scheme	–	–	–	–	–	–	(2.0)	(2.0)
Tax on remeasurements in defined benefit pension scheme	–	–	–	–	–	–	0.3	0.3
Exchange differences on translation of foreign operations	–	–	–	–	–	(4.0)	–	(4.0)
Total comprehensive loss for the period	–	–	–	–	–	(4.0)	(35.8)	(39.9)
Purchase and issue of own shares	–	–	–	–	(0.5)	–	–	(0.5)
Transfer of own shares to recipients	–	–	–	–	1.5	–	(1.5)	–
Partnership with Eldorado	1.3	20.5	–	–	–	–	110.3	138.0
Credit recognised in respect of share remuneration	–	–	–	–	–	–	4.5	4.5
Tax credit in respect of share remuneration	–	–	–	–	–	–	1.4	1.4
Acquisition of Mr Green	–	–	–	–	–	–	1.5	1.5
Dividends paid	–	–	–	–	–	–	(90.9)	(90.9)
At 31 December 2019 (Restated)¹	90.0	709.9	6.8	(26.1)	(87.0)	2.6	(390.5)	313.0

1. See basis of preparation for details of prior period restatement

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 28 December 2021

	Notes	28 December 2021 £m	29 December 2020 (Restated) ¹ £m	31 December 2019 (Restated) ¹ £m
Non-current assets				
Intangible assets	11	743.7	966.6	1,087.3
Property, plant and equipment	12	165.3	235.1	265.0
Interests in associates	13	11.2	23.3	24.5
Investments	14	1.0	5.2	0.4
Deferred tax assets	27	14.9	47.5	43.9
Retirement benefit asset	32	–	49.2	48.4
Loans receivable	33	8.4	7.7	9.9
		944.5	1,334.6	1,479.4
Current assets				
Trade and other receivables	18	160.3	63.5	45.0
Cash and cash equivalents	19	227.8	722.6	459.4
Corporation tax assets		20.5	4.3	–
Freehold property held for sale	15	0.2	1.1	0.7
Investment property held for sale	20	–	1.7	1.7
Loans receivable	33	1,828.4	2.1	–
Disposal group asset held for sale		–	–	10.1
		2,237.2	795.3	516.9
Total assets		3,181.7	2,129.9	1,996.3
Current liabilities				
Trade and other payables	21	(411.5)	(468.9)	(421.8)
Corporation tax liabilities		(24.7)	(25.0)	(19.3)
Derivative financial instruments	26	(8.8)	(68.5)	(19.0)
Borrowings		–	–	(203.2)
Lease liabilities	17	(26.5)	(36.5)	(37.5)
Provisions	22	(70.5)	(84.4)	(76.9)
Disposal group liabilities held for sale		–	–	(3.5)
		(542.0)	(683.3)	(781.2)
Non-current liabilities				
Borrowings	23	(696.7)	(694.6)	(693.5)
Lease liabilities	17	(68.6)	(89.2)	(125.7)
Provisions	22	(2.3)	(4.0)	(1.6)
Deferred tax liabilities	27	(32.7)	(66.2)	(81.3)
		(800.3)	(854.0)	(902.1)
Total liabilities		(1,342.3)	(1,537.3)	(1,683.3)
Net assets		1,839.4	592.6	313.0
Equity				
Called-up share capital	28	107.5	107.5	90.0
Share premium account		716.6	716.6	709.9
Capital redemption reserve		6.8	6.8	6.8
Merger reserve		168.3	168.3	(26.1)
Own shares held	29	(51.3)	(83.9)	(87.0)
Hedging and translation reserves		(29.8)	13.3	2.6
Accumulated losses		920.1	(333.6)	(390.5)
Total equity attributable to equity holders of the parent		1,838.2	595.0	305.7
Non-controlling interests		1.2	(2.4)	7.3
Total equity		1,839.4	592.6	313.0

1. See basis of preparation for details of prior period restatement

The financial statements of William Hill Limited (formerly William Hill PLC), registered number 4212563, were approved by the Board of Directors and authorised for issue on 27 June 2022 and are signed on its behalf by:

R U Bengtsson
Director

W T J Hageman
Director

Ulf Bengtsson

Wilhelmus Theodorus Josef Hageman

CONSOLIDATED CASH FLOW STATEMENT

as at 28 December 2021

	Notes	52 weeks ended 28 December 2021 £m	52 weeks ended 29 December 2020 £m
Net cash from operating activities - continuing operations	30	3.0	289.0
Net cash from operating activities - discontinued operations	15, 30	9.7	76.7
Investing activities			
Interest received on cash and cash equivalents		1.2	3.2
Proceeds on disposal of property, plant and equipment		2.7	0.2
Cash disposed of on sale of US operations		(102.2)	–
Increase of investment in ViensViens.lv		(5.3)	–
Cash paid on disposal of investments		(0.2)	–
Acquisition of Alfabet – net of cash acquired		–	(0.4)
Net proceeds on sale of Northern Ireland and Isle of Man operations		–	7.4
Amounts repaid on loan facility with NeoGames S.a.r.l		1.5	–
Proceeds on partial disposal of investments in associates		–	10.0
Purchases of property, plant and equipment		(7.4)	(19.5)
Expenditure on intangible assets		(68.8)	(39.6)
Net cash used in investing activities - continuing operations		(178.5)	(38.7)
Net cash used in investing activities - discontinued operations		(11.3)	(35.9)
Financing activities			
Purchase of own shares		–	(1.6)
Net proceeds on issue of shares		5.3	–
Net proceeds on equity placing	28	–	218.6
Amounts drawn down on Revolving Credit Facilities		–	425.0
Amounts repaid on Revolving Credit Facilities		–	(425.0)
Amounts paid on redemption of existing senior unsecured loan notes	23	(0.9)	(203.4)
Lease liabilities – principal payments		(35.0)	(39.8)
Dividends paid	10	(275.0)	–
Net cash used in financing activities - continuing operations		(305.6)	(26.2)
Net cash used in financing activities - discontinued operations		(2.1)	(4.7)
Net (decrease)/increase in cash and cash equivalents in the period		(484.8)	260.2
Changes in foreign exchange rates		(10.0)	3.0
Cash and cash equivalents at start of period		722.6	459.4
Cash and cash equivalents at end of period	19	227.8	722.6

NOTES TO THE GROUP FINANCIAL STATEMENTS

Background to the transactions involving the Group

On 30 September 2020, the Boards of the Group, Caesars UK Holdings Limited ("Caesars UK Bidco") and Caesars, announced that they had reached agreement on the terms of a recommended cash acquisition pursuant to which Caesars UK Bidco was to acquire the entire issued and to be issued share capital of William Hill not already owned by or on behalf of the Caesars Group. The legal completion of the acquisition occurred on 22 April 2021 ("Completion").

Subsequent to this, on 8 September 2021, 888 Holdings PLC ("888") announced that it had entered into an agreement with Caesars to acquire the international (non-US) business of William Hill Limited at an enterprise value of £2.2 billion, subsequently revised to £2.1 billion (the "Acquisition"). The US business of William Hill ("William Hill US") will remain part of the Caesars Group and therefore is treated as a discontinued operation within these financial statements, with the sale of the US business by the Group to Caesars also accounted for within these financial statements.

General information

William Hill Limited is a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is 1 Bedford Avenue, London, WC1B 3AU. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 9 to 13 and note 2.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with our accounting policies.

Basis of accounting

The Group financial statements have been prepared in accordance with United Kingdom adopted International Accounting Standards (IAS) and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The Group financial statements have been prepared on the historical cost basis, except where certain assets or liabilities are held at amortised cost or at fair value as described in our accounting policies. The key accounting policies adopted are set out below. A complete list of our accounting policies is included on pages 83 to 89.

Adoption of new and revised standards

In preparing the Group financial statements for the current period, the Group has adopted a number of new IFRSs, amendments to IFRSs and IFRS Interpretations Committee (IFRIC) interpretations. The new standards are listed on page 83.

Standards in issue but not yet effective

A complete list of standards that are in issue but not yet effective is included with our full accounting policies on pages 83 to 89. The Group does not anticipate these standards in issue but not yet effective to have a material impact on the results or net assets of the Group.

Change in accounting policy – Software as a Service ('SaaS') arrangements

The Group has changed its accounting policy in relation to the capitalisation of certain software costs. This change follows the IFRIC Interpretation Committee's agenda decision published in April 2021, which clarifies the accounting treatment of the costs of configuring or customising application software under SaaS arrangements.

The Group's accounting policy has historically been to capitalise costs directly attributable to the configuration and customisation of SaaS arrangements as assets on the Statement of Financial Position. Following the adoption of the above IFRIC agenda guidance, current SaaS arrangements principally relating to the Group's centrally held assets such as HR and purchase to pay systems were identified and assessed to determine if the Group has control of the software and associated configured and customised elements. For those arrangements where it was deemed the Group did not have control of the developed software, the Group has derecognised the asset that was capitalised previously.

This change in accounting policy led to adjustments to the 29 December 2020 and 31 December 2019 Statements of Financial Position amounting to a cumulative decrease of £8.0m in intangible assets (2020: £0.6m increase, 2019: £8.6m decrease). This change in accounting policy also led to a combined net increase in costs for the 52 weeks ended 29 December 2020 and 52 weeks ended 31 December 2019 of £8.0m within other operating expenses (2020: £0.6m decrease, 2019: £8.6m increase) and a combined net decrease of £1.3m in corporation tax expense (2020: £0.1m increase, 2019: £1.4m decrease).

The prior period Statements of Financial Position as at 29 December 2020 and 31 December 2019 have been restated in accordance with IAS 8 and, in accordance with IAS 1 (revised), a Statement of Financial Position at 31 December 2019 is also presented, together with related notes. The tables below show the impact of the change in accounting policy on previously reported financial results.

Impact on Consolidated Statement of Financial Position

	As previously reported 29 December 2020 £m	Impact of restatement £m	Restated 29 December 2020 £m
Intangible assets	974.6	(8.0)	966.6
Other assets	1,163.3	-	1,163.3
Total assets	2,137.9	(8.0)	2,129.9
Corporation tax liabilities	(26.3)	13	(25.0)
Other liabilities	(1,512.3)	-	(1,512.3)
Total liabilities	(1,538.6)	13	(1,537.3)

Within the total net impact of the restatement, £8.6m assets and £1.0m liabilities related to the period ended 31 December 2019.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

Change in accounting policy – Software as a Service ('SaaS') arrangements (continued)**Impact on Consolidated Income Statement and Statement of Comprehensive Income**

	As previously reported 29 December 2020 £m	Impact of restatement £m	Restated 29 December 2020 £m
Other operating expenses	(1,171.0)	0.6	(1,170.4)
Profit before tax	51.0	0.6	51.6
Taxation	-	(0.1)	(0.1)
Profit for the period	51.0	0.5	51.5

Impact on statutory tax rate and effective tax rate on adjusted profit before tax

	As previously reported 29 December 2020 £m	Impact of restatement £m	Restated 29 December 2020 £m
Profit before tax	51.0	0.6	51.6
Taxation	-	(0.1)	(0.1)
Profit for the period	51.0	0.5	51.5
Effective tax rate	-	19.0%	-0.2%

Impact on Consolidated Cash Flow Statement

	As previously reported 29 December 2020 £m	Impact of restatement £m	Restated 29 December 2020 £m
Net cash flows from operating activities	366.5	(0.5)	365.7
Net cash flows from investing activities	(75.4)	0.5	(74.6)
Net cash flows from financing activities	(30.9)	-	(30.9)
Cash and cash equivalents at 31 December 2020	722.6	-	722.6

No impact on the overall increase in cash and cash equivalents in the reporting period.

Revenue recognition**Direct revenue**

Direct 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 Group is in business to provide, net of discounts, marketing inducements and VAT, as set out below. Direct 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 Licensed Betting Office (LBO) (including gaming machines), Online Sportsbook and telebetting and Online casino (including games on the Online arcade and other numbers bets) 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.

Revenue from the Online poker business is within the scope of IFRS 15 'Revenue from Contracts with Customers' and reflects the net income (rake) earned when a poker game is completed, which is when the performance obligation is deemed to be satisfied.

Service provider revenue

US segment service provider revenue is receivable from third-party operators where the Group provides risk management services to the operator. Revenue recognised is the profit earned on these arrangements.

Other operating income

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

Going concern**Background**

The financial statements have been prepared using the going concern basis of accounting. As at the year end the Group had net assets of £1,788.9m (28 December 2020: £599.3m) and generated a statutory loss before interest and tax from continuing operations of £58.3m during the period (28 December 2020: £135.0m profit). The Group also had net current assets of £1,635.5m (28 December 2020: £112.0m). Excluding amounts owed from our parent and other Group undertakings, the Group had net liabilities of £117.8m and net current liabilities of £271.2m.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

Going concern (continued)

On 22 April 2021 Caesars acquired the entire issued share capital of the Company and became the owner of the Group. Consistent with its previous expressed intentions, on 9 September 2021, Caesars entered into an agreement with 888 for 888 to purchase the international (non-US) business of William Hill for an enterprise value of £2.2 billion. On 7 April 2022, revised transaction terms between Caesars and 888 were announced with a reduced enterprise value of £1.95-£2.05 billion. Completion of this transaction is conditional on, amongst other things, the approval of 888's shareholders along with a number of legal and regulatory clearances. Subject to the satisfaction of the applicable conditions, completion is expected to occur in June 2022.

The Directors have assessed the impact of the proposed sale of the Group on the going concern basis of accounting and have outlined their considerations below, including the continuance of support provided by Caesars, the completion of the sale to 888 and the Company's ability to continue as a going concern in its own right.

Support provided by Caesars

Caesars, as owners of the Group, have provided a letter of support for the Company, stating that they will provide financial support to the Company to enable it to meet its liabilities as and when they become due, should that be necessary for a period of 12 months from the date of signing or completion of the sale to 888, whichever occurs first. The Directors have also noted that certain licenced entities within the Group also have the benefit of an indemnity provided by Caesars under an agreement dated 8 March 2022 to apply to certain losses and costs that may arise in the event any of the relevant operating licences are suspended or are subject to conditions imposed by the Gambling Commission of Great Britain ("UKGC") in connection with the ongoing licence review (as described below). That indemnity would become effective from completion of the sale to 888.

The Company's future prospects

A full description of the Group's business activities, financial position, cash flows, liquidity position, committed facilities and borrowing position, together with the factors likely to affect its future development and performance, is set out in the Strategic Report on page 12, and in notes 23 and 24 to the financial statements.

As highlighted in notes 23 and 24 to the financial statements, the Group meets its day-to-day working capital requirements from the positive cash flows generated by its trading activities and its available cash resources. The Group itself is forecast to remain profitable and cash generative for the foreseeable future. The Group holds cash and cash equivalents excluding customer balances and restricted cash of £129.2m as at 28 December 2021 (29 December 2020: £590.6m) and is forecast to continue to generate operating cash across the next 12 months from date of signing.

Whilst there are risks to the Group's trading performance (as summarised in the Risks section of the Strategic Report on pages 9-13), the Group has established risk management processes to identify and mitigate risks, and such risks have been considered when undertaking the going concern evaluation. Further, the Group is confident of its ability to continue to access sources of funding in the medium term. There are no borrowings due within the next 12 months, with the next due date on senior unsecured notes in September 2023.

The Group's forecasts, based on reasonable assumptions, indicate that the Group should be able to operate within the level of its currently available and expected future facilities for the next 12 months. The Group has sufficient cash reserves to enable it to meet its obligations as they fall due, for a period of at least 12 months from the date of signing of these financial statements.

The Group has also assessed a range of downside scenarios to assess whether any material uncertainty exists relating to the Group's ability to continue as a going concern. The forecasts and scenarios consider severe but plausible downsides that could impact the Group, which are directly linked to the business risks identified by the Group. These scenarios, both individually and in combination, have enabled the Directors to conclude that the Group has adequate resources to continue to operate for the foreseeable future. Management has performed separate reverse stress tests and has identified further actions to conserve cash to mitigate any impact of a severe but plausible downside scenario occurring. Based on the above considerations, the Directors continue to adopt the going concern basis in preparing these financial statements.

Specifically, the Directors have considered the potential impact of the ongoing licence review relating to certain of the Group's licensed operations in the United Kingdom by the UKGC pursuant to which the Group is addressing certain action points raised by the UKGC in relation to William Hill's social responsibility and anti-money laundering obligations. The Group has also engaged with external legal advisors to provide specific advice on the magnitude of any regulatory fine. The Group has provided the UKGC with an action plan to address the observations raised by them and is in the process of implementing that action plan. The Group has recorded a provision of GBP 15.0 million (see note 22) to cover potential cash outflows resulting from any regulatory sanctions and associated costs resulting from this compliance assessment and licence review, noting that the UKGC has a wide range of enforcement powers at its disposal, including the power to request remedial actions, impose fines and suspend licences. The downside scenarios assessed include an assessment of the severe but plausible downside scenario from the ongoing licence review, as well as including an extreme scenario of the licenses being suspended for a protracted period of time as a reverse stress test, and the impact of the indemnity agreed with Caesars to the extent relevant. The Directors determined this extreme scenario to be remote.

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

The Directors have reviewed the 888 prospectus which provides clarity on the intention of the 888 Directors for the enlarged group across the going concern outlook period.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

Going concern (continued)**Consideration of subsequent sale to 888**

The directors have considered the sale to 888 and the impact this has on the going concern assessment of the Group. The directors note 888 have demonstrated in their equity prospectus that they have sufficient financial resources to operate the Group going forward, as well as sufficient funding to cover any change of control requirements associated with the bonds held by the Group, as disclosed in Note 23.

Conclusion

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

Exceptional items and adjustments

The Group presents adjusted results, as described in note 3, which differ from statutory results due to the exclusion of exceptional items and adjustments.

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 Group's financial performance.

Adjustments are recurring items that are excluded from internal measures of underlying performance and which are not considered by the Directors to be exceptional. This relates to the amortisation of specific intangible assets recognised in acquisitions.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in the key accounting policies above and in the Statement of Group Accounting Policies included on pages 83 to 89, 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 Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Exceptional items and adjustments

The Group 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 management, together with an understanding of the effect of non-recurring or large individual items upon the overall profitability of the Group.

The classification of exceptional and adjusting items requires significant management judgement after considering the nature and materiality of a transaction. The Groups definitions of exceptional and adjusting items are outlined within the Group's accounting policies. Note 3 provides further details on current year exceptional and adjusting items and their adherence to the Group's policies.

Where there are individually material items that have not been presented as exceptional items, the nature and amount of these items have been separately disclosed within this financial information where relevant.

IFRS 16 'Leases'

Management 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 Group has recognised a lease liability of £95.1m at 28 December 2021 (29 December 2020 £93.9m). The Retail estate has experienced unprecedented regulatory change, with the implementation of the £2 stake limit on B2 gaming products on 1 April 2019, leading to the Group deciding to close 713 shops in the third quarter of 2019, followed by the Covid-19 pandemic, which led to the Group 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 Group, management determined the lease term under IFRS 16 across the Retail estate as the next available break date, as this means the Group is not 'reasonably certain' that any lease break will not be exercised.

Contingent liabilities

The Group has disclosed a contingent liability surrounding legal claims from consumers relating to the provision of gambling services in a number of European jurisdictions. The claims allege either failure to follow responsible gambling procedures, breach of licence conditions or that underlying contracts in question (in which consumers contractually agree to the terms and conditions of play, which are subject to the laws of Gibraltar or Malta) are null and void given local licencing regimes (note 34).

The Group assesses and defends individual claims as they are received both on the individual underlying factual basis and also with regard to legal advice received as to whether such jurisdictions and their local licencing regimes are incompatible with European Union law on the free movement of services. Since the last quarter of 2020, the Group has been subject to a particular acceleration of claims made in Austria following marketing campaigns by litigation funders in that jurisdiction. Claims have continued to be received throughout 2021 at a broadly consistent rate with a slight increase in claims early in 2021 but a small decrease across the second half of 2021.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

Critical accounting judgements and key sources of estimation uncertainty (continued)

The Directors have made a critical judgement that these claims, and future claims for services already rendered, are a contingent liability as they are only considered a possible, but not probable, legal obligation based on external legal advice received from the Group's lawyers (in relation to the compatibility or otherwise of the Austrian licencing regime with EU law, and in relation to other arguments about applicable law), see note 34 for further detail.

Management also noted a key source of estimation uncertainty in providing an estimate of the financial effect of these claims being a potential outflow of economic benefits of up to the value of £45.0m (note 34), which is an increase to the estimation as at 29 December 2020, which was a range of between £nil to £25.0m, recognising the increase in claims trends during 2021. This range was assessed based on (i) the number and individual size of claims received to date and assumptions based on such observations as can be derived from those claims at this comparatively early stage, (ii) the steps that the Group intends to take to defend those claims and (iii) the fact that the Group has been advised that any outflow would be expected to be on a net of tax basis.

Separately a provision of £12m (note 22) is held at 28 December 2021 for claims in separate jurisdictions where an outcome in favour of the consumers in question is probable.

Key sources of estimation uncertainty

There are no 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.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

1. Revenue

An analysis of the Group's revenue is as follows:

	52 weeks ended 28 December 2021 £m	52 weeks ended 29 December 2020 £m
Revenue	1,241.4	1,156.9
Other operating income	4.3	9.9
Investment income	42.0	21.8
	1,287.7	1,188.6

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'.

At the period end, the Group held no material contract assets or liabilities and there were no material unsatisfied performance obligations.

Investment income is further explained in note 7.

2. Segment information

The Board has reviewed and confirmed the Group's reportable segments in line with the guidance provided by IFRS 8 'Operating Segments'. The segments disclosed below are aligned with the reports that the Group's Chief Executive Officer and Chief Financial Officer as Chief Operating Decision Makers review to make strategic decisions.

During the period ended 28 December 2021, the Group changed its segments to split out the former Online segment into two new segments, UK Online and International Online. As such, the comparative information below has been re-presented from the prior year to display results under the new reported segments.

The Retail segment comprises all activity undertaken in LBOs including gaming machines. The UK Online segment comprises all online activity, including sports betting, casino, poker and other gaming products along with telephone betting services that are incurred within the UK. The International Online segment comprises all online activity, including sports betting, casino, poker and other gaming products along with telephone betting services that are incurred within all territories excluding the UK. There are no inter-segmental sales within the Group.

The segmental information shown in respect of profit and loss items in the current and previous reporting period does not include the results of the US business, which were disposed of on 22 April 2021. Details of the US operations performance to 22 April 2021 are shown in note 15.

Segment performance is shown on an adjusted operating profit basis, with a reconciliation from adjusted operating profit to statutory results for clarity. Information for the 52 weeks ended 28 December 2021 is as follows:

	Retail £m	UK Online £m	International Online £m	Corporate £m	Group £m
Revenue	336.8	628.6	276.0	—	1,241.4
GPT, duty, levies and other costs of sales	(72.9)	(201.8)	(88.7)	—	(363.4)
Gross profit	263.9	426.8	187.3	—	878.0
Depreciation	(31.1)	(2.5)	(2.9)	(10.0)	(46.5)
Amortisation	(11.6)	(25.1)	(18.2)	(1.4)	(56.3)
Other administrative expenses ²	(263.3)	(272.7)	(151.5)	(25.5)	(713.0)
Share of results of associates	—	—	(1.1)	(0.5)	(1.6)
Adjusted operating (loss)/profit¹	(42.1)	126.5	13.6	(37.4)	60.6
Operating exceptional items and adjustments					(118.9)
Profit before interest and tax					(58.3)
Investment income					42.0
Finance costs					(43.4)
Loss before tax					(59.7)

1. Adjusted operating profit is defined as profit before interest and tax, excluding exceptional items and other defined adjustments. Further detail on adjusted measures is provided in note 3.

2. Other administrative expenses are a net figure including other operating income.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

2. Segment information (continued)

Statement of financial position information	Retail £m	UK Online £m	International Online £m	Corporate £m	Group £m
At 28 December 2021					
Total segment assets	383.7	373.3	347.9	2,041.4	3,146.3
Total segment liabilities	148.2	180.2	162.6	793.9	1,284.9
Included within total assets:					
Goodwill	–	193.2	149.6	–	342.8
Interests in associates	–	–	–	11.2	11.2
Capital additions	22.6	41.8	10.4	2.5	77.3

Assets and liabilities have been allocated by segment based on the information reviewed by the Group's Chief Executive Officer and Chief Financial Officer. Corporate assets and liabilities include net borrowings and the net defined benefit pension asset as well as any assets and liabilities that cannot be allocated to a particular segment other than on an arbitrary basis. The above analysis excludes corporation tax and deferred tax-related balances. Capital additions in the above table are stated on an accruals basis.

The segmental assets and liabilities for the current period do not include the US operations whereas these are included in the prior period comparative.

Information for the 52 weeks ended 29 December 2020 is as follows:

	Retail £m	UK Online £m	International Online £m	Corporate £m	Group £m
Revenue	354.2	503.1	299.6	–	1,156.9
GPT, duty, levies and other costs of sales	(76.0)	(148.5)	(81.9)	–	(306.4)
Gross profit	278.2	354.6	217.7	–	850.5
Depreciation	(36.1)	(2.2)	(2.8)	(8.5)	(49.6)
Amortisation	(8.0)	(32.1)	(16.1)	(5.7)	(61.9)
Other administrative expenses ²	(263.6)	(224.3)	(173.3)	(32.6)	(693.8)
Share of results of associates	–	–	–	(1.3)	(1.3)
Adjusted operating (loss)/profit¹	(29.5)	96.0	25.5	(48.1)	43.9
Operating exceptional items and adjustments					91.1
Profit/(loss) before interest and tax					135.0
Investment income					21.8
Finance costs					(50.1)
Profit/(loss) before tax					106.7

- Adjusted operating profit is defined as profit before interest and tax, excluding exceptional items and other defined adjustments. Further detail on adjusted measures is provided in note 3.
- Other administrative expenses are a net figure including other operating income.

Statement of financial position information	Retail £m	UK Online £m	International Online £m	US ³ £m	Corporate £m	Group £m
At 29 December 2020						
Total segment assets	368.4	351.6	464.3	342.3	551.5	2,078.1
Total segment liabilities	144.0	169.3	190.5	229.2	713.1	1,446.1
Included within total assets:						
Goodwill	–	183.9	169.7	24.5	–	378.1
Other intangibles with indefinite lives	200.9	–	–	–	–	200.9
Interests in associates	–	–	–	–	23.3	23.3
Capital additions	4.5	33.1	16.9	32.8	1.3	88.6

- The US segment comprised all activity undertaken in US locations.

Revenues and non-current assets by geographical area are as follows:

	Revenues		Non-current assets	
	52 weeks ended 28 December 2021 £m	52 weeks ended 29 December 2020 £m	28 December 2021 £m	29 December 2020 £m
United Kingdom	965.4	857.4	677.4	483.1
US	–	–	–	253.7
Rest of the World	276.0	299.5	252.2	550.3
	1,241.4	1,156.9	929.6	1,287.1

Revenue information is based on the location of the customer. Non-current asset information is based on physical location (for property, plant and equipment) or primary operating location of the Company using the asset (for all other assets).

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

3. Exceptional items and adjustments**Adjusted results**

The Group reports adjusted results, both internally and externally, that differ from statutory results prepared in accordance with IFRS. These adjusted results, which include our key metrics of adjusted operating profit and adjusted EPS, are considered by the Directors to be a useful reflection of the underlying performance of the Group and its businesses, since they exclude transactions which impair visibility of the underlying activity in each segment. More specifically, the Directors judge that visibility can be impaired in one or both of the following instances:

- a transaction is of such a material or infrequent nature that it would obscure an understanding of underlying outcomes and trends in revenues, costs or other components of performance (for example, a significant impairment charge); or
- a transaction that results from a corporate activity that has neither a close relationship to our businesses' operations nor any associated operational cash flows (for example, the amortisation of intangibles recognised on acquisitions).

Adjusted results are used as the primary measures of business performance within the Group and align with the results shown in management accounts, with the key uses being:

- management and Board reviews of performance against expectations and over time, including assessments of segmental performance (see note 2 and the Strategic Report);
- in support of business decisions by the Board and by management, encompassing both strategic and operational levels of decision-making; and
- assessments of loan covenant compliance, which refer to adjusted results.

The Group's policies on adjusted measures have been consistently applied over time, but they are not defined by IFRS and, therefore, may differ from adjusted measures as used by other companies.

The Consolidated Income Statement presents adjusted results alongside statutory measures, with the reconciling items being itemised and described below. We discriminate between two types of reconciling items: exceptional items and adjustments.

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 Group's financial performance.

Adjustments

Adjustments are recurring items that are excluded from internal measures of underlying performance and which are not considered by the Directors to be exceptional. This relates to the amortisation of specific intangible assets recognised in acquisitions. This item is defined as an adjustment as the Directors believe it would impair the visibility of the underlying activities across each segment as it is not closely related to the businesses' or any associated operational cash flows. The amortisation of specific intangible assets recognised in acquisitions is recurring and recognised over their useful life.

Exceptional items and adjustments are as follows:

	Exceptional items £m	Adjustments £m	52 weeks ended 28 December 2021 £m	Exceptional items £m	Adjustments £m	52 weeks ended 29 December 2020 £m
Operating						
Cost of sales						
VAT income	–	–	–	238.3	–	238.3
Other operating expenses						
On-sale related costs	(24.5)	–	(24.5)	–	–	–
Impairment of Retail segment	–	–	–	(125.7)	–	(125.7)
Caesars transaction related costs	(57.1)	–	(57.1)	(9.0)	–	(9.0)
Regulatory provision	(15.2)	–	(15.2)	–	–	–
Amortisation of acquired intangibles	–	(22.1)	(22.1)	–	(12.5)	(12.5)
	(96.8)	(22.1)	(118.9)	103.6	(12.5)	91.1
Non-operating						
Investment income						
Finance income in respect of VAT reclaim	–	–	–	18.9	–	18.9
Costs in respect of refinancing	(2.0)	–	(2.0)	–	–	–
Total exceptional items and adjustments before tax from continuing operations	(98.8)	(22.1)	(120.9)	122.5	(12.5)	110.0
Tax on exceptional items and adjustments from continuing operations	4.8	(8.0)	(3.2)	(25.1)	0.5	(24.6)
Total exceptional items and adjustments from continuing operations	(94.0)	(30.1)	(124.1)	97.4	(12.0)	85.4
Exceptional items and adjustments from discontinued operations	1,644.9	–	1,644.9	–	–	–
Total exceptional items and adjustments	1,550.9	(30.1)	1,520.8	97.4	(12.0)	85.4

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

3. Exceptional items and adjustments (continued)**On-sale related costs**

Following the acquisition of William Hill by Caesars on 22 April 2021, the Group has incurred costs associated with the on-sale to 888 and separation of the US segment from the Group. These costs are recognised as an exceptional item given their material size and one-off nature. Costs include £3.4m of technology spend to separate the platform and product so that US sports book can stand alone from the rest of the Group, £3.0m of redundancy costs following the separation, £6.7m of legal and consultancy costs, as well as £11.4m of employee incentive costs as part of the on-sale to 888. The costs are recognised within the Corporate segment.

Caesars transaction related costs

The Group has incurred costs associated with the transaction with Caesars, which it has aggregated and presented as an exceptional item given their material size and one-off nature. Of these costs, £35.9m inclusive of VAT where applicable (£9.0m for the 52 weeks ended 29 December 2020) relates to amounts due to financial, corporate broking, legal and public relation advice, which are costs that have already been borne by the Group for work performed during the period. In addition, the Group has incurred £9.5m (net of tax) of retention payments to key employees following the completion of the transaction to Caesars as well as £6.0m of share-based payment charges and £5.7m of employee sharesave scheme costs as the Group delisted from the London Stock Exchange on 21 April 2021.

Regulatory provision and related fees

The industry in which the Group operates is subject to continuing scrutiny by regulators and other governmental authorities, which may, in certain circumstances, lead to enforcement actions, sanctions, fines and penalties or the assertion of private litigations, claims and damages. Following a periodic compliance assessment undertaken by the UK Gambling Commission ("UKGC") in July and August 2021 the Group is currently addressing action points raised by the UKGC. In that context it has made a provision of £15.0m to cover the potential for any regulatory fine, penalty or settlement and associated costs resulting from that compliance assessment as well as a further £0.2m legal fees charged in the period. This provision is the Group's best estimate based on the action points raised to date by the UKGC, management's current knowledge and third party regulatory and legal advice reflecting outcomes of previous compliance assessments and regulatory action across the industry.

VAT Income

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 Group submitted claims which were substantially similar, and these claims were agreed and settled. The Group continues to engage with HMRC on a number of smaller related claims of an amount of £12m, which have not been recognised in this financial information as they are not virtually certain to be receivable. The refund, net of associated costs, was 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 were recognised in cost of sales to match where the original charges were recognised. The interest income was recognised within finance income. After corporation tax, the net profit recognised in respect of the VAT reclaim in the period was £208.3m. This relates to the Retail segment.

Impairment of the Retail segment

As a result of the conclusion of the Triennial Review in 2018 and the announcement of the maximum stakes on B2 gaming products reducing to £2, management recognised an impairment of the assets of the Retail segment in the period ended December 2018. This was presented as an exceptional item due to its material and one-off nature.

Subsequently in 2020, following the impact of the Covid-19 pandemic, management recognised an impairment of intangible assets of the Retail segment in December 2020.

Details of these impairments are provided in note 12. These were presented as exceptional items due to their material nature and relate to the Retail segment.

Costs in respect of refinancing

On 22 April 2021, the Group's committed Revolving Credit Facilities of £425m provided by a syndicate of banks, expiring in November 2022 (£35m) and October 2023 (£390m) were cancelled as part of the acquisition of William Hill PLC by Caesars Entertainment Inc. As a result, £2.0m was charged as an exceptional finance cost to profit and loss, being accelerated amortisation of finance fees associated with the facilities which were being amortised over the lives of each facility.

Exceptional items and adjustments within discontinued operations

On 13 August 2021, the Group sold its investment in NeoGames S.S. The resulting profit on disposal of £204.2m has been classified as exceptional due to its one-off nature. Details of the disposal are provided in note 15.

On 22 April 2021, following the completion of the acquisition of the Group by Caesars, the Group sold its US business to Caesars UK Holdings Limited (UK). The resulting profit on disposal of £1,411.7 has been classified as exceptional due to its one-off nature. Details of the disposal are provided in note 15.

The US business also had £5.4m of separation related costs in the year which have been classified as exceptional.

On 23 December 2021, the Group sold its investment in Caesars Joint IP Company Limited. The resulting profit on disposal of £43.7m has been classified as exceptional due to its one-off nature. Details of the disposal are provided in note 15.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

4. Share of results of associate

	52 weeks ended 28 December 2021 £m	52 weeks ended 29 December 2020 £m
Share of results after taxation in associated undertakings	(1.6)	(1.3)

For the 52 weeks ended 28 December 2021, the above represents the Group's share of the results of Sports Information Services (Holdings) Limited and Green Jade Games Limited.

5. Profit/(loss) before interest and tax

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

	52 weeks ended 28 December 2021 £m	52 weeks ended 29 December 2020 £m
Net foreign exchange (gains)/losses	(3.2)	4.5
(Gain)/loss on disposal of property, plant and equipment and investment properties	(0.1)	0.3
Impairment of Retail segment	–	125.7
Staff costs (note 6)	292.2	254.8
Depreciation of property, plant and equipment (note 12)	50.4	55.1
Amortisation of intangible assets (note 11) (Restated)	79.5	67.6

Fees payable to Deloitte LLP and their associates are shown below:

	52 weeks ended 28 December 2021 £m	52 weeks ended 29 December 2020 £m
Audit fees		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	2.2	0.8
The audit of the Company's subsidiaries, pursuant to legislation	0.4	0.3
	2.6	1.1
Non-audit fees		
Other assurance services	0.0	0.1
	0.0	0.1
Total fees payable to Deloitte LLP	2.6	1.2

Deloitte LLP does not provide services for the Group's pension schemes.

The audit fees payable to Deloitte LLP are reviewed by the Audit and Risk Management Committee to ensure such fees are competitive, fair and reasonable. The Audit and Risk Management Committee sets the policy for awarding non-audit work to the auditor and reviews the nature and extent of such work and related fees in order to ensure that independence is maintained. The fees disclosed consolidate all payments made to Deloitte LLP by the Company and its subsidiaries during the period and are presented net of VAT and other sales taxes.

6. Staff costs

The average monthly number of persons employed, including Directors, during the period was 10,239. The total split by segment was: Retail 6,968; UK Online 755; International 1,578; and Corporate 938 (52 weeks ended 29 December 2020: Total 10,874. By segment: Retail 7,677; UK Online 679; International 1,580; and Corporate; 938). Their aggregate remuneration comprised:

	52 weeks ended 28 December 2021 £m	52 weeks ended 29 December 2020 £m
Wages and salaries	253.7	218.6
Social security costs (including social security costs on share-based remuneration)	20.4	21.8
Share-based remuneration	7.0	3.1
Other pension net costs (note 32)	11.1	11.3
	292.2	254.8
Remeasurement loss in defined benefit pension scheme (note 32) ¹	54.9	12
Total staff costs from continuing activities	347.1	256.0

1. The remeasurement loss has been recognised in other comprehensive income. The remainder of staff costs were charged to the Income Statement, with certain staff costs classified as exceptional items.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

7. Investment income

	52 weeks ended 28 December 2021 £m	52 weeks ended 29 December 2020 £m
Interest on cash and cash equivalents	1.1	1.9
Interest on loans due from Caesars	40.3	–
Interest on net pension scheme assets or liabilities (note 32)	0.6	1.0
Finance income in respect of VAT reclaim (note 3)	–	18.9
	42.0	21.8

8. Finance costs

	52 weeks ended 28 December 2021 £m	52 weeks ended 29 December 2020 £m
Interest payable and similar charges:		
Bank loans, bonds and overdrafts	37.2	44.5
Amortisation of finance costs	1.0	1.7
Exceptional finance expense (note 3)	2.0	–
Interest on lease liabilities	3.2	3.9
	43.4	50.1

9. Tax on profit/(loss)

The tax charge/(credit) comprises:

	52 weeks ended 28 December 2021 £m	52 weeks ended 29 December 2020 £m
Current tax:		
UK corporation tax	(21.5)	25.0
Overseas tax	16.9	11.1
Adjustment in respect of prior periods	1.0	(3.2)
Total current tax charge	(3.6)	32.9
Deferred tax:		
Origination and reversal of temporary differences	2.7	(19.9)
Adjustment in respect of prior periods	(2.7)	0.5
Total deferred tax credit	–	(19.4)
Total tax on profit/(loss)	(3.6)	13.5

The effective tax rate in respect of continuing operations before exceptional items is -11.1% (52 weeks ended 29 December 2020 restated: 336.4%). The effective tax rate in respect of continuing activities after exceptional items is 6.1% (52 weeks ended 29 December 2020 restated: 12.7%).

The Group monitors developments in respect of the global design, consultation and implementation of Pillar Two, which is the OECD term for a global minimum tax rate. Pillar Two may lead to further corporation tax being payable by the Group in the future given its online operating model.

The Group's effective tax rate for 2022 is expected to be 11.6%.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

9. Tax on profit/(loss) (continued)

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

	52 weeks ended 28 December 2021			52 weeks ended 29 December 2020		
	Adjusted £m	Exceptional items and adjustments £m	Statutory total £m	Adjusted £m	Exceptional items and adjustments £m	Statutory total £m
Profit/(loss) before tax	61.2	(120.9)	(59.7)	(3.3)	110.0	106.7
Tax on Group profit/(loss) at standard UK corporation tax rate of 19% (2020: 19%)	11.6	(23.0)	(11.4)	(0.7)	20.9	20.2
Different tax rates in overseas territories	(8.6)	(2.1)	(10.7)	(10.7)	1.8	(8.9)
Losses not recognised for deferred tax	3.9	–	3.9	–	–	–
Differences and change in deferred tax rate	(11.1)	14.1	3.0	5.9	–	5.9
Current year tax credits on loss carry back	–	–	–	(0.1)	–	(0.1)
Accrual of liabilities for uncertain tax positions	(5.6)	–	(5.6)	2.3	–	2.3
Chargeable gains	0.3	–	0.3	–	–	–
Tax on share of results of associates	0.3	–	0.3	0.1	–	0.1
Tax on share-based payments	0.5	2.0	2.5	(3.7)	–	(3.7)
Adjustment in respect of prior periods	(1.7)	–	(1.7)	(2.6)	0.1	(2.5)
Non-deductible expenditure	3.6	12.2	15.8	(1.6)	1.8	0.2
Total tax (credit)/charge	(6.8)	3.2	(3.6)	(11.1)	24.6	13.5

Non-deductible expenditure reflects the fact that no tax relief is available on costs related to the acquisition of the Group by Caesars and the potential on-sale to 888.

The different tax rates in overseas territories reflects the different headline tax rates in Gibraltar (12.5%) and Malta (35%).

The differences and change in deferred tax rate arises on the recognition of deferred tax in Malta at the effective tax rate of 5% and the restatement of both the UK net opening deferred tax liabilities from 19% to 25% and the Gibraltar net opening deferred tax assets from 10% to 12.5%. The restatements arise due to the UK and Gibraltar Governments' decision to increase the UK corporation tax rate to 25% and the Gibraltar corporation tax rate to 12.5% respectively.

No current or deferred tax expense arises in respect of the gain on disposal of the Group's US segment.

10. Dividends proposed and paid

During the period, post-acquisition by Caesars, the Group paid a cash dividend of £275.0m to Caesars Cayman Finance Ltd. No dividends were proposed or paid in the comparative period.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

11. Intangible assets

	Goodwill £m	Licences £m	Brands, trade names and customer relationships £m	Acquired technology platforms £m	Market access and exclusivity £m	Computer software £m	Total £m
Cost:							
At 31 December 2019 (Restated) ¹	408.6	326.6	251.3	27.1	135.6	462.0	1,611.2
Additions	–	–	–	–	–	68.7	68.7
Additions via acquisition	2.8	–	4.6	–	–	–	7.4
Disposals	–	–	–	–	–	(3.6)	(3.6)
Retail impairment	–	(125.7)	–	–	–	–	(125.7)
Effect of foreign exchange rates	8.3	–	5.3	1.0	(4.1)	2.4	12.9
At 29 December 2020 (Restated) ¹	419.7	200.9	261.2	28.1	131.5	529.5	1,570.9
Additions	–	–	–	–	–	75.1	75.1
Disposals	(23.9)	–	(26.6)	–	(127.8)	(59.7)	(238.0)
Effect of foreign exchange rates	(11.4)	–	(6.9)	(1.1)	(3.7)	(0.8)	(23.9)
At 28 December 2021	384.4	200.9	227.7	27.0	–	544.1	1,384.1
Accumulated amortisation:							
At 31 December 2019 (Restated) ¹	41.6	–	161.0	16.0	5.1	300.2	523.9
Charge for the period	–	–	8.4	5.6	5.2	62.7	81.9
Disposals	–	–	–	–	–	(2.2)	(2.2)
Effect of foreign exchange rates	–	–	(0.1)	(0.4)	0.4	0.8	0.7
At 29 December 2020 (Restated) ¹	41.6	–	169.3	21.2	10.7	361.5	604.3
Charge for the period	–	10.0	7.3	5.4	1.5	55.3	79.5
Disposals	–	–	(19.0)	–	(11.9)	(9.8)	(40.7)
Effect of foreign exchange rates	–	–	(1.1)	(0.8)	(0.3)	(0.5)	(2.7)
At 28 December 2021	41.6	10.0	156.5	25.8	–	406.5	640.4
Net book value:							
At 28 December 2021	342.8	190.9	71.2	1.2	–	137.6	743.7
At 29 December 2020 (Restated) ¹	378.1	200.9	91.9	6.9	120.8	168.0	966.6

1. See basis of preparation for details of prior period restatement

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

11. Intangible assets (continued)**Licences**

The licence portfolio had always been judged to have an indefinite life and accordingly had not been amortised but was subject to annual impairment reviews as the Directors always considered that the Group's licence portfolio had an indefinite life owing to the fact that the Group is a significant operator of scale in a well-established market; the competitive advantage provided by an existing licensed portfolio; the proven and sustained demand for bookmaking services; and the Group's track record of successfully renewing its betting permits and licences.

This remained the case for the 52 weeks ended 29 December 2020, however management re-considered this assessment as at 29 December 2020 and made the decision to change the useful economic life of the licences intangible asset to 20 years to be amortised straight line, see further detail on this in the 'Retail impairment review' section of this note below. This change commenced on 30 December 2020 and is a change in accounting estimate.

The licence portfolio is recognised as a single intangible asset assigned to the Retail group of cash-generating units (CGUs), rather than being allocated to individual LBOs or geographies. This approach has been consistently followed since 2005, the reason being, this licence asset is a separately identifiable intangible asset that is deemed to enhance the overall Retail business' ability to apply for new licences in other parts of the country, demonstrating credibility to local planning authorities that the Group was successfully operating shops in other parts of the UK, as well as enhancing the scale of the LBO estate, to both establish a competitive advantage and to appeal to patrons.

Brands, trade names and customer relationships

This category of assets includes brands, trade names and customer relationships recognised in business combinations.

In 2019, the Group acquired Mr Green & Co AB. As part of the acquisition, the Group acquired brand of €96.7m (£83.9m), customer relationships of €14.8m (£12.8m) and a software platform of €18.8m (£16.3m). These assets are being amortised over 20, five and three years respectively.

Impairment reviews

The Group performs an annual impairment review for goodwill and other intangible assets with indefinite lives, by comparing the carrying amount of these assets with their recoverable amount. This is an area where the Directors exercise judgement and estimation, as noted on page 40. Testing is carried out by allocating the carrying value of these assets to CGUs or group of CGUs and determining the recoverable amounts of those CGUs. Where the recoverable amount exceeds the carrying value of the assets, the assets are considered as not impaired. Each CGU or group of CGUs is defined as its segment, which is described in note 2.

2021

The most recent test was conducted at 28 December 2021.

IAS 36 defines the recoverable amount as the higher of its fair value less costs of disposal and its value in use. In previous years, the Group has performed detailed value in use calculations to support the carrying value as there was no observable fair value to attribute to the CGUs. Because of the transaction with 888, the Group now has an observable market price to attribute as the fair value, and as such we have determined the recoverable amount of the CGUs with reference to the fair value less cost of disposal method in 2021. The Retail group of CGUs does not hold any goodwill, and after the change of our Retail licences from indefinite to finite life, also holds no indefinite life intangibles, and as such there is no requirement for an annual impairment review unless there are deemed any indicators, which there are not.

On 7 April 2022, 888 entered into an agreement with Caesars to amend the initially agreed terms of the Sale and Purchase Agreement, to reduce the consideration for the transaction by £150.0m, with a further £100.0m deferred until 2024, conditional upon future performance. The amendments were to reflect the change in the macro-economic and regulatory environment since the announcement of the acquisition, as well as compliance factors impacting the WH business, including actions taken as part of an ongoing review by the UKGC.

As a result of this, this revised consideration (including an estimate of the contingent consideration expected to be paid discounted to the value as at 28 December 2021) was used within the assessment of fair value less costs of disposal in the Group's year end impairment assessment. As such, we have taken the revised £2.1bn purchase price agreed by 888, as this best represents the fair value of the Group at the time of performing the impairment test. The costs of disposal to the Group are negligible, as they are in the most part borne by the buying party, and therefore they have not influenced our fair value calculation.

We have allocated the purchase price to each CGU tested based upon the last value in use calculations performed for all CGUs at 29 December 2020.

	28 December 2021	
	Recoverable amount £m	Headroom above carrying amount £m
Cash-generating unit		
UK Online	909.0	716.0
International	752.0	567.7

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

11. Intangible assets (continued)**2020**

During 2020, testing was carried out by allocating the carrying value of these assets to CGUs or group of CGUs and determining the recoverable amounts of those CGUs through value in use calculations. Where the recoverable amount exceeds the carrying value of the assets, the assets are considered as not impaired.

For each CGU, value in use calculations were based upon estimates of future cash flows derived from the Group's adjusted operating profit forecasts by segment. Adjusted operating profit forecasts are derived from the Group's annual strategic planning or similarly scoped exercise.

For 2020, Management of William Hill Limited (formerly William Hill PLC) approved the 2021 Budget for each segment in December 2020 and a further two-year strategic forecast covering years 2022 and 2023. Management prepared a further two-year strategic forecast covering years 2024 and 2025, using the same basis of preparation as the strategic forecast for years 2022 and 2023, and these five years form the basis of our value in use calculation. Cash flows beyond that five-year period were extrapolated using long-term growth rates as estimated for each CGU separately.

Discount rates were applied to each CGU or group of CGU's cash flows that reflect both the time value of money and the risks that apply to the cash flows of that CGU or group of CGUs. Discount rates were calculated using the weighted average cost of capital formula based on the CGU's or group of CGU's leveraged beta. The leveraged beta was determined by management as the mean unleveraged beta of listed gaming and betting companies, with samples chosen where applicable from comparable markets or territories as the CGU or group of CGUs, leveraged to the Group's capital structure. Further risk premia and discounts were applied, if appropriate, to this rate to reflect the risk profile of the specific CGU or group of CGUs relative to the market in which it operates. Discount rates were calculated on a post-tax basis and converted to a pre-tax basis using the iterative method. Discount rates disclosed below are pre-tax discount rates.

The principal assumptions underlying our cash flow forecasts were as follows:

- we assumed that the underlying business model will continue to operate on a comparable basis, as adjusted for known regulatory or tax changes and planned business initiatives;
- our forecasts anticipated the continuation of recent growth or decline trends at the time in staking, gaming net revenues and expenses, as adjusted for changes in our business model or expected changes in the wider industry or economy;
- we assumed that we will achieve our target sports betting gross win margins as set for each territory, which we based upon our experience of the outturn of sports results over the long term, given the tendency for sports results to vary in the short term but revert to a norm over a longer term; and
- in our annual forecasting process, expenses incorporated a bottom-up estimation of our cost base. For employee remuneration, this takes into account staffing numbers and models by segment, while other costs are assessed separately by category, with principal assumptions including an extrapolation of recent cost inflation trends and the expectation that we will incur costs in line with agreed contractual rates.

The other significant assumptions incorporated into our impairment reviews for value in use calculation performed in 2020 are those relating to discount rates and long-term growth assumptions, as noted below separately for each CGU or group of CGUs:

Cash-generating unit	As at 29 December 2020	
	Discount rate %	Long-term growth rate %
Retail	10.7	(2.0)
Online	9.3	1.5

The long-term growth rates included in the impairment review do not exceed the observed long-term growth rate for each respective CGU or group of CGUs.

The Covid-19 pandemic had a sizeable impact on the Retail segment with the shops shut or under restrictions across much of the year. As such, the Group recognised impairments totalling £125.7m in 2020. This charge was taken solely against licenses, within intangible assets. No impairment charge was taken pro-rata against other assets within the Retail group of CGUs as it was assessed that for each of these assets the recoverable amount was greater than the asset carrying value. The result of the impairment was to recognise an impairment charge of £125.7m in other operating expenses recognised as an exceptional item (note 3). The Online CGU includes the goodwill recognised on acquisition of Alfabet of £0.4m in 2020.

Cash-generating unit	29 December 2020	
	Recoverable amount £m	Headroom above carrying amount £m
Retail	364.3	125.7

The headroom for the Online CGU exceeded 100% over the carrying amount of the assets.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

11. Intangible assets (continued)

Sensitivity of impairment reviews

2021

As the headroom for both divisions is more than 100% of the asset value, we do not deem there to be any reasonable changes in key assumptions that could lead to an impairment.

2020

For the Retail group of CGUs, the following reasonably possible changes in assumptions upon which the recoverable amount was estimated, would lead to the following changes in the recoverable amount of the Retail group of CGUs:

Change in assumption	Increase/(decrease) in the impairment £m
Average one-month full lockdown impact	24.2
Decrease in forecast medium-term operating cash flows by 20%	86.3
Increase in post-tax discount rate by 1ppt	24.3
Decrease in long term growth rate by 1ppt	12.8
Increase in forecast medium-term operating cash flows by 20%	(86.3)
Decrease in post-tax discount rate by 1ppt	(27.0)
Increase in long term growth rate by 1ppt	(13.4)

For the Online CGU reviewed at 28 December 2021, no impairment would occur under any reasonable possible changes in assumptions upon which the recoverable amount was estimated.

12. Property, plant and equipment

	Land and buildings £m	Fixtures, fittings and equipment £m	Right-of-use asset ¹ £m	Total £m
Cost:				
At 31 December 2019	267.7	156.8	173.0	597.5
Additions	13.5	4.5	16.1	34.1
Additions via acquisition	–	0.6	6.5	7.1
Impairment losses	–	–	(2.9)	(2.9)
Disposals	(22.4)	(13.5)	–	(35.9)
Transfers to freehold property held for sale	(0.4)	–	–	(0.4)
Effect of foreign exchange rates	(0.5)	(3.1)	(1.3)	(4.9)
At 29 December 2020	257.9	145.3	191.4	594.6
Additions	0.5	13.2	26.5	40.2
Disposals	(29.9)	(27.6)	(25.9)	(83.4)
Effect of foreign exchange rates	(1.4)	(0.9)	(0.7)	(3.0)
At 28 December 2021	227.1	130.0	191.3	548.4
Accumulated depreciation:				
At 31 December 2019	171.1	118.0	43.4	332.5
Charge for the period	18.6	6.9	37.4	62.9
Impairment losses	–	–	(1.6)	(1.6)
Disposals	(19.8)	(13.5)	–	(33.3)
Effect of foreign exchange rates	(0.8)	–	(0.2)	(1.0)
At 29 December 2020	169.1	111.4	79.0	359.5
Charge for the period	11.1	6.6	32.7	50.4
Disposals	(9.1)	(6.8)	(9.9)	(25.8)
Effect of foreign exchange rates	(0.3)	(0.5)	(0.2)	(1.0)
At 28 December 2021	170.8	110.7	101.6	383.1
Net book value:				
At 28 December 2021	56.3	19.3	89.7	165.3
At 29 December 2020	88.8	33.9	112.4	235.1

1. The right-of-use asset is presented as a single asset because the vast majority relates to one class of asset, being Land and Buildings. There is £3.1m of right-of-use assets that would be classified as different classes such as equipment and motor vehicles.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

12. Property, plant and equipment (continued)

The net book value of land and buildings comprises:

	28 December 2021 £m	29 December 2020 £m
Freehold	9.4	13.9
Long leasehold improvements	3.2	1.8
Short leasehold improvements	43.7	73.1
	56.3	88.8

Of the total net book value of land and buildings, £1.7m (29 December 2020: £1.8m) relates to administrative buildings and the remainder represents LBOs in the UK. The cost of assets on which depreciation is not provided amounts to £4.5m, representing freehold land (29 December 2020: £4.5m). At 28 December 2021, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £nil (29 December 2020: £6.1m).

13. Interests in associates

The Group holds interests in three associated undertakings at an aggregate value of £11.2m (29 December 2020: £23.3m).

The Group uses the equity method of accounting for associates. The following table shows the aggregate movement in the Group's interests in associates:

	£m
At 29 December 2020	23.3
Share of results before interest and taxation	(1.0)
Share of results of discontinued operations	1.6
Share of interest	–
Share of taxation	–
Dividend received	–
NeoGames disposal (note 15)	(12.7)
At 28 December 2021	11.2

SIS

At 28 December 2021, William Hill Organization Limited, a principal subsidiary of the Company, held an investment of 19.5% (29 December 2020: 19.5%) of the ordinary share capital of Sports Information Services (Holdings) Limited (SIS), a company incorporated in Great Britain. The Group is able to exert significant influence over SIS by way of its 19.5% holding and its seat on the Board of Directors.

The SIS group of companies provides real time, pre-event information and results, as well as live coverage of horseracing, greyhound racing and other sporting activities and events via satellite. The statutory financial statements of SIS are prepared to the year ending 31 March. The results recognised are based on statutory accounts to March 2021 and management accounts thereafter.

The following financial information relates to SIS as at and for the 52 weeks ended 28 December 2021:

	28 December 2021 £m	29 December 2020 £m
Total assets	111.2	108.1
Total liabilities	(54.0)	(50.9)
Total revenue	193.0	150.3
Total profit/(loss) after tax	1.3	(4.9)

Lucky Choice Limited & 49's Limited

William Hill Organization Limited held directly or indirectly 33% (29 December 2020: 33%) of the entire share capital of Lucky Choice Limited. Lucky Choice Limited was liquidated on 15 June 2021. In the opinion of the management, the results of this company are not material to the results of the Group. The investment in Lucky Choice Limited was stated at cost and not accounted for under the equity method, which would normally be appropriate for an associated undertaking. During the prior period, the Group sold its entire shareholding (33%) in 49's Limited for proceeds of £2.0m (Note 33).

Green Jade Games Ltd

Green Jade Games Ltd is an iGaming software content development company, a subsidiary acquired as part of the acquisition of Mr Green & Co AB of which the Group holds an investment of 25% and it is accounted for as an associate. The carrying value of Green Jade Games Ltd at 28 December 2021 was £nil (29 December 2020: £1.3m).

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

14. Investments**Flutter Entertainment shares**

As part of the Group's agreement with Caesars (previously Eldorado), completed on 29 January 2019, the Group was entitled to 50% of equity interest in any third party issued as consideration of any betting skins.

In November 2018, The Stars Group (TSG) announced an agreement with Caesars to give TSG certain options to operate online betting and gaming in states where Caesars operates casino properties. As part of this agreement, TSG offered Caesars up front equity interest of \$25m with potentially an additional \$5m of equity upon exercise of the first option by TSG. A further equity stake may be provided after five years, based on TSG's net gaming revenue generated in markets accessed via Caesars.

In the prior period, this led to the Group holding an equity investment in Flutter Entertainment plc (Flutter), as owners of TSG, being the payment of 50% of the additional \$5m of equity above upon exercise of the first option by TSG. This investment is classified as fair value through profit or loss. The valuation of the equity investment is based on the Flutter share price at the reporting period end with gains recognised through Other operating income in the Income Statement. The value of the investment held at 29 December 2020 was £3.7m.

During the current year, this investment was disposed as part of the disposal of the US business, and as at 28 December 2021 this investment is *Nil*.

Good Luck Have Fun Group AB ('GLHF Group') shares

During the period ended 29 December 2020, Mr Green and Co AB ('Mr Green') converted a shareholder loan that had been previously extended to GLHF Group into additional issued share capital to increase its shareholding in GLHF Group to 10.47%. The value of the converted shareholder loan was Kr15.0m plus interest (£1.3m). The value of this investment as at 28 December 2021 is £1.0m (29 December 2020: £1.3m).

At the period end, the Group held no other investments in unquoted shares (29 December 2020: £0.2m).

15. Disposals**Sale of US operations**

On 22 April 2021, following the completion of the acquisition of the Group by Caesars, the Group sold its 80% holding in William Hill US HoldCo Inc. as well as its 100% holding in WHUS TechCo, Inc. to Caesars UK Holdings Limited (UK), a wholly owned subsidiary of the Caesars group. This represented the disposal of the Group's US segment.

Calculation of the profit on sale, including net assets disposed of and net cash received, are shown below:

	<i>£m</i>
Consideration received – Loan note	1,527.5
Less:	
Cash disposed of	(102.1)
Net proceeds on disposal of US operations	1,425.4
Less:	
Net assets disposed of (excluding cash):	
Intangible assets	(197.4)
Property plant and equipment	(54.7)
Deferred tax assets	(26.8)
Corporation tax asset	(0.7)
Investments	(4.5)
Trade and other receivables	(19.0)
Trade and other payables	191.1
Derivative financial instruments	57.3
Lease liabilities	15.8
Deferred tax liabilities	14.3
Net assets disposed of (excluding cash)	(24.6)
Less:	
Transfer from foreign currency reserve on disposal	17.5
Remove non-controlling interests on disposal	(6.6)
Profit on disposal of discontinued operations	1,411.7

Intra-Group trading is limited and all trading pre-disposal within the reporting period has been eliminated, trading post-disposal is immaterial. The Group holds a full intercompany position with its disposed business that now sits as part of the wider Caesars Group. These intercompany positions are reflected within these financial statements.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

15. Disposals (continued)

Results of discontinued operations

Notes	52 weeks ended 28 December 2021			52 weeks ended 29 December 2020		
	Adjusted £m	Exceptional items and adjustments £m	Statutory total £m	Adjusted £m	Exceptional items and adjustments £m	Statutory total £m
Revenue	98.5	–	98.5	167.3	–	167.3
Cost of sales	(11.4)	–	(11.4)	(19.1)	–	(19.1)
Gross profit	87.1	–	87.1	148.2	–	148.2
Other operating income	1.7	1,411.7	1,413.4	4.0	–	4.0
Other operating expenses	(92.2)	(5.3)	(97.5)	(145.3)	(68.0)	(213.3)
Share of results of associates	–	–	–	1.6	–	1.6
(Loss)/profit before interest and tax	(3.4)	1,406.4	1,403.0	8.5	(68.0)	(59.5)
Investment income	–	–	–	0.3	–	0.3
Finance costs	(0.4)	–	(0.4)	(1.3)	–	(1.3)
(Loss)/profit before tax	(3.8)	1,406.4	1,402.6	7.5	(68.0)	(60.5)
Tax	3.7	(0.1)	3.6	2.1	11.2	13.3
(Loss)/profit for the period from discontinued operations	(0.1)	1,406.3	1,406.2	9.6	(56.8)	(47.2)

Of the £5.3m exceptional and adjusted items in the reporting period, £2.0m relates to amortisation of acquired intangibles and £3.3m are Caesars deal related costs. In the prior period £6.7m relates to amortisation of acquired intangibles and £61.3m are to Caesars deal related costs.

Net cash flows from discontinued operations

	28 December 2021 £m	29 December 2020 £m
Operating activities	9.7	76.7
Investing activities	(11.3)	(35.9)
Financing activities	(2.1)	(4.7)
Net cash flows (used in)/from discontinued operations	(3.7)	36.1

Disposal of NeoGames

On 13 August 2021, the Group entered into an agreement to sell its holding in NeoGames S.A. ("NeoGames") to Caesars UK Interactive Holdings Ltd, a wholly owned subsidiary of the Caesars group, for £216.9m. At the time of disposal, the Group held 24.5% of the ordinary share capital in NeoGames, and as such NeoGames was accounted for as an associate in the Group accounts using the equity method. At the date of disposal this investment value was £12.7m. A profit on disposal of £204.2m was recognised on the sale. In the period up to disposal, NeoGames contributed a profit of £1.7m (2020: £5.4m) which has been included in discontinued operations.

Disposal of Caesars Joint IP Company Limited

On 23 December 2021, the Group entered into an agreement to sell its investment in Caesars Joint IP Company Limited ("Joint IP") to Caesars Cayman Finance Limited, a wholly owned subsidiary of the Caesars group, for £43.7m. The company had no net assets at the time of disposal, and as such a profit on disposal of £43.7m was recognised for the sale.

Freehold Properties

In 2020, 17 freehold properties were closed as a part of the 119 shops shut in the period. During the period, three of these freehold properties were sold for proceeds of £0.2m leading to a profit on disposal of £0.1m

The freehold property assets remaining are held at the combined net book value of £0.2m as assets held for sale as the fair value less costs to sell is greater than the carrying amount on a shop-by-shop basis.

Reconciliation of disposals to Consolidated Income Statement

Adjusted profit from discontinued operations in the Consolidated Income Statement of £1.6m comprises the £0.1m loss from US operations and the £1.7m profit from NeoGames (2020: £15.1m profit comprising £9.6m profit from US operations, £5.4m contribution from NeoGames and £0.1m profit from sale of freehold properties). Exceptional items and adjustments profit of £1,654.2m comprises the £1,406.3m profit from US operations, the £204.2m profit on NeoGames sale and the £43.7m profit on the sale of Joint IP (2020: £56.8m loss all from US operation).

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

16. CG Technology acquisition

On 3 September 2020, the Group completed the acquisition of CG Technology. The Group consequently operated four additional William Hill branded sports books in Nevada open at The Venetian Resort, The Palazzo Resort, The Cosmopolitan of Las Vegas, and Silverton in Las Vegas.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	<i>£m</i>
Net assets acquired:	
Cash and cash equivalents	0.9
Intangible assets	4.6
Property, plant and equipment	0.4
Trade and other payables	(1.0)
Net identifiable assets acquired	4.9
 Add: Goodwill	 2.4
Total consideration	7.3
	<i>£m</i>
Purchase consideration:	
Cash consideration	7.3
Less: cash and cash equivalents acquired	(0.9)
Net consideration	6.4

The net consideration was reduced by a settlement of damages and fees to the Group by CG Technology in respect of specific legal action following the 2012 acquisition of businesses in Nevada and a working capital adjustment on acquisition. Including acquisition-related costs of £0.5m, this led to a net cash outflow from the acquisition of £2.9m.

The goodwill was attributable to CG Technology's assembled workforce and synergies expected to arise in the US after the Group's acquisition.

The acquired business contributed revenue of \$4.2m (£3.2m) and adjusted operating profit \$1.2m (£0.9m) to the Group from 3 September 2020 to 29 December 2020. If the acquisition had occurred on 1 January 2020, the contributed consolidated revenue for the period ended 29 December 2020 would have been \$9.5m (£7.4m) and the adjusted operating profit would have been materially the same as contributed in the period from 3 September 2020 to 29 December 2020.

This was disposed of as a part of the sale of the US Business, please see note 15.

17. Leases

The Group 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 Group uses an incremental borrowing rate for its leases, which 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 lease term.

The Group has assessed the lease term of properties within its retail estate to be up to the first available contractual break within the lease. The Group has deemed that it cannot be reasonably certain that it will continue beyond this time given the continued uncertainty surrounding the Retail business. The Group has also applied a number of practical expedients that are detailed in the Statement of Group Accounting Policies.

The Group note that leases not included due to either being low value or having a term of less than 12 months are deemed immaterial.

The Group has a very small number of sublet properties which have been assessed in accordance with IFRS 16 and have also been deemed immaterial. The accounting policy applied to these small number of sublet properties can be seen on page 85.

The Group will continue to monitor both the above scenarios and disclose these if they are deemed material to users of the Annual Report and Accounts.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

17. Leases (continued)

Amounts recognised in the Consolidated Income Statement:

	52 weeks ended 28 December 2021 £m	52 weeks ended 29 December 2020 £m
Right-of-use asset depreciation	32.7	32.3
Finance costs	3.2	3.9

A maturity analysis of the contractual undiscounted cash flows is as follows:

	28 December 2021 £m	29 December 2020 £m
Due within one year	31.7	40.2
Due between one and two years	23.8	29.5
Due between two and three years	17.2	22.5
Due between three and four years	12.5	15.9
Due between four and five years	9.0	11.3
Due beyond five years	12.1	19.3

Comparatives for the 52 week period ended 29 December 2020 include the US operations, which were disposed of during the period (note 15).

18. Trade and other receivables

Trade and other receivables comprise:

	28 December 2021 £m	29 December 2020 £m
Trade receivables	3.4	5.1
Other receivables	9.4	28.2
Amounts owed by Caesars Group	131.0	–
Prepayments	16.5	30.2
	160.3	63.5

Trade and other receivables are stated at their gross receivable value less impairment for expected credit loss. Trade and other receivables are impaired when there is no reasonable expectation of recovery and an impairment analysis is performed at each reporting date to measure expected credit loss. The Group has elected to use the simplified method to measure expected credit loss and the provision the Group holds for expected credit losses is £0.1m as at 29 December 2020 and £0.2m as at 28 December 2021.

Other receivables in the prior period includes the finance income receivable in respect of the VAT reclaim (note 3).

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

19. Cash and cash equivalents

Cash and cash equivalents are comprised of cash and short-term bank deposits held by the Group with an original maturity of three months or less. In total, the Group has £227.8m in cash and cash equivalents (29 December 2020: £722.6m). The carrying amount of these assets approximates their fair value.

Cash and cash equivalents include:

	28 December 2021 £m	29 December 2020 £m
Cash and cash equivalents	227.8	722.6
Less:		
Client funds held in Online ¹	(94.1)	(73.9)
Client funds held in US ¹	–	(18.2)
Restricted funds held in US ²	–	(35.1)
Restricted deposits in respect of Spanish and Italian regulatory requirements	(4.5)	(4.8)
Cash (excluding customer balances and restricted cash) ³	129.2	590.6

1. Client funds held are matched by liabilities. Client funds held in the US were disposed of in the sale of US operations (note 15).

2. Restricted funds held in the US cannot be withdrawn without approval from the local regulator and match or exceed betting ad customer liabilities. Restricted funds held in the US were disposed of in the sale of US operations (note 15).

3. Cash (excluding customer balances and restricted cash) represents the cash available to the Group used in the calculation of net debt for covenant purposes (note 24).

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

20. Investment property

During the period to 28 December 2021, the Group disposed of its remaining two residential investment properties for combined proceeds of £1.8m. At 29 December 2020, the fair value of investment property held on the Group's balance sheet was £1.7m. Following advice from the Group's external property valuation experts, the fair value was increased to £1.8m during the period to 28 December 2021. As a result, a £nil gain was recorded on disposal.

21. Trade and other payables

Trade and other payables comprise:

	28 December 2021 £m	29 December 2020 £m
Trade payables	135.8	165.4
Other payables	5.7	8.1
Taxation and social security	115.4	86.1
Accruals	154.6	209.3
	411.5	468.9

The average credit period taken for trade purchases is 44 days (period ended 29 December 2020: 33 days).

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

Included in trade payables is an amount of £80.0m (29 December 2020: £97.1m) in respect of amounts due to clients, representing deposits received and customer winnings. This is offset by an equivalent or greater amount of cash held, which is included in cash and cash equivalents.

The Group has not used any supplier financing arrangements in the period.

22. Provisions

Provisions comprise:

	Shop closure provisions £m	Other restructuring costs £m	Indirect tax provision £m	Legal and regulatory provisions £m	Total £m
As at 31 December 2019	21.8	–	53.7	3.0	78.5
Charged/(credited) to profit or loss					
Additional provisions recognised	9.2	3.3	21.3	1.2	35.0
Unused amounts reversed	(3.4)	–	–	–	(3.4)
Total charged to profit or loss	5.8	3.3	21.3	1.2	31.6
Provisions utilised	(16.1)	(2.6)	–	(3.0)	(21.7)
As at 29 December 2020	11.5	0.7	75.0	1.2	88.4
Amounts transferred to other payables	–	–	(40.6)	–	(40.6)
Charged/(credited) to profit or loss					
Additional provisions recognised	0.4	–	17.5	17.6	35.5
Total charged to profit or loss	0.4	–	17.5	17.6	35.5
Provisions utilised	(4.8)	(0.7)	–	–	(5.5)
Effect of movement in foreign exchange	–	–	(5.0)	–	(5.0)
As at 28 December 2021	7.1	–	46.9	18.8	72.8

Shop closure provisions

The Group holds provisions relating to the associated costs of closure of 713 shops in 2019, 119 shops in 2020, and certain shops that ceased to trade as part of normal trading activities. At 28 December 2021, £4.8m of this provision is held within current liabilities and £2.3m within non-current liabilities.

Other restructuring costs

As a result of the announced restructuring in 2019 to bring our UK Online and Retail operations together under one leadership team, in addition to other restructurings announced across the Group, predominantly in the technology team, the Group recognised certain provisions for staff severance.

Indirect tax provision

As part of the acquisition of Mr Green & Co AB, the Group acquired a provision relating to a gaming tax liability in Austria, where the Austrian tax authority believes that foreign gaming companies should be liable to pay gaming taxes in Austria. Post-acquisition, the Group has continued to provide for the gaming taxes, including interest, assessed by the Austrian tax authority until this matter is resolved. An amount of £40.6m has been transferred to payables as a payment plan has been agreed with the local Austrian tax authority.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

22. Provisions (continued)**Legal and regulatory provisions**

In common with other businesses in the gambling sector the Group receives claims from consumers relating to the provision of gambling services. Claims have been received from consumers in a number of (principally European) jurisdictions and allege either failure to follow responsible gambling procedures, breach of licence conditions or that underlying contracts in question are null and void given local licensing regimes. The Group expenses consumer claims as they are resolved or finally determined in consumers' favour and provides for such claims where an outcome in favour of the consumers in question is probable. During the 52 weeks ended 28 December 2021, the Group was fined €3m (£2.6m) by the Swedish Gaming Inspectorate in relation to alleged insufficient gambling measures in Mr Green.

The industry in which the Group operates is subject to continuing scrutiny by regulators and other governmental authorities, which may, in certain circumstances, lead to enforcement actions, sanctions, fines and penalties or the assertion of private litigations, claims and damages. Following a periodic compliance assessment undertaken by the UK Gambling Commission ("UKGC") in July and August 2021, the Group is subject to an ongoing licence review and has been addressing certain action points raised by the UKGC in relation to William Hill's social responsibility and anti-money laundering obligations. The Group has received, and is in the process of responding to, preliminary findings provided by the UKGC. In that context it has made a provision of £15.0m to cover the potential for any financial sanction and associated costs resulting from that compliance assessment and licence review. This provision is the Group's best estimate based on the action points raised to date by the UKGC; the Preliminary Findings that the UKGC has now served; the outcome of the Group's previous compliance assessments including enforcement sanctions and settlements relating to those assessments; and the views of the Group's legal advisors, who also considered the outcomes of other regulatory action across the industry. Whilst the UKGC publishes guidance as to how it approaches enforcement and sanctioning, the guidance is general in nature and neither prescriptive nor formulaic. The Group has also observed recent commentary suggesting a more robust approach to enforcement on the part of the UKGC. Whilst all of these factors have been taken into account in arriving at the £15.0m provision, the existence of these factors means that there is inherent uncertainty in making this estimation. The Group currently expects the licence review to conclude in the second half of 2022 (or the first quarter of 2023) at which point the sanctions associated with the compliance assessment and licence review will be known and any financial outflow will occur.

23. Borrowings

	28 December 2021 £m	29 December 2020 £m
Borrowings at amortised cost		
Bank facilities	–	–
Less: expenses relating to bank facilities	–	(2.2)
£350m 4.875% Senior Unsecured Notes due 2023	349.1	350.0
Less: expenses relating to £350m 4.875% Senior Unsecured Notes due 2023	(0.6)	(0.9)
£350m 4.75% Senior Unsecured Notes due 2026	350.0	350.0
Less: expenses relating to £350m 4.75% Senior Unsecured Notes due 2026	(1.8)	(2.3)
Total Borrowings	696.7	694.6
Less: Borrowings as due for settlement in 12 months	–	–
Total Borrowings as due for settlement after 12 months	696.7	694.6
The gross borrowings are repayable as follows:		
Amounts due for settlement within one year	–	–
In the second year	349.1	–
In the third to fifth years inclusive	350.0	350.0
After more than five years	–	350.0
	699.1	700.0

Bank facilities

At 28 December 2021, the Group had the following bank facilities:

£425m Revolving Credit Facilities

Up until 22 April 2021, borrowings under the RCF were unsecured but guaranteed by William Hill Limited (formerly William Hill PLC) and certain of its operating subsidiaries.

Borrowings under the facilities incurred interest at LIBOR plus a margin of between 1.1% and 2.5%, were determined quarterly by the Group's consolidated net debt to EBITDA ratio as defined in the facility agreements. A utilisation fee was payable if more than a certain percentage of the facility is drawn. A commitment fee, equivalent to 40% of the margin, was also payable in respect of available but undrawn borrowings.

On 22 April 2021, the committed revolving credit facilities (RCF) of £425m (29 December 2020: £425m) provided by a syndicate of banks, expiring in November 2022 (£35m) and October 2023 (£390m) was cancelled as part of the acquisition of William Hill PLC by Caesars Entertainment Inc.

Prior to the RCF being cancelled on 22 April 2021, the up-front participation and arrangement fees plus associated costs incurred in arranging the RCF were capitalised in the Statement of Financial Position and amortised on a straight-line basis over the life of the facilities. At the date of sale, the remaining unamortised fees were charged to the profit and loss as an exceptional cost, see note 3.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

23. Borrowings (continued)**Overdraft facility**

At 28 December 2021, the Group had an overdraft facility with National Westminster Bank plc of £5.0m (29 December 2020: £5.0m). The balance on this facility at 28 December 2021 was £nil (29 December 2020: £nil).

Senior Unsecured Notes**(i) £350m 4.875% Senior Unsecured Notes due 2023**

On 27 May 2016, the Group issued £350m of senior unsecured notes and used the net proceeds to refinance the Group's existing debt and for general corporate purposes. The notes, which are guaranteed by the Group and certain of its operating subsidiaries, were issued with a coupon of 4.875% and mature in September 2023.

The acquisition of William Hill by Caesars triggered a change in control and the exercise of a put option by a number of Noteholders (refer below). On 2 August 2021, Noteholders of £0.9m out of £350m 4.875% Senior Unsecured Notes due 2023 took the option to exercise. The cash purchase price was equal to 101 per cent of the principal amount together with the interest accrued. As a result, this reduced the £350m 4.875% Senior Unsecured Notes due 2023 to £349.1m at 28 December 2021.

(ii) £350m Senior Unsecured Notes due 2026

On 1 May 2019, the Group issued £350m of senior unsecured notes and used the net proceeds to refinance the Group's existing debt and for general corporate purposes. The bonds, which are guaranteed by the Group and certain of its operating subsidiaries, were issued with a coupon of 4.75% and mature in May 2026.

Finance fees and associated costs incurred on the issue of notes have been capitalised in the Statement of Financial Position and are being amortised over the life of the respective notes using the effective interest rate method.

Weighted average interest rates

The weighted average interest rates paid, including commitment fees, were as follows:

	52 weeks ended 28 December 2021 %	52 weeks ended 29 December 2020 %
2026 notes	4.8	4.8
2023 notes	4.9	4.9

Change of control

The Group had committed bank facilities dated October 2018 and November 2019, consisting of a five-year multi-currency syndicated revolving credit facility of £390m and a three-year bilateral multi-currency revolving credit facility of £35m respectively. Under the terms of these facilities, the lenders could give notice to the Group to repay outstanding amounts plus accrued and unpaid interest and were able to cancel the commitments where there was a change of control of the Parent Company.

In addition, under the indentures for our 4.875% senior unsecured notes due 2023 and our 4.75% senior unsecured notes due 2026, each Noteholder is entitled to require the Group (as issuer) to redeem or purchase any outstanding Senior Unsecured Notes in the event of a change of control at a cash purchase price equal to 101 per cent of the principal amount together with interest accrued.

Fair value of loans and facilities

The Group's £349.1m 4.875% Senior Unsecured Notes due 2023 are listed on the London Stock Exchange and at the period end date their fair value was £360.6m (29 December 2020: £373.1m).

The Group's £350m 4.75% Senior Unsecured Notes due 2026 are listed on the London Stock Exchange and at the period end date their fair value was £364.3m (29 December 2020: £389.4m).

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

24. Financial risk management

The Group's activities expose it to a variety of financial risks. Financial risk management is primarily carried out by the Group's Treasurer with reference to risk management policies approved by the Board and supervised by the Chief Financial Officer. The Board approves written principles for risk management. The principal financial risks faced by the Group comprise liquidity risk, financing risk, credit risk, interest rate risk, currency risk and pensions risk. These risks are managed as described below.

Liquidity risk

Liquidity risk is the risk that the Group has insufficient funds available to settle its liabilities as they fall due. The Group generates strong operating cash flows and the Group aims to maintain sufficient cash balances to meet its anticipated working capital requirements based on regularly updated cash flow forecasts. Liquidity requirements that cannot be met from operational cash flow or existing cash resources would be satisfied by drawings under the Group's overdraft facility. Details of the Group's borrowing arrangements are provided in note 23.

The table below details the Group's expected maturity for its financial liabilities, excluding lease liabilities which are shown in note 17. The table has been drawn up on the undiscounted contractual maturities of the financial instruments, including interest that will be receivable or payable on them. Where applicable, interest payments in respect of the floating rate liabilities are estimated based on the one-month sterling LIBOR rate at the period end date.

	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	More than 5 years £m	Total £m
28 December 2021					
2023 notes including interest	17.1	361.9	–	–	379.0
2026 notes including interest	16.6	16.6	388.0	–	421.2
Other financial liabilities	265.7	–	–	–	265.7
Total	299.4	378.5	388.0	–	1,065.9
29 December 2020					
2023 notes including interest	17.1	17.1	361.8	–	396.0
2026 notes including interest	16.6	16.6	49.9	355.6	438.7
Bank loans including interest ¹	1.9	1.9	1.4	–	5.2
Other financial liabilities	328.1	–	–	–	328.1
Total	363.7	35.6	413.1	355.6	1,168.0

1. Bank loan interest includes commitment fees payable on the undrawn portion of the RCF.

Capital management and financing risk

The Group seeks to maintain an appropriate capital structure which enables it to continue as a going concern, supports its business strategy and takes into account the wider economic environment. The Group's capital comprises equity and debt finance, and these elements are managed to balance the requirements of the business and the interests of debt providers. The Group manages its capital structure through cash flows from operations, the raising or repayment of debt and the raising of equity capital from investors.

Financing risk is the risk that the Group is unable to access sufficient finance to refinance its debt obligations as they fall due. The Group manages this risk by maintaining a balance between different funding sources including equity and debt. It seeks to mitigate its debt financing risk by diversifying its sources of debt capital. The bank loan and sterling corporate bond markets are currently used for this purpose. The Board also seeks to mitigate the Group's refinancing risk by having an appropriately balanced debt maturity profile.

Credit risk

The Group is exposed to credit risk from counterparties defaulting on their obligations, resulting in financial loss to the Group. It arises in relation to transactions with commercial counterparties and financial institutions. It also arises from customers who have been granted access to credit facilities.

The Group manages its counterparty risk by closely monitoring and, where appropriate, limiting the amount that can be deposited or accumulated with any one counterparty. The Group will only deposit funds with pre-approved financial institutions with specified minimum credit ratings or strong balance sheet. The Group's policy is to mitigate its credit risk with respect to derivative transactions by using a number of different counterparties for material transactions.

Interest rate risk

Interest rate risk arises from the Group's borrowings. Protecting earnings from rising interest rates is predominantly achieved by fixing the interest costs on a significant proportion of the Group's debt.

Current treasury policy stipulates that at least 70% of the Group's debt should be at fixed rates. At 28 December 2021, all of the Group's borrowings were at fixed rates.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

24. Financial risk management (continued)

The Group also earns investment income from deposits placed with certain approved financial institutions. Based on the current level of variable interest bearing deposits and lending facilities, a 100 basis points change in interest rates would have the following impact on the Group financial statements:

	Increase of 100 basis points £m	Decrease of 100 basis points £m
Increase/(decrease) in profit	2.3	(1.7)
Increase/(decrease) in equity reserves	2.3	(1.7)

The Directors have used a 100 basis points change in interest rates as they assess that this best illustrates the impact of plausible changes in interest rates on the Group's performance and financial position, capped at an interest rate of zero percent.

Currency risk

The Group earns revenues in foreign currencies, primarily euros, which exposes it to foreign exchange risk. The Group mitigates this risk by incurring costs in currencies matching its revenues. Any remaining transactional foreign currency exposure is not considered to be material and is not hedged. Material individual foreign currency transaction exposures are considered for hedging on an ad hoc basis. As at 28 December 2021, the Group had no derivative contracts for currency hedging purposes (29 December 2020: £nil).

The Group is also exposed to foreign currency accounting translation risk on the earnings and net assets of its overseas operations which are denominated in foreign currencies. The Group does not hedge such translation risk.

Revenue by currency

Revenue by currency for continuing operations is analysed below:

	52 weeks ended 28 December 2021 %	52 weeks ended 29 December 2020 %
Sterling	82.5	64.8
Euro	15.9	16.4
US dollar	0.4	13.4
Swedish krona	0.2	2.2
Other currencies	1.0	3.2
Total	100.0	100.0

A 5% weakening in the Euro would have reduced profit before interest and tax by £0.2m and net assets by £14.0m.

Pensions risk

The Group operates defined benefit and defined contribution pension schemes for its employees. Pensions risk arises in respect of the defined benefit scheme where the cost of funding retirement benefits ultimately falls upon the Group. The last triennial actuarial valuation as at 30 September 2019 showed a funding surplus on the defined benefit scheme of £23.6m. The Group agreed to pay £1.9m per annum in respect of the costs of insured death benefits, expenses and levies until September 2025.

During the period ended 28 December 2021, the Group agreed a buy-in of the scheme's liabilities. On 28 June 2021, a transaction was completed which insured the liabilities of the scheme with Rothesay Life. As a result of the transaction, the scheme holds annuities with Rothesay Life which are qualifying insurance policies as defined in IAS 19.8 'Employee benefits'. The income from these policies exactly matches the amount and timing of all benefits to those members covered under the policies.

Through the scheme, following the buy-in, the only risk that the Group has is counterparty risk with the Insurance company backing the policies.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

25. Financial instruments

The carrying value of the Group's financial instruments by category, as defined by IFRS 9 'Financial Instruments', (together with non-financial instruments for reconciling purposes) is analysed as follows:

	28 December 2021 £m	29 December 2020 £m
Fair value through the Income Statement		
Investments (note 14)	–	3.7
Fair value through Other Comprehensive Income		
Investments (note 14)	1.0	1.5
Amortised cost		
Cash and cash equivalents (note 19)	227.8	722.6
Trade and other receivables (note 18)	143.8	33.3
Loans receivable	1,827.8	9.8
Total financial assets	2,200.4	770.9
Non-financial assets	981.3	1,326.6
Total assets	3,181.7	2,097.5
Fair value through the Income Statement		
Ante post bets (note 26)	(8.8)	(18.6)
Derivative financial liability	–	(49.9)
Liabilities at amortised cost		
Borrowings (note 23)	(696.7)	(694.6)
Trade and other payables	(256.9)	(259.6)
Lease liabilities (note 17)	(95.1)	(125.7)
Total financial liabilities	(1,057.5)	(1,148.4)
Non-financial liabilities	(284.8)	(356.5)
Total liabilities	(1,342.3)	(1,504.9)
Net assets	1,839.4	592.6

The Directors believe that, owing to the nature of the Group's non-derivative financial instruments, the carrying value equates to the fair value, apart from certain borrowings where the fair value is disclosed in note 23.

Fair value hierarchy

The hierarchy (as defined in IFRS 13 'Fair Value Measurement') of the Group's financial instruments carried at fair value was as follows:

	28 December 2021				29 December 2020			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets/(liabilities) held at fair value								
Flutter Entertainment shares (note 15)	–	–	–	–	3.7	–	–	3.7
GLHF Group AB shares (note 15)	1.0	–	–	1.0	1.3	–	–	1.3
Ante post bet liabilities (note 26)	–	–	(8.8)	(8.8)	–	–	(18.6)	(18.6)
Specific derivative financial liability (note 26)	–	–	–	–	–	–	(49.9)	(49.9)
Total	1.0	–	(8.8)	(7.8)	5.0	–	(68.5)	(63.5)

The Group holds no other investments in unquoted shares (29 December 2020: £0.2m).

A reconciliation of movements on level 3 instruments is provided in the table below.

	Ante post bet liabilities £m	Specific derivative financial liability £m	Total £m
At 29 December 2020	(18.6)	(49.9)	(68.5)
Total profits/(losses):			
To profit or loss	0.1	–	0.1
Net settlements	(0.1)	–	(0.1)
Disposals	9.8	49.9	59.7
At 28 December 2021	(8.8)	–	(8.8)

Disposals are related to derivative financial instruments disposed of in the sale of the US business.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

26. Derivative financial instruments**Ante post bets**

Ante post bets are a liability arising from an open position at the period end date in accordance with the Group's accounting policy for derivative financial instruments. Ante post bets at the period end totalled £8.8m (29 December 2020: £18.6m) and are classified as current liabilities.

Ante post bet liabilities are valued using methods and inputs that are not based upon observable market data and all fair value movements are recognised in revenue in the Income Statement. Although the final value will be determined by future betting outcomes, there are no reasonably possible changes to assumptions or inputs that would lead to material changes in the fair value determined. The principal assumptions relate to the Group's historic gross win margins by betting markets and segments. Although these margins vary across markets and segments, they are expected to stay broadly consistent over time, only varying in the short term. The gross win margins are reviewed annually at period end. As at 28 December 2021, the gross win margins ranged from 2%-25%.

Specific derivative financial liability

The specific derivative financial liability was a contractual liability held as part of a commercial agreement with a third party that crystallises in the event of a change of control of William Hill PLC with the payout determined by the increase in value of the William Hill US business, capped at a maximum payout of \$75.0m. The value on the statement of financial position for this derivative financial liability was £49.9m at 29 December 2020 representing the best estimated expected payout on completion of the acquisition of the Group by Caesars. This liability was assumed by Caesars as part of the acquisition.

27. Deferred tax

The following are the deferred tax assets/(liabilities) recognised by the Group and movements thereon during the current period:

	29 December 2020 £m	Disposal £m	Amount credited/ (charged) to reserves £m	Amount credited/ (charged) to income £m	Amount credited to Other Comprehensive Income £m	At 28 December 2021 £m
Fixed asset timing differences	11.0	3.3	-	(0.4)	-	13.9
Retirement benefit obligations	(9.3)	-	(1.6)	-	10.9	-
Licences and other intangibles	(53.7)	11.0	-	(7.4)	-	(50.1)
Other timing differences	21.2	(16.4)	-	13.4	-	18.2
Share remuneration	3.6	-	(2.3)	(1.2)	-	0.1
Tax losses	8.5	(10.4)	-	2.0	-	0.1
	(18.7)	(12.5)	(3.9)	6.4	10.9	(17.8)

The enacted future rate of UK corporation tax of 25.0% (52 weeks ended 29 December 2020: 19.0%), the Gibraltar statutory income tax rate of 12.5% (52 weeks ended 29 December 2020: 10.0%), and the Maltese effective tax rate of 5.0% (52 weeks ended 19 December 2020: 5.0%) have been used to calculate the amount of deferred tax.

The Group has recognised £14.9m of net deferred tax assets (2020: £47.5m recognised gross), including £nil (29 December 2020: £8.5m) in respect of unutilised tax losses which are available in companies which are anticipated to make future profits. The Group has unutilised tax losses of £50.8m (29 December 2020: £31.9m) in entities which are not anticipated to make profits in the foreseeable future and for which no deferred tax has been recognised.

No deferred tax liability is recognised on temporary differences of £2.2m (2020: £0.7m) related to the unremitted earnings of overseas subsidiaries as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. The amount of tax that would be payable on the unremitted earnings is £0.6m (2020: £0.2m).

Certain deferred tax assets and liabilities have been offset in the above analysis. The deferred tax asset for other timing differences of £18.2m includes deferred tax assets of £18.4m offset by deferred tax liabilities of (£0.2m) in other tax jurisdictions. The following is the analysis of the deferred tax balances for financial reporting purposes:

	28 December 2021 £m	29 December 2020 (Restated) £m
Deferred tax liabilities	(32.7)	(66.2)
Deferred tax assets	14.9	47.5
	(17.8)	(18.7)

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

28. Called-up share capital

	28 December 2021		29 December 2020	
	Number of shares	£m	Number of shares	£m
Called-up, authorised, allotted and fully paid – ordinary shares of 10p each:				
At start of period	1,075,598,163	107.5	900,725,706	90.0
Shares issued	-	-	174,872,457	17.5
At end of period	1,075,598,163	107.5	1,075,598,163	107.5

On 17 June 2020, the Group conducted a successful placing of 19.99% of ordinary share capital, raising gross proceeds of £223.8m (£218.6m net of fees) which were used to partially pay down the Group's committed revolving credit facilities, further strengthening the balance sheet to match the Group's ambitions.

174,872,457 new ordinary shares of 10p each were issued at a price of 128p per share. Ordinary share capital of £17.5m was recognised relating to the issue.

Of the 174,872,457 new ordinary shares, 169,111,584 were placed with institutional investors. Using a Jersey cashbox structure, the Group recognised a merger reserve relating to this placing of £194.4m.

The remaining 5,760,873 new ordinary shares were issued to retail and other investors (5,600,860 shares) and to Directors and members of the senior management team (160,013 shares). A share premium of £6.7m was recognised relating to these share issues.

The Company has one class of ordinary shares, which carry no right to fixed income.

29. Own shares

	£m
At 29 December 2020	(83.9)
Purchase and issue of own shares	(0.8)
Transfer of own shares to recipients	33.4
At 28 December 2021	(51.3)

Own shares held comprise:

	28 December 2021			29 December 2020		
	Number of shares	Nominal value £m	Cost £m	Number of shares	Nominal value £m	Cost £m
William Hill Holdings Employee Benefit Trust	–	0.0	0.0	49,363	0.0	0.2
Treasury shares	15,004,720	1.5	51.3	25,127,306	2.5	83.7
	15,004,720	1.5	51.3	25,176,669	2.5	83.9

The shares held in treasury were purchased at a weighted average price of £3.42 (29 December 2020: £3.33).

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

30. Notes to the cash flow statement

	52 weeks ended 28 December 2021 £m	52 weeks ended 29 December 2020 £m
Profit before interest and tax from continuing operations	(58.3)	135.0
Adjustments for:		
Share of results of associates	1.6	1.3
Depreciation of property, plant and equipment	47.7	49.6
Amortisation of intangibles	78.6	75.2
Impairment of Retail segment and right-of-use lease assets	(1.0)	126.6
Provision for LBO closures	(1.4)	(2.8)
(Gain)/loss on disposal of property, plant and equipment	(0.1)	0.3
Loss on disposal of investment	0.3	–
Cost charged in respect of equity settled share remuneration	6.5	3.1
Defined benefit pension cost less cash contributions	(8.0)	(0.9)
Fair value movements on derivative financial instruments	–	(0.9)
Profit on sale of interests in associates	–	(8.1)
Operating cash flows before movements in working capital and provisions:	65.9	378.4
Increase in receivables	(33.3)	(23.9)
Increase in payables and provisions	24.0	12.3
Cash generated by operations	56.6	366.8
Income taxes paid	(12.7)	(27.5)
Interest paid	(37.7)	(46.4)
Interest paid on leases	(3.2)	(3.9)
Net cash from operating activities – continuing operations	3.0	289.0
Net cash from operating activities – discontinued operations	9.7	76.7

The following is a reconciliation of liabilities arising from financing activities:

	28 December 2021 £m	29 December 2020 £m
Total liabilities from financing activities at the beginning of the period	820.3	1,062.0
Amounts paid on redemption of existing senior unsecured loan notes	(0.9)	(203.4)
Lease liabilities – principal payments	(35.0)	(44.5)
Liabilities disposed on sale of US operations	(15.8)	–
Debt finance costs	–	(0.4)
Net cash flows	(51.7)	(248.3)
Other non-cash movements	3.0	(2.1)
Lease acquisitions and reassessments	20.2	7.1
Foreign exchange movements	–	1.6
Non-cash movements	23.2	6.6
Total liabilities from financing activities at the end of the period	791.8	820.3

During the period ended 28 December 2021, the total cash outflow for leases recognised in accordance with IFRS 16 was £38.2m, of which £35.0m related to cash payments for the principal portion of lease liabilities (recognised within cash flows from financing activities in the Consolidated statement of cash flows) and £3.2m related to cash payments for interest expense related to lease liabilities (recognised within cash flows from operating activities in the Consolidated statement of cash flows).

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

31. Share-based payments

The Group had the following equity settled share-based payment schemes in operation during the period, however none of which are still in existence as at 28 December 2021:

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

Details of these schemes are provided below.

Costs of schemes

The costs of the schemes during the period, excluding accrued social security costs and costs £11.7m recognised as exceptional items (2020: £nil), were:

	52 weeks ended 28 December 2021 £ m	52 weeks ended 29 December 2020 £ m
PSP, EBMS, RSP and RA	0.8	2.1
SAYE schemes	0.3	1.0
Total equity settled share-based payment schemes	1.1	3.1

PSP, EBMS, RSP and RA

The PSP provided conditional awards of shares dependent on the Group's Adjusted 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 were partly deferred shares conditional on continued employment of the individual at the date of vesting and partly share awards dependent on the Group's 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 three years after their grant date.

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

The PSP, EBMS, RSP and RA were conditional awards of shares for which the recipients do not have to pay an exercise price. The weighted average share price at the date of exercise for share awards exercised during 52 weeks ended 29 December 2020 was £1.43. The awards outstanding had a remaining weighted average contractual life at 29 December 2020 of 6.6 years.

On completion of the transaction with Caesars, all schemes were modified at the point of the change of control at which point there was an acceleration of the remaining charges.

Options under these schemes were as follows:

	28 December 2021 Number	29 December 2020 Number
Outstanding at beginning of the period	8,750,480	13,474,567
Granted during the period	–	2,110,796
Forfeited during the period	(1,947,869)	(5,442,953)
Exercised during the period	(6,802,611)	(1,391,930)
Outstanding at the end of the period	–	8,750,480
Exercisable at the end of the period	–	197,083

SAYE schemes

Options under the SAYE schemes, which were open to all eligible employees and based on a three or five-year monthly savings contract. Options under the scheme were 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.

No shares were exercised during the period ended 31 December 2019 and the weighted average share price for shares exercised for the period ended 29 December 2020 was £1.96. The options outstanding had a remaining weighted average contractual life at 31 December 2019 of 2.7 years, at 29 December 2020 of 3.1 years.

With regard to the transaction with Caesars, the SAYE schemes were modified at the point of the change of control such that all shares vested, at which point there was an acceleration of the remaining charges.

Options under these schemes are as follows:

	28 December 2021		29 December 2020	
	Number	Weighted average exercise price £	Number	Weighted average exercise price £
Outstanding at beginning of the period	13,201,734	1.51	9,819,256	1.74
Granted during the period	–	–	8,372,898	1.45
Forfeited during the period	(9,508,085)	1.43	(4,148,793)	1.85
Exercised during the period	(3,693,649)	1.54	(841,627)	1.96
Outstanding at the end of the period	–	–	13,201,734	1.51
Exercisable at the end of the period	–	–	334,476	2.09

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

31. Share-based payments (continued)

Fair values of share-based payments

Share-based payments were valued using the Black-Scholes-Merton pricing formula. The inputs were as follows:

	28 December 2021	29 December 2020	28 December 2021	29 December 2020
Weighted average share price at date of grant	–	£2.81	–	£1.31
Weighted average exercise price	–	£1.45	–	£1.43
Expected volatility	–	52%	–	52%
Expected life	–	3-5 years	–	1-3 years
Risk free interest rate	–	-0.1%	–	-0.1%
Expected dividend yield	–	6.2%	–	6.2%

Expected volatility was determined by calculating the historical volatility of the Group's shares over a period matching the option life. The expected life of the option used in the model was adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

For PSP, the value of the option was also adjusted to take into account the market conditions applicable to the option (i.e., TSR requirements) by applying a discount to the option value.

This discount was calculated based on an estimate of the probability of achieving the relevant condition, for the 52 weeks ended 29 December 2020 this was 25%.

The weighted average fair value of the awards granted under the PSP, EBMS, RSP and RA schemes at the date of grant was £1.40 per option at 29 December 2020 and £1.52 per option at 31 December 2019. The weighted average fair value of the options granted under SAYE grants at the date of grant was £1.15 per option at 29 December 2020 and £0.32 for the 52 weeks ended 31 December 2019. No options were granted in the 52 weeks ended 28 December 2021.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

32. Retirement benefit schemes

The Group operates a number of defined contribution and defined benefit pension schemes. The UK schemes are operated under a single trust and the assets of all the schemes are held separately from those of the Group in funds under the control of trustees.

The respective costs of these schemes are as follows:

	52 weeks ended 28 December 2021 £m	52 weeks ended 29 December 2020 £m
Defined contribution schemes (charged to profit before interest and tax)	8.3	8.5
Defined benefit scheme (charged to profit before interest and tax)	2.8	2.8
Defined benefit scheme (credited to investment income)	(0.6)	(1.0)
Defined benefit scheme (charged to other comprehensive income) ¹	54.9	1.2
	65.4	11.5

1. During the period ended 28 December 2021, the charge to other comprehensive income included £59.5m in respect of the Defined Benefit pension scheme buy-in.

Defined contribution schemes

The defined contribution schemes, to which both the Group and employees contribute to fund the benefits, are available for all eligible employees. The only obligation of the Group with respect to these schemes is to make the specified contributions.

The total cost charged to income in respect of these schemes represents contributions payable to the schemes by the Group at rates specified in the rules of the respective schemes. At 28 December 2021, contributions of £nil (29 December 2020: £nil) due in respect of the current reporting period were outstanding to be paid over to the schemes.

Defined benefit scheme

The Group also operates a 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 costs of administering the scheme are borne by the Group.

For the purposes of preparing the information disclosed in these accounts, a full actuarial valuation of the scheme was carried out at 30 September 2019 and updated to 28 December 2021 by a qualified independent actuary. The present values of the defined benefit obligation and the related current service cost were measured using the projected unit credit method and by rolling forward the results of the 30 September 2019 technical provisions using actuarial techniques, allowing for cash flows and interest over the period, differences between the assumptions used to set the technical provisions and those selected for accounting under IAS 19, experience from making an allowance for actual deferred revaluation and pension increases in payment over the period and the PIE exercise carried out in 2019.

Pension buy-in

During the period ended 28 December 2021, the Group agreed a buy-in of the scheme's liabilities. On 28 June 2021, a transaction was completed which insured the liabilities of the scheme with Rothesay Life. As a result of the transaction, the scheme holds annuities with Rothesay Life which are qualifying insurance policies as defined in IAS 19.8 'Employee benefits'. The income from these policies exactly matches the amount and timing of all benefits to those members covered under the policies. As with other bulk annuity purchases the Scheme has carried out, the change has been treated as a change in investment strategy. Consequently, the Defined Benefit surplus held by the Group at the date of the transaction was written off as part of the actuarial loss in Other Comprehensive Income.

At the period end date, the estimated Defined Benefit Obligation ('DBO') for all insured members was £389.3m. The value of the buy-in policies was determined to be equivalent to this DBO, as per IAS 19.115 'Employee benefits'.

Guaranteed minimum pensions (GMP)

Following the judgement in the Lloyds case on 26 October 2018, the need to equalise for the effect of differences in guaranteed minimum pensions (GMP) between males and females was made more certain. On 20 November 2020, the High Court issued a supplementary ruling in the case with respect to members that have transferred out of their scheme prior to the ruling. The results of this mean that:

- Trustees are obliged to make transfer payments that reflect equalised benefits and are required to make top up payments where this was not previously the case;
- A Defined Benefit scheme that received a transfer is concurrently obliged to provide equalised benefits in respect of the transfer payments; and
- There were no exclusions on the grounds of discharge forms, CETV legislation, forfeiture provisions or the Limitation Act 1980.

GMP methodology cover was included as part of the buy-in insurance policy, consequently, the Group's corporate advisor estimated that the GMP equalisation cost of this additional ruling as at 28 December 2021 was £nil (29 December 2020 estimated £0.2m).

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

32. Retirement benefit schemes (continued)**Funding valuation**

The general principles adopted by the Trustees for the purposes of this funding valuation are that the assumptions used, taken as a whole, will be sufficiently prudent for pensions already in payment to continue to be paid and to reflect the commitments which will arise from members' accrued pension rights. The Group agreed to pay £1.9m per annum in respect of the costs of insured death benefits, expenses and levies until September 2025.

The IAS 19 'Employee Benefits' position of the plan, as reflected in the Group's Statement of Financial Position, has generally differed from that of the triennial funding valuation assessment. The last triennial actuarial valuation as at 30 September 2019 showed a funding surplus on the defined benefit scheme of £23.6m compared to the £49.2m surplus at 29 December 2020 and the £59.5m surplus which was written off to Other Comprehensive Income as a result of the buy-in during the period. The principal reasons for this difference are the requirements for prudence in the funding valuation (which contrasts with the IAS 19 best estimate principle) and the application of a prudent estimate of asset returns in the funding valuation (which contrasts with the IAS 19 requirement to use a discount rate derived from high quality corporate bonds). We also consider the fact that the valuations are at different dates. The accounting deficit figure is calculated as at the period end date of 28 December 2021, and the actuarial deficit was calculated as at 30 September 2019.

The Group has the right to a refund of any surplus on wind up of the scheme.

In April 2018, the Trustees of the William Hill pension scheme signed a buy-in bulk annuity policy. The policy was taken out to insure a proportion of the defined benefit pension scheme obligation against the risk of rising costs in the future. As a result of the buy-in transaction in the period, the entire scheme obligations are now insured.

Disclosure of principal assumptions

The financial assumptions used by the actuary in determining the present value of the defined benefit scheme's liabilities were:

	28 December 2021	29 December 2020
Rate of increase of salaries	2.0%	2.0%
Rate of increase of pensions (non-pensioner)	3.1%	2.8%
Rate of increase of pensions (pensioner)	3.5%	3.1%
Discount rate	1.9%	1.3%
Rate of RPI inflation (non-pensioner)	3.2%	2.8%
Rate of RPI inflation (pensioner)	3.7%	3.1%
Rate of CPI inflation	3.1%	2.3%

In accordance with the relevant accounting standard, the discount rate has been determined by reference to market yields at the period end date on high-quality fixed income investments at a term consistent with the expected duration of the liabilities. Price inflation is determined by the difference between the yields on fixed and index-linked Government bonds with an adjustment to allow for differences in the demand for these bonds, which can distort this figure. The expected rate of salary growth and pension increases are set with reference to the expected rate of inflation. No change has been made to the basis of inflation applied to pension increases in the scheme.

The mortality assumption is kept under review and has been updated. The current life expectancies for a member underlying the value of the accrued liabilities are:

	28 December 2021 years	29 December 2020 years
Life expectancy at age 65		
Male retiring now	21.9	21.8
Male retiring in 25 years' time	23.6	23.5
Female retiring now	23.8	23.8
Female retiring in 25 years' time	25.7	25.7

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

32. Retirement benefit schemes (continued)

The assets in the scheme are set out in the table below. Assets with quoted prices in an active market are identified separately.

	28 December 2021 £m	29 December 2020 £m
Equities (quoted)	–	–
Corporate bonds (quoted)	–	105.5
Corporate bonds (unquoted)	–	2.4
Multi-asset fund (quoted)	–	39.1
Multi-asset fund (unquoted)	–	27.8
Gilts and cash (quoted)	–	14.1
Gilts and cash (unquoted)	13	119.7
Buy-in asset	388.0	153.7
Total market value of assets	389.3	462.3
Present value of scheme liabilities	(388.0)	(413.1)
Surplus in scheme	13	49.2
Additional liability due to IFRIC14 – Effect of the Asset Ceiling	(13)	–
	–	49.2

The Group has recognised the scheme surplus as a non-current asset.

Analysis of the amount charged/(credited) to adjusted profit before interest and tax:

	52 weeks ended 28 December 2021 £m	52 weeks ended 29 December 2020 £m
Current service cost	0.9	1.2
Past service cost – scheme amendments	–	0.2
Administration expenses	1.9	1.4
Total operating charge	2.8	2.8

Analysis of the amounts recognised in the Consolidated Statement of Comprehensive Income:

	52 weeks ended 28 December 2021 £m	52 weeks ended 29 December 2020 £m
Actual return less expected return on pension scheme assets	66.7	(51.6)
Actuarial loss arising from changes in financial assumptions	(11.8)	52.8
Actuarial remeasurements	54.9	1.2

Movements in the present value of defined benefit obligations in the period were as follows:

	52 weeks ended 28 December 2021 £m	52 weeks ended 29 December 2020 £m
At beginning of period	413.1	371.7
Movement in period:		
Service cost	0.9	1.2
Interest cost	5.3	7.2
Remeasurements – changes in financial assumptions	(13.1)	40.7
Remeasurements – changes in demographic assumptions	–	1.5
Remeasurements – experience adjustments	–	10.6
Benefits paid	(17.3)	(18.8)
Insurance premium for risk benefits	(0.9)	(1.2)
Past service cost – scheme amendments	–	0.2
At end of period	388.0	413.1

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

32. Retirement benefit schemes (continued)

Movements in the present value of fair value of scheme assets in the period were as follows:

	52 weeks ended 28 December 2021 £m	52 weeks ended 29 December 2020 £m
At beginning of period	462.3	420.1
Movement in period:		
Interest income on plan assets	5.9	8.2
Remeasurements – return on plan assets (excluding interest income)	(66.7)	51.6
Contributions from sponsoring companies	7.9	3.8
Administration expenses charged to profit before interest and tax	(1.9)	(1.4)
Benefits paid	(17.3)	(18.8)
Insurance premium for risk benefits	(0.9)	(1.2)
At end of period	389.3	462.3

Sensitivity analysis of the principal assumptions used to measure scheme liabilities

The sensitivity of the present value of the scheme's liabilities to changes in the principal assumptions used to measure these liabilities is illustrated in the table that follows. The illustrations consider the single change shown, with the other assumptions assumed to be unchanged. In practice, changes in one assumption may be accompanied by offsetting changes in another assumption (although this is not always the case). In addition, changes in the assumptions may occur at the same time as changes in the market value of the scheme assets, which may or may not offset the change in assumptions.

Assumption	Changes in assumption	Impact on defined benefit obligation
Discount rate	Decrease by 0.25% p.a.	Increase by £16.0m
Discount rate	Increase by 0.25% p.a.	Decrease by £15.0m
Rate of increase in inflation	Increase by 0.25% p.a.	Increase by £11.0m
Rate of increase in inflation	Decrease by 0.25% p.a.	Decrease by £10.0m
Life expectancy	Members assumed to live one year longer	Increase by £19.0m

The sensitivity to price inflation includes the corresponding impact on CPI, revaluation in deferment and pension increases in payment. It does not include any adjustments to future salary increases.

Nature and extent of the risks arising from financial instruments held by the defined benefit scheme

As a result of the buy-in, pension assets and liabilities (pre-tax) of £nil and £nil respectively were held on the Group's Statement of Financial Position at 28 December 2021 (29 December 2020: £462.3m & £413.1m respectively). Through the scheme, following the buy-in, the only risk that the Group has is counterparty risk with the Insurance company backing the policies.

Funding

Alongside the risk assessment above, on 30 September 2020, the Group agreed an ongoing funding requirement with the Trustees which expires on 30 September 2025 (note 24).

The weighted average duration of the scheme's defined benefit obligation as at 28 December 2021 is 18 years (29 December 2020: 18 years)

The undiscounted maturity profile of the defined benefit obligation between one and ten years is shown below:

	28 December 2021 £m	29 December 2020 £m
Less than one year	12.5	11.3
Between one and two years	13.0	12.0
Between two and five years	43.5	39.3
Between five and ten years	67.0	77.0

No allowance is made for commutation lump sums or individual transfers out due to the fluctuating nature of these payments.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

33. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates are disclosed below.

Trading transactions**Associates**

During the period, the Group made purchases of £37.8m (52 weeks ended 29 December 2020: £31.7m) from Sports Information Services Limited, a subsidiary of the Group's associated undertaking, Sports Information Services (Holdings) Limited. At 28 December 2021, the amount payable to Sports Information Services Limited by the Group was £0.4m (29 December 2020: £2.9m).

During the period, the Group disposed of its shareholding in NeoGames, to Caesars UK Holdings Limited, another related party, for proceeds of £216.9m, see note 15 for further details. The Group made purchases of £4.6m (52 weeks ended 29 December 2020: £6.6m) in the period in which Neogames was a related party. The loan receivable in non-current liabilities of £8.4m also relates to Neogames, albeit Neogames is not a related party as at the date of the Statement of Financial Position due to the disposal of the investment in the reporting period. During the period up to the point of sale, £0.1m of interest income was recognised by the Group on the loans.

During the period, the Group made purchases of £12k (29 December 2020: £13k) from Green Jade Games Ltd. At 28 December 2021, the amount payable by the Group was £nil (29 December 2020: £5k). All transactions with associates were made on market terms.

Loans Receivable

At period end, the Group has a loan receivable of £1,819.4m from Caesars group companies, related parties sat outside of this Group. This loan receivable represents the sales of Neogames, Joint IP and the sale of the US Business to Caesars group companies. These loans incur interest at a rate of SONIA plus 3.5%. The loans are at arm's length and therefore book value is equal to fair value. Further, any expected credit loss is deemed to be negligible. The loans are repayable on demand and therefore classified as current assets. During the financial period, the Group made sales to the US division of £3.2m of which £0.8m was subsequent to the disposal.

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'.

	52 weeks ended 28 December 2021 £m	52 weeks ended 29 December 2020 £m
Short-term employee benefits (including salaries)	4.6	2.2
Post-employment benefits (employer's contribution)	0.0	0.1
Share-based payments (IFRS 2 charges)	4.2	0.6
	8.8	2.9

The disclosures above include £nil received by Directors in respect of dividends on the Company's ordinary shares (52 weeks ended 29 December 2020: £nil). The highest paid Director in the reporting period received £1,250,207 in emoluments (2019: £769,332).

The values presented above include share-based payments measured in accordance with IFRS 2. This is a different basis from that used for the presentation in the Directors' Remuneration Report (DRR). In addition, the above includes bonuses on a paid basis, whereas the DRR includes them on an accrued basis. Other than the inclusion of dividends, the timing of bonus inclusion and the basis of measurement of share-based payments, all values above are presented on a consistent basis with those disclosed in the DRR.

Pension schemes

The pension schemes of the Group are related parties. Arrangements between the Group and its pension schemes are disclosed in note 32.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

34. Contingent liabilities**Legal claims**

In common with other businesses in the gambling sector the Group receives claims relating to losses incurred by consumers following the use of the Group's gambling products. Claims have been received from consumers in a number of (principally European) jurisdictions and allege either failure to follow responsible gambling procedures, breach of licence conditions or that underlying contracts in question (in which consumers contractually agree to the terms and conditions of play, which are subject to the laws of Gibraltar or Malta) are null and void given local licensing regimes.

The Group assesses and defends individual claims as they are received both on the individual underlying factual basis and also with regard to legal advice received as to whether such jurisdictions and their local licensing regimes are incompatible with European Union law on the free movement of services. The Group provides for such claims where it is determined that the Group has either a present legal or constructive obligation to settle the claim.

The Group is aware of the existence of on-going challenges to local licensing regimes on the basis of their incompatibility with EU law including, for example, one such case where the Austrian courts had referred a case relating to Fluctus s.r.o. and Fluentum s.r.o. ("F&F"), to the European Court of Justice ("ECJ") which has led to guidance from the ECJ as to how Austrian Courts should assess questions of the compatibility of the Austrian licensing regime with EU law. The Group continues to contest the compatibility of the Austrian licensing regime with EU law and the applicability of judgements of the Austrian courts which do not properly assess that issue in accordance with the ECJ's guidance. In addition to the outcome of cases relating to the compatibility or otherwise of local licensing regimes with EU law, significant issues remain to be resolved in the context of consumer claims related to (i) the applicable law under which claims in cross border cases should be determined and (ii) the enforceability of disputed judgments obtained in jurisdictions from which the Group does not trade and in which it has no assets or presence. The Group has been advised that there are significant public policy arguments as to why judgements obtained outside of its operating jurisdictions which fail to recognise (i) the choice of governing law made by the parties to the contract; and (ii) the legitimacy of the regulatory regimes and EU law under which the Group provides services to consumers would not be recognised or enforced in those operating jurisdictions.

Taking into account the uncertainty associated with the legal basis for these claims, coupled with the advice that the Directors have received on the strength of the various legal defences that the Group has against such claims, the Directors have concluded that the Group has a possible, but not probable, legal obligation in respect of these claims.

Since the last quarter of 2020, the Group has been subject to a particular acceleration of claims made in Austria following marketing campaigns by litigation funders in that jurisdiction. Claims have continued to be received throughout 2021 at a broadly consistent rate with a slight increase in claims early in 2021 but a small decrease across the second half of 2021. Additionally, a very small number of consumers who have obtained judgement against the Group's entities in the Austrian courts have sought to enforce those judgements in Malta and Gibraltar. In estimating the size of the potential outflow that might result if this were to occur the Directors have assessed (i) the number and individual size of claims received to date and assumptions based on such observations as can be derived from those claims at this comparatively early stage; (ii) the steps that the Group intends to take to defend those claims; and (iii) the fact that the Group has been advised that any outflow would be expected to be on a net of tax basis. Based on that assessment the Group estimates that, if there were an outflow of economic benefits, it could be up to the value of £45.0m, which is an increase than the estimation as at 29 December 2020 recognising the increase in claims trends during 2021.

The timing of any such outflow will be dependent on (i) the ultimate validity of decisions in cases to be heard before the Austrian national courts and the extent to which those decisions followed the ECJ's guidance on the F&F case (ii) the timing of cases before the Gibraltar and/or Maltese courts (being the courts of the jurisdictions in which and from which the Group's online businesses operate and the jurisdictions where consumers would need to seek to enforce any contested judgements that they have obtained); and (iii) the rate and number of future claims made by consumers. Given those factors any outflow will only result after final court hearings on questions of enforcement which are unlikely to take place within the next twelve months and any outflow would, in any event, then take place over a multi-year period.

Contingent deal related fees

The Group has agreed payment of £12.0m (inclusive of tax) of retention payments to key employees to be paid contingent on completion of the acquisition by 888. As such these have been disclosed as a contingent liability given the 888 Holdings Plc shareholder approval and regulatory clearances were still to be obtained as at the balance sheet date.

In addition, the Group has entered into an agreement with a third party for public relations advice in connection to the acquisition with fees of £0.3m (inclusive of VAT) only payable contingent on the completion of the transaction which are disclosed as a contingent liability consistent to the retention payments.

35. Events after the reporting period

On the 16 May 2022, 99.73% of 888's shareholders voted to approve the acquisition of William Hill. This has no impact on these financial statements.

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

as at 28 December 2021

	Notes	28 December 2021 £m	29 December 2020 £m
Non-current assets:			
Investments	4	1,304.8	1,323.7
Current assets:			
Trade and other receivables	5	1,380.5	1,234.4
Cash		1.9	0.2
Total assets		2,687.2	2,558.3
Current liabilities:			
Trade and other payables	6	(339.1)	(128.0)
Non-current liabilities:			
Borrowings	7	(696.7)	(694.6)
Total liabilities		(1,035.8)	(822.6)
Net assets		1,651.4	1,735.7
Equity			
Called-up share capital	8	107.5	107.5
Share premium account	9	716.6	716.6
Capital redemption reserve		6.8	6.8
Merger reserve		194.4	194.4
Own shares held	10	(51.3)	(83.9)
Retained earnings		677.4	794.3
Total equity		1,651.4	1,735.7

The Company's profit for the period was £185.4m (52 weeks ended 29 December 2020: £33.2m loss).

The Parent Company financial statements of William Hill Limited, registered number 4212563, were approved by the Board of Directors and authorised for issue on 27 June 2022 and are signed on its behalf by:

Ulrik Bengtsson

R U Bengtsson
Director

Wilhelmus Theodorus Josef Hageman

W T J Hageman
Director

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

for the 52 weeks ended 28 December 2021

	Called-up share capital £m	Share premium account £m	Capital redemption reserve £m	Merger reserve £m	Own shares held £m	Retained earnings £m	Total equity £m
At 29 December 2020	107.5	716.6	6.8	194.4	(83.9)	794.3	1,735.7
Profit for the financial period	–	–	–	–	–	185.4	185.4
Total comprehensive loss for the period	–	–	–	–	–	185.4	185.4
Purchase and issue of own shares	–	–	–	–	(0.8)	–	(0.8)
Transfer of own shares to recipients (note 10)	–	–	–	–	33.4	(27.3)	6.1
Dividends paid (note 3)	–	–	–	–	–	(275.0)	(275.0)
At 28 December 2021	107.5	716.6	6.8	194.4	(51.3)	677.4	1,651.4

	Called-up share capital £m	Share premium account £m	Capital redemption reserve £m	Merger reserve £m	Own shares held £m	Retained earnings £m	Total equity £m
At 31 December 2019	90.0	709.9	6.8	–	(87.0)	827.5	1,547.2
Loss for the financial period	–	–	–	–	–	(30.0)	(30.0)
Total comprehensive loss for the period	–	–	–	–	–	(30.0)	(30.0)
Purchase and issue of own shares (note 10)	–	–	–	–	(1.6)	–	(1.6)
Transfer of own shares to recipients (note 10)	–	–	–	–	4.7	(3.2)	1.5
Equity placing (note 8)	17.5	6.7	–	194.4	–	–	218.6
At 29 December 2020	107.5	716.6	6.8	194.4	(83.9)	794.3	1,735.7

PARENT COMPANY STATEMENT OF ACCOUNTING POLICIES

Significant accounting policies

Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100, and as such, these financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by section 408 of the Companies Act 2006, the Income Statement of the Company has not been presented.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, business combinations, presentation of a cash flow statement, standards not yet effective and related party transactions. Where required, equivalent disclosures are given in the consolidated financial statements.

The principal accounting policies adopted are set out below.

Investments

Non-current asset investments are shown at cost less any accumulated impairment losses.

Taxation

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 recognised if the temporary difference arises from 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.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the date of the transaction or at an average rate. Monetary assets and liabilities denominated in foreign currencies at the period end date are reported at the rates ruling at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Income Statement.

Finance costs

Finance costs and income arising on interest-bearing financial instruments carried at amortised cost are recognised in the Income Statement using the effective interest rate method. Finance costs include the amortisation of fees that are an integral part of the effective finance cost of a financial instrument, including issue costs, and the amortisation of any other differences between the amount initially recognised and the redemption price.

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, premiums 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.

Own shares held

Own shares held in treasury and held in employment benefit trusts are included within equity.

PARENT COMPANY STATEMENT OF ACCOUNTING POLICIES CONTINUED

Significant accounting policies (continued)

Share-based payments

The Company issued equity-settled share-based payments to certain employees within the Group and operated a number of HMRC-approved Save As You Earn (SAYE) share option schemes which were open to all eligible employees within the Group, which allowed the purchase of shares at a discount. The cost to the Company of both of these types of share-based payments was measured at fair value at the date of grant. Fair value is expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and is borne by the employing Company within the Group.

On completion of the transaction with Caesars, all schemes were modified at the point of the change of control at which point there was an acceleration of the remaining charges.

Further descriptions of the Group's share-based payment plans are given in note 32 to the Group financial statements.

Going concern

Details of the Company's going concern assessment are described in the Group financial statements on page 39.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

1. Directors' remuneration and interests

The Company had no employees other than Directors during the current or prior period. The Company did not operate any pension schemes during the current or prior period. Directors' remuneration, which form part of these financial statements, is included in note 33 to the Group financial statements.

2. Income statement disclosures

As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own Income Statement for the year.

The audit fee for the Company and the consolidated financial statements is disclosed in note 5 to the Group financial statements. Fees payable to Deloitte LLP and their associates for audit and non-audit services to the Company are not required to be disclosed because the Group financial statements disclose such fees on a consolidated basis.

3. Dividends proposed and paid

During the period, post-acquisition by Caesars, the Company paid a cash dividend of £275.0m to Caesars Cayman Finance Ltd. No dividends were proposed or paid in the comparative period.

4. Investments

	£m
Cost and net book value at 1 January 2019	1,304.8
Investments in subsidiary undertakings	18.9
Cost and net book value at 29 December 2020	1,323.7
Sale of subsidiary undertakings	(18.9)
At 28 December 2021	1,304.8

During the period, the Company sold its investment in WHUS TechCo to Caesars UK Holdings Limited (UK), a wholly owned subsidiary of the Caesars group. A profit on sale of £208.7m was recognised in the Income Statement in the period.

It is the opinion of the Directors that the total value of the Company's investment in its subsidiaries is not less than the amounts at which they are stated in the Parent Company Statement of Financial Position.

All subsidiaries of the Company, their country of incorporation and ownership of their share capital are shown in the appendix to the Group financial statements.

5. Trade and other receivables

	28 December 2021 £m	29 December 2020 £m
Amounts owed by Group undertakings	1,380.5	1,234.4

6. Trade and other payables

	28 December 2021 £m	29 December 2020 £m
Amounts owed to Group undertakings	331.3	119.6
Accruals and deferred income	7.8	8.4
	339.1	128.0

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS CONTINUED

7. Borrowings

	28 December 2021 £m	29 December 2020 £m
Borrowings at amortised cost		
Bank facilities	–	–
Less: expenses relating to bank facilities	–	(2.2)
£350m 4.875% Senior Unsecured Notes due 2023	349.1	350.0
Less: expenses relating to £350m 4.875% Senior Unsecured Notes due 2023	(0.6)	(0.9)
£350m 4.75% Senior Unsecured Notes due 2026	350.0	350.0
Less: expenses relating to £350m 4.75% Senior Unsecured Notes due 2026	(1.8)	(2.3)
Total Borrowings	696.7	694.6
Less: Borrowings as due for settlement in 12 months	–	–
Total Borrowings as due for settlement after 12 months	696.7	694.6
The gross borrowings are repayable as follows:		
Amounts due for settlement within one year	–	–
In the second year	349.1	–
In the third to fifth years inclusive	350.0	350.0
After more than five years	–	350.0
	699.1	700.0

Bank facilities

At 28 December 2021, the Company had the following bank facilities:

£425m Revolving Credit Facilities

Up until 22 April 2021, borrowings under the RCF were unsecured but guaranteed by the Company and certain of its operating subsidiaries.

Borrowings under the facilities incurred interest at LIBOR plus a margin of between 1.1% and 2.5%, were determined quarterly by the Group's consolidated net debt to EBITDA ratio as defined in the facility agreements. A utilisation fee was payable if more than a certain percentage of the facility is drawn. A commitment fee, equivalent to 40% of the margin, was also payable in respect of available but undrawn borrowings.

On 22 April 2021, the committed revolving credit facilities (RCF) of £425m (29 December 2020: £425m) provided by a syndicate of banks, expiring in November 2022 (£35m) and October 2023 (£390m) was cancelled as part of the acquisition of the Company by Caesars Entertainment Inc.

Prior to the RCF being cancelled on 22 April 2021, the up-front participation and arrangement fees plus associated costs incurred in arranging the RCF were capitalised in the Statement of Financial Position and amortised on a straight-line basis over the life of the facilities.

Overdraft facility

At 28 December 2021, the Company had an overdraft facility with National Westminster Bank plc of £5.0m (29 December 2020: £5.0m). The balance on this facility at 28 December 2021 was £nil (29 December 2020: £nil).

Senior Unsecured Notes

(ii) £350m 4.875% Senior Unsecured Notes due 2023

On 27 May 2016, the Company issued £350m of senior unsecured notes and used the net proceeds to refinance the Company's existing debt and for general corporate purposes. The notes, which are guaranteed by the Company and certain of its operating subsidiaries, were issued with a coupon of 4.875% and mature in September 2023.

The acquisition of the Company by Caesars triggered a change in control and the exercise of a put option by a number of Noteholders (refer below). On 2 August 2021, Noteholders of £900k out of £350m 4.875% Senior Unsecured Notes due 2023 took the option to exercise. The cash purchase price was equal to 101 per cent of the principal amount together with the interest accrued. As a result, this reduced the £350m 4.875% Senior Unsecured Notes due 2023 to £349.1m at 28 December 2021.

(ii) £350m Senior Unsecured Notes due 2026

On 1 May 2019, the Company issued £350m of senior unsecured notes and used the net proceeds to refinance the Company's existing debt and for general corporate purposes. The bonds, which are guaranteed by the Company and certain of its operating subsidiaries, were issued with a coupon of 4.75% and mature in May 2026.

Finance fees and associated costs incurred on the issue of notes have been capitalised in the Statement of Financial Position and are being amortised over the life of the respective notes using the effective interest rate method.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS CONTINUED

7. Borrowings (continued)**Weighted average interest rates**

The weighted average interest rates paid, including commitment fees, were as follows:

	52 weeks ended 28 December 2021 %	52 weeks ended 29 December 2020 %
2026 notes	4.8	4.8
2023 notes	4.9	4.9

Change of control

The Company had committed bank facilities dated October 2018 and November 2019, consisting of a five-year multi-currency syndicated revolving credit facility of £390m and a three-year bilateral multi-currency revolving credit facility of £35m respectively. Under the terms of these facilities, the lenders could give notice to the Company to repay outstanding amounts plus accrued and unpaid interest and were able to cancel the commitments where there was a change of control of the Company.

In addition, under the indentures for our 4.875% senior unsecured notes due 2023 and our 4.75% senior unsecured notes due 2026, each Noteholder is entitled to require the Company (as issuer) to redeem or purchase any outstanding Senior Unsecured Notes in the event of a change of control at a cash purchase price equal to 101 per cent of the principal amount together with interest accrued.

Fair value of loans and facilities

The Company's £349.1m 4.875% Senior Unsecured Notes due 2023 are listed on the London Stock Exchange and at the period end date their fair value was £360.6m (29 December 2020: £373.1m).

The Company's £350m 4.75% Senior Unsecured Notes due 2026 are listed on the London Stock Exchange and at the period end date their fair value was £366.8m (29 December 2020: £389.4m).

Further details of borrowings are shown in note 24 to the Group financial statements.

8. Called-up share capital

	28 December 2021		29 December 2020	
	Number of shares	£m	Number of shares	£m
Called-up, authorised, allotted and fully paid – ordinary shares of 10p each:	1,075,598,163	107.5		
At start of period	–	–	900,725,706	90.0
Shares issued in the period	–	–	174,872,457	17.5
At end of period	1,075,598,163	107.5	1,075,598,163	107.5

On 17 June 2020, the Group conducted a successful placing of 19.99% of ordinary share capital, raising gross proceeds of £223.8m (£218.6m net of fees) which were used to partially pay down the Group's committed revolving credit facilities, further strengthening the balance sheet to match the Group's ambitions.

174,872,457 new ordinary shares of 10p each were issued at a price of 128p per share. Ordinary share capital of £17.5m has been recognised relating to the issue.

Of the 174,872,457 new ordinary shares, 169,111,584 were placed with institutional investors. Using a Jersey cashbox structure, the Group has recognised a merger reserve relating to this placing of £194.4m.

The remaining 5,760,873 new ordinary shares were issued to retail and other investors (5,600,860 shares) and to Directors and members of the senior management team (160,013 shares). A share premium of £6.7m has been recognised relating to these share issues.

The Company has one class of ordinary shares, which carry no right to fixed income.

Share options

During the period, as a result of the completion of the acquisition of the Company by Caesars, all share options were either exercised or elapsed. At the period end date, there were no outstanding options remaining.

9. Share premium

	28 December 2021 £m	29 December 2020 £m
At start of period	716.6	709.9
Shares issued in the period (note 8)	–	6.7
At end of period	716.6	716.6

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS CONTINUED

10. Own shares

	£m
At 29 December 2020	(83.9)
Purchase and issue of own shares	(0.8)
Transfer of own shares to recipients	33.4
At 28 December 2021	(51.3)

Own shares held comprise:

	28 December 2021			29 December 2020		
	Number of shares	Nominal value £m	Cost £m	Number of shares	Nominal value £m	Cost £m
William Hill Holdings Employee Benefit Trust	5,549	0.0	0.0	49,363	0.0	0.2
Treasury shares	15,005,235	1.5	51.3	25,127,306	2.5	83.7
	15,010,784	1.5	51.3	25,176,669	2.5	83.9

The shares held either in treasury or in the William Hill Holdings Employee Benefit Trust (EBT) were purchased at a weighted average price of £3.42 (29 December 2020: £3.33).

11. Financial commitments

The Company had no capital commitments at 28 December 2021 (29 December 2020: £nil).

The Company had no commitments under non-cancellable operating leases at 28 December 2021 (29 December 2020: £nil).

STATEMENT OF GROUP ACCOUNTING POLICIES

General information

William Hill Limited is a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is 1 Bedford Avenue, London, WC1B 3AU. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 9 to 13 and note 2.

These financial statements are presented in pounds sterling, because that is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with our accounting policies.

Basis of accounting

The Group financial statements have been prepared in accordance with IFRSs as issued by the IASB. The Group financial statements have also been prepared in accordance with IFRSs under the transitional provisions, adopting any new IFRS standards or amendments that are endorsed by the UK after IP completion day (31 December 2020) in addition to 'frozen' IFRS as endorsed by the European Union at IP completion day.

The Group financial statements have been prepared on the historical cost basis, except where certain assets or liabilities are held at amortised cost or at fair value as described in our accounting policies. The key accounting policies adopted are set out on page 83.

Below is a complete list of the remaining accounting policies adopted.

Adoption of new and revised standards

In preparing the Group financial statements for the current period, the Group has adopted the following new IFRSs, amendments to IFRSs and IFRS Interpretations Committee (IFRIC) interpretations. All standards do not have a significant impact on the results or net assets of the Group. Key changes are detailed below:

IFRS 16 (amended)	Covid-19 Related Rent Concessions beyond 30 June 2021
-------------------	---

Amendments to IFRS 16 – Covid-19 Related Rent Concessions

This amendment provides relief for lessees from assessing whether a Covid-19 related rent concession is a lease modification.

Standards in issue but not effective

At the date of authorisation of the Group financial statements, the following Standards, amendments and Interpretations, which have not been applied in these Group financial statements, were in issue but not yet effective:

Amendments and interpretations

IAS 1 (amended)	Classification of Liabilities as Current or Non-Current (effective 1 January 2023)
IAS 8 (amended)	Definition of Accounting Estimates (effective 1 January 2023)
IAS 12 (amended)	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (effective 1 January 2023)
IAS 16 (amended)	Property, Plant and Equipment: Proceeds before Intended Use (effective 1 January 2022)
IAS 37 (amended)	Onerous Contracts – Cost of Fulfilling a Contract (effective 1 January 2022)
IAS 39 (amended)	Interest Rate Benchmark Reform – Phase 2 (effective 1 January 2021)
IFRS 1 (amended)	Annual Improvements to IFRS Standards 2018-2020 (effective 1 January 2022), Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (effective 1 January 2023)
IFRS 3 (amended)	Referencing to the Conceptual Framework (effective 1 January 2022)
IFRS 7 (amended)	Interest Rate Benchmark Reform – Phase 2 (effective 1 January 2021)
IFRS 9 (amended)	Annual Improvements to IFRS Standards 2018-2020 (effective 1 January 2022), Interest Rate Benchmark Reform – Phase 2 (effective 1 January 2021)
IFRS 16 (amended)	Annual Improvements to IFRS Standards 2018-2020 (effective 1 January 2022), Interest Rate Benchmark Reform – Phase 2 (effective 1 January 2021)

The Group does not currently believe that the adoption of these amendments would have a material effect on the results or financial position of the Group.

STATEMENT OF GROUP ACCOUNTING POLICIES CONTINUED

Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) up to 28 December 2021. Control is achieved where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Income Statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Business combinations

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired, including separately identifiable intangible assets, is recognised as goodwill. Any discount on acquisition, i.e., where the cost of acquisition is below the fair values of the identifiable net assets acquired, is credited to the Income Statement in the period of acquisition.

Interests in associates

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

The results and assets and liabilities of associates are incorporated in the Group financial statements using the equity method of accounting. Interests in associates are carried in the Statement of Financial Position at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the entity, less any impairment in the value of individual investments. Losses of the associates in excess of the Group's interest in those entities are not recognised.

Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the entity at the date of acquisition is recognised as goodwill within the interests in associates line. Any deficiency of the cost of acquisition below the Group's share of the fair values of the identifiable net assets of the entity at the date of acquisition (i.e., discount on acquisition) is credited to the Income Statement in the period of acquisition.

Where a Group Company transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant entity. Losses may provide evidence of an impairment of the asset transferred, in which case appropriate provision is made for impairment.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities, including separately identifiable intangible assets, of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Investment income

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

STATEMENT OF GROUP ACCOUNTING POLICIES CONTINUED

Leasing

At inception of a contract, the Group 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 Group 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 Group uses an incremental borrowing rate for its leases, which 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 Group has assessed the lease term of properties within its retail estate to be up to the first available contractual break within the lease. The Group has deemed that it cannot be reasonably certain that it will continue beyond this time given the continued uncertainty surrounding the Group's retail business. The Group 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.

The Group has a very small number of sublet properties. In these instances, leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Where the Group is an intermediate lessor, the sublease classification is assessed with reference to the head lease right of use asset. Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the lease. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Group's net investment in the lease. Rental income from operating leases is recognised on a straight-line basis over the term of the lease.

Foreign currencies

Transactions in currencies other than pound sterling 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 on 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 on retranslation are included in the 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.

In order to hedge its exposure to certain foreign exchange risks, the Group makes efforts to match its foreign currency assets and liabilities and, where necessary, the Group takes out foreign currency hedges.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing at the period end date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly, in which case the spot rate for significant items is used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

STATEMENT OF GROUP ACCOUNTING POLICIES CONTINUED

Finance costs

Finance costs and income arising on interest-bearing financial instruments carried at amortised cost are recognised in the Income Statement using the effective interest rate method. Finance costs include the amortisation of fees that are an integral part of the effective finance cost of a financial instrument, including issue costs, and the amortisation of any other differences between the amount initially recognised and the redemption price.

Profit before interest and tax

Profit before interest and tax is stated after the share of results of associates but before investment income and finance costs.

Retirement benefit costs

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

For defined benefit retirement schemes, 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 the 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 costs and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service costs plus the present value of available refunds and reductions in future contributions to the plan.

Taxation

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 Group'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 recognised if the temporary difference arises from 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.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

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 Group'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.

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 is incurred.

STATEMENT OF GROUP ACCOUNTING POLICIES CONTINUED

Intangible assets – licences

Prior to 2020, betting licences recognised in acquisitions were recorded at fair value. They were judged to have an indefinite life and were accordingly not amortised but were subject to annual impairment reviews. Management considered that the Group's licences had an indefinite life owing to: the fact that the Group was a significant operator in a well-established market; the proven and sustained demand for bookmaking services; and the Group's track record of successfully renewing its betting permits and licences.

The Retail estate has been re-sized twice in recent years, and the industry is naturally moving away from retail space in the UK towards an online/digital presence. These factors led the Group to the conclusion that the value of a licence to operate an LBO / group of LBOs is depreciating over time and is not expected to hold its value indefinitely. Therefore, management decided as at 30 December 2020 to amortise the assets over a 20-year useful economic life (UEL). This change in UEL is an estimate that management made based on the available information. This change was made prospectively from the 52-week financial period starting 30 December 2020 and is a change in accounting estimate. The impact of such change will be to increase amortisation of intangible assets by c£10m per year.

Intangible assets arising on acquisitions

Intangible assets arising on acquisitions are recorded at their fair value.

Amortisation is provided at rates calculated to write off the valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Acquired brands	– assessed separately for each asset, with lives ranging up to 20 years
Customer relationships	– between 18 months and ten years
Bookmaking and mobile technology	– between three and five years
Wagering/lottery contracts	– ten to 12 years
	–

Amortisation of assets arising on acquisition is recognised as an adjusting item, please see note 3 for further information.

Property, plant and equipment

All property, plant and equipment are stated in the Statement of Financial Position at their cost, less any subsequent 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
Long leasehold properties	– 50 years
Short leasehold properties	– over the unexpired period of the lease
Short leasehold improvements	– the shorter of ten years or the unexpired period of the lease
Fixtures, fittings and equipment and motor vehicles	– at variable rates between three and ten years
Right-of-use asset	– reasonably certain lease term

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.

Impairment of property plant and equipment and intangible assets

At each period end date, the Group reviews the carrying amounts of its goodwill, property plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group 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. This process is described in more detail in note 12 to the financial statements.

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.

Other than for goodwill, 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.

STATEMENT OF GROUP ACCOUNTING POLICIES CONTINUED

Share-based payments

Prior to completion of the Caesars deal, the Group issued equity settled share-based payments to certain employees and operated an HMRC approved Save As You Earn share option scheme open to all eligible employees, allowing the purchase of shares at a discount. The cost to the Group of share-based payment plans was measured at fair value at the date of grant. Fair value was expensed on a straight-line basis over the vesting period, adjusted for the Group's estimate of shares that would eventually vest.

Fair value was measured by use of the Black-Scholes-Merton pricing formula. The expected life used in the model was 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 was also adjusted to take into account any market conditions applicable to the option.

At each period end date, the Group revised 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, was 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 were treated as cancelled when employees ceased to contribute to the scheme or resigned from the Group, as a result of the acquisition by Caesars. This resulted in accelerated recognition of the expenses that would have arisen over the remainder of the original vesting period.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Provisions

Provisions are recognised when the Group 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. The expense relating to a provision is recognised in the Consolidated Income Statement.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's Statement of Financial Position when the Group 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 Group with an original maturity of three months or less, including amounts retained by payment service providers.

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. Allowance for irrecoverable amounts is recognised based on management's expectation of losses occurring, rather than when the loss has actually been incurred (the '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.

STATEMENT OF GROUP ACCOUNTING POLICIES CONTINUED

Financial instruments (continued)**Investments**

Investments comprise shareholdings in entities where the Group is not in a position to have control, joint control or significant influence over the financial and operating policy decisions of the entity. The Group 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.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group derecognises financial liabilities when and only when the Group'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 fair value, and subsequently at their amortised cost.

Derivative financial instruments and hedge accounting

The Group's activities expose it to the risks of changes in interest rates and foreign currency exchange rates. The Group may use fixed rate borrowings to hedge some of its interest rate exposure. The Group may make use of foreign currency forwards to hedge a proportion of its largest net foreign currency transactional exposures. Where possible and practicable, the Group retains foreign currency cash balances equivalent to its foreign currency liabilities to hedge its exposure to foreign currency exchange rates. The Group does not use derivative financial instruments for speculative purposes.

The use of financial derivatives is governed by the Group's policies approved by the Board, which provide written principles on the use of financial derivatives.

All derivative financial instruments are initially measured at fair value at the contract date and are remeasured to their fair value at subsequent reporting dates. Changes in fair value of any derivative instrument that is not part of a hedging relationship are recognised immediately in the Income Statement.

For any derivative instrument that is part of a cash-flow hedging relationship which is designated as effective, changes in the fair value of the derivative financial instruments are recognised directly in equity. Changes in the fair value of ineffective hedges, including the ineffective portion of effective hedges, are recognised immediately in the Income Statement. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the line of the Income Statement relating to the hedged item, in the same period in which the hedged item affects net profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period. Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts, and the host contracts are not carried at fair value with unrealised gains or losses reported in the Income Statement under other operating expenses.

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 instrument

Appendix

Subsidiaries and other related undertakings

The following UK subsidiaries will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the period ended 28 December 2021. Unless otherwise stated, the undertakings listed below are 100% owned, either directly or indirectly, by William Hill Limited.

Name of subsidiary and other related undertakings	Company No.
Will Hill Limited	3447836
William Hill Finance Limited	03461992
William Hill Holdings Limited	03688930
William Hill Investments Limited	3721293
Willstan Properties Limited	NI004432
Grand Parade Limited	05914860
WHG Services Limited	06714087
William Hill Steeplechase Limited	109405

In accordance with Section 409 of the Companies Act 2006, a full list of related undertakings as at 28 December 2021, the address of their registered office and their country of incorporation is shown below. The entire issued share capital is held within the Group except where otherwise shown.

	Country of incorporation	Proportion of all classes of issued share capital owned by the Company
Directly owned:		
Live 5 Holdings Limited	Great Britain	100%
Mr Green & Co AB ⁽²⁾	Sweden	100%
William Hill Holdings Limited ⁽¹⁾	Great Britain	100%
WHUS TechCo, Inc. ⁽³⁰⁾ (sold to Caesars Entertainment, Inc in April 2021)	USA	100%

Held through intermediate companies

Name of subsidiary and other related undertakings	Country of incorporation	% holding
Ad-gency Limited (entered dissolution process in 2018) ⁽⁹⁾	Israel	100%
Admar Services (Gibraltar) Limited ⁽²⁾	Gibraltar	100%
Admar Services (Malta) Limited ⁽²⁾	Malta	100%
A.J.Schofield Limited ⁽²⁹⁾ (in liquidation)	Great Britain	100%
Alfabet S.A.S ⁽²⁸⁾	Colombia	90%
American Wagering, Inc. ⁽³⁾ (sold to Caesars Entertainment, Inc in April 2021)	USA	100%
Arena Racing Limited ⁽¹⁾	Great Britain	100%
Arthur Roye (Turf Accountants) Limited ⁽³¹⁾ (dissolved April 2022)	Great Britain	100%
Arthur Wilson Limited ⁽³¹⁾ (dissolved March 2022)	Great Britain	100%
AWI Gaming, Inc. ⁽³⁾ (sold to Caesars Entertainment, Inc in April 2021)	USA	100%
AWI Manufacturing, Inc. ⁽³⁾ (sold to Caesars Entertainment, Inc in April 2021)	USA	100%
B.B.O'Connor (Lottery) Limited ⁽⁴⁾	Jersey	100%
B.J.O'Connor Limited ⁽⁴⁾	Jersey	100%
B.J.O'Connor Holdings Limited ⁽⁴⁾	Jersey	100%
Baseflame Limited ⁽²³⁾ (in liquidation)	Great Britain	100%
Bill Taylor of Huyton Limited ⁽³¹⁾ (dissolved March 2022)	Great Britain	100%
Bookhost Limited ⁽³¹⁾ (dissolved March 2022)	Great Britain	100%
Bradlow Limited ⁽¹⁾	Great Britain	100%
Brandywine Bookmaking, LLC ⁽³⁾ (sold to Caesars Entertainment, Inc in April 2021)	USA	100%
Brooke Bookmakers Limited ⁽¹⁾	Great Britain	100%
BW Sub Co. ⁽³⁾ (sold to Caesars Entertainment, Inc in April 2021)	USA	100%
Camec (Provincial) Limited ⁽³¹⁾ (dissolved March 2022)	Great Britain	100%
Camec (Scotland) Limited ⁽¹⁾	Great Britain	100%
Camec (Southern) Limited ⁽²⁹⁾ (in liquidation)	Great Britain	100%
Camec (Western) Limited ⁽³¹⁾ (dissolved March 2022)	Great Britain	100%
Camec Limited ⁽¹⁾	Great Britain	100%
Cellpoint Investments Limited ⁽¹⁰⁾	Cyprus	100%
City Tote Limited ⁽²⁹⁾ (in liquidation)	Great Britain	100%
Clevey House Limited ⁽⁷⁾ (Struck off February 2021)	Guernsey	100%
Computerized Bookmaking Systems, Inc. ⁽³¹⁾ (sold to Caesars Entertainment, Inc in April 2021)	USA	100%
Concession Bookmakers Limited ⁽²⁹⁾ (in liquidation)	Great Britain	100%
Daniel McLaren Limited ⁽³¹⁾ (dissolved March 2022)	Great Britain	100%
Dansk Underholdning Ltd ⁽²¹⁾	Malta	100%
Dawcar Limited ⁽³¹⁾ (dissolved April 2022)	Great Britain	100%

Name of subsidiary and other related undertakings	Country of incorporation	% holding
Deluxe Online Limited ⁽²⁹⁾ (in liquidation)	Great Britain	100%
Demmy Investments Limited ⁽³¹⁾ (dissolved March 2022)	Great Britain	100%
Deviceguide Limited ⁽¹⁾	Great Britain	100%
Douglas Tyler Limited ⁽³¹⁾ (dissolved March 2022)	Great Britain	100%
Eclipse Bookmakers Limited ⁽³¹⁾ (dissolved March 2022)	Great Britain	100%
Evenmedia Limited ⁽²⁹⁾ (in liquidation)	Great Britain	100%
Eventip Limited ⁽³¹⁾ (dissolved March 2022)	Great Britain	100%
Evoke Gaming Ltd ⁽⁷⁾	Malta	100%
Fred Parkinson Management Limited ⁽¹⁾	Great Britain	100%
Gearnnet Limited ⁽³¹⁾ (dissolved March 2022)	Great Britain	100%
Goodfigure Limited ⁽²⁹⁾ (in liquidation)	Great Britain	100%
Grand Parade Limited ⁽¹⁾	Great Britain	100%
Grand Parade sp. z o.o ⁽¹⁴⁾	Poland	100%
Green Gaming Group PLC ⁽⁷⁾	Malta	100%
Green Jade Games Limited ⁽²³⁾	Malta	40.82%
Groatbray Limited ⁽³¹⁾ (dissolved March 2022)	Great Britain	100%
Gus Carter (Cash) Limited ⁽¹⁾	Great Britain	100%
Gus Carter Limited ⁽¹⁾	Great Britain	100%
Ivy Lodge Limited ⁽⁷⁾	Guernsey	100%
James Lane (Bookmaker) Limited ⁽¹⁾	Great Britain	100%
James Lane Group Limited ⁽¹⁾	Great Britain	100%
James Lane (Turf Accountants) Limited ⁽¹⁾	Great Britain	100%
Laystall Limited ⁽¹⁾	Great Britain	100%
Les Rosiers Limited ⁽⁷⁾ (dissolved November 2020)	Guernsey	100%
Live 5 Limited ⁽¹⁾	Great Britain	100%
Lucky Choice Limited ⁽³⁵⁾ (dissolved June 2021)	Great Britain	33%
Matsbest Limited ⁽¹⁾	Great Britain	100%
Matsdom Limited ⁽³¹⁾ (dissolved March 2022)	Great Britain	100%
Matsgood Limited ⁽¹⁾	Great Britain	100%
Mr Green & Co Optionsbarare AB ⁽³⁾	Sweden	100%
Mr Green Consultancy Services Ltd ⁽¹⁾	United Kingdom	100%
Mr Green Consulting AB ⁽³⁰⁾	Sweden	100%
Mr Green Limited ⁽²¹⁾	Malta	100%
MRG IP Limited ⁽²¹⁾	Malta	100%
MRG Spain PLC ⁽²¹⁾	Malta	100%
Nalim Limited ⁽³¹⁾ (dissolved March 2022)	Great Britain	100%
NeoGames S.a.r.l ⁽¹⁹⁾ (equity interest transferred to Caesars Entertainment, Inc in August 2021)	Luxembourg	24.5%
Pandashield Limited ⁽³¹⁾ (dissolved April 2022)	Great Britain	100%
Phonethread Limited ⁽¹⁾	Great Britain	100%
Premier Bookmakers Limited ⁽³¹⁾ (dissolved April 2022)	Great Britain	100%
Regency Bookmakers (Midlands) Limited ⁽¹⁾	Great Britain	100%
Regionmodel Limited ⁽³¹⁾ (dissolved March 2022)	Great Britain	100%
Selwyn Demmy (Racing) Limited ⁽¹⁾	Great Britain	100%
Sherman Racing (Western) Limited ⁽³¹⁾ (dissolved March 2022)	Great Britain	100%
SIA Mr Green Latvia ⁽²⁵⁾	Latvia	100%
Sports Information Services (Holdings) Limited ⁽¹⁶⁾	Great Britain	19.5%
St James Place Limited ⁽⁷⁾	Guernsey	100%
T H Jennings (Harlow Pools) Limited ⁽¹⁾	Great Britain	100%
The William Hill Foundation ⁽¹⁾ (Struck off February 2022)	Great Britain	100%
Trackcycle Limited ⁽¹⁾	Great Britain	100%
Transdawn Limited ⁽³¹⁾ (dissolved March 2022)	Great Britain	100%
Vickers Bookmakers Limited ⁽²⁹⁾ (in liquidation)	Great Britain	100%
Vynplex Limited ⁽²⁹⁾ (in liquidation)	Great Britain	100%
WHG Customer Services Philippines, Inc. ⁽⁴⁾	Philippines	99.95%
WHG IP Licensing Limited ⁽²⁾	Gibraltar	100%
WHG Italia S.R.L ⁽¹³⁾	Italy	100%
WHG Online Marketing Spain S.A. ⁽²⁴⁾	Spain	100%
WHG (Malta) Limited ⁽²¹⁾	Malta	100%
WHG Services (Philippines) Ltd ⁽²⁾	Gibraltar	100%
WHG Services Estonia OU ⁽¹²⁾ (Struck off May 2021)	Estonia	100%
WHG Services Limited ⁽¹⁾	Great Britain	100%
WHG Trading Limited ⁽²⁾	Gibraltar	100%

Name of subsidiary and other related undertakings	Country of incorporation	% holding
WHG (International) Limited ⁽²⁾	Gibraltar	100%
WHG Services (Bulgaria) Limited EOOD ⁽¹¹⁾	Bulgaria	100%
WHG Spain PLC ⁽²¹⁾	Gibraltar	100%
Will Hill Limited ⁽¹⁾	Great Britain	100%
William Hill (Alba) Limited ⁽¹⁷⁾	Great Britain	100%
William Hill (Caledonian) Limited ⁽¹⁷⁾	Great Britain	100%
William Hill (Course) Limited ⁽²⁹⁾ (in liquidation)	Great Britain	100%
William Hill (Edgeware Road) 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 ⁽³⁰⁾ (dissolved March 2022)	Great Britain	100%
William Hill (IOM) No.3 Limited ⁽⁵⁾	Isle of Man	100%
William Hill (London) Limited ⁽¹⁾	Great Britain	100%
William Hill (Malta) Limited ⁽²¹⁾	Malta	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 ⁽³⁰⁾ (in liquidation)	Great Britain	100%
William Hill (Products) Limited ⁽²⁹⁾ (in liquidation)	Great Britain	100%
William Hill (Resources) Limited ⁽¹⁾	Great Britain	100%
William Hill (Scotland) Limited ⁽¹⁷⁾	Great Britain	100%
William Hill (Southern) Limited ⁽¹⁾	Great Britain	100%
William Hill (Stock) Limited ⁽³⁰⁾ (dissolved March 2022)	Great Britain	100%
William Hill (Strathclyde) Limited ⁽³⁰⁾ (in liquidation)	Great Britain	100%
William Hill (Supplies) Limited ⁽²⁹⁾ (in liquidation)	Great Britain	100%
William Hill (Wares) Limited ⁽¹⁾	Great Britain	100%
William Hill (Western) Limited ⁽¹⁾	Great Britain	100%
William Hill Bookmakers (Ireland) Limited ⁽⁶⁾	Ireland	100%
William Hill Call Centre Limited ⁽⁶⁾	Ireland	100%
William Hill Credit Limited ⁽¹⁾	Great Britain	100%
William Hill DFSB Inc. ⁽³¹⁾ (sold to Caesars Entertainment, Inc in April 2021)	USA	100%
William Hill Employee Shares Trustee Limited ⁽¹⁾	Great Britain	100%
William Hill Finance Limited ⁽¹⁾	Great Britain	100%
William Hill Gametek AB ⁽²⁷⁾	Sweden	100%
William Hill Global PLC ⁽²¹⁾	Malta	100%
William Hill Index (London) Limited ⁽³¹⁾ (dissolved March 2022)	Great Britain	100%
William Hill Investments Limited ⁽¹⁾	Great Britain	100%
William Hill Leisure Limited ⁽³¹⁾ (dissolved March 2022)	Great Britain	100%
William Hill Malta PLC ⁽²²⁾	Malta	100%
WH NV III, LLC ⁽³¹⁾ (sold to Caesars Entertainment, Inc in April 2021)	USA	100%
William Hill Latvia SIA ⁽²⁵⁾	Latvia	90%
William Hill Nevada I ⁽³¹⁾ (sold to Caesars Entertainment, Inc in April 2021)	USA	100%
William Hill Nevada II ⁽³¹⁾ (sold to Caesars Entertainment, Inc in April 2021)	USA	100%
William Hill New Jersey, Inc. ⁽³¹⁾ (sold to Caesars Entertainment, Inc in April 2021)	USA	100%
William Hill Offshore Limited ⁽⁶⁾	Ireland	100%
William Hill Organization Limited ⁽¹⁾	Great Britain	100%
William Hill Steeplechase Limited ⁽²⁾	Gibraltar	100%
William Hill Trustee Limited ⁽¹⁾	Great Britain	100%
William Hill US Holdco, Inc. ⁽³¹⁾ (sold to Caesars Entertainment, Inc in April 2021)	USA	80%
Wise Entertainment DK Aps ⁽²⁵⁾	Denmark	100%
Willstan Properties Limited ⁽²⁸⁾	Northern Ireland	100%
Willstan Racing (Ireland) Limited ⁽⁶⁾	Ireland	100%
Willstan Racing Holdings Limited ⁽¹⁾	Great Britain	100%
Willstan Racing Limited ⁽¹⁾	Great Britain	100%
Windsors (Sporting Investments) Limited ⁽¹⁾	Great Britain	100%
Wizard's Hat Limited ⁽²¹⁾	Malta	100%
Winning Post Racing Limited ⁽³¹⁾ (dissolved March 2022)	Great Britain	100%

The proportion of voting rights held is the same as the proportion of shares held.

The registered addresses of the locations of the Group's undertakings are as follows:

1. **Great Britain:** 1 Bedford Avenue, London, WC1B 3AU
2. **Gibraltar:** 6/1 Waterport Place, Gibraltar
3. **USA:** 100 W. Liberty St., 12th Floor, Reno, NV 89501, United States
4. **Jersey:** PO Box 384, 6 Hilgrove Street, St Helier, Jersey, Channel Islands
5. **Isle of Man:** First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF
6. **Republic of Ireland:** 38 Upper Mount Street, Dublin 2, Republic of Ireland
7. **Guernsey:** P.O Box 132, Quay House, South Esplanade, St Peter Port, GY1 4EJ
8. **Philippines:** 11th Floor, Net Lima Plaza, 5th Avenue, corner 26th St, Crescent Park West, Bonifacio Global City, Taguig City, 1634, Philippines
9. **Israel:** Azrieli Square Tower, Floors 31&32, 132 Menachim Begin Road, Tel Aviv, 67011, Israel
10. **Cyprus:** Ioanni Stylianou, 6 2nd Floor, Flat/office 202, PC 2003 Nicosia, Cyprus
11. **Bulgaria:** 4 Mihail Tenev Str , Balkan Business Center, 18th Floor , Sofia 1784
12. **Estonia:** Maakri tn 23a, Tallinn 20245, Estonia
13. **Italy:** Via Egadi 7, 20144, Milano, Italy
14. **Poland:** 11 Kotlarska Street, 31-539, Krakow, Poland
15. **Great Britain:** 1 Stratford Place, Montfichet Road, London, England, E20 1EJ
16. **Great Britain:** 2 Whitehall Avenue, Milton Keynes, MK10 0AX
17. **Great Britain:** 44 St Enoch Square, Glasgow G1 4DH
18. **Northern Ireland:** 369 Newtownards Road, Belfast BT4 1AJ
19. **Luxembourg:** 5 Rue de Bonnevoie, L-1260, Luxembourg
20. **Sweden:** P.O. Box 16285, 103 25, Stockholm, Sweden
21. **Malta:** Level 7, Tagliaferro Business Centre, 14 High Street, Sliema, SLM 1549
22. **Malta:** Level G (Office 1/2429), Quantum House, 75 Abate Rigord St Ta'Xbiex, XBX 1120
23. **Malta:** 137, Level 2, Spinola Road, St Julians STJ 3011, Malta
24. **Spain:** C/Velazquez, C/Velazquez, Planta 4A, Izquierda, 28001, Madrid
25. **Latvia:** Riga, Dzimavu iela 39-8, LV-1010
26. **Denmark:** Tuborgvej 5, 2900 Hellerup
27. **Sweden:** P.O. Box 162 85, 103-25, Stockholm, Sweden
28. **Colombia:** Cra 100 #11-60 Torre Farallones 412, CC Holguines Trade Center, Cali, Valle de Cauca
29. **Great Britain:** Rollings Butt, 6 Snow Hill, London, EC1A 2AY
30. **Great Britain:** Atria One, 144 Morrison Street, Edinburgh, EH3 8EX
31. **Great Britain:** Ernst & Young, 1 More London Place, London, SE1 2AF