

Company Registration No. 03534726 (England and Wales)

Annual Report and Financial Statements

Sportingbet Limited

For the year ended 31 December 2020



Sportingbet Limited
Directors and advisors

Directors	A Lewis W Longton C Sutters S Smith
Registered office	3 rd Floor One New Change London EC4M 9AF
Company number	03534726
Solicitor	Addleshaw Goddard LLP Milton Gate 60 Chiswell Street London, EC1Y 4AG
Statutory auditor	KPMG LLP St Nicholas House Park Row Nottingham NG1 6FQ

Sportingbet Limited

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Sportingbet Limited
Strategic Report
For the year ended 31 December 2020

The Directors present their Strategic Report for the year ended 31 December 2020.

Principal activity

The principal activity of the Company is an intermediary holding company within the Entain plc group.

Results and dividends

The Profit and loss account is set out on page 6 and shows the profit for the year. No dividends were paid or declared in the current or preceding year.

Trading review

The financial performance highlights for the year ended 31 December 2020 are as follows:

- Operating profit £338,000 (2019: £2,607,000).
- Profit after tax of £338,000 (2019: loss of £40,613,000).
- Net assets at year-end of £38,756,000 (2019: £38,418,000).

Principal Risks and Uncertainties

The Directors consider the risks detailed below as inherent to the Company:

Economic Risk

The risk of foreign exchange losses, increased interest rates and or inflation having an adverse impact on the Group in certain markets.

Financial Risk

The Company has budgetary and financial reporting procedures, supported by appropriate key performance indicators to manage credit, liquidity, and other financial risk.

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

Modern Slavery

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

On behalf of the Board



W Longton
Director
Company number: 03534726
Date: 15 December 2021

Sportingbet Limited

Directors' Report

For the year ended 31 December 2020

The Directors present their report and the audited financial statements for the year ended 31 December 2020 for Sportingbet Limited.

Directors

The Directors who held office during the year were:

A Lewis
W Longton
C Sutters
S Smith

Going concern

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

The company is a subsidiary of the Group headed by Entain plc (the Group) and responsible for management services within the Entain plc group and is therefore integral to the Group's business model. Consequently, the ability of the Company to continue as a going concern is based on the ability of the Group to continue as a going concern.

The Group has prepared financial forecasts comprising operating profit, balance sheet and cash flows covering the 36-month period to 2024. In preparing these forecasts, the directors have assessed the impact of the Covid-19 outbreak on the business and have revised the cash flow forecasts for 2022 to take account of the consequent reduction in profits and net cash inflows. These revised forecasts indicate that the Company will remain within its present facilities and that there is sufficient covenant headroom even under the sensitised downside scenarios.

Entain plc has indicated its intention not to seek repayment of the amounts currently due to the group, which at 31 December 2020 amounted to £25,728,000 and to continue to make available such funds as are needed by the company, until at least 31 December 2022 and for the foreseeable future. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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

S172 statement

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

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

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

In discharging their duties under section 172 the directors have access to the full resource, assistance, support and guidance offered by the Entain group and are committed to driving further improvements in shareholder and stakeholder engagement. The 2020 annual report and accounts for Entain plc can be found here: <https://entaingroup.com/investor-relations/financial-reports/>

Sportingbet Limited

Directors' Report

For the year ended 31 December 2020

Auditor

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

Directors' Responsibility Statement

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether 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.

The Directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the Board



W Longton

Director

Company number: 03534726

3rd Floor

One New Change

London

EC4M 9AF

Date: 15 December 2021

Independent auditor's report to the members of Sportingbet Limited

Opinion

We have audited the financial statements of Sportingbet Limited ("the company") for the year ended 31 December 2020 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies.

In our opinion the financial statements:

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

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the Entain plc's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as provisions for impairment. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

Independent auditor's report to the members of Sportingbet Limited

We performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included: unusual revenue pairings; unusual journals with a credit or debit to entry to cash; and, unusual journals in seldom used pairings.
- Evaluated the business purpose of significant unusual transactions.
- Assessing significant accounting estimates for bias.

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

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

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

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

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

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

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

Strategic report and directors' report

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

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

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

Independent auditor's report to the members of Sportingbet Limited

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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



Mark Flanagan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicolas House
Park Row
Nottingham
NG1 6FQ
22 December 2021

Sportingbet Limited**Statement Of Profit or Loss and Other Comprehensive Income****For the year ended 31 December 2020**

		Year ended 31 December 2020	Year ended 31 December 2019
	Notes	£000s	£000s
Administrative income/(expense)		338	(390)
Income from investments		-	2,997
Profit on ordinary activities before taxation		338	2,607
Write off of investments	3	-	(42,612)
Profit/(loss) before tax	5	338	(40,005)
Tax on profit/(loss) on ordinary activities	6	-	(608)
Profit/(loss) for the financial year		338	(40,613)
Other comprehensive income		-	-
Total comprehensive income/(expense) for the year		338	(40,613)

All amounts relate to continuing activities.

The notes on pages 12 to 17 form an integral part of these financial statements.

Sportingbet Limited
Balance Sheet at 31 December 2020
Company No. 03534726

		At 31 December 2020	At 31 December 2019
	Notes	£000s	£000s
Fixed Assets			
Investments	3	1,977	2,000
Current assets			
Debtors	7	62,789	62,272
Cash		25	50
		<u>62,814</u>	<u>62,322</u>
Creditors: amounts falling due within one year	8	(26,034)	(25,904)
Net current assets		<u>36,779</u>	<u>36,418</u>
Net Assets		<u><u>38,756</u></u>	<u><u>38,418</u></u>
Capital and reserves			
Called up share capital	9	667	667
Other reserves		62,309	62,309
Profit and loss account		(24,220)	(24,558)
Total shareholders' funds		<u><u>38,756</u></u>	<u><u>38,418</u></u>

The financial statements on pages 9 to 17 were approved by the Board of Directors and were signed on their behalf by:



W Longton
 Director
 Date: 15 December 2021

Sportingbet Limited
Statement of Changes in Equity
For the year ended 31 December 2020

	Share capital £000s	Other reserves £000s	Profit and loss account £000s	Total £000s
Balance at 1 January 2019	667	62,309	16,055	79,031
Loss for the year	-	-	(40,613)	(40,613)
At 1 January 2020	667	62,309	(24,558)	38,418
Profit for the year	-	-	338	338
At 31 December 2020	667	62,309	(24,220)	38,756

The notes on pages 12 to 17 form an integral part of these financial statements.

Sportingbet Limited

Notes to the financial statements

For the year ended 31 December 2020

1 Basis of preparation

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards.

As permitted under FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to the listing of new and revised standards that have not been adopted, financial instruments, fair values, presentation of a cash flow statement and related party transactions.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

Under the provision of section 400 of the Companies Act 2006, the Company is exempt from preparing consolidated financial statements and has not done so; therefore the financial statements show information about the Company as an individual entity.

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

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

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

The accounting policies which follow in note 2 set out those policies which apply in preparing the financial statements for the period ended 31 December 2020. These policies have been applied consistently other than those newly adopted in the year.

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

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

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

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

Sportingbet Limited
Notes to the financial statements
For the year ended 31 December 2020

1 Basis of preparation (continued)

New standards and IFRIC interpretations

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

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

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

2 Summary of significant accounting policies

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction, except, where the transaction is settled at a contracted rate, the contracted rate is used.

Cash flow statement

The Company is a wholly owned subsidiary of GVC Holdings PLC and is included in the consolidated financial statements of GVC Holdings PLC, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Financial assets are initially measured at fair value adjusted by transaction costs and classified as loans and receivables. Financial assets are subject to annual impairment review at least at each reporting date.

Sportingbet Limited
Notes to the financial statements
For the year ended 31 December 2020

2 Summary of significant accounting policies (continued)

Going concern

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

The company is a subsidiary of the Group headed by Entain plc (the Group) and responsible for management services within the Entain plc group and is therefore integral to the Group's business model. Consequently, the ability of the Company to continue as a going concern is based on the ability of the Group to continue as a going concern.

The Group has prepared financial forecasts comprising operating profit, balance sheet and cash flows covering the 36-month period to 2024. In preparing these forecasts, the directors have assessed the impact of the Covid-19 outbreak on the business and have revised the cash flow forecasts for 2022 to take account of the consequent reduction in profits and net cash inflows. These revised forecasts indicate that the Company will remain within its present facilities and that there is sufficient covenant headroom even under the sensitised downside scenarios.

Entain plc has indicated its intention not to seek repayment of the amounts currently due to the group, which at 31 December 2020 amounted to £25,728,000 and to continue to make available such funds as are needed by the company, until at least 31 December 2022 and for the foreseeable future. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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

3. Investments

Investments in subsidiaries are recognised at cost less any impairment.

	Investments
	£000s
Cost	
At 1 January 2020	44,612
Disposals	(23)
31 December 2020	<u>44,589</u>
Impairment provision	
At 1 January and 31 December 2020	<u>(42,612)</u>
Net Book Value	
At 31 December 2019	<u>2,000</u>
At 31 December 2020	<u>1,977</u>

During the year the Company performed a review of its investments and noted the requirement for an impairment of £nil (2019: £42,612,000).

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

Sportingbet Limited
Notes to the financial statements
For the year ended 31 December 2020

3. Investments (continued)

The following subsidiaries were wholly owned at 31 December 2020:

<u>Company</u>	<u>Country of Incorporation</u>	<u>% owned</u>	<u>Activity</u>
<i>Direct investments:</i>			
Spread Your Wings Germany Limited	Malta	99%	Online betting
Corvee Limited	Guernsey	100%	Administrative services
Sportingbet Holdings Limited	England	100%	Holding company
Portman Road Limited	British Virgin Islands	100%	Dormant
SBT Software Operations (SA) (Pty) Limited	South Africa	100%	Online betting
<i>Indirect investments:</i>			
Interactive Sports Limited	England	100%	Online betting
Sportingbet (Management Services) Limited	England	100%	Administrative services
Sportingbet (IT Services) Limited	England	100%	Software development and IT related services
Sportingbet (Product Services) Limited	England	100%	Project management and web design services
Sporting Odds Limited	England	100%	Online betting
M.L.B. Limited	Ireland	100%	Contract call centre
Green Sand Limited	Antigua and Barbuda	100%	Online betting
Main Street 1013 Pty Limited	South Africa	100%	Administrative services
Sportingbet Spain S.A.	Spain	100%	Online betting
Interactive Sports C.I. Limited	Alderney	100%	Online betting
Interactive Sports Denmark ApS	Denmark	100%	Administrative services
Longfrie Limited	Guernsey	100%	Administrative services
Interactive Sports Asia Limited Inc	Philippines	100%	Administrative services
Scandic Bookmakers Limited	Malta	100%	Administrative services
Javari Marketing Consultancy Services S.L	Spain	100%	Marketing and web design services

4. Staff Costs

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

	2020	2019
Board	3	3

Directors are remunerated through other group entities.

Sportingbet Limited
Notes to the financial statements
For the year ended 31 December 2020

5. Operating profit

The operating profit is stated after charging/(crediting):

	Year ended 31 December 2020	Year ended 31 December 2019
	£000s	£000s
Foreign exchange movement	(390)	376
Auditor's remuneration	5	5

6. Taxation

	Year ended 31 December 2020	Year ended 31 December 2019
	£000s	£000s
Current taxation charge	-	608
	-	608

The tax charge for the year is different from that which would result from applying the standard rate of corporation tax of 19% (2019: 19.00%). A reconciliation is shown below:

	Year ended 31 December 2020	Year ended 31 December 2019
	£000s	£000s
Profit/(loss) before tax	338	(40,005)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax of 19.00% (2019: 19.00%)	59	(7,601)
Non-deductible expenditure	-	8,096
Non-taxable income	-	(569)
Group relief (claimed)/surrendered for £nil consideration	(59)	74
Overseas tax payable	-	608
Tax charge	-	608

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

In the Budget on 3 March 2021 the Chancellor announced that the standard rate of UK Corporation Tax would increase from the planned 19% rate to 25% on 1 April 2023. This change was enacted on 24 May 2021.

Sportingbet Limited
Notes to the financial statements
For the year ended 31 December 2020

7. Debtors

	31 December 2020	31 December 2019
	£000s	£000s
Amounts owed by group undertakings	62,725	62,272
Vat receivable	64	-
	62,789	62,272

Amounts owed to group undertakings are non-interest bearing and repayable on demand.

8. Creditors: amounts falling due within one year

	31 December 2020	31 December 2019
	£000s	£000s
Amounts owed to group undertakings	25,728	25,529
Corporation tax	301	290
Other creditors	-	80
Accruals	5	5
	26,034	25,904

Amounts owed to group undertakings are non-interest bearing and repayable on demand.

9. Share capital

	31 December 2020	31 December 2019
	£000s	£000s
Authorised		
100m ordinary shares at 0.1p each	1,000	1,000
Allotted, called up and fully paid	667	667

10. Related party transactions

The Company has taken advantage of exemptions under FRS 101 "Reduced Disclosure Framework" not to disclose transactions between group companies which are 100% owned. Amounts owed by and to related parties are disclosed in notes 7 and 8 respectively.

11. Ultimate parent undertaking

The immediate parent undertaking and ultimate controlling party is Entain plc, a company incorporated in The Isle of Man. Copies of the financial statements of Entain plc can be obtained from the Company Secretary at the Company's registered office at 32 Athol Street, Douglas, Isle of Man, IM1 1JB or from the Investor Relations section of the Company's website at <https://entaingroup.com/investor-relations/financial-reports/>

12. Subsequent events

On 28 July 2021 the Company issued an additional 235,918,366 shares to its parent company, Entain Holdings (UK) Limited, for a value of £235,918,366. Subsequently the Company cancelled and extinguished all but one of its issued ordinary shares resulting in a transfer to retained earnings of £236,585,650.

On the same date, the Company subscribed to a further 27,312,849,800 shares of £0.01 each in the capital of its investment, Sportingbet Holdings Limited.