

bet365 Group Limited

REPORT AND FINANCIAL STATEMENTS

26 March 2023

Company Registration No. 04241161

THURSDAY



ACIUP50A

A14

21/12/2023

#108

COMPANIES HOUSE

bet365 Group Limited

CONTENTS

COMPANY INFORMATION	1
STRATEGIC REPORT	2
DIRECTORS' REPORT	8
CORPORATE GOVERNANCE	13
DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS	16
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF bet365 GROUP LIMITED	17
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	20
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	21
COMPANY STATEMENT OF FINANCIAL POSITION	22
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	23
COMPANY STATEMENT OF CHANGES IN EQUITY	24
CONSOLIDATED STATEMENT OF CASH FLOWS	25
NOTES TO THE FINANCIAL STATEMENTS	26

bet365 Group Limited

COMPANY INFORMATION

DIRECTORS

D Coates CBE

JF Coates

P Coates

WW Roseff

SECRETARY

OR Adams

REGISTERED OFFICE

bet365 House

Media Way

Stoke-on-Trent

ST1 5SZ

AUDITOR

RSM UK Audit LLP

Chartered Accountants

Festival Way

Stoke-on-Trent

Staffordshire

ST1 5BB

bet365 Group Limited

STRATEGIC REPORT

DENISE COATES CBE (JOINT GROUP CHIEF EXECUTIVE) - REVIEW OF THE BUSINESS

The directors have pleasure in submitting their Strategic Report for bet365 Group Limited ('the Company') and the Company and its subsidiaries ('the Group') for the 52-week period to 26 March 2023. We have highlighted significant developments in the business which we were able to deliver with the continued hard work and commitment of our employees.

SAFER GAMBLING

The Group is committed to delivering a safe environment for its customers and we continued to invest significantly in this area.

Improvements continue to be made to the Group's Early Risk Detection System (ERDS). This allows us to identify and interact with customers at risk of, or experiencing, harm. The ERDS continues to demonstrate a positive impact on player behaviour and an increased use of gambling management tools.

The Group has continued to work with regulators and industry colleagues, both in the UK and internationally, in order to demonstrate best practice in safer gambling. The UK Government has now published the Gambling White Paper, which sets out far-reaching proposals on stake limits for online slots, Financial Risk Checks and the introduction of a statutory levy for Research, Education and Treatment. This marks a period of significant regulatory change for the industry which the Group has been working towards for a number of years.

The Group welcomes the proposals set out by the Government, including proposals to improve responsible advertising measures through amendments to the Industry Group for Responsible Gambling Code, as well as taking forward a Code on Sports Sponsorship to ensure high standards in sports sponsorship agreements with gambling operators. We also welcome steps taken to ensure a workable solution around financial risk which will allow operators to make this assessment through frictionless checks.

To date, the Gambling Commission has commenced consultation on the implementation of a number of White Paper proposals, including the roll-out of Financial Risk Checks, changes to remote game design and ensuring consumers have greater control over the direct marketing they receive. The Group has responded to each of these consultations and continues to engage constructively on their execution. We look forward to working with the Government and Gambling Commission over the coming months to ensure the proposals are a success.

The Group continues to be a co-signatory of the Betting and Gaming Council's (BGC) Safer Gambling Commitments. Consequently, the Group has been a prominent member of all relevant working groups within the BGC responsible for driving forward the Safer Gambling Commitments. This includes being a founding member of the Single Customer View pilot 'GamProtect', participating in the industry's annual Safer Gambling Week and working towards establishing a non-statutory ombudsman to improve consumer redress arrangements.

Contributions towards Research, Education and Treatment of gambling-related harm in the UK were increased again during the period, in line with a commitment to raise contributions to 1 per cent of UK Gross Gaming Revenue by 2024.

PRODUCT DEVELOPMENT

Alongside the investment and development of the Group's safer gambling approach, our sports offering has continued to evolve with further improvements to our website and mobile app alongside enhancements to our "Bet Builder" and "Bet Boost" products.

The Group has continued to invest in its trading platform capability and markets, further increasing our global In-Play and Pre-Match market offerings.

bet365 Group Limited

STRATEGIC REPORT

PRODUCT DEVELOPMENT (CONTINUED)

In preparation for the 2022 World Cup Soccer competition, specific enhancements to the website and native Sports app to support the tournament were made. Virtual Sports was also improved with the introduction of new Soccer, Horse Racing and Tennis product offerings, as well as enhanced audio via alternative language commentary. The “Bet Builder” product saw further developments and can now be used on Baseball, Ice Hockey and Rugby Union. To support the Group’s growth into new and emerging markets, two additional languages, namely French and Latin-American Spanish were introduced.

The Group also successfully launched its Fantasy Sports and Free-to-Play competition products.

During this period, the Group has invested significantly in its American platform and successfully launched in Colorado, Ohio, Virginia and most recently Iowa, Kentucky and Louisiana. In addition to the US market activity, resource was also allocated to support product development and a subsequent new business launch in Ontario.

Moving to Gaming, revenue has increased along the general growth trend that we have experienced over the last three years, demonstrating the success of our ‘quality over quantity’ strategy. Drivers of growth include improved localisation in key markets, integrating content from a number of best in class gaming providers, continued optimisation of our in-house games content and the licensing of a number of unique game mechanics which have been integrated into our games offering.

The result of this is a unique and exclusive product for our Games’ customers. We continue to invest time and resource into our proprietary Games Recommendation Engine (GRE). This is complimented by our strategy to only release the best and most localised content per market to ensure the quality of the input to the GRE to enable the same level of quality output.

Our Casino product saw significant year-on-year growth, which was largely driven by our Live Casino business. Live Casino has been a strategic priority over the last three years and, as such, we have expanded our dedicated offering and created a number of bespoke and localised products tailored to specific markets.

REGULATORY

Around the world the Sports and Gaming operations continue to adapt to changes in the operating landscape as jurisdictions evolve their regulatory regimes. The Group holds licences in various territories including; Argentina, Australia, Bulgaria, Cyprus, Denmark, Estonia, Germany, Gibraltar, Great Britain, Greece, Ireland, Italy, Malta, Spain, Sweden, The Netherlands, Ontario and multiple states in America.

The Group will continue with its long-standing policy of pursuing licences in regulated markets and, given its experience, believes it is well placed to benefit long-term in those countries where commercially viable regulation is adopted. As part of this process, the Group works with regulators through ongoing reviews.

SECTION 172(1) STATEMENT

The directors recognise that effective engagement with stakeholders and consideration of their interests is fundamental to the success of the Group. The directors discharge their duties in accordance with Section 172 of the Companies Act 2006, which requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the Group and Company for the benefit of its members as a whole. In doing this, section 172 requires the directors to have regard, amongst other matters, to:

A. The likely consequences of any decisions in the long-term.

We refer to the bet365 Corporate Governance Code, central to which is taking decisions to protect the long-term interests of the Group and the Company. Further details of which are disclosed in the Corporate Governance Statement on pages 13 to 15. Key decisions undertaken by the Board are shown on the next page.

bet365 Group Limited

STRATEGIC REPORT

SECTION 172(1) STATEMENT (CONTINUED)

B. The interests of the Group and Company's employees.

We refer to both our Corporate Governance Code, Value Statement and Code of Conduct, together with our Employee Engagement Statement on page 15 which demonstrate that valuing its employees is again central to the Group and Company.

C. The need to foster the Group and Company's business relationships with suppliers, customers and others.

We refer to both our Corporate Governance Code, and our Stakeholder Engagement Statement on page 5 which sets out the consideration given to our customers' needs and our "partnership approach" to our stakeholders, where an emphasis is placed on the benefit to the business of long-term relationships.

D. The impact of the Group and Company's operations on the community and environment.

We refer to our Stakeholder Engagement Statement on page 5. The Group has at all times and will continue to put the local community and environment at the heart of its business wherever it operates. A priority is placed on recruiting employees locally wherever possible, with a similar approach adopted with suppliers. This approach to investing in the community has been reinforced through donations of £100.0m in the current period to support the work of the Denise Coates Foundation which invests significantly in supporting local and national charities. The Strategy and Objective of the Foundation is included in its financial statements. In addition, Stoke City Football Club also invests in the local community.

We refer to the Streamlined Energy and Carbon Reporting (SECR) on page 9 for further detail of how the Group is working to reduce its carbon footprint and the environmental impact of the UK operations are disclosed.

E. The desirability of the Group and Company maintaining a reputation for high standards of business conduct.

The Group's Value Statement and Code of Conduct promote a high standard of business conduct. The Group's ongoing commitment to safer gambling is detailed on page 2 and our Stakeholder Statement on page 5 demonstrates the consideration we give as a business to all Stakeholders.

F. The need to act fairly as between members of the Group and Company.

There is regular dialogue with all members of the Group and Company to ensure full alignment to the Group's purpose. This includes the payment of dividends to shareholders together with ongoing communication throughout the year.

KEY DECISIONS

By understanding our stakeholders and their interests, the Group has been able to factor their interests into decision making throughout the year to promote the long-term success of the Group by entering new markets.

During the year the key principal decisions taken by the Group's operating boards centred on the preparation for new regulatory launches and changes, resulting in the continuation of the Group's long-standing policy of pursuing licences in markets with commercially viable regulation. During the period significant development resource was committed in preparation for launching into new markets and to support changes in countries where the existing regulatory framework was being amended. During the financial period, the Group's operating entities were awarded licences in multiple US states, whilst further resources were devoted to further expanding our footprint in both North and South America.

In doing so, the Group proactively engaged with the relevant regulatory bodies to ensure all licence and compliance requirements were understood and implemented. This helped ensure safer gambling remained paramount as the Group delivered successful product launches. Other stakeholder considerations are summarised on the next page.

bet365 Group Limited

STRATEGIC REPORT

STAKEHOLDER ENGAGEMENT

The following are considered to be the key stakeholders of the Group:

<i>Stakeholder</i>	<i>Important areas for our key stakeholders and measures taken to demonstrate the value to the business and engagement are set out below.</i>
Employees	Please see Employee Engagement Statement (included in Corporate Governance section on page 15 and 16).
Suppliers	We value and foster strong business relationships. We aim to be a valued customer receiving best in class support and we achieve this by having supplier friendly payment terms together with regular dialogue, thereby building long-term relationships with the organisations and individuals with which we do business. Partnering with reputable and reliable suppliers is essential. The Group carries out due diligence on all new suppliers appropriate to the services delivered and territories in which they operate. Further details on the Group's supply chain can be found in our Modern Slavery statement, available on the Group's UK website.
Local Communities	Where possible and appropriate, use of local suppliers and local employees is encouraged to support the local economies in which we are located and ongoing engagement occurs as appropriate. The Group gives significant charitable donations to the Denise Coates Foundation, further detail of which can be found on page 11. Additionally, the "Stoke City Community Trust" is actively involved in the provision of supporting facilities and education to the community, in particular, ensuring access to sport for underprivileged and disabled members of the community.
Customers	<p>We consider our customers' needs by;</p> <ul style="list-style-type: none">o delivering a safer gambling experience,o offering industry leading prices across the widest range of markets,o offering the best products, ando providing the highest levels of customer service. <p>Full details of the high priority given to keeping our customers safe are set out in the safer gambling section of our Strategic Report.</p> <p>With regards to our football supporters, the Group;</p> <ul style="list-style-type: none">o ensures our Stadium is fully accessible to disabled supporters,o provides subsidised away travel,o has frozen the cost of season tickets for the past 16 seasons, ando engages with our supporters via regular meetings with the elected representatives of the Stoke City Supporters Council.
Regulators/ Tax authorities	<p>We have open and proactive engagement with regulators globally. Dialogue with tax authorities continues worldwide, whilst we continue to operate a strong control environment with strict compliance procedures. Details of our tax strategy are available on the Group's UK website.</p> <p>Being a responsible corporate citizen, we take the payment of our taxes seriously and appreciate that the tax contribution of the Group makes a sizeable contribution to the economies in which it operates. The total tax contribution to the UK Exchequer by the Group was £482.8m (2022: £493.1m), including tax on dividends paid by the Group.</p>
Shareholders	The success of the business ensures that shareholders are rewarded and that the value of the Group is enhanced.

bet365 Group Limited

STRATEGIC REPORT

FINANCIAL REVIEW AND KEY PERFORMANCE INDICATORS OF THE BUSINESS

Revenue from the Sports and Gaming segment of the Group increased by 19% to £3,391.4m (2022: £2,852.0m) as Sports and Gaming revenues grew 15% and 31% respectively, as the Group benefited from a positive 2022 FIFA World Cup and expanded into newly regulated markets. The period also saw the number of active customers rise by 29% (2022: 48% increase).

As a result of the increased revenues, detailed above, direct costs increased by £96.3m, partially offset by a one-off release of accruals totalling £76.3m. Management have been reviewing this position on an annual basis and in the current financial period, in light of recent updates and change in circumstances, concluded that the accruals were no longer required.

During the period the Group incurred a significant increase in costs associated with entering into new markets which, allied with the Group's continued investment in IT infrastructure, development and technology resulted in Administrative Expenses increasing year-on-year by £585.2m. Staff costs also increased by 11% with 7,567 staff (2022: 6,092) employed within the Group's Sports, Gaming and associated support operations at the end of the financial period.

Entering into new markets requires high initial investment, however the Directors remain confident that these markets will deliver significant contribution to the Group in future periods.

Over recent years the Sports and Gaming segment of the Group has made substantial charitable donations. This continued in the period with a total of £100.0m being donated (2022: £100.0m) to the Denise Coates Foundation, a registered charity. The size of the donations, and therefore the difference the Foundation will be able to make to people's lives over the coming years, are of great importance to the Group.

Taking into account all of the above factors, the operating loss of the Sports and Gaming segment, during the period, was £24.5m (2022: operating profit of £41.7m).

Fair value losses on investments for the Group and Company during the period were £62.6m (2022: Fair value gains of £28.1m). Interest receivable and similar income increased year-on-year by £20.5m, therefore partially offsetting the losses on investments. As a result of the aforementioned impacts, the Sports and Gaming segment of the Group made a loss before taxation of £60.2m during the period (2022: Profit before tax of £76.1m).

Moving to the Statement of Financial Position, debtors increased by £101.8m primarily as a result of increased amounts held by payment processors. The Group and Company's overall creditor position remained largely unchanged, however there was a significant movement between other creditors and accruals as a result of the crystallisation of certain liabilities and the timing of associated payments.

The directors are satisfied with the strength of the financial position reported on the balance sheet with Cash at Bank and in hand and Current Asset Investments, held for future trading purposes, totalling £2,965.5m (2022: £3,315.7m). Due to the long term cash generative nature of the Group, the directors are confident that the balance sheet will continue to remain strong.

FOOTBALL CLUB AND FACILITIES

In the 2022/23 football season, Stoke City Football Club ('the Club') once again competed in the English Football League's (EFL) Championship. The Club and its related Facilities and Operations Company incurred a loss before taxation of £12.4m (2022: £26.2m) on turnover of £21.5m (2022: £21.8m). The principal reason for the improvement in year-on-year losses is attributable to the profit the Club earned on the sale of player registrations during 2022/23.

An extensive improvement programme for the stadium and training ground commenced during this year with fixed asset additions of £5.6m being principally spent on the refurbishment of the fans' bar at the stadium – now called Ricardo's – and the replacement of all the seats in the West Stand. Plans are in place for further improvements to the Club's facilities in the coming years.

bet365 Group Limited

STRATEGIC REPORT

bet365 GROUP COMPANY

Profits of the Company remained stable at £42.5m (2022: £45.6m) notwithstanding an impairment of intercompany loans of £40.0m (2022: £13.6m). The Company declared dividends of £100.0m (2022: £100.0m). The directors are satisfied with the position of the Company.

PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of material risks and uncertainties to the Group, which are also common to all the major providers of remote gambling services. These include:

1. Volume risk – Competitors could entice bet365's customers and/or bet365's marketing strategy may not be effective at attracting new and/or retaining existing customers. The Group significantly invests in delivering a safer environment for our existing and new customers alongside the continual development and evolution of our sports offerings, website, apps and gaming products.
2. Margin risk – Although the Group's trading teams are experienced in managing risk, there is always a range of profit/loss for different outcomes for an individual event. This means that a run of poor results could adversely affect margin over a period. However, historically, the Group has managed its margins to normal levels over a longer time period.
3. Regulatory risk – Regulatory, legislative, and fiscal regimes for betting and gaming in the Group's key markets can change, sometimes at short notice. Such changes could have an impact upon the results of the Group. Furthermore, additional costs might be incurred in order to comply with new laws and/or regulations. The Group's key markets are monitored for legislative and regulatory developments which enables swift assessment and, when and where necessary, adaptation to changes in the market's legal and regulatory environment.
4. Technology risk – The vast majority of the Group's business is transacted over the internet. The Group is continually investing to minimise technology risk, including cyber security and business continuity risks, but there remains the possibility that a technology failure could adversely affect the Group's ability to trade for a period, and therefore affect its profits.
5. Retention and recruitment of personnel – The Group's ability to deliver its services are in part dependant on its ability to attract and retain personnel. Therefore, a key risk is the availability and retention of high calibre individuals required to support the Group's objectives. The Group has an on-going programme of recruitment and training to mitigate this risk.

By order of the board



Denise Coates CBE
Director

15 December 2023

bet365 Group Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of bet365 Group Limited ('the Company') and the Company and its subsidiaries (the 'Group') for the 52-week period ended 26 March 2023. The separate Corporate Governance Report also forms part of this statement.

PRINCIPAL ACTIVITIES

The principal activities of the Group are, the provision of Internet and Mobile Sports Betting along with Games, Online Casino, Bingo and Poker. The Group is the majority shareholder of Stoke City Football Club Limited. bet365 Group Limited is the holding company of the Group.

RESULTS AND DIVIDENDS

The Group's loss was £60.2m (2022: £76.1m profit) from its sports and gaming operations and a loss of £12.4m (2022: loss of £26.2m) from the Football Club and facilities, resulting in a combined Group loss before taxation for the period of £72.6m (2022: £49.8m profit).

The Company paid a total dividend of £100.0m during the period (2022: £100.0m).

FUTURE DEVELOPMENTS

The changing worldwide gambling and leisure industries are likely to present opportunities for enhancing the Group's presence worldwide.

The Group will continue to invest in IT infrastructure and technology around the world to ensure it has both the flexibility and scalability to evolve with internal and external developments.

The Group encourages innovation in its product offerings, both by improving existing products and introducing new opportunities. Successful innovation attracts new customers and supports customer retention.

The Group will continue to focus on developing and improving its safer gambling processes, ensuring that this area remains its highest priority. Further details on steps being taken in this area are included in the strategic report.

As detailed on page 3, we will continue to pursue licences in markets with commercially viable regulation.

RESEARCH AND DEVELOPMENT

During the financial period the Group significantly invested in product development as disclosed on page 2.

bet365 Group Limited

DIRECTORS' REPORT

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

The Group is always actively working to reduce its carbon footprint by using both energy saving initiatives and effective waste control management. The energy use and associated greenhouse gas ("GHG") emissions reported below are for the Group's UK Subsidiaries only. The Group is currently assessing the impact of the Taskforce on Climate-related Financial Disclosures (TCFD), and intends to comply with the requirements in the appropriate reporting period.

ENVIRONMENTAL PERFORMANCE

The Group has used the Greenhouse Gas Protocol Corporate Accounting and Reporting Standards (revised edition) as the method to quantify and report greenhouse gas emissions. For the period ended 26 March 2023, the Group's usage and carbon emissions were as follows, alongside the 2022 prior period comparators. Energy consumption was gathered from third party utility providers and internal recording procedures.

	2023	2022	Commentary
Total Energy Consumption (kWh)	23,937	23,135	Total Energy Consumption of our operations, spanning Scope 1 & 2 Emissions.
Carbon Intensity Ratio tCO₂e/Sqm	0.14	0.14	Tonnes of GHG Emissions per Square Metre of the Group's occupied commercial and residential floor space.

Total Scope 1 & 2 Emissions (tCO₂e)	4,781	4,938	
Total Scope 1 Emissions (tCO₂e)	2,182	2,176	Direct emissions from our operations.
<i>Transport</i>	<i>691</i>	<i>698</i>	<i>Company Vehicle and Grey Fleet.</i>
<i>Natural Gas</i>	<i>1,026</i>	<i>802</i>	<i>Heating for commercial and Residential Properties.</i>
<i>Other Fuels</i>	<i>464</i>	<i>676</i>	<i>Diesel Generators for resilience and business continuity, and Oil fired Boiler system for under pitch heating.</i>
Total Scope 2 Emissions (tCO₂e)	2,599	2,762	Emissions from purchased electricity.
<i>Electricity</i>	<i>2,599</i>	<i>2,762</i>	<i>100% of electricity is provided through renewable sources.</i>

UK Government approved 2022 conversion factors for company reporting have been used to calculate emissions shown above.

Scope 1 Emissions

For the period ended 26 March 2023 the Group's Scope 1 Energy and Carbon Emissions across Transport Gas and Other fuels equated to 2,182 carbon dioxide equivalent tonnes (tCO₂e). This compares with 2,176 carbon dioxide equivalent tonnes (tCO₂e) at 27 March 2022.

We continue to look at ways to reduce energy consumption including replacing fluorescent and strip lighting with LED throughout the estate when refurbishing areas and improved use of thermal wheels in air handling units.

Transport emissions have remained fairly flat during the period. bet365 continues to encourage company car users to choose electric or hybrid cars with the number of purely electric cars increasing from 103 in March 2022 to 189 in March 2023.

bet365 Group Limited

DIRECTORS' REPORT

STREAMLINED ENERGY AND CARBON REPORTING ("SECR") (CONTINUED)

Scope 2 Emissions

As at 26 March 2023 the Group's Scope 2 Energy and Carbon Emissions from electricity equated to 2,599 tCO₂e. This represents a decrease of 6% over the prior year. Some of this reduction is as a result of better control of HVAC systems.

The Group's total energy consumption therefore was 23,937 kWh, producing 4,781 tCO₂e which in turn represents c.0.14 tCO₂e per square metre of the Group's occupied commercial and residential floor space compared to 23,135 kWh producing 4,938 tCO₂e which represented c. 0.14 tCO₂e per square meter.

The transport analysis was calculated based on litres of fuel purchased for the Group's Fleet vehicles and total mileage for petrol and diesel journeys for the Grey Fleet using average emissions, published by the Environment Agency, whilst the Energy consumption was gathered from third party utility providers and internal recording procedures.

CARBON TARGETS

The Group is working to establish carbon reduction targets and the addition of properties has been taken into account. Our commitment to reduce carbon emissions still applies which includes;

- 100% of all waste recycled or diverted from landfill.
- 100% of electricity provided by renewable sources.
- Introduction of LED lighting technology where applicable.
- Introduction of HVAC controls onto the Building Management System (BMS) alongside reviewing schedules to reduce energy and operating costs.
- Increasing numbers of electric vehicles in the fleet.
- Investigating the use of renewable technologies.
- Ensuring refurbishment projects comply with latest energy saving practices and technology.

ENERGY EFFICIENCY PROJECTS

At Stoke City the installation of a new LED emergency lighting scheme is continuing and is now due to be completed by the end of 2023. During 2022 several areas were refurbished at the stadium including hospitality suites and concourse toilets. As part of these works energy saving LED lighting and energy efficient water heaters have been installed. The installation of LED floodlighting is planned to reduce the energy consumption by around 50% with the benefits materialising in the 2023/24 season.

LED lights have also been installed in several offices at the Clayton Wood training ground as part of a general policy to upgrade to LED. This will continue into 2023/24.

It is worth noting that Carbon reduction continues to be a challenge due to the majority of the buildings being of energy efficient modern construction.

bet365 Group Limited

DIRECTORS' REPORT

BRANCHES

The Group has unincorporated branches in Argentina, Gibraltar and Malta.

FINANCIAL INSTRUMENTS

The Group's cash flow fluctuates according to the timing of payments and receipts and the Group's overall profitability. The directors manage deposits to gain favourable interest rates commensurate with having funds available to meet the requirements on demand. Although interest received will vary according to interest rate levels, the impact to Group results are not sufficiently material to warrant the Group using derivatives or other methods to manage interest rates in any way.

The Group and Company holds liquid investments in listed equities and unlisted investments for future use within the trade of the business. The Group does not hedge these investments as they consider the diversity in the investment portfolio is appropriate to cover any individual equity price risk with the overall portfolio expected to return positive returns to the Group.

FOREIGN EXCHANGE TRANSACTIONS

The Group accepts bets in different currencies and as a result manages currency exposure by, where possible, the matching of assets and liabilities in those different currencies.

DIRECTORS

The following directors have held office since 28 March 2022 and up to the date of signature of the financial statements:

D Coates CBE

JF Coates

P Coates

WW Roseff

DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

EMPLOYEES

It is the Group's policy that disabled persons should have the same consideration as others for all job vacancies for which they apply as suitable candidates and, depending entirely on their skills and abilities, they have the same opportunity for training, career development and promotion as other employees. Attention is paid to the training and other needs of persons who become disabled whilst in the Group's employment.

The Group places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on various factors affecting the performance of the Group. This is achieved through formal team briefings and informal meetings.

The Employee Engagement Statement on page 15 has further details.

CHARITABLE CONTRIBUTIONS

The Group made charitable contributions during the period of £105.4m (2022: £105.7m), donating £100.0m (2022: £100.0m) to the Denise Coates Foundation. The Denise Coates Foundation is a registered charity created for the purposes of charitable giving.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

bet365 Group Limited

DIRECTORS' REPORT

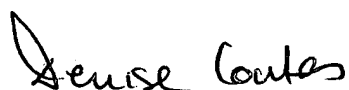
AUDITOR

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

STRATEGIC REPORT

The Group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of how the directors have had regard to research and development, the need to foster the company's business relationships with suppliers, customers and others, and the effect of that regard.

By order of the board



Denise Coates CBE
Director

15 December 2023

bet365 Group Limited

CORPORATE GOVERNANCE

For the 52-week period ended 26 March 2023, under the Companies (Miscellaneous Reporting) Regulations 2018, the Company is required to provide a report on its Corporate Governance arrangements.

The Group has adopted the bet365 Corporate Governance Code and has not applied the Wates Corporate Governance Code or other recognised codes, as its own existing code. The bet365 Corporate Governance code is designed to a high standard, specifically for the Group, reflecting its own distinct culture and values embedded within the Group. The bet365 Corporate Governance Code, reflects the overall long-term objectives of the Group, its core Code of Conduct and values and the unique challenges presented by the gambling and football industries.

At its core, bet365's governance code has the following key principles:

PURPOSE

The principal activities of the Group are, the provision of Internet and Mobile Sports betting along with Games, Online Casino, Bingo and Poker in a safe environment, offering our customers industry leading odds across the widest range of markets together with the best product, whilst significantly contributing to wider society. The Group is the shareholder of Stoke City Holdings Limited.

GROUP VISION AND MISSION

The Group's vision and mission is to be and continue to be the world's favourite online sports betting brand, offering a global industry leading approach to safer gambling.

LONG TERM APPROACH TO DECISION MAKING

The Company aims to steer the business, through its Corporate Governance Code, in a direction consistent with its Mission and Vision. To achieve this, it takes a long term approach to its decision making to ensure that decisions put the Group's long term interests first.

CODE OF CONDUCT AND VALUE STATEMENT

The Group's Code of Conduct and Value statement is at the heart of its Corporate Governance Code. These core values govern all aspects of the Group's behaviours.

Core values include fairness; consistency; always valuing people (including employees, customers, and other stakeholders); recognition of individual contribution; the nurturing, development and training of staff; looking at the individual in the round; a "family business" with multiple generations of different families employed globally in the business; and a partnership approach to all stakeholders.

These values are coupled with a Code of Conduct which ensures that the values permeate throughout the Group irrespective of geography and hierarchy, ensuring the Company, whilst taking a longer-term approach to its objectives, has a strong governance framework embedded throughout both the Group and its interactions with all its stakeholders.

STAKEHOLDER ENGAGEMENT

Building trust through working in partnership with suppliers, employees, customers, shareholders and other stakeholders ensures good stakeholder engagement throughout the business.

Stakeholder relationships have been key to the long-standing success of the Group to date, and are key to the success of the Group going forward and will continue to be a key focus of the business.

Further details of our Stakeholder Engagement are set out in the Section 172(1) Statement on Page 5.

bet365 Group Limited

CORPORATE GOVERNANCE

POSITIVE IMPACT ON LOCAL COMMUNITY AND ENVIRONMENT

The Group aims to achieve all of the above, whilst at the same time investing in and supporting its local communities and environment. Investing in local employees and suppliers wherever possible sits central to the Group's governance with all stakeholders sharing in the success of the business.

REMUNERATION

The Group ensures that remuneration for all employees is appropriate and fair, and is reflective of the individuals' input and contribution to the business as well as the overall performance of the Group. The Company Board is also mindful of the gender pay gap and the relevant Group subsidiaries report on this annually.

OVERALL STRATEGY AND STEWARDSHIP

The Company Board provides the overall strategic oversight and stewardship of the Group as follows:

- Overall Strategic Objectives – to set overarching expectations across the operating segments of the business.
- Stewardship of Group Resources – oversight and stewardship of the Company as an investor and shareholder managing group resources.
- bet365 Reputation and Brand – to maintain the value of the bet365 reputation and brand.

A key overall strategic objective is to deliver the highest standards of customer safety and we refer to the Strategic Report on page 2 for more details.

RISK MANAGEMENT AND CONTROL ENVIRONMENT

The above is achieved by the Company ensuring that there is a framework of Group wide policies and controls for the Group subsidiaries to operate within.

The Group has a clear organisational hierarchy with each Board having clearly defined objectives and roles. Each director then has a clearly defined role on each Board.

The Operational Subsidiaries set their relevant policies and procedures and manage their relevant risks accordingly in line with the overall Group strategy and Code of Conduct, with our Principal risks and uncertainties detailed on page 7.

ORGANISATIONAL HIERARCHY AND CAPABILITY

Operational responsibility for running the business is at the Operational Subsidiary level and the Company Board ensures these subsidiary Boards have suitable experience, skills and training to manage the risks arising in those businesses, whilst being able to take advantage of any opportunities arising.

The Company Board also ensures that the subsidiary companies have the financial and human resources required to manage these risks and opportunities and for operational efficiency.

COMPANY BOARD

The Company Board is made up of four directors which consists of two Joint Group Chief Executives, together with a Chairman and a non-Coates family member who provides an objective voice and helps maintain balance within the Company Board.

The Company Board meets at least once a quarter. Agendas, board packs and management information are prepared and circulated ahead of each meeting to ensure the directors have access to timely, accurate information upon which to base its decisions. The Company Board reviews the financial and business performance of both the Sports Betting and Gaming business as well as Stoke City Football Club. In addition, it receives an update from the Group Property director on the bet365 estate which is owned by the Company itself as well as properties held elsewhere in the Group.

bet365 Group Limited

CORPORATE GOVERNANCE

COMPANY BOARD (CONTINUED)

In addition to upholding their own responsibilities, as part of the Company Board's stewardship role, it ensures the subsidiary Board members are aware and compliant with their own director's responsibilities throughout the world, as well as ensuring the members of the Boards which they appoint uphold the core Group values, principles, policies and standards of interaction with their stakeholders such as approaches to safer gambling.

EMPLOYEE ENGAGEMENT STATEMENT

Employees of the Group are key assets of the business. As a Group our policy is to demonstrate that all employees, regardless of role, seniority or where they are located in the world, feel an integral and valued part of our business. Employee satisfaction and involvement underpins the success of the business.

We set high standards and our employees are expected to work to the best of their ability. This is reciprocated and reflected in the competitive salaries and extensive benefits packages we aim to offer our staff. The Group also places particular emphasis on equal pay for equal jobs and strictly adheres to the UK Modern Slavery Act. One of our core objectives is to be the 'employer of choice' within the local communities within which we operate.

Salaries and benefits are only part of the broader staff engagement factors. We also have a number of employee health and welfare programmes which target both physical and mental wellbeing. Our workplaces are, of course, designed to be safe and secure and our facilities and health and safety teams ensure the removal of any risk, albeit our operations are inherently low risk environments. The Group also has policies to improve the overall employee experience including food allowances when working from the head office, an additional day off on birthdays as well as the ability to buy or sell holidays.

The Group has always recognised that staff development and learning is an integral part of the organisation's strategic planning, equipping all staff with the knowledge and skills to perform their individual jobs effectively and in doing so ensure that the Group meets its strategic objectives.

Football players are provided with a range of benefits and amenities to allow them to fulfil their potential as athletes. This includes support from qualified professionals in areas including football coaching, medical screening and rehabilitation, strength and conditioning, nutrition and sports psychology.

The Club's training facility at Clayton Wood provides players with a state-of-the-art facility in which to succeed, offering all-weather football pitches; strength, conditioning and rehabilitation equipment; and a modern refectory to meet all nutritional requirements.

Throughout the Group an extensive programme of both internal and external training and development is offered. During the period, the training and development team provided workplace training for all employees across the Group. This was further supported by the utilisation of e-learning strategies and on-the-job training by dedicated instructors. Assessment and progression within pay bandings is both transparent and rigorous.

Feedback from employees is obtained on an ongoing real-time basis through normal reporting channels, including escalation up to the Company Board where appropriate with actions undertaken as needed.

The Group is an equal opportunities employer and operates a zero tolerance non-discrimination policy. This is reflected in our recruitment and selection processes, and continues throughout the employee's career with opportunities for training, further development and progression provided based entirely on individuals' skills and abilities, with adjustments made to accommodate disabilities. A major part of the Group's success has been based on its ability to identify, develop and promote talent from within the organisation.

The Group places considerable value on the involvement of its employees and has continued to keep them informed, via detailed HR communications and departmental management meetings, on matters affecting them as employees, and on the various factors affecting the performance of the Group.

bet365 Group Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Company law requires the directors to prepare Group and Company financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF bet365 GROUP LIMITED

Opinion

We have audited the financial statements of bet365 Group Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 26 March 2023 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 26 March 2023 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 included:

- Review of management's forecasts covering a period of 12 months from the year end date and their considerations of this position continuing for a period of at least 12 months from signing of these financial statements.
- Assessment of forecasts against both historical and current trading levels and consideration of key assumptions, including performing sensitivity analysis on the forecasts.
- Review of management's considerations of future trading and available cash resources to the group and parent company. We observe that there is significant headroom in management's going concern assessment.

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

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

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial 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.

Matters on which we are required to report by exception

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 material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations including duties. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures. In addition we utilised in house tax specialists and experts where appropriate, inspected correspondence with local tax authorities, evaluated advice received from internal/external tax and legal advisors and performed controls testing over management's controls in respect of jurisdictional legislation requirements.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the provision of Internet and Mobile Sports Betting along with Online Casino, Games, Bingo and Poker in the relevant jurisdictions that the group operates. We performed audit procedures to inquire of management, those charged with governance and relevant client personnel whether the group is in compliance with these law and regulations, inspected correspondence where applicable with licensing or regulatory authorities and identified key controls implemented by management.

The group audit engagement team identified the risk of management override of controls, revenue recognition and amounts due to customers linked to the information technology systems of the group were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to performing data analytics on journals, testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. Utilising an in-house IT specialists to assist the audit team we have understood the IT control environment and tested key IT and manual controls. This was supported by substantive analytical review procedures and other tests of detail.

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

Use of our report

This report is made solely to the 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.

RSM UK Audit LLP

ADAM KRUPSKI (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

18 December 2023

bet365 Group Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 52 week period ended 26 March 2023

	Note	52 week period ended 26 March 2023			52 week period ended 27 March 2022
		Sports and gaming £000	Football Club and facilities £000	Total £000	£000
TURNOVER	2	3,391,364	21,452	3,412,816	2,873,807
Direct costs		(516,634)	-	(516,634)	(496,343)
GROSS PROFIT		2,874,730	21,452	2,896,182	2,377,464
Administrative expenses		(2,899,203)	(34,235)	(2,933,438)	(2,362,060)
OPERATING (LOSS)/ PROFIT		(24,473)	(12,783)	(37,256)	15,404
Fair value (losses)/ gains on investments	7	(62,581)	-	(62,581)	28,080
Interest receivable and similar income	6	26,858	382	27,240	6,352
(LOSS)/ PROFIT BEFORE TAXATION	7	(60,196)	(12,401)	(72,597)	49,836
Taxation	8			3,185	(16,746)
(LOSS)/ PROFIT FOR THE FINANCIAL PERIOD				(69,412)	33,090
OTHER COMPREHENSIVE (EXPENSE)/ INCOME					
Currency translation differences arising on consolidation				11,393	(10,936)
Currency translation differences arising on deferred tax opening balances				(782)	572
Revaluation of land and buildings				(3,247)	27,785
Deferred tax on revalued assets				813	(7,689)
TOTAL COMPREHENSIVE (EXPENSE)/ INCOME FOR THE PERIOD				(61,235)	42,822

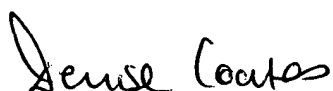
Turnover and operating profit are derived from the Group's continuing operations for both financial periods.

(Loss)/ Profit for the period and Total Comprehensive (Expense)/ Income is all attributable to the owners of the parent in 2023 and 2022.

bet365 Group Limited
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 26 March 2023

	Note	26 March 2023		27 March 2022	
		£000	£000	£000	£000
FIXED ASSETS					
Intangible assets	10		6,011		7,550
Tangible assets	11		339,652		293,099
			<u>345,663</u>		<u>300,649</u>
CURRENT ASSETS					
Stock	13	311		276	
Debtors	14	440,537		338,765	
Investments	15	1,218,807		1,265,184	
Cash at bank and in hand		1,746,712		2,050,525	
		<u>3,406,367</u>		<u>3,654,750</u>	
CREDITORS: Amounts falling due within one year	16	<u>(1,140,454)</u>		<u>(1,168,265)</u>	
NET CURRENT ASSETS			<u>2,265,913</u>		<u>2,486,485</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,611,576</u>		<u>2,787,134</u>
CREDITORS: Amounts falling due after more than one year	17		(7,050)		(3,681)
PROVISION FOR LIABILITIES	18		(24,631)		(42,323)
NET ASSETS			<u>2,579,895</u>		<u>2,741,130</u>
CAPITAL AND RESERVES					
Called up share capital	19		3		3
Share premium account			18,998		18,998
Revaluation reserve			27,651		30,085
Profit and loss account			2,533,243		2,692,044
			<u>2,579,895</u>		<u>2,741,130</u>
Attributable to owners of the parent			2,579,895		2,741,130
Attributable to non-controlling interests	21		-		-
TOTAL EQUITY			<u>2,579,895</u>		<u>2,741,130</u>

The financial statements on pages 20 to 57 were approved by the board of directors and authorised for issue on 15 December 2023 and are signed on its behalf by:



Denise Coates CBE
Director

Company Registration No. 04241161

bet365 Group Limited

COMPANY STATEMENT OF FINANCIAL POSITION

At 26 March 2023

	Note	26 March 2023		27 March 2022	
		£000	£000	£000	£000
FIXED ASSETS					
Tangible assets	11		91,522		82,202
Investment Property	11		80,982		85,600
Investments	12		51,000		51,000
			<u>223,504</u>		<u>218,802</u>
CURRENT ASSETS					
Debtors	14	760,849		744,435	
Investments	15	1,218,807		1,265,184	
Cash at bank and in hand		489,175		565,969	
		<u>2,468,831</u>		<u>2,575,588</u>	
CREDITORS: Amounts falling due within one year	16	<u>(312,726)</u>		<u>(344,486)</u>	
NET CURRENT ASSETS			<u>2,156,105</u>		<u>2,231,102</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,379,609</u>		<u>2,449,904</u>
CREDITORS: Amounts falling due after more than one year	17		<u>(6,785)</u>		<u>(3,681)</u>
PROVISION FOR LIABILITIES	18		<u>(16,615)</u>		<u>(32,541)</u>
NET ASSETS			<u><u>2,356,209</u></u>		<u><u>2,413,682</u></u>
CAPITAL AND RESERVES					
Called up share capital	19		3		3
Share premium account	19		18,998		18,998
Profit and loss account	19		2,337,208		2,394,681
TOTAL EQUITY			<u><u>2,356,209</u></u>		<u><u>2,413,682</u></u>

The Company's profit for the period and total comprehensive income for the period is £42,527,000 (2022: £45,603,000 profit for the period and total comprehensive income).

The financial statements on pages 20 to 57 were approved by the board of directors and authorised for issue on 15 December 2023 and are signed on its behalf by:



Denise Coates CBE
Director

Company Registration No. 04241161

bet365 Group Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

At 26 March 2023

	Note	Called up share capital £000	Share premium account £000	Revaluation reserve £000	Profit and loss account £000	Total £000	Controlling interests £000	Non- controlling interests £000 (see note 21)	Total £000
BALANCE AT 28 MARCH 2021		3	18,998	9,989	2,769,318	2,798,308	2,798,308	-	2,798,308
Profit for the period		-	-	-	33,090	33,090	33,090	-	33,090
Other comprehensive income, net of tax:									
Currency translation differences on overseas subsidiaries		-	-	-	(10,364)	(10,364)	(10,364)	-	(10,364)
Revaluation of land and buildings		-	-	20,096	-	20,096	20,096	-	20,096
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	-	20,096	22,726	42,822	42,822	-	42,822
Transactions with owners in their capacity as owners:									
Dividends	9	-	-	-	(100,000)	(100,000)	(100,000)	-	(100,000)
TOTAL TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS		-	-	-	(100,000)	(100,000)	(100,000)	-	(100,000)
BALANCE AT 27 MARCH 2022		3	18,998	30,085	2,692,044	2,741,130	2,741,130	-	2,741,130
Loss for the period		-	-	-	(69,412)	(69,412)	(69,412)	-	(69,412)
Other comprehensive income, net of tax:									
Currency translation differences on overseas subsidiaries		-	-	-	10,611	10,611	10,611	-	10,611
Revaluation of land and buildings		-	-	(2,434)	-	(2,434)	(2,434)	-	(2,434)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD		-	-	(2,434)	(58,801)	(61,235)	(61,235)	-	(61,235)
Transactions with owners in their capacity as owners:									
Dividends	9	-	-	-	(100,000)	(100,000)	(100,000)	-	(100,000)
TOTAL TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS		-	-	-	(100,000)	(100,000)	(100,000)	-	(100,000)
BALANCE AT 26 MARCH 2023		3	18,998	27,651	2,533,243	2,579,895	2,579,895	-	2,579,895

bet365 Group Limited

COMPANY STATEMENT OF CHANGES IN EQUITY

At 26 March 2023

	Note	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total £000
BALANCE AT 28 MARCH 2021		3	18,998	2,449,078	2,468,079
Profit for the period		-	-	45,603	45,603
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	-	45,603	45,603
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Transactions with owners in their capacity as owners:					
Dividends	9	-	-	(100,000)	(100,000)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS		-	-	(100,000)	(100,000)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
BALANCE AT 27 MARCH 2022		3	18,998	2,394,681	2,413,682
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Profit for the period		-	-	42,527	42,527
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	-	42,527	42,527
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Transactions with owners in their capacity as owners:					
Dividends	9	-	-	(100,000)	(100,000)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS		-	-	(100,000)	(100,000)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
BALANCE AT 26 MARCH 2023		3	18,998	2,337,208	2,356,209
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

bet365 Group Limited
CONSOLIDATED STATEMENT OF CASH FLOWS
For the 52 week period ended 26 March 2023

	Note	52 week period ended 26 March 2023		52 week period ended 27 March 2022	
		£000	£000	£000	£000
OPERATING ACTIVITIES					
Cash (used in)/ generated from operations	21	(137,946)		143,999	
Interest received		12,480		318	
Dividend income from current asset investments		14,760		6,034	
Income taxes paid		(34,246)		(32,592)	
NET CASH (USED IN)/ GENERATED FROM OPERATING ACTIVITIES			(144,952)		117,759
INVESTING ACTIVITIES					
Purchase of intangible assets		(3,409)		(6,560)	
Proceeds on disposal of intangible assets		16,598		14,866	
Purchase of tangible fixed assets		(90,263)		(52,372)	
Proceeds on disposal of tangible fixed assets		6,371		4,071	
Purchases of current asset investments		(550,785)		(200,374)	
Proceeds on disposal of current asset investments		198,437		57,714	
NET CASH USED IN INVESTING ACTIVITIES			(423,051)		(182,655)
FINANCING ACTIVITIES					
Dividends paid	9	(100,000)		(100,000)	
NET CASH USED IN FINANCING ACTIVITIES			(100,000)		(100,000)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS			(668,003)		(164,896)
CASH AND CASH EQUIVALENTS AT START OF PERIOD			2,579,088		2,756,076
Effect of foreign exchange rate changes			35,155		(12,092)
CASH AND CASH EQUIVALENTS AT END OF PERIOD			1,946,240		2,579,088
Relating to:					
Cash and cash equivalents held within current asset investments			53,143		391,998
Bank balances and on call deposits included in cash at bank and in hand			1,746,712		2,050,525
Short-term deposits included in debtors amounts falling due within one year			146,385		136,565
			1,946,240		2,579,088

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

GENERAL INFORMATION

bet365 Group Limited ('the Company') is a private company limited by shares and is registered, domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is bet365 House, Media Way, Stoke-on-Trent, Staffordshire, ST1 5SZ.

The Group consists of bet365 Group Limited and all of its subsidiaries.

The Company's and the Group's principal activities and nature of its operations are included in the Directors' Report.

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the requirements of the Companies Act 2006 including the provisions of the Large and Medium-sized Companies and Group (Accounts and Reports) Regulations 2008 and under the historical cost convention, modified to include the revaluation of certain freehold properties and certain financial instruments at fair value.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

GOING CONCERN

The financial statements have been prepared on a going concern basis, which assumes that the Group will be able to continue to trade for the foreseeable future.

The validity of the going concern basis is dependent upon the Group managing the risks of the business as identified in the Directors' Report and Strategic Report and its financial arrangements.

The Group have prepared a budget, and this forecasts a strong trading performance and significant cash reserves for the forecasted 12-month period from the end of the financial year. Performance to date is in line with expectations, and the directors are satisfied with the continued strength of the Balance Sheet. On this basis the directors consider it appropriate to prepare financial statements on a going concern basis for the period of 12 months from approval of the financial statements.

REDUCED DISCLOSURES

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of bet365 Group Limited and all of its subsidiary undertakings for the period. Subsidiaries acquired during the period are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 26 March 2023 or 30 March 2023 dependent on local filing requirements, except for Stoke City Holdings Limited, Stoke City (Property) Limited and Stoke City Football Club Limited, which have a 31 May 2023 year end and Hillside (Bulgaria) EOOD, Hillside Shared Services Colombia S.A.S and Hillside Colombia S.A.S which have a 31 December 2022 year ends, to align the financial year ends with the commercial and legislative considerations of the individual entities. Detailed management accounts at 26 March 2023 have been used as a basis for the consolidation of these subsidiaries.

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

BASIS OF CONSOLIDATION (CONTINUED)

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date, of the assets given, equity instruments issued and liabilities incurred or assumed, plus directly attributable costs.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income as it prepares Group accounts and the Company's individual statement of financial position shows the Company's profit or loss for the financial period.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The consolidated financial statements are presented in sterling which is also the functional currency of the Company.

INTANGIBLE FIXED ASSETS

Goodwill

Purchased goodwill representing the excess of the purchase price compared with the fair value of net assets acquired is capitalised.

The directors have considered each constituent component of intangible assets separately to determine the appropriate amortisation in order for the financial statements provide a true and fair view:

- Goodwill is being amortised over 10 years as no reliable estimate can be made of its useful economic life. The directors consider the useful economic life to significantly exceed 10 years due to the strength of the bet365 brand and Stoke City Football Club.
- The third party costs associated with the acquisition of players' registrations and coaching staff are capitalised and amortised on a straight line basis over the period of their respective contracts. Any transfer fees payable as a result of the occurrence of one or more uncertain future events are capitalised when it is probable such an event will occur. Provision for impairment is made when it becomes clear that the carrying amount exceeds the recoverable amount. Prior year impairments are reviewed and assessed by management and where the recoverable amount has increased above the carrying amount, the impairments are reversed. No amounts are included for the registrations attributable to players developed within the Club.

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:-

Other intangibles	-	over the period in which the asset is used
Purchased computer software	-	33.3% per annum straight line

Amortisation is revised prospectively for any significant change in useful life or residual value.

Amortisation is charged when the asset is brought into use by the business.

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

INTANGIBLE FIXED ASSETS (CONTINUED)

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided on tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Freehold and long leasehold land	-	No depreciation charged
Freehold buildings	-	1-2% per annum straight line
Long leasehold buildings	-	1 - 20% per annum straight line
Football stadium	-	2% per annum straight line
Fixtures and fittings	-	4% - 33% per annum straight line
Computer equipment	-	33.3% per annum straight line
Plant and motor vehicles	-	2% - 33% per annum straight line

Residual values are calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Land and buildings are accounted for separately even when acquired together.

ASSETS UNDER CONSTRUCTION

Properties in the course of construction are carried at cost, less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation commences when the properties are ready for their intended use.

REVALUATION OF FOOTBALL STADIUM

The football stadium is revalued in accordance with FRS 102 Section 17 with a full valuation carried out by professionally qualified chartered surveyors on a depreciated replacement cost basis, in accordance with the Statement of Assets Valuation Practice No. 4. An external revaluation is obtained every 3 years unless deemed to be required sooner with interim valuations performed by management where no external valuation is obtained. This calculation allows for the time depreciation of the Stadium, excluding the land element, of 50 years.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

INVESTMENT PROPERTIES

Investment properties are initially recognised at cost and subsequently at each reporting date are measured at fair value, with changes in fair value recognised in profit or loss. Fair value is assessed on the same basis as the revaluation of the football stadium.

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

IMPAIRMENTS OF FIXED ASSETS

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group and Company estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Any impairment loss recognised is not reversed for fixed assets other than goodwill, and recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

FIXED AND CURRENT ASSET INVESTMENTS

Group

Trade investments are classified as financial instruments and accounted for at fair value through profit and loss, in accordance with the accounting policy set out on page 33.

Trade investments are recorded as current asset investments where they are highly liquid and where they can be realised within 12 months.

Company

In the separate accounts of the Company interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for indications of impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

SIGNING ON FEES

The directors consider that signing on fees represent a normal part of the employment cost of the player and as such should be charged to profit or loss over the period of the player's contract as the instalment payments are made, except in the circumstances of a player disposal. In that case any remaining signing on fees due are allocated in full against profit or loss on disposal of players' registrations in the period in which the player disposal is made.

SOFTWARE DEVELOPMENT

Expenditure on software development is written off to profit or loss in the period in which it is incurred as it is considered by the directors to be revenue in nature.

STOCK

Stock held by the football club is valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in, first out cost basis.

At each reporting date, the Group assesses whether stock is impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

Reversals of impairment losses are also recognised in profit or loss.

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

FOREIGN CURRENCIES

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Assets and liabilities of overseas subsidiaries (including goodwill and fair value adjustments in relation to overseas subsidiaries) are translated into the Group's presentation currency at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the period as the directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the period. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and because it includes items of income or expense that are never taxable or deductible for tax purposes. Current tax assets and liabilities are measured using statutory rates applying to the period when the asset or liability arises.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on statutory rates applying to the period when the asset or liability arises. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries and branches that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

For non-depreciable assets measured using the revaluation model, deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

LEASED ASSETS AND OBLIGATIONS

Group and Company leases that do not give rights approximating to ownership are “operating leases” and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

The Company as lessor:

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

EMPLOYEE BENEFITS AND COSTS

The entitlement to compensated absences for Stoke City Football Club Limited ends at 30 June annually. The cost of any unused entitlement is recognised in the period in which the employee’s services are received. All other Group entities have a compensated absence period in line with the accounting period.

In the event of payments made in respect of termination benefits, these are recognised in the income statement when there is an obligation at the reporting date as a result of a past event that will or has resulted in the transfer of economic benefits and that obligation can be estimated reliably.

RETIREMENT BENEFITS

The Group contributes to a number of schemes.

There are two defined contribution (money purchase) pension schemes whose assets are held separately from those of the Group in an independently administered fund. The amount charged to profit or loss in respect of pension costs and other post-retirement benefits is the contributions payable for the period.

Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments.

Certain employees of the Group participate in the Football League Pension and Life Assurance scheme and the Football League Players’ Benefit scheme. Both schemes are defined benefit schemes co-sponsored by the FA Premier League and the Football League. The Group makes contributions to the schemes in accordance with the recommendations of the actuaries to the schemes. As Stoke City Football Club Limited is one of a number of participating employers in the schemes, it is not possible to allocate that part of any actuarial surplus or deficit owing to the club’s employees.

Consequently, contributions are charged to profit or loss as they become payable. In addition a provision has been established for future enhanced contributions following instruction from the actuaries of the schemes.

Contributions are also paid to individuals’ money purchase pension schemes. The contributions are charged to profit or loss in the period in which they become payable.

DUTY COSTS AND OTHER TAX LEVIES

Duty and other overseas levies are charged in the financial statements of the Group based on the prevailing duty and levy rates applicable to local legislative requirements of the country where bets are placed.

CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents at the end of the period relate to bank balances and short term deposits included in cash at bank and in hand, current asset investments and short term deposits included in debtors falling due within one year. The cash in respect of current asset investments relates solely to cash balances and excludes bonds held.

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

TURNOVER

Revenue is recognised under an exchange transaction with a customer when and to the extent that the Group obtains the rights to consideration in exchange for its performance.

Turnover is recognised at the fair value of the consideration received.

Turnover is the revenue resulting from exchange transactions under which the Group supplies to customers the services that it is in the business to provide and is net of marketing inducements, VAT and other sales related taxes and is recognised as set out below:

In the case of Internet and Mobile Sports Betting and Online Casino operations (including Games and Bingo), turnover represents gains and losses from betting activity in the period and is stated on a gross win basis in line with industry best practice.

In the case of Online Poker, turnover represents the net income from fees and rakes earned from poker in the period.

In respect of Stoke City Football Club Limited, turnover represents match receipts, English Football League receipts and other income arising from the Club's activities. Revenue is recognised when substantially all of the obligations under a sales contract have been fulfilled. Revenue received from the English Football League is recognised in the financial statements on the basis of the number of matches played up to the period end. This is in accordance with the English Football League guidelines on income recognition. Performance related awards have not been recognised until achieved by the Club, as the income cannot be assessed with certainty.

OTHER INCOME

Interest income

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

DEFERRED INCOME

Deferred income relates to Stoke City Football Club Limited and consists of season tickets, sponsorship and other elements of income which have been received prior to the period end in respect of future events, matches or seasons.

PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

FINANCIAL INSTRUMENTS

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade, group and other debtors

Trade, group and other debtors (including accrued income) which are receivable within one year are initially measured at the transaction price. Trade, group and other debtors are subsequently measured at amortised cost, using the effective interest rate method.

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

FINANCIAL INSTRUMENTS (CONTINUED)

Trade investments

A provision for impairment of trade debtors and group debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade and group debtors over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Total debtors for the Group are stated net of a provision of £nil (2022: £nil) and for the Company £114,016,000 (2022: £74,000,000).

Trade investments are equity investments over which the Group has no significant influence, joint control or control and are initially measured at transaction price. Transaction price includes transaction costs, except where trade investments are measured at fair value through profit or loss when transaction costs are expensed to profit or loss as incurred.

Trade investments in non-convertible and non-puttable preference shares or non-puttable ordinary shares are measured at fair value through profit or loss.

The fair value of trade investments quoted on a recognised stock exchange is the quoted mid-price. The fair value of unlisted trade investments is valued at the single market price as advised by the investment manager.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. Fair value gains and losses are recognised in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade and other creditors

Trade and other creditors (including accruals) payable within one year are initially measured at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

RESERVES

Reserves for the Group and Company represent the following:

Share premium account

Consideration received for shares issued above their nominal value net of transaction costs.

Revaluation reserve for the Football Stadium

The cumulative revaluation gains and losses on the Football Stadium and associated deferred tax that have been recognised in the profit or loss have been subsequently transferred to this reserve as permitted by FRS 102 paragraph 17.15E.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

DIVIDENDS

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

PLAYER IMPAIRMENT

In accordance with the accounting policy, the directors have continued to amortise the cost of player registrations on a straight line basis over the period of their respective contracts.

Player impairment is considered annually by the directors. The directors have considered the market value less costs to sell for each individual player taking account of factors such as the player's age, injury record and individual performance as well as considering the Club's performance, the Club's league status and market conditions for the transfer of player registrations. The directors then considered the first team squad players as a whole, to give their collective market value. This data has then been utilised to assess the total impairment of the squad value incurred in the year.

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

I CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

Critical areas of judgement and estimation

Stadium valuation

The Group values its Football Stadium on a depreciated replacement cost basis. This takes into account the split of the land value and buildings. It estimates the cost of rebuilding the Football Stadium at a set rate per capacity and the cost of buying the land at the valuation date. As per note 12, a valuation was commissioned in May 2021 and Management performed their own assessment for the current period.

Key assumptions include:

- An assessment of additional cost per seat in expected construction costs due to the observed recent inflationary environment.
- A useful life of 50 years as a result of the high standard to which the stadium has been maintained by the group in the first 26 years of its life.

The Company classifies the Stadium and Training Ground as Investment Properties. The fair value was determined by the valuation commissioned in May 2021 and Management performed their own assessment for the current period. The key assumptions are disclosed above.

Key management personnel

The directors consider the directors of the Group and all senior staff in the Group and their roles in planning, directing and controlling the Group to ensure the disclosure of remuneration of key management personnel is complete.

Climate change

We have considered the potential impact of climate change in preparing these financial statements. The Group has not identified any significant issues that would give rise to a material estimation uncertainty and continue to monitor developments.

Duty, other overseas taxes and levy accruals

Duty, other overseas taxes and levy accruals are calculated and recorded in the financial statements of the Group, based on the prevailing or prospective rate relevant to the jurisdictional requirements of the country under which the bets were placed. The directors are continually monitoring and appraising events in all countries in which the Group operates. Management review all positions on an annual basis. Should any change in circumstances become apparent, management will assess such accruals and release when and where appropriate to the Statement of Comprehensive Income.

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Company - Carrying value of its investments and debtors

The Company regularly reviews and assesses the carrying value of its investments and debtors by monitoring profitability, cash flows and transactional activities in the relevant sectors. When impairment indicators are identified a management valuation is performed. A forecasted cash flow model with sensitivities are utilised where appropriate or otherwise the net assets of investments are used to assess any impairment. If there were any indication that the recoverability of such items had been materially impacted the Group would recognise any such changes in the financial statements as necessary. A provision of £114,016,000 (2022: £74,000,000) has been included within these financial statements.

2 TURNOVER

A geographical analysis of turnover has not been given as in the opinion of the directors such disclosure would be severely prejudicial to the interests of the Group.

Details for the current period of turnover and profit by class of business is given in the profit and loss account and comparative information for the 52 week period ended 27 March 2022 is shown below:

	52 week period ended 27 March 2022		
	Sports and gaming £000	Football Club and facilities £000	Total £000
TURNOVER	2,851,978	21,829	2,873,807
Direct costs	(496,343)	-	(496,343)
GROSS PROFIT	2,355,635	21,829	2,377,464
Administrative expenses	(2,313,964)	(48,096)	(2,362,060)
OPERATING PROFIT/ (LOSS)	41,671	(26,267)	15,404
Fair value profit on investment	28,080	-	28,080
Interest receivable and similar income	6,333	19	6,352
PROFIT/ (LOSS) BEFORE TAXATION	76,084	(26,248)	49,836

bet365 Group Limited
NOTES TO THE FINANCIAL STATEMENTS
For the 52 week period ended 26 March 2023

3 EMPLOYEES

The average monthly number of persons (including directors) employed by the Group and Company during the period was:

	Group		Company	
	52 week period ended 26 March 2023 Number	52 week period ended 27 March 2022 Number	52 week period ended 26 March 2023 Number	52 week period ended 27 March 2022 Number
Managers and supervisors	705	600	4	4
Operations and service support staff – betting and gaming group	6,135	5,197	-	-
Operations staff – football group	233	219	-	-
Full time playing staff and scholars	104	69	-	-
	<u>7,177</u>	<u>6,085</u>	<u>4</u>	<u>4</u>

In addition to the above the Group employed an average of 163 (2022: 163) match-day staff during the period.

	Group		Company	
	52 week period ended 26 March 2023 £000	52 week period ended 27 March 2022 £000	52 week period ended 26 March 2023 £000	52 week period ended 27 March 2022 £000
Staff costs for the above persons:				
Wages and salaries	688,294	606,664	310,458	299,485
Social security costs	81,854	90,308	43,185	41,165
Other pension costs	15,742	12,961	-	-
	<u>785,890</u>	<u>709,933</u>	<u>353,643</u>	<u>340,650</u>

bet365 Group Limited
NOTES TO THE FINANCIAL STATEMENTS
For the 52 week period ended 26 March 2023

3 EMPLOYEES (CONTINUED)

DIRECTORS' REMUNERATION

	52 week period ended 26 March 2023 £000	52 week period ended 27 March 2022 £000
Emoluments	304,805	295,966

No directors were accruing benefits under the money purchase pension scheme (2022: none).

Highest paid director

	52 week period ended 26 March 2023 £000	52 week period ended 27 March 2022 £000
Emoluments	220,657	213,440

4 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The total compensation of the directors and managers who are considered to be the key management personnel of the Group including salaries and other short-term benefits was £351,505,000 (2022: £339,390,000).

5 PENSION COMMITMENTS

The Group operates a number of defined contribution pension schemes whose assets are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the funds and amounted to £15,742,000 (2022: £12,961,000). Contributions amounting to £166,000 (2022: £1,260,000) were payable to the scheme at the period end and are included in other creditors. In respect of the multi-employer defined benefit scheme, a provision amounting to £124,000 (2022: £156,000) is included in provisions (note 19).

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	52 week period ended 26 March 2023 £000	52 week period ended 27 March 2022 £000
Bank interest	12,480	318
Dividend income from current asset investments	14,760	6,034
	27,240	6,352

bet365 Group Limited
NOTES TO THE FINANCIAL STATEMENTS
For the 52 week period ended 26 March 2023

7 (LOSS)/ PROFIT BEFORE TAXATION

	52 week period ended 26 March 2023 £000	52 week period ended 27 March 2022 £000
(Loss)/ Profit before taxation is stated after charging/(crediting):		
Depreciation charge for the period	38,667	34,321
Amortisation of player registrations	3,243	7,476
Amortisation of goodwill	135	135
Amortisation of other intangibles	682	1,330
Impairment of players' registrations	-	856
Loss/ (Profit) on sale of fixed assets	757	(956)
Profit on disposal of players' registrations	(15,707)	(10,840)
Operating lease rentals - other	9,563	12,757
Software development	111,192	79,661
Exchange losses	344,489	191,125
Fair value loss/ (gains) on current asset investments	62,581	(28,080)
Donation to the Denise Coates Foundation	100,000	100,000
Direct costs – non recurring	(76,298)	-
Impairment of other intangibles	-	5,665
	<u> </u>	<u> </u>

Direct costs – non recurring arose from the release of accruals. Management have been reviewing this position on an annual basis and in the current financial period, in light of recent updates and circumstances, concluded that they were no longer required.

	52 week period ended 26 March 2023 £000	52 week period ended 27 March 2022 £000
Fees payable to RSM UK Audit LLP and its associates in respect of both audit services are as follows:		
Audit services:		
Statutory audit of parent and consolidation accounts	78	60
Other services:		
Audit of subsidiaries where such services are provided by RSM associates	484	272
Audit of subsidiaries where such services are provided by RSM UK Audit LLP	821	600
Further assurance services	42	37
	<u> </u>	<u> </u>
	1,425	969
	<u> </u>	<u> </u>
Comprising:		
Audit services	1,425	969
	<u> </u>	<u> </u>
	1,425	969
	<u> </u>	<u> </u>

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

7 (LOSS)/ PROFIT BEFORE TAXATION (CONTINUED)

Further assurance services includes fees paid in respect of assurance engagements to meet specific industry requirements including industry levy calculations and licence applications. The above fees are exclusive of VAT.

The figures presented are for bet365 Group Limited and subsidiaries as if they were a single entity.

8 TAXATION

	52 week period ended 26 March 2023 £000	52 week period ended 27 March 2022 £000
Current tax:		
UK corporation tax on profits of the period	-	-
Overseas tax	7,918	7,006
Adjustments in respect of previous period	(3,647)	1,087
Total current tax	4,271	8,093
Deferred tax:		
Origination and reversal of timing differences	(7,784)	4,418
Effect of tax rate change	(1,904)	4,443
Adjustments in respect of previous period	2,232	(208)
Total deferred tax	(7,456)	8,653
Total Tax (credit)/ charge	(3,185)	16,746

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

8 TAXATION (CONTINUED)

Factors affecting tax charge for the period:	52 week period ended 26 March 2023 £000	52 week period ended 27 March 2022 £000
The tax assessed for the period is higher (2022: higher) than the average standard rate of corporation tax in the UK 19% (2022: 19%). The differences are explained below:		
(Loss)/ Profit before tax	(72,597)	49,836
(Loss)/ Profit before tax multiplied by the average standard rate of corporation tax in the UK of 19% (2022: 19%)	(13,793)	9,469
<i>Effects of:</i>		
Expenses not deductible for tax purposes	3,156	6,043
Non-taxable income	(2,455)	(2,087)
Difference in tax rate of overseas subsidiaries	(1,284)	(8,835)
Movement in deferred tax not recognised	14,511	6,834
Adjustments in respect of previous period and effect of tax rate change	(3,320)	5,322
Total tax (credit)/charge	(3,185)	16,746

During the period the main rate of corporation tax in the UK was 19%; however, this increased from 1 April 2023 following legislation enacted in May 2021 to 25%. This is likely to result in an increase to the Group's effective tax rate in the future periods.

The Group continues to monitor the ongoing work of the Organisation for Economic Co-operation and Development on the taxation of the digital economy and specifically the minimum level of taxation for multinational groups ("Pillar Two"). None of the countries in which the Group has significant local operations has enacted or substantively enacted Pillar Two Model Rules as part of their national laws as of 26 March 2023. We will continue to follow developments closely and this may lead to an increase in effective tax rate for periods commencing 1 April 2024 onwards.

9 DIVIDENDS

	52 week period ended 26 March 2023 £000	52 week period ended 27 March 2022 £000
Ordinary and A Ordinary shares:		
Dividends paid	100,000	100,000

During the period 2 tranches of dividends (2022: 2 tranches of dividends) of £331.88 (2022: £331.88) per share was paid by the Company amounting to £100,000,000 (2022: £100,000,000) in total.

bet365 Group Limited
NOTES TO THE FINANCIAL STATEMENTS
For the 52 week period ended 26 March 2023

10 INTANGIBLE FIXED ASSETS

GROUP	Goodwill – Sports and gaming £000	Goodwill – Football Club and facilities £000	Player registrations £000	Purchased computer software £000	Total £000
<i>Cost</i>					
At beginning of period	14,378	7,635	88,184	13,759	123,956
Additions	-	-	3,287	122	3,409
Disposals	-	-	(61,915)	(6,540)	(68,455)
Translation differences	-	-	-	1	1
At end of period	14,378	7,635	29,556	7,342	58,911
<i>Amortisation and impairment</i>					
At beginning of period	14,378	7,363	81,775	12,890	116,406
Charge for the period	-	135	3,243	682	4,060
Disposals	-	-	(61,061)	(6,503)	(67,564)
Translation differences	-	-	-	(2)	(2)
At end of period	14,378	7,498	23,957	7,067	52,900
<i>Carrying value</i>					
At 26 March 2023	-	137	5,599	275	6,011
At 27 March 2022	-	272	6,409	869	7,550

The amortisation of goodwill, player registrations and purchased computer software in the period and impairment losses are recognised in administration expenses.

The Company has no intangible assets at 26 March 2023 or at 27 March 2022.

bet365 Group Limited
NOTES TO THE FINANCIAL STATEMENTS
For the 52 week period ended 26 March 2023

11 TANGIBLE FIXED ASSETS

	Assets under construction	Freehold land and buildings	Leasehold land and buildings	Football Stadium	Fixtures, fittings and computer equipment	Plant and motor vehicles	Total
	£000	£000	£000	£000	£000	£000	£000
GROUP							
<i>Cost or valuation</i>							
At beginning of period							
- Cost	64,145	107,568	1,097	-	139,846	17,927	333,028
- Valuation	-	-	-	73,077	-	-	73,077
Additions	10,817	11,345	-	5,562	52,562	9,977	90,263
Transfer	(70,707)	67,349	-	-	2,641	717	-
Disposals	-	(3,495)	(803)	-	(12,488)	(2,661)	(19,447)
Translation differences	-	3,596	-	-	3,945	68	7,609
Revaluation	-	-	-	(3,247)	-	-	(3,247)
	<u>4,255</u>	<u>186,363</u>	<u>294</u>	<u>75,392</u>	<u>186,506</u>	<u>26,028</u>	<u>478,838</u>
At end of period							
- Cost	4,255	186,363	294	-	186,506	26,028	403,446
- Valuation	-	-	-	75,392	-	-	75,392
	<u>4,255</u>	<u>186,363</u>	<u>294</u>	<u>75,392</u>	<u>186,506</u>	<u>26,028</u>	<u>478,838</u>
<i>Depreciation and impairment</i>							
At beginning of period	-	8,401	837	2,827	87,337	11,159	110,561
Charged in the period	-	1,370	45	1,520	31,306	4,426	38,667
On disposals	-	(10)	(803)	-	(9,057)	(2,449)	(12,319)
Translation differences	-	-	-	-	2,239	38	2,277
Transfer	-	(149)	-	-	(2)	151	-
	<u>-</u>	<u>9,612</u>	<u>79</u>	<u>4,347</u>	<u>111,823</u>	<u>13,325</u>	<u>139,186</u>
At end of period	-	9,612	79	4,347	111,823	13,325	139,186
<i>Carrying amount</i>							
At 26 March 2023	<u>4,255</u>	<u>176,751</u>	<u>215</u>	<u>71,045</u>	<u>74,683</u>	<u>12,703</u>	<u>339,652</u>
At 27 March 2022	<u>64,145</u>	<u>99,167</u>	<u>260</u>	<u>70,250</u>	<u>52,509</u>	<u>6,768</u>	<u>293,099</u>

The estimated cost value of land under freehold is £61,668,000 (2022: £26,314,000). The value of land under leasehold is £nil (2022:£nil). Land under freehold increased after the Asset under construction was completed.

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

11 TANGIBLE FIXED ASSETS (CONTINUED)

Included in the Football Stadium is land with a carrying amount of £8,600,000 (2022: £8,600,000).

In May 2021 the football stadium was revalued by Lambert Smith Hampton, Chartered Surveyors. The Chartered Surveyors used the depreciated replacement cost method of valuation for Financial Reporting in accordance with the Guidance notes issued by The Royal Institution of Chartered Surveyors for Asset Valuations. The value as at May 2021 was deemed to be £70.25m. Key areas of the valuation are disclosed under critical accounting estimates and judgements on page 35. The directors have used the same methodology in the current period to give rise to a carrying value of the bet365 Stadium purposes, of £71,045,000. The carrying value in the company does not include leasehold improvements made by a subsidiary.

On an historical cost basis the football stadium would have been included at:

	26 March 2023 £000	27 March 2022 £000
Cost of Football Stadium	34,177	28,615

The net book value of leasehold land and buildings comprises:

	26 March 2023 £000	27 March 2022 £000
Short leasehold	215	260

Depreciation in respect of short leasehold properties in the period was £45,000 (2022: £330,000).

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

11 TANGIBLE FIXED ASSETS (CONTINUED)

COMPANY	Assets under construction £000	Freehold land and buildings £000	Investment Property £000	Total £000
<i>Cost</i>				
At beginning of period	1,629	83,806	85,600	171,035
Additions	8,973	1,090	-	10,063
Transfer	(6,796)	6,796	-	-
Revaluation	-	-	(4,618)	(4,618)
At end of period	3,806	91,692	80,982	176,480
<i>Depreciation</i>				
At beginning of period	-	3,233	-	3,233
Charge for the period	-	743	-	743
At end of period	-	3,976	-	3,976
<i>Carrying amount</i>				
At 26 March 2023	3,806	87,716	80,982	172,504
At 27 March 2022	1,629	80,573	85,600	167,802

The estimated value of land under freehold and investment property is £32,247,000 (2022: £32,247,000).

The value of the stadium is supported by a management valuation. For further details see page 44.

Freehold property rented to another group entity

At 26 March 2023 the carrying amount of Freehold property held by the Company and rented to other entities in the Group which the Company has elected to measure using the cost model was £87,716,000 (2022: £80,573,000). Investment Property of £80,982,000 (2022: £85,600,000) measured at fair value is rented to other entities in the Group.

CAPITAL COMMITMENTS

At the period end the Group and Company had the following capital commitments:

	Group		Company	
	26 March 2023 £000	27 March 2022 £000	26 March 2023 £000	27 March 2022 £000
Capital expenditure contracted for but not provided in the financial statements	26,359	29,856	563	6,087

bet365 Group Limited
NOTES TO THE FINANCIAL STATEMENTS
For the 52 week period ended 26 March 2023

12 FIXED ASSET INVESTMENTS

	Shares in group undertakings
COMPANY	£000
Cost and carrying amount	
At start and end of period	<u>51,000</u>

The Group holds the equity (and no other share or loan capital) of the below undertakings. The entire issued share capital is held within the Group except where otherwise noted.

<i>Subsidiary undertaking</i>	<i>Country of incorporation and registered office</i>	<i>Nature of business</i>
100% of ordinary shares held by company:		
Hillside (New Media Holdings) Limited	Note A	Holding Company
Hillside (Shared Services 2018) Limited	Note A	Provision of Administration Support Services
Hillside (Trader Services) Limited	Note A	Provision of Trader Support Services
Hillside (Media Services) Limited	Note A	Provision of Brand Licensing and Media Support Services
Hillside (Technology) Limited	Note A	Provision of Software and Technology Support Services
Stoke City Holdings Limited	Note B	Holding Company
100% of ordinary shares held by subsidiary undertaking:		
Hillside (New Media Midco) Limited	Note A	Limited Partner in Partnerships providing Online Sports Betting
Hillside (Shared Services) Limited	Note A	Limited Partner in a Partnership providing Online Sports Betting
Hillside (Spain New Media) Plc	Note A	Dormant
Hillside (Leisure) Limited	Note A	Dormant
Hillside (Technology Product) Limited	Note A	Dormant
Stoke City Football Club Limited *	Note B	Football Club
Stoke City (Property) Limited	Note B	Provision of Stadium & Training Ground Facilities
Hillside (New Media Holdings Malta) Limited	Note C	Holding Company
Hillside (New Media Malta) Plc	Note C	Online Sports Betting and Gaming
Hillside (Technology Malta) Limited	Note C	Provision of Technology Support Services
Hillside (New Media Malta Property) Limited	Note C	Property Holding Company
Hillside (Marketing Malta) Limited	Note C	Provision of Marketing Support Services
Hillside (Shared Services Malta) Limited	Note C	Dormant
Lucky Stream Limited	Note C	Online Sports Betting and Gaming
Hillside (Sports) MP Limited	Note C	Managing Partner in Partnerships providing Online Sports Betting
Hillside (Gaming) MP Limited	Note C	Managing Partner in Partnerships providing Online Gaming
Hillside (Gaming) ENC	Note C	Online Gaming
Hillside (Sports) ENC	Note C	Online Sports Betting
Hillside (UK Gaming) ENC	Note C	Online Gaming

*98.1% of shares owned by group undertakings

bet365 Group Limited
NOTES TO THE FINANCIAL STATEMENTS
For the 52 week period ended 26 March 2023

12 FIXED ASSET INVESTMENTS (CONTINUED)

<i>Subsidiary undertaking</i>	<i>Country of incorporation and registered office</i>	<i>Nature of business</i>
100% of ordinary shares held by subsidiary undertaking:		
Hillside (International Gaming) ENC	Note C	Online Gaming
Hillside (International Sports) ENC	Note C	Online Sports Betting
Hillside (Malta Gaming) ENC	Note C	Online Gaming
Hillside (Malta Sports) ENC	Note C	Online Sports Betting
Hillside (UK Sports) ENC	Note C	Online Sports Betting
Hillside (International Sports) LP	Note D	Online Sports Betting
Hillside (Sports) LP	Note D	Dormant
Hillside (Sports) GP Limited	Note D	General Partner in limited Partnerships providing Online Sports Betting
Hillside (Gibraltar) Limited	Note D	Limited Partner in Partnerships providing Online Gaming
Hillside (Gaming) GP Limited	Note D	General Partner in limited Partnerships providing Online Gaming
Hillside (Gibraltar Holdings) Limited	Note D	Dormant
Hillside (Gibraltar New Media) Limited	Note D	Dormant
Hillside (Gibraltar Sports) LP	Note D	Online Sports Betting
Hillside (Gibraltar Gaming) LP	Note D	Online Gaming
Hillside (UK Sports) LP	Note D	Marketing and procurement services
Hillside (International Gaming) LP	Note D	Online Gaming
Hillside (Gaming) LP	Note D	Dormant
Hillside Espana Leisure, S.A.	Note E	Online Gaming
Hillside (Bulgaria) EOOD	Note F	Provision of Software Development services
Hillside (New Media Cyprus) Limited	Note G	Online Sports Betting
Hillside (Australia New Media) Pty Limited	Note H	Online Sports Betting
bet365 International NV	Note I	Holding company
Hillside (Alderney) Limited	Note J	Dormant
Hillside (New Media Holdings US) Inc	Note K	Holding Company
Hillside (New York) LLC	Note K	Dormant
Hillside (Indiana) LLC	Note K	Dormant
Hillside (Shared Services US) LLC	Note K	Provision of Administration Support Services
Hillside (New Jersey) LLC	Note K	Online Sports Betting and Gaming
Hillside (US New Media) LLC	Note K	Holding Company
Hillside (Technology US) LLC	Note K	Provision of Technology Support Services
Hillside (Colorado) LLC	Note K	Online Sports Betting
Hillside (Virginia) LLC	Note K	Online Sports Betting
Hillside (Arizona) LLC	Note K	Dormant
Hillside (Texas) LLC	Note K	Dormant
Hillside (Iowa) LLC	Note K	Dormant
Hillside (Louisiana) LLC	Note K	Dormant
Hillside (California) LLC	Note K	Dormant
Hillside (Ohio) LLC	Note K	Online Sports Betting

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

12 FIXED ASSET INVESTMENTS (CONTINUED)

<i>Subsidiary undertaking</i>	<i>Country of incorporation and registered office</i>	<i>Nature of business</i>
Hillside (Fantasy) LLC	Note K	Dormant
Hillside (Maryland) LLC	Note K	Dormant
Hillside (Massachusetts) LLC	Note K	Dormant
Hillside (Pennsylvania) LLC	Note K	Dormant
Hillside (Infrastructure Ireland) Limited	Note L	Provision of Technology Support Services
Hillside (New Media Holdings Ireland) Limited	Note L	Holding Company
Hillside (Shared Services Netherlands) B.V.	Note M	Provision of Administration Support Services
Hillside Colombia S.A.S	Note N	Operationally dormant
Hillside Shared Services Colombia S.A.S	Note N	Provision of Administration Support Services
Endzin 2021 Limited	Note O	Dormant
Endzin 2022 Limited	Note O	Operationally dormant
Hillside (Shared Services Germany) GmbH	Note P	Provision of Administration Support Services
H-side (Shared Services Sweden) AB	Note Q	Operationally dormant
K&S (560) Limited	Note R	Dormant
DDB Consulting Limited	Note R	Dormant
Charden Enterprises Limited	Note R	Dormant
Wingelock Limited	Note R	Dormant
Endzin Limited	Note R	Dormant
Four Below Zero Limited	Note R	Dormant
Hillside (New Media Malta) Plc – Pasteko S.A. UT	Note S	Online Sports Betting and Gaming
Hillside (New Media Malta) Plc - GGSS S.A. UT	Note S	Online Sports Betting and Gaming
HS Servicos de Administracao Ltda	Note T	Operationally dormant

- Note A bet365 House, Media Way, Stoke-on-Trent, ST1 5SZ, United Kingdom
- Note B bet365 Stadium, Stanley Matthews Way, Stoke-on-Trent, ST4 4EG, United Kingdom
- Note C Office 1/2373, Level G, Quantum House 75, Abate Rigord Street, Ta'Xbiex, XBX 1120, Malta
- Note D Unit 1.1, 1st Floor Waterport Place, 2 Europort Avenue, Gibraltar
- Note E 20, Calle Conde de Aranda, Madrid, Spain
- Note F 1463 Sofia City, Municipality Stolichna, Triaditza Region 82, Patriarch Evtimii Boulevard, Bulgaria
- Note G Omrania Centre, 313 28th October Ave, Limassol, 3105, Cyprus
- Note H Level 27, 100 Mount Street, North Sydney NSW 2060, Australia
- Note I New Haven Centre, Emancipatie Boulevard 31, Post Box 6052, Curacao, Netherland Antilles
- Note J Century House, 12 Victoria Street, Alderney, GY9 3UF
- Note K National Registered Agents, Inc., 160 Greentree drive, Suite 101, Dover, Delaware 19904, United States of America
- Note L 1st and 2nd Floor, The Mill, Greenmount Industrial Estate, Harolds Cross, Dublin 12, Ireland
- Note M Prins Hendriklaan 28, 1057BD, Amsterdam, Netherlands
- Note N 106 32 Of Ph 3, Carrera 15, Bogotá, Colombia
- Note O 66 Wellington Street West, 5300, TD Bank Tower, Toronto, Ontario, Canada, M5K 1E6
- Note P 71 Solmstrasse, Frankfurt, 60486, Germany
- Note Q PO Box 162 85, SE-103 25, Stockholm, Sweden
- Note R The Brampton, Newcastle-Under-Lyme, Staffordshire, ST5 0QW, United Kingdom
- Note S Luis García 695, 9th floor, Municipality of Tigre, Province of Buenos Aires, Argentina
- Note T Avenida Marcos Penteado De Ulhoa Rodrigues number 339, Floor 8 Tower 1 Jacaranda Building, Tambore, Brazil

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

12 FIXED ASSET INVESTMENTS (CONTINUED)

The Company held investments in the following newly established entities, incorporated after the balance sheet date:

Hillside (Illinois) LLC
Hillside (Kentucky) LLC
Hillside (North Carolina) LLC
Hillside (Europe) ENC

13 STOCK	Group		Company	
	26 March 2023 £000	27 March 2022 £000	26 March 2023 £000	27 March 2022 £000
Finished goods	311	276	-	-

There is no significant difference between the replacement cost of the inventory and its carrying amount.

14 DEBTORS

	Group		Company	
	26 March 2023 £000	27 March 2022 £000	26 March 2023 £000	27 March 2022 £000
<i>Amounts falling due within one year:</i>				
Trade debtors	16,196	12,627	-	-
Amounts owed by Group undertakings	-	-	754,267	727,976
Other debtors	97,324	48,688	5,935	3,552
Corporation tax	58,523	27,862	-	12,269
Cash equivalents	146,385	136,565	-	-
Prepayments and accrued income	59,882	50,426	647	638
Deferred tax asset (see note 19)	55,112	62,597	-	-
	<u>433,422</u>	<u>338,765</u>	<u>760,849</u>	<u>744,435</u>
<i>Amounts falling due after more than one year:</i>				
Other debtors	7,115	-	-	-
	<u>440,537</u>	<u>338,765</u>	<u>760,849</u>	<u>744,435</u>

The amounts owed by group undertakings are unsecured and have no fixed date of repayment. The majority of the balance is interest bearing at the Barclays Bank PLC Base Rate plus 4.5 percentage points.

Cash equivalents is made up of amounts held by payment processors.

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

15 CURRENT ASSET INVESTMENTS

	Group		Company	
	26 March 2023 £000	27 March 2022 £000	26 March 2023 £000	27 March 2022 £000
Listed investment	738,116	665,815	738,116	665,815
Unlisted investment:				
- Cash and Bonds	294,251	517,440	294,251	517,440
- Trade investments	186,440	81,929	186,440	81,929
	<u>1,218,807</u>	<u>1,265,184</u>	<u>1,218,807</u>	<u>1,265,184</u>

The fair values of the listed investments are based on quoted market prices for the equity shares using the current mid-price. The fair value of trade investments are valued at the single market price as advised by the investment manager. The historical cost of the listed investments is £688,250,000 (2022: £540,246,000) and unlisted investments £491,802,000 (2022: £532,684,000). The Group and Company holds a diverse portfolio of investments to help reduce and mitigate any risks arising from changes in market conditions. The investments held are highly liquid and held for the future use within the trade of the business.

16 CREDITORS: Amounts falling due within one year

	Group		Company	
	27 March 2023 £000	28 March 2022 £000	27 March 2023 £000	28 March 2022 £000
Trade creditors	445,953	424,573	49	166
Amounts owed to group undertakings	-	-	-	1,111
Other taxation and social security costs	13,028	160,370	2,515	152,383
Other creditors	151,635	433,533	18,478	183,413
Accruals and deferred income	529,838	149,789	291,684	7,413
	<u>1,140,454</u>	<u>1,168,265</u>	<u>312,726</u>	<u>344,486</u>

Included in trade creditors is an amount of £432,746,000 (2022: £413,675,000) in respect of amounts due to customers. This is offset by an amount, held in segregated accounts, equivalent to these funds in cash at bank and cash in hand.

17 CREDITORS: Amounts falling due after more than one year

	Group		Company	
	26 March 2023 £000	27 March 2022 £000	26 March 2023 £000	27 March 2022 £000
Accruals and deferred income	7,050	3,681	6,785	3,681

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

18 PROVISION FOR LIABILITIES

GROUP	Onerous contract £000	Deferred taxation liability £000	Pension obligations £000	Total £000
At start of period	3,417	38,750	156	42,323
Utilised in the period	(2,688)	(14,972)	(32)	(17,692)
At end of period	729	23,778	124	24,631

Pension obligations

Certain staff of the Group are members of either the Football League Limited Players Retirement Income Scheme, a defined contribution scheme, or the Football League Limited Pension and Life Assurance Scheme ("FLLPLAS"), a defined benefit scheme. As the Group is one of a number of participating employers in the FLLPLAS, it is not possible to allocate any actuarial surplus or deficit on a meaningful basis and consequently contributions are expensed in the profit and loss account as they become payable. The assets of the scheme are held separately from those of the Group, being invested with insurance companies. In addition a provision has been established for future enhanced contributions following instruction from the actuaries of the schemes. The expected contributions to the scheme for the next financial period are £59,000 (2022: £54,000).

Onerous contract

The onerous employment provision in respect of the football group is recognised for contracts under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The onerous employments provision is expected to be utilised over the next 12 months.

Deferred tax

GROUP

NET DEFERRED TAXATION (ASSET)/LIABILITY	£000
At beginning of period	(23,847)
Credit to the profit and loss account	(7,456)
Credit to other comprehensive income – on currency translation differences of overseas subsidiaries	782
Charge to other comprehensive income - on revalued assets	(813)
At end of period	(31,334)

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

18 PROVISION FOR LIABILITIES (CONTINUED)

The elements of the deferred tax asset are as follows:

	Provided		Unprovided	
	26 March	27 March	26 March	27 March
	2023	2022	2023	2022
	£000	£000	£000	£000
Fixed asset timing differences	(469)	11,281	2,237	1,468
Other timing differences	22,892	26,293	697	238
Tax losses	32,220	25,023	32,754	15,222
Capital (gains)/ losses	(23,309)	(38,750)	-	-
	<u>31,334</u>	<u>23,847</u>	<u>35,688</u>	<u>16,928</u>

Deferred tax assets and liabilities are shown separate on the balance sheet as there is no right to offset.

In respect of the Group there are unutilised trading losses available for future use with a tax value of £64,974,000 (2022: £40,245,000) relating to certain overseas subsidiaries. Substantially all of these losses have no expiry date.

The unprovided deferred tax asset of £35,688,000 (2022: £16,928,000) has not been reflected as the recovery of this asset cannot be assessed with reasonable certainty.

COMPANY

DEFERRED TAXATION LIABILITY	£000
At beginning of period	32,541
Charge to the profit and loss account	(15,926)
At end of period	<u>16,615</u>

	Provided		Unprovided	
	26 March	27 March	26 March	27 March
	2023	2022	2023	2022
	£000	£000	£000	£000
Fixed timing differences	3,572	2,776	-	-
Other timing differences	(2,293)	(2,166)	-	-
Capital losses	15,336	31,931	-	-
At end of period	<u>16,615</u>	<u>32,541</u>	<u>-</u>	<u>-</u>

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

19	SHARE CAPITAL	26 March 2023 £000	27 March 2022 £000
	GROUP AND COMPANY		
	Allotted, called up and fully paid		
	284,313 ordinary shares of 1 pence each	3	3
	17,000 "A" ordinary shares of 1 pence each	-	-
		<u>3</u>	<u>3</u>

The ordinary shares and the "A" ordinary shares carry the same rights and rank pari passu.

Ordinary and "A" ordinary share rights

The Company's ordinary shares and "A" ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

20	NON-CONTROLLING INTEREST	26 March 2023 £000	27 March 2022 £000
	Non-controlling share of loss for the period	(236)	(509)
	Additional provision against non-controlling interest	236	509
		<u>-</u>	<u>-</u>

The directors have made a provision against the non-controlling interest debtor as they consider the Group would have an obligation to provide finance that they may not be able to recover in respect of the accumulated losses in its subsidiary which are attributable to the non-controlling interests.

bet365 Group Limited

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 26 March 2023

21 RECONCILIATION OF (LOSS)/ PROFIT AFTER TAX TO NET CASH (USED IN)/ GENERATED FROM OPERATIONS

	52 week period ended 26 March 2023 £000	52 week period ended 27 March 2022 £000
(Loss)/ Profit after tax	(69,412)	33,090
Depreciation of tangible fixed assets	38,667	34,321
Impairment of intangible fixed assets	-	6,521
Amortisation of player registrations	3,243	7,476
Amortisation of goodwill	135	135
Amortisation of other intangible fixed assets	682	1,330
Loss/ (Profit) on sale of fixed assets	757	(956)
Profit on disposal of player registrations	(15,707)	(10,840)
Fair value loss/ (gain) on current asset investment	62,581	(28,080)
Interest receivable and similar income	(27,240)	(6,352)
Taxation	(3,185)	16,746
OPERATING CASH FLOWS BEFORE MOVEMENTS IN WORKING CAPITAL	(9,479)	53,392
(Increase)/ decrease in stock	(35)	325
(Increase)/ decrease in debtors	(35,152)	121,858
Decrease in creditors	(75,589)	(24,401)
Decrease in provisions	(17,691)	(7,175)
CASH (USED IN)/ GENERATED FROM OPERATIONS	(137,946)	143,999

CONSOLIDATION ANALYSIS OF CHANGES IN NET CASH

	27 March 2022 £000	Cash flow £000	Exchange rate movements £000	26 March 2023 £000
Cash and cash equivalents held within current asset investments	391,998	(338,855)	-	53,143
Bank balances and on call deposits included in cash at bank and in hand	2,050,525	(338,968)	35,155	1,746,712
Short-term deposits included in debtors amounts falling due within one year	136,565	9,820	-	146,385
NET CASH	2,579,088	(668,003)	35,155	1,946,240

bet365 Group Limited
NOTES TO THE FINANCIAL STATEMENTS
For the 52 week period ended 26 March 2023

22 COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases of the Group are as follows:

	Group		Company	
	52 week period ended 26 March 2023 £000	52 week period ended 27 March 2022 £000	52 week period ended 26 March 2023 £000	52 week period ended 27 March 2022 £000
Amounts due within one year	9,529	12,948	698	698
Amounts due between one and five years	14,062	14,939	640	1,338
Amounts due after five years	8,248	2,551	-	-
	<u>31,839</u>	<u>30,438</u>	<u>1,338</u>	<u>2,036</u>

At the balance sheet date, the Company had contracted with tenants for the following future minimum lease payments:

	Company	
	52 week period ended 26 March 2023 £000	52 week period ended 27 March 2022 £000
Within one year	4,610	4,610
In the second to fifth years inclusive	18,440	18,440
After five years	84,225	88,835
	<u>107,275</u>	<u>111,885</u>

23 COMMITMENTS

a) Security

Barclays Bank plc holds a charge dated 18 December 2012 which provides cash cover against bank guarantees provided in relation to the Group's entry into certain regulated markets. This totalled €24,591,000 (Euros) (2022: €40,400,000), \$5,000,000 (Canadian) (2022: \$nil), \$5,440,000 (US) (2022: \$nil) at the period end date. A further guarantee of AUD \$1,453,000 (2022: \$1,453,000) is also in place at the period end.

bet365 Group Limited
NOTES TO THE FINANCIAL STATEMENTS
For the 52 week period ended 26 March 2023

23 COMMITMENTS (CONTINUED)

b) Contingent liabilities

Group

The Group is subject to a number of potential litigation claims that have arisen as part of the normal course of business and continue to arise in 2023. Provision has not been made against these claims as they are not considered likely to result in an economic outflow as such no obligation has been disclosed at the period-end date. It is not possible at this stage to provide a reasonable estimate of the contingent liability. Consistent with any claims of this nature there can be uncertainty with the final outcome.

As part of the normal course of business the Group is subject to regulatory reviews. The outcome of any such reviews are not known and as at the period-end date there was no indication of any potential financial outflows.

In accordance with the Group's accounting policies for transfer fees linked to player contracts and other contracts in place, any additional fees are accounted for under these agreements in the period that it becomes probable that the condition is fulfilled.

Additional fees under these contracts that may therefore be payable if certain conditions are met in the future, have been estimated by the directors at the period end date at £2,803,000 (2022: £3,100,000).

Company

bet365 Group Limited has confirmed they will provide financial support to Stoke City Holdings Limited and Stoke City Football Club Limited.

The directors do not consider it practicable to estimate the financial impact of this support on the Group and it is in place for at least 12 months from the date of signing of the subsidiaries' statutory accounts.

24 RELATED PARTY TRANSACTIONS

Transactions between the Group and members of the Group which are not wholly owned are disclosed below:

	2023				2022			
	Sales and other income £000	Purchases and other charges £000	Loans (paid)/ received £000	Net amount owed from the company £000	Sales and other income £000	Purchases and other charges £000	Loans (paid)/ received £000	Net amount owed from the company £000
Subsidiary undertakings	16,370	(9,130)	-	(30,605)	6,437	(85,788)	-	(16,437)

The above balance due from the company is shown net of an impairment of £88,500,000 (2022: £74,040,000). The impairment charge in the year with this entity is £10,700,000 (2022: £13,600,000).

In the current period the Group changed the calculation of the above to more accurately reflect the transactions with the specific entity not wholly owned. In the prior period, transactions with the entire sub-group were disclosed.

bet365 Group Limited
NOTES TO THE FINANCIAL STATEMENTS
For the 52 week period ended 26 March 2023

24 RELATED PARTY TRANSACTIONS (CONTINUED)

In addition, the following transactions took place during the period with companies that are associated with the Group:

	2023			2022		
	Sales and other income £000	Purchases and other charges £000	Net amount owed from the company £000	Sales and other income £000	Purchases and other charges £000	Net amount owed to the company £000
Other related parties (common control)	646	(4,066)	(3,846)	360	(1,749)	(28)

During the period the Group donated £100,000,000 (2022: £100,000,000) to the Denise Coates Foundation, a charity of which certain directors are trustees.

The Foundation receives support from the Group in respect of office space and other costs including management time, but the Group believe that this support is not material to disclose in the period.

During the period, dividends of £89,999,000 (2022: £89,999,000) were paid to the directors of the Company.

GROUP AND COMPANY

At the period end Denise Coates CBE was due monies from the Group of £14,611,722 (2022: £172,679,000) and sold goods to the value of £40,000 (2022: £nil) to the Group.

John Coates was due monies from the Group of £2,544,149 (2022: £6,789,000) and purchased goods to the value of £154,000 (2022: £nil) from the Group.

Peter Coates was due monies from the Group of £6,024 (2022: £2,593,000). Amounts due are included within other creditors.

The balances reported above primarily relate to Dividends and Net Salary which are periodically drawn down by the directors as and when required.

During the period the maximum debtor balance owed by Denise Coates CBE and Peter Coates was £nil (2022: £nil). John Coates owed £435,248 (2022: £nil) for a single business day as a result of timing and receipt of payments.

During the period the Group made purchases from a partnership in which one of the directors is a partner, of £1,012,000 (2022: £774,000). At the period end £19,000 (2022: £84,000) was owed to the partnership.

25 CONTROLLING INTEREST

bet365 Group Limited is under the control of Denise Coates CBE and her family.