

# Annual Report and Financial Statements

*Sportingbet Holdings Limited*

**For the year ended 31 December 2022**



Company number: 07264739

## **Sportingbet Holdings Limited**

### **DIRECTORS AND ADVISORS**

---

#### **DIRECTORS**

M Henrich (appointed 15 June 2023)

B Morgan (appointed 15 June 2023)

R Hoskin (resigned 15 June 2023)

A Lewis (resigned 30 June 2023)

#### **INDEPENDENT AUDITOR**

KPMG LLP

EastWest

Tollhouse Hill

Nottingham

NG1 5FS

#### **REGISTERED OFFICE**

7<sup>th</sup> Floor,

One Stratford Place,

Westfield Stratford City,

Montfichet Road,

London,

E20 1EJ

## Sportingbet Holdings Limited

### STRATEGIC REPORT – FOR THE YEAR ENDED 31 DECEMBER 2022

---

The directors present their strategic report for the year ended 31 December 2022.

#### PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the Company is that of a holding company within the Entain plc Group.

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

	2022	2021
	£'000	£'000
Investments	227,959	227,959
Net assets	219,650	219,624

#### FUTURE DEVELOPMENTS

The Company plans to continue its current activity as an investment holding company.

#### RESULTS AND DIVIDENDS

The financial statements for the year show a profit for the financial year of £26,000 (2021: loss of £87,000). The directors do not recommend payment of a dividend on ordinary shares (2021: £nil).

#### FINANCIAL POSITION

As at 31 December 2022 the company had net assets of £219,650,000 (31 December 2021: £219,624,000).

#### PRINCIPAL RISK AND UNCERTAINTIES

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

The Company has no other significant risks or uncertainties other than those that arise from being a part of the Entain plc. The significant risks or uncertainties, including the Company's exposure to financial risk management are dealt with on pages 85 to 88 presented in the Annual Report 2022 of Entain plc.

#### S172 STATEMENT

This section of the strategic report describes how the directors have had regard to the matters set out in section 172(1) (a) to (f), and forms the statement required under section 414 C of the Companies Act 2006 (the "Act").

The role of the board of directors of the company plays an integral part in demonstrating how the directors have had regard to the matters set out in section 172(1). During the year the following primary tasks were undertaken by the board of directors of the company:

- Defining and establishing purpose and strategy including, where relevant, having regard to the purpose, strategy, culture and values defined by Entain plc.;
- Assessing the principal and emerging risks relevant to the company.

In light of the role of the board, and their primary tasks and considerations throughout the year (as described above), the directors have discharged their duties under section 172(1) in a way that they considered, in good faith, is likely to promote the success of the company for the benefit of its members as a whole, having regard to the likely consequences of any decision in the long term and the broader interests of other stakeholders, as required by the Act. In doing so, the directors considered, amongst other matters:

- a. The likely long-term consequences of their decisions.
- b. The need to foster the company's business relationships with others.
- c. The impact of the company's operations on the community and the environment.
- d. The desire to maintain the company's reputation for high standards of business conduct.
- e. The need to act fairly between members of the company.

**S172 STATEMENT** (continued)

The directors also considered the interests of a wider set of stakeholders. Further information on the process behind how the Entain plc board makes decisions that affect the stakeholders of its subsidiaries, including the company, can be found in Entain plc's Annual Report here: <https://entaingroup.com/investor-relations/financial-reports/>.

To support the directors in the discharge of their duties, and whilst making decisions on behalf of the company, the directors have access to Entain's central functions assurance support to identify matters which may have an impact on proposed decisions including, where relevant, the section 172 factors outlined above. To ensure the efficiency and effectiveness of engagement with key stakeholders identified by the company, certain stakeholder engagement is led by the Entain group, particularly where the impact of a decision may impact the group's reputation

On behalf of the board



M Henrich

Director

28 September 2023

## **Sportingbet Holdings Limited**

### **DIRECTORS' REPORT – FOR THE YEAR ENDED 31 DECEMBER 2022**

---

The directors present their Directors' Report and the Company's audited financial statements for the year ended 31 December 2022. Comparative information is presented for the year ended 31 December 2021.

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

Directors:                    M Henrich (appointed 15 June 2023)  
                                     B Morgan (appointed 15 June 2023)  
                                     R Hoskiri (resigned 15 June 2023)  
                                     A Lewis (resigned 30 June 2023)

Registered Office:        7th Floor, One Stratford Place, Westfield Stratford City, Montfichet Road, London, E20 1EJ  
Company Number:        07264739

### **FINANCIAL RISK MANAGEMENT**

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

### **GOING CONCERN**

Notwithstanding net current liabilities of £8,309,000 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

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

In adopting the going concern basis of preparation in the interim financial statements, the directors have considered the current trading performance of the Group, the potential impact of any settlement of the HMRC investigation, the principal risks and uncertainties as considered in the 2022 Annual Report and Accounts and longer term viability statement and the current economic environment. The assessment performed over going concern included assessing the impact of the crystallisation of the Group's principal risks in "severe but plausible" downside scenarios as well as downside sensitivities on trading.

Entain Plc has indicated its intention not to seek repayment of the amounts currently due to the group, which at 31 December 2022 amounted to £21,945,000, and to continue to make available such funds as are needed by the company, until at least 12 months from the date of approval of the financial statements and for the foreseeable future. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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

### **POLITICAL DONATIONS**

Neither the Company nor any of its subsidiaries made any disclosable political donations or incurred any disclosable political expenditure during the year (2021: £nil).

**STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR**

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

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

**INDEPENDENT AUDITOR**

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

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

On behalf of the Board



M Henrich  
Director  
28 September 2023

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPORTINGBET HOLDINGS LIMITED**

### **Opinion**

We have audited the financial statements of Sportingbet Holdings Limited ("the Company") for the year ended 31 December 2022 which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 4.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Going concern**

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

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

Our conclusions based on this work:

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

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

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

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

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

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPORTINGBET HOLDINGS LIMITED**

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

We performed procedures including:

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

### *Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

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

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

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

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

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

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

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

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

### **Strategic report and directors' report**

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPORTINGBET HOLDINGS LIMITED**

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

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

### **Matters on which we are required to report by exception**

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

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

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

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



**Mark Flanagan (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

EastWest  
Tollhouse Hill  
Nottingham  
NG1 5FS

29 September 2023

**Sportingbet Holdings Limited****INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

	<u>Note</u>	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Administrative expense		<b>26</b>	(87)
<b>Profit/(loss) before taxation</b>	5	<b>26</b>	(87)
Taxation	6	-	-
<b>Profit/(loss) for the financial year</b>		<b>26</b>	(87)
Attributable to: Equity holders of the parent		<b>26</b>	(87)

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

There are no items of other comprehensive expense in the period presented. Therefore, no separate statement of other comprehensive income has been prepared.

The notes on pages 13 to 17 form an integral part of these financial statements.

**Sportingbet Holdings Limited**
**BALANCE SHEET AS AT 31 DECEMBER 2022**
**Company number: 07264739**

	<u>Note</u>	<b>2022</b> <b>£'000</b>	2021 £'000
<b>FIXED ASSETS</b>			
Investments in subsidiaries	7	<b>227,959</b>	227,959
<b>CURRENT ASSETS</b>			
Trade and other receivables (including £13,636,000 (2021: £13,609,000) due after more than one year	8	<b>13,636</b>	13,609
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	<b>(21,945)</b>	(21,944)
<b>NET CURRENT LIABILITIES</b>			
		<b>(8,309)</b>	(8,335)
<b>NET ASSETS</b>			
		<b>219,650</b>	219,624
<b>EQUITY</b>			
Issued share capital	10	-	-
Share premium		-	-
Retained earnings		<b>219,650</b>	219,624
<b>TOTAL SHAREHOLDERS' FUNDS</b>			
		<b>219,650</b>	219,624

The notes on pages 13 to 17 form an integral part of these financial statements.

The financial statements on pages 10 to 17 were approved by the board of directors on 28 September 2023 and were signed on its behalf by:



M Henrich  
Director  
28 September 2023

**Sportingbet Holdings Limited**

**STATEMENT OF CHANGES IN EQUITY – FOR THE YEAR ENDED 31 DECEMBER 2022**

	Issued share capital	Share premium	Retained earnings	Total shareholders' funds
	£'000	£'000	£'000	£'000
<b>At 31 December 2020</b>	<b>2,469</b>	<b>13,727</b>	<b>(69,613)</b>	<b>(53,417)</b>
<i>Total Comprehensive Income:</i>				
Loss for the year	-		(87)	(87)
<i>Transactions with owners, recorded directly in equity:</i>				
Share issue	273,128	-	-	273,128
Capital reduction	(275,597)	(13,727)	289,324	-
<b>At 31 December 2021</b>	<b>-</b>	<b>-</b>	<b>219,624</b>	<b>219,624</b>
Profit for the year	-		26	26
<b>At 31 December 2022</b>	<b>-</b>	<b>-</b>	<b>219,650</b>	<b>219,650</b>

The notes on pages 13 to 17 form an integral part of these financial statements.

**1. CORPORATE INFORMATION**

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

The financial statements of the Company for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors.

**2. BASIS OF PREPARATION**

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

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

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

The accounting policies which follow in note 4 set out those policies which apply in preparing the financial statements for the period ended 31 December 2022. These policies have been applied consistently other than those newly adopted in the year.

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

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

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

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

**New standards and IFRIC interpretations**

From 1 January 2022 the Company has applied, for the first time, certain standards, interpretations and amendments. The adoption of the following standards and amendments to standards did not have a material impact on the current period or any prior period upon transition:

- IAS 15 Property, Plant and Equipment; amendments to the definition of sales proceeds and related costs;
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets; amendments to the definition of costs to fulfil an onerous contract;
- IAS 41 Agriculture; amendments to the measurement techniques for biological assets; and
- IFRS 3 Business Combinations; updating a reference to the Conceptual Framework.

**3. KEY JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the accounting policies, which are detailed in this note, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

**Carrying value of investments**

Determining whether investments in subsidiaries are impaired requires an assessment of impairment indicators and, if indicators exist, and estimation of their recoverable amounts. The calculation of recoverable amount requires the entity to estimate the future cash flows expected to arise from the investments and select a suitable discount rate in order to calculate present value.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**4.1 Going concern**

Notwithstanding net current liabilities of £8,309,000 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

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

In adopting the going concern basis of preparation in the interim financial statements, the directors have considered the current trading performance of the Group, the potential impact of any settlement of the HMRC investigation, the principal risks and uncertainties as considered in the 2022 Annual Report and Accounts and longer term viability statement and the current economic environment. The assessment performed over going concern included assessing the impact of the crystallisation of the Group's principal risks in "severe but plausible" downside scenarios as well as downside sensitivities on trading.

Entain Plc has indicated its intention not to seek repayment of the amounts currently due to the group, which at 31 December 2022 amounted to £21,945,000, and to continue to make available such funds as are needed by the company, until at least 12 months from the date of approval of the financial statements and for the foreseeable future. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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

**4.2 Fixed asset investments**

Fixed asset investments are shown at cost less any amounts written off. Provisions are made for impairment. Only dividends received and receivable are credited to the Company's Profit and loss account..

**4.3 Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**4.4 Deferred taxation**

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed by the balance sheet date, except for deferred tax assets which are only recognised to the extent that they have either been agreed with the relevant tax authority and/or the Company anticipates making sufficient suitable taxable profits in the near future. Deferred tax balances are not discounted.

**4.5 Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

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

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

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

**4.7 Financial assets**

Financial assets are recognised when the Company becomes party to the contracts that give rise to them. The Company classifies financial assets at inception as loans and receivables, financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income. At 31 December 2022, the Company had only financial assets classified as loans and receivables.

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

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

**4.8 Financial liabilities**

Financial liabilities comprises trade and other payables. On initial recognition, financial liabilities are measured at fair value net of transaction costs where they are not categorised as financial liabilities at fair value through profit or loss. All financial liabilities are classified as loans and borrowings except for derivative financial liabilities, which are classified at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are measured initially at fair value, with transaction costs taken directly to the income statement. Subsequently, the fair values are re-measured, and gains and losses from changes therein are recognised in the income statement.

All interest-bearing loans and borrowings are initially recognised at fair value net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.



# Sportingbet Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

### 5. PROFIT/(LOSS) BEFORE TAX

This is stated after (charging)/crediting:

	2022 £'000	2021 £'000
Foreign exchange gain/(loss)	26	(92)

### 6. TAXATION

(a) Tax charge/(credit) in the income statement

	2022 £'000	2021 £'000
<b>Current tax</b>		
UK corporation tax on profit/(loss) in the year	-	-

(b) Reconciliation of the total income tax credit

	2022 £'000	2021 £'000
<b>Loss before taxation</b>	26	(87)
Profit/(loss) before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2021 – 19.00%)	5	(17)
<b>Adjusted for the effects of:</b>		
(Utilisation of)/increase in unrecognised tax assets	(7)	-
Impact of tax rate changes	2	-
Group relief surrendered for nil consideration	-	17
<b>Total tax on profit/(loss) reported in the income statement</b>	-	-

(c) Change in corporation tax rate

In the UK Budget on 3 March 2021, the Chancellor announced that the standard rate of UK Corporation Tax would be increased from 19% to 25% with effect from 1 April 2023. This was substantively enacted on 24 May 2021. The 25% rate has therefore been used in measuring the deferred tax items at the balance sheet date.

### 7. INVESTMENTS IN SUBSIDIARY

Shares in subsidiary  
companies  
£'000  
**227,959**

At 31 December 2022 and 31 December 2021

The Company held 100% of the issued ordinary share capital of the following subsidiary undertakings at 31 December 2022.

Subsidiary	Activity	Country of incorporation or registration
<i>Direct subsidiaries:</i>		
Interactive Sports (C.I.) Limited	Dormant	Alderney
Interactive Sports Limited	Dormant	England and Wales
Spring Odds Limited	Online betting	England and Wales
Sportingbet (IT Services) Limited	Dormant	England and Wales
Sportingbet (Management Services) Limited	Dormant	England and Wales
M.L.B Limited	Contract call centre	Ireland
Sportingbet Spain S.A.	Online betting	Spain
Javari Consultancy Services SL	Marketing services	Spain

**7. INVESTMENTS IN SUBSIDIARY** (continued)

<b>Subsidiary</b>	<b>Activity</b>	<b>Country of incorporation or registration</b>
<i>Indirect subsidiaries:</i>		
6996825 Canada Limited	Dormant	Canada
Interactive Sports Denmark ApS	Administrative services	Denmark
Longfrie Limited	Administrative services	Guernsey
Interactive Sports Asia Limited Inc	Administrative services	Philippines
Scandic Bookmakers Limited	Administrative services	Malta

For all undertakings listed above, the country of incorporation is the same as the country of operation.

**8. TRADE AND OTHER RECEIVABLES**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Amounts owed by group companies	<b>13,636</b>	13,609

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

Included within amounts owed by group undertakings is £13,636,000 which is expected to be recovered after more than one year (2021: £13,609,000).

**9. TRADE AND OTHER PAYABLES**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Amounts owed to group companies	<b>21,945</b>	21,944

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

**10. CALLED UP SHARE CAPITAL**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Allotted, called up and fully paid:		
100 ordinary shares (2021: 100) at £1 per share	-	-

**11. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption in FRS 101 "Reduced Disclosure Framework" from the requirement to disclose transactions with Group companies on the grounds that the Company is a wholly owned subsidiary and publicly available consolidated financial statements are prepared by the ultimate parent company.

**12. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING**

The Company's immediate parent company is Sportingbet Limited, a company incorporated in England and Wales. The ultimate parent company is Entain plc, a company incorporated in the Isle of Man. Copies of the Group accounts prepared by the ultimate parent company are available from 32 Athol Street, Douglas, Isle of Man, IM1 1JB or from the Investor Relations section of the Company's website at <https://entaingroup.com/investor-relations/financial-reports/>