

Financial statements

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1. Our opinion is unmodified

In our opinion:

- the financial statements of Entain plc give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023, and of the Group's and of the Company's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards Accounting Standards as adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union;
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the Group and Parent Company financial statements have been prepared in accordance with the requirements of the Isle of Man Companies Act 2006.

What our opinion covers

We have audited the Group and Parent Company financial statements of Entain plc ("the Company") for the year ended 31 December 2023 (FY23) included in the Annual Report, which comprise:

Group	Parent Company (Entain plc)
<ul style="list-style-type: none"> • Consolidated income statement • Consolidated statement of comprehensive income • Consolidated balance sheet • Consolidated statement of changes in equity • Consolidated statement of cash flows 	<ul style="list-style-type: none"> • Company income statement • Company balance sheet • Company statement of changes in equity
Notes 1 to 36 to the Group financial statements, including the accounting policies in note 4.	Notes 1 to 19 to the Parent Company financial statements, including the accounting policies in note 3

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 believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion and matters included in this report are consistent with those discussed and included in our reporting to the Audit Committee ("AC").

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

2. Overview of our audit

Factors driving our view of risks

Having taken due consideration of the current economic environment and activity of the Group in the period, we have identified an additional key audit matter relating to acquisition accounting.

We consider the level of risk relating to revenue recognition from online operations is stable compared to FY22 as the company's growth in the period has reduced compared to previous periods. The Group has entered a number of new territories in the period where there are online operations but we do not consider the level of risk to be the same as those that we have linked to our revenue key audit matter.

The Group's reliance on complex IT systems for the processing of revenue transactions relating to online operations could result in incorrect reporting of revenue from aggregated systematic calculation errors. In addition, we identified a fraud risk related to possible manipulation of revenue by manual journals.

The Group has undertaken several acquisitions in the period. The transaction to acquire NZ Ent Limited ("TAB New Zealand") has a complex contingent consideration arrangement and the variable contingent consideration is sensitive to changes in key assumptions. The acquisition of STS Holdings S.A. is significant in value and the purchase price allocation is sensitive to changes in key assumptions.

Recoverability of investments in subsidiaries remains our biggest focus in the audit of the parent Company, Entain plc, due to their materiality in the context of the parent Company financial statements.

Key Audit Matters	Vs FY22	Item
Revenue recognition from online operations	↔	4.1
Complex accounting and sensitivity to significant assumptions relating to the acquisitions of TAB New Zealand and STS Holdings S.A.	↑	4.2
Recoverability of parent Company's investments in subsidiaries	↔	4.3

Audit committee interaction

During the year, the AC met 5 times. KPMG are invited to attend all AC meetings and are provided with an opportunity to meet with the AC in private sessions without the Executive Directors being present. For each Key Audit Matter, we have set out communications with the AC in section 6, including matters that required particular judgement for each.

The matters included in the Audit Committee Chair's report on page 104 are materially consistent with our observations of those meetings.

Our independence

We have fulfilled our ethical responsibilities and remain independent of the Group in accordance with UK ethical requirements, including the FRC Ethical Standard as applied to listed public interest entities.

Apart from the matter noted below, we have not performed any non-audit services during the year ended 31 December 2023 or subsequently which are prohibited by the FRC Ethical Standard.

We have identified that a KPMG member firm provided access to an application to an entity that is part of a group of companies acquired by the Group in August 2023. Transition rules meant that continued provision of access was not permitted beyond three months after acquisition by the Group. Access to the application was terminated at the end of January 2024. Therefore, a non-permitted service was provided in late 2023 and January 2024. The application assists entities with compliance with disclosures relating to local taxation. The provision of this service did not involve advocacy nor any management decision making, and they had no impact on financial statements. The fees were not significant to any party and the entity involved is not in scope for the group audit.

In our professional judgment, we confirm that based on our assessment of the breach, our integrity and objectivity as auditor has not been compromised and we believe that an objective, reasonable and informed third party would conclude that the provision of this service would not impair our integrity or objectivity for any of the impacted financial years. The audit committee have concurred with this view.

We were first appointed as auditor by the shareholders for the year ended 31 December 2018. The period of total uninterrupted engagement is for the six financial years ended 31 December 2023. These are the third set of the Group's financial statements signed by Mark Flanagan. Previously Mark was a Key Partner involved in the engagement, and therefore he is required to rotate off after seven years of his involvement in the engagement. Therefore, Mark will be required to rotate off after the FY24 audit.

The average tenure of partners responsible for component audits as set out in section 7 below is two years, with the shortest being one and the longest being three.

Total audit fee	£3.6m
Audit related fees (including interim review)	£0.5m
Other services	£0.2m
Non-audit fee as a % of total audit and audit related fee %	4.9%
Date first appointed	6 June 2018
Uninterrupted audit tenure	6 years
Next financial period which requires a tender	2028
Tenure of Group engagement partner	3 years
Average tenure of component signing partners	2 years

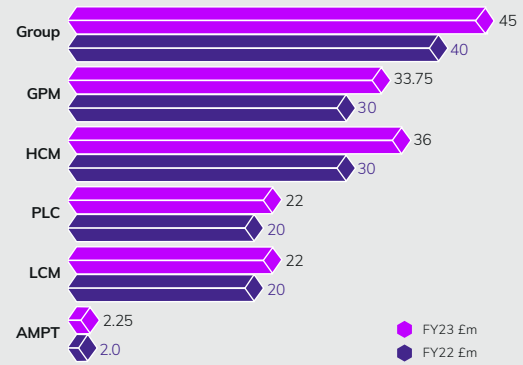
**Materiality
(item 6 below)**

The scope of our work is influenced by our view of materiality and our assessed risk of material misstatement.

We have determined overall materiality for the Group financial statements as a whole at £45m (FY22: £40m) and for the Parent Company financial statements as a whole at £22m (FY22: £20m).

Consistent with FY22, we determined that revenue remains the benchmark for the Group. We consider total revenue to be the most appropriate benchmark as the Group is still going through an acquisitive stage and BetMGM, the Group's joint venture continues to be in a start-up phase. Because of BetMGM still being in a start-up phase, and Entain recognising their share of the loss from joint ventures, the Group as a whole, generated a loss before tax from continuing operations in the period. Furthermore, total revenue is seen as a key metric to users of the financial statements, as demonstrated by the Group's communications to investors. As such, we based our Group materiality on revenue, of which it represents 0.9% (FY22: 0.9%).

Materiality for the Parent Company financial statements was determined with reference to a benchmark of Parent Company total assets of which it represents 0.3% (FY22: 0.4%).



- Group** Group Materiality
- GPM** Group Performance Materiality
- HCM** Highest Component Materiality
- PLC** Parent Company Materiality
- LCM** Lowest Component Materiality
- AMPT** Audit Misstatement Posting Threshold

**Group scope
(item 7 below)**

We have performed risk assessment and planning procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements, the type of procedures to be performed at these components and the extent of involvement required from our component auditors around the world.

Of the Group's twenty (FY22: eleven) reporting components, we subjected five (FY22: five) to full scope audits for group purposes and two (FY22: none) to specified risk-focused audit procedures. Specified risk-focused procedures over revenue were performed on those components as they were the next largest component, which had grown at a quicker rate than the remainder of the Group's core markets which altered the risk profile of the Group.

The group operates a centralised IT function that supports IT processes for certain components. The IT function is geographically spread across Hyderabad (India), Gibraltar, Stratford (UK) and Vienna (Austria). The transactions processed by these IT systems are included in the financial information of the reporting components it services and therefore it is not a separate reporting component. This service centre is subject to specified risk-focused audit procedures, predominantly the testing of the relevant general IT control environment ("GITCs") and automated IT application controls.

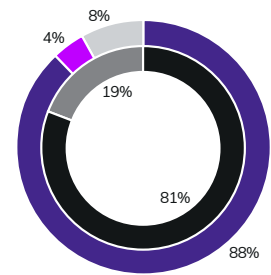
The components within the scope of our work accounted for the percentages illustrated opposite.

In addition, we have performed Group level analysis on the remaining components to determine whether further risks of material misstatement exist in those components.

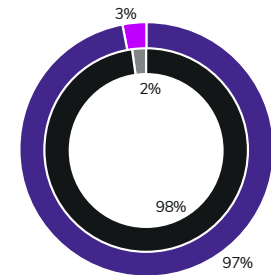
We consider the scope of our audit, as communicated to the Audit Committee, to be an appropriate basis for our audit opinion.

- 2022 Full scope audits
- 2022 Remaining components
- 2023 Specified risk-focused procedures
- 2023 Full scope audits
- 2023 Remaining components

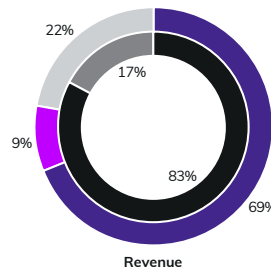
1. Calculated by adding the Group's share of revenue from its joint ventures to the Group's revenue figure



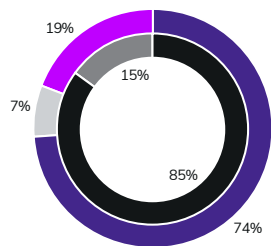
Total profits and losses that made up group profit before tax



Net assets



Revenue



Revenue including share of revenue from joint ventures¹

The impact of climate change on our audit

We have considered the potential impacts of climate change on the financial statements as part of our planning of the audit. The Group has set out its commitment to be carbon net zero by 2035 including a reduction in scope 1, 2 and 3 emissions by 2027. The Group's business model does not include high polluting activities and further information about the Group's identified climate risks is provided in the "Task Force for Climate-related Financial Disclosures Statement".

As part of our risk assessment, KPMG have inquired with the Group's head of ESG to understand the climate change risks to the Group, the impact of their net zero commitment and what they have assessed the impact of these are on the financial statements. We have also read meeting minutes of the Group's ESG committee and applied our knowledge of the Group and sector in which it operates to understand the extent of the potential impact of climate change risks on the Group's financial statements. Considering the nature of the Group's assets and liabilities and taking account the headroom on goodwill and indefinite life intangibles impairment testing, there was no significant impact on our key audit matters or other key areas of our audit.

We have read the Group's Task Force for Climate-Related Financial Disclosures in the front half of the annual report and considered consistency with the financial statements and our audit knowledge.

3. Going concern, viability and principal risks and uncertainties

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations, and as they have concluded that the Group's and the Parent 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 their 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").

Going concern

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources and/or metrics relevant to debt covenants over this period were:

- The impact of a significant change in the Group's gaming tax profile, including changes in key geographies;
- The impact of significant changes in the regulatory environment affecting the Group's ability to operate in certain territories; and
- The impact of a cyber security failing affecting the Group's operating systems for a significant portion of the going concern period.

We also considered less predictable but realistic second order impacts, such as the impact of the political changes, which could result in a rapid reduction of available financial resources.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Group's financial forecasts.

We assessed the completeness and accuracy of the going concern disclosure.

Accordingly, based on those procedures, we found the directors' use of the going concern basis of accounting without any material uncertainty for the Group and Parent Company to be acceptable. 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 Group or the Parent Company will continue in operation.

Our conclusions

- 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 Group's or Parent Company's ability to continue as a going concern for the going concern period; and
- We have nothing material to add or draw attention to in relation to the directors' statement in note 2 to the consolidated financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Parent Company's use of that basis for the going concern period, and we found the going concern disclosure in note 2 to be acceptable.

Disclosures of emerging and principal risks and longer-term viability

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Viability Statement on page 87 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks disclosures describing these risks and how emerging risks are identified and explaining how they are being managed and mitigated; and
- the directors' explanation in the Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. 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 absence of anything to report on these statements is not a guarantee as to the Group's and Parent Company's longer-term viability.

Our reporting

We have nothing material to add or draw attention to in relation to these disclosures.

We have concluded that these disclosures are materially consistent with the financial statements and our audit knowledge.

4. Key audit matters**What we mean**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

We include below the Key Audit Matters in decreasing order of audit significance together with our key audit procedures to address those matters and our findings from those procedures in order that the Company's members, as a body, may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our findings are based on procedures undertaken, for the purpose of our audit of the financial statements as a whole. We do not provide a separate opinion on these matters.

4.1 Revenue from online operations (group)	Financial Statement Elements		Our assessment of risk vs FY22	Our findings
Revenue from online operations	FY23 £3,366.6m	FY22 £2,998.5m	<p>We consider the level of risk relating to revenue recognition from online operations is stable compared to FY22 as there have been no significant changes in the nature or complexity of the online operations.</p> <p style="text-align: center;">↔</p>	<p>FY23: Our testing identified no errors in the recording of revenue transactions for the revenue from Online operations</p> <p>FY22: No errors identified</p>

4.1 Revenue from online operations (group) continued

Description of the Key Audit Matter

Risk of data processing error

Revenue streams are computed and recorded on highly complex IT systems that process a high volume of low value transactions, with the gaming and betting platforms and customer wallets (together "platform") being the key elements. Aggregated systematic errors in calculations could result in incorrect reporting of revenue from online operations.

Risk of fraud

We have identified a fraud risk that revenue from online operations could be manipulated through manual journals in order to inflate results or reach bonus incentives.

Our response to the risk

Our procedures included:

Controls: For the Group's in-house systems we utilised our own IT auditors to assess the relevant IT systems and controls by:

- Understanding the data flow in the online betting environment by observing bets placed from the customer-facing systems and tracing the transactions to the platform, and then from the data warehouse (storage) to the financial information systems (accounting records) to assess whether the information is passed appropriately from one system to another;
- Testing operating effectiveness of relevant general IT controls ("GITCs") including access to programs and data and program change – specifically evaluating account set-up and termination of users, password restrictions, users with privileged access and program change controls;
- Assessing the impact of GITCs deficiencies and performing additional audit procedures as needed, for example where unauthorised users were identified, we tested whether those users had inappropriately accessed the system;
- Testing automated controls around wallet deposits/ withdrawals, placing and settlement of bets, and calculation of revenue through placing test bets.

Tests of details (tracing and vouching): We assessed the appropriateness of revenue by performing the following:

- To address the identified risks, including the fraud risk, comparing the cash movements in the customer wallets in aggregate to revenue recognised from online operations throughout the period. As part of this comparison, for the cash movements relating to the Payment Service Provider ("PSP") receivable, we obtained a summary of movements for the year and agreed a sample of non-customer cash movements to external documentation, for example funding, settlements and charges to either PSP or bank statements. For other material reconciling items between the cash movements and the revenue recognised, we critically assessed the appropriateness of these items and, where relevant, obtained supporting documentation.

Communications with the Entain plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the audit of revenue from Online operations including details of our planned substantive procedures and the extent of our control reliance;
- Discussions on the effectiveness of the general IT environment.

Areas of particular auditor judgement

We did not identify any areas of particular auditor judgement in relation to this key audit matter.

Our findings

We assessed the impact of identified control deficiencies and considered the effect on our substantive testing. Based on the control mitigation testing that we performed, we were not required to significantly expand the extent of our planned detailed testing. Our testing identified no errors in the recording of revenue transactions for the revenues from online operations (FY22: No errors identified).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 104 for details on how the Audit Committee considered the revenue from online operations.

4.2 complex accounting and sensitivity to significant assumptions relating to the acquisition of tab new zealand and sts holdings s.a.

Financial Statement Elements		Our assessment of risk vs FY22	Our findings
Goodwill – arising from the acquisition of STS Holding S.A.	FY23 £374.1m	FY22 £nil	<p>FY23: Balanced</p> <p>FY22: New key audit matter</p>
Intangible assets – arising from the acquisition of STS Holding S.A.	£401.3m	£nil	
Deferred and contingent consideration recognised on the acquisition of TAB New Zealand	£1,112.1m	£nil	

Description of the Key Audit Matter

Complexity and sensitivity

TAB New Zealand

The recognition of the contingent consideration paid to the New Zealand government, being the owner of the TAB New Zealand brand, results in a significant judgement as to whether this forms part of the consideration payable as these are ongoing payments made to the former owner who will continue to provide a regulatory framework.

Additionally, the contingent consideration that will be paid over the 25-year period is sensitive to changes in key assumptions including revenue growth, costs associated with revenue as defined by the share purchase agreement ('SPA') and WACC.

Our response to the risk

We performed the tests below rather than seeking to rely on any of the Company's controls because the nature of the balances is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

TAB New Zealand

Tests of details: For TAB New Zealand we have critically assessed the SPA by reading the agreement and understanding the business including the involvement with the New Zealand government to assess whether the variable contingent consideration payable to the New Zealand government forms part of consideration in accordance with 'IFRS 3 Business Combinations'.

We have benchmarked the director's key assumptions which have been applied in determining the fair value of variable contingent consideration at acquisitions against our knowledge of historical acquisitions and third-party market data. The key assumptions are revenue growth rates, adjusted gross profit margin and discount rate.

Our valuation expertise: Involving our own valuation professional with specialised skills and knowledge, who assisted in independently developing a range of post-tax discount rates using publicly available market data for comparable companies and comparing these rates to those utilised by management to assess their reasonableness.

STS Holdings S.A.

The valuation of intangible assets involves significant judgement as it requires management's use of assumptions including revenue growth, customer churn rates and the application of a discount rate that is reflective of the risks of the business.

STS Holdings S.A.

Tests of details: We assessed the director's calculation of the valuation of intangible assets for STS Holdings S.A. by benchmarking their assumptions against our knowledge of historical acquisitions and third-party market data. The key assumptions considered for STS Holdings S.A. were projected revenue, long-term growth rates, customer churn and post-tax discount rates.

- We assessed the reasonableness of the cash flows used in valuation models by benchmarking the key assumptions adopted against our knowledge of historical acquisitions and third-party market data;
- We challenged management by considering the rationale for the business combination and comparing the expected synergies to the amount of residual goodwill in the context of consideration and the fair value adjustments applied;
- Developed our own independent range of post-tax discount rates using publicly available market data for comparable companies and comparing these rates to those utilised by management to assess their reasonableness.

TAB New Zealand and STS Holdings S.A.

Assessing valuer's credentials: We assessed the competence and objectivity of the third-party valuation experts engaged by the Group; and

Assessing transparency: Assessing whether the Group's disclosures detail the key estimates and sensitivities including any impact of reasonably possible changes to key assumptions with regard to the goodwill, intangible assets and contingent consideration arising from the acquisitions.

Communications with the Entain plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the audit of acquisition accounting for TAB New Zealand and STS Holdings S.A. including details of our planned substantive procedures and the extent of our control reliance;
- Our results relating to the audit of acquisition accounting for TAB New Zealand and STS Holdings S.A. including our conclusion in relation to the estimates that management have made for calculating intangible assets.

Areas of particular auditor judgement

The areas of particular audit judgement for the TAB New Zealand acquisition was the treatment of contingent consideration and key assumptions adopted.

For the STS Holdings S.A. acquisition, auditor judgement was exercised relating to the key assumptions used by the Group.

Our findings

We found that management had appropriately included all components of consideration in determining the total consideration for the acquisition of TAB New Zealand. In addition, we deemed the assumptions used by management in the calculation of contingent consideration to be balanced.

For the STS Holdings S.A. acquisition, we deemed the assumptions used by the Group in the calculation of the goodwill and intangible assets for STS to be balanced. (FY22: Not applicable).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 104 for details on how the Audit Committee considered the complex accounting and sensitivity to significant assumptions relating to the acquisition of TAB New Zealand and STS Holdings S.A.

4.3 Recoverability of parent company's investments in subsidiaries (parent company)

Financial Statement Elements	Our assessment of risk vs FY22		Our findings
Investments in subsidiaries	FY23 £5,635.2m	FY22 £4,845.6m	<p>↔</p> <p>We have not identified any significant changes to our assessment of the level of risk relating to recoverability of parent company's investments in subsidiaries compared to FY22.</p> <p>FY23: Balanced FY22: Balanced</p>
Description of the Key Audit Matter		Our response to the risk	
<p>Low risk, high value</p> <p>The carrying amount of the parent Company's investments in subsidiaries represents 89% (FY22: 85%) of the parent Company's total assets. Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the parent Company financial statements, this is considered to be the area that had the greatest effect on our overall parent Company audit.</p>		<p>We performed the tests below rather than seeking to rely on any of the Company's controls because the nature of the balances is such that we would expect to obtain audit evidence primarily through the detailed procedures described.</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> We compared the carrying amount of investments in subsidiaries with the relevant subsidiaries' draft balance sheets to identify whether their net assets, being an approximation of the minimum recoverable amount of the related investments and amounts owed by subsidiary undertakings, were in excess of their carrying amount. 	
Communications with the Entain plc's Audit Committee			
Our discussions with and reporting to the Audit Committee included:			
<ul style="list-style-type: none"> Our approach to the audit of investments in subsidiaries, including details of our planned substantive procedures, and that we would not seek to place reliance on controls. Our conclusion on the procedures performed. 			
Areas of particular auditor judgement			
We did not identify any areas of particular auditor judgement in relation to this key audit matter.			
Our findings			
We found the company's conclusion that there is no impairment of investments in subsidiaries to be balanced. (FY22: balanced).			

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 104 for details on how the Audit Committee considered the recoverability of parent company's investments in subsidiaries.

5. Our ability to detect irregularities, and our response

Fraud – identifying and responding to risks of material misstatement due to fraud	
Fraud risk assessment	<p>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:</p> <ul style="list-style-type: none"> ● Enquiring of directors, the audit committee, internal audit and inspection of policy documentation as to the Group’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud. ● Reading Board, audit committee, and remuneration committee minutes. ● Considering remuneration incentive schemes and performance targets for directors and how these are impacted by separately disclosed items. ● Using analytical procedures to identify any unusual or unexpected relationships. ● Our forensic specialists assisted us in identifying key fraud risks. This included holding a discussion with the engagement partner and team and assisting with designing relevant audit procedures to respond to the identified fraud risks.
Risk communications	<p>We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group audit team to full scope component audit teams of relevant fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at the Group level.</p>
Fraud risks	<p>As required by auditing standards, and taking into account possible pressures to meet profit targets and bonus incentives, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue from the Group’s online operations is at risk of being overstated due to manual manipulation, that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as accounting for acquisitions and the recognition of intangible assets, provisions for impairment and pension assumptions.</p> <p>We did not identify any additional fraud risks.</p>
Link to KAMS	<p>Further detail in respect of online revenue recognition is set out in the key audit matter disclosure in section 4.1 of this report.</p>
Procedures to address fraud risks	<p>We also performed procedures including:</p> <ul style="list-style-type: none"> ● Identifying journal entries and other adjustments to test for all full scope components based on high risk criteria for each component and comparing the identified entries to supporting documentation. These included: postings between unusual accounts for revenue, cash and assets; entries without a description or with a description of senior management; unexpected entries that credit adjusted EBTIDA and debit other areas of the income statement; and entries by users who seldom post journals. ● Evaluated the business purpose of significant unusual transactions. ● Assessing whether significant accounting estimates are indicative of a potential bias.

Laws and regulations – identifying and responding to risks of material misstatement relating to compliance with laws and regulations

Laws and regulations risk assessment

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, inspection of industry publications and through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

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

Risk communications

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group audit team to full-scope component audit teams of relevant laws and regulations identified at the Group level, and a request for full scope component auditors to report to the Group audit team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the Group level.

Direct laws context and link to audit

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

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies 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.

Most significant indirect law/regulation areas

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's licence to operate. We identified the following areas as those most likely to have such an effect: anti-bribery and corruption, recognising the nature of the Group's operations, betting and gaming regulation and responsible gaming legislation across all of the territories where the Group generates material revenues.

For the matters discussed in note 33 we assessed disclosures against our understanding from inspection of correspondence received by the entity and inquiries with external legal counsel.

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

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 fraud 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.

6. Our determination of materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

£45m (FY22: £40m) Materiality for the group financial statements as a whole	<p>What we mean</p> <p>A quantitative reference for the purpose of planning and performing our audit.</p> <p>Basis for determining materiality and judgements applied</p> <p>Materiality for the Group financial statements as a whole was set at £45m (FY22: £40m). This was determined with reference to a benchmark of Group revenue.</p> <p>Consistent with FY22, we determined that revenue remains the benchmark for the Group. We consider total revenue to be the most appropriate benchmark as the Group is still going through an acquisitive stage and BetMGM, the Group's joint venture continues to be in a start-up phase. Because of BetMGM still being in a start-up phase, and Entain recognising their share of the loss from joint ventures the Group, as a whole, generates a loss before tax from continuing operations in the period. Furthermore, total revenue is seen as a key metric to users of the financial statements, as demonstrated by the Group's communications to investors. Our Group materiality of £45m was determined by applying a percentage to the Group revenue. When using a benchmark of revenue to determine overall materiality, KPMG's approach for listed entities considers a guideline range 0.5% – 1.0 % of the measure. In setting overall Group materiality, we applied a percentage of 0.9% (FY22: 0.9%) to the benchmark.</p> <p>Materiality for the Parent Company financial statements as a whole was set at £22.5m (FY22: £20m), determined with reference to a benchmark of Parent Company total assets, of which it represents 0.3% (FY22: 0.4%).</p>
£33.75m (FY22: £30m) Performance materiality	<p>What we mean</p> <p>Our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.</p> <p>Basis for determining performance materiality and judgements applied</p> <p>We have considered performance materiality at a level of 75% (FY22: 75%) of materiality for Entain plc Group financial statements as a whole to be appropriate.</p> <p>The Parent Company performance materiality was set at £16.5m (FY22: £15m), which equates to 75% (FY22: 75%) of materiality for the Parent Company financial statements as a whole.</p> <p>We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.</p>
£2.25m (FY22: £2.0m) Audit misstatement posting threshold	<p>What we mean</p> <p>This is the amount below which identified misstatements are considered to be clearly trivial from a quantitative point of view. We may become aware of misstatements below this threshold which could alter the nature, timing and scope of our audit procedures, for example if we identify smaller misstatements which are indicators of fraud.</p> <p>This is also the amount above which all misstatements identified are communicated to Entain plc's Audit Committee.</p> <p>Basis for determining the audit misstatement posting threshold and judgements applied</p> <p>We set our audit misstatement posting threshold at 5% (FY22: 5%) of our materiality for the Group financial statements. We also report to the Audit Committee any other identified misstatements that warrant reporting on qualitative grounds.</p>

The overall materiality for the Group financial statements of £45m (FY22: £40m) compares to the below amounts as follows:

	Total Group Revenue		Group (loss)/profit before tax from continuing operations		Total Group Assets	
	FY23	FY22	FY23	FY22	FY23	FY22
Amount	£4,769.6m	£4,296.9m	(£842.6)m	£102.9m	£10,850.6m	£8,740.1m
Group Materiality as % of amount	0.9%	0.9%	(5.3%)	38.9%	0.4%	0.5%

7. The scope of our audit

Group scope

What we mean

How the Group audit team determined the procedures to be performed across the Group.

Of the Group's twenty (FY22: eleven) reporting components, we subjected five (FY22: five) to full scope audits for group purposes and two (FY22: none) to specified risk-focused audit procedures. In order to determine the work performed at the reporting component level, we identified those components which we considered to be of individual financial significance, those which were significant due to risk and those remaining components on which we required procedures to be performed to provide us with the evidence we required in order to conclude on the group financial statements as a whole.

We determined individually financially significant components as those contributing at least 10% (FY22: 10%) of total profits and losses that made up group profit/(loss) before tax from continuing operations or group revenue. We selected revenue and profit/(loss) before tax from continuing operations because these are the most representative of the relative size of the components. We identified four (FY22: four) components as individually financially significant components and performed full scope audits on these components. In addition, we identified two components (FY22: none) as being subject to specified risk-focused. Specified risk-focused procedures over revenue were performed on these components as they are the next largest component, which had grown at a quicker rate than the remainder of the Group's core markets which altered the risk profile of the Group.

We have also considered one component (FY22: one), which is a joint venture, to be significant due to significant risk of material misstatement affecting the group financial statements and performed a full scope audit of this component (FY22: full scope audit). Whilst it does not contribute to the Group's revenue metrics, its revenues are considered to be of significant importance to the Group therefore we considered it to be significant due to significant risk of material misstatement in the current year.

The group operates a centralised IT function that supports IT processes for certain components. The IT function is geographically spread across Hyderabad (India), Gibraltar, Stratford (UK) and Vienna (Austria). The transactions processed by these IT system are included in the financial information of the reporting components it services and therefore it is not a separate reporting component. This service centre is subject to specified risk-focused audit procedures, predominantly the testing of the relevant general IT control environment ("GITCs") and automated IT application controls.

Scope	Number of components	Range of materiality applied
Full scope audit	5 (FY22: 5)	£18.8m – £36m (FY22: £20m – £30m)

The components within the scope of our work accounted for the following percentages of the group's results: 78% group revenue (FY22: 83%), 81% Revenue including share of revenue from joint ventures (FY22: 85%), 92% total profits and losses that made up group loss before tax from continuing operations (FY22: 81%) and 97% group net assets (FY22: 98%).

The Group team instructed component auditors on the scope of their work including specifying minimum procedures to perform in their audit of revenue and management override of controls. The Group team approved the component materialities, as detailed in the table above, having regard to the mix of size and risk profile of the Group across the components.

For the residual components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The Group audit team has also performed audit procedures on the following areas of behalf of the components:

- Items excluded from underlying Group PBTCO;
- Direct tax excluding Australia and US;
- Right of use assets and liabilities; and
- Share based payments.

These items were audited by the Group team because they are managed centrally by the Group finance team.

We were able to rely upon the Group's internal control over financial reporting in several areas of our audit, where our controls testing supported this approach, which enabled us to reduce the scope of our substantive audit work; in the other areas the scope of the audit work performed was fully substantive.

The parent company audit was completed by the Group audit team. All of the other components subject to a full scope audit were completed by component audit teams.

Group audit team oversight**What we mean**

The extent of the Group audit team's involvement in component audits.

In working with component auditors, we:

- Held planning calls with component audit teams to discuss the significant areas of the audit relevant to the components, including the key audit matter in respect of revenue from online operations.
- Issued group audit instructions to component auditors on the scope of their work, including specifying the minimum procedures to perform in their audit of revenue and management override of controls.
- Visited five components in-person as the audit progressed to understand and challenge the audit approach and organised video conferences with the partners and directors of the Group and component audit teams throughout the key audit stages. At these visits and video conferences, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component audit teams.
- Inspected component audit teams' key workpapers, with a particular focus on the component's work on revenue from online operations and risk of management override of controls to ensure appropriateness of documentation and conclusions reached.

8. Other information in the annual report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

All other information

Our responsibility

Our responsibility is to read the other information 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.

Our reporting

Based solely on that work we have not identified material misstatements or inconsistencies in the other information.

Directors' remuneration report

Our responsibility

In addition to our audit of the financial statements, the Directors have engaged us to audit the information in the Directors' Remuneration Report that is described as having been audited, which the Directors have decided to prepare as if the Company was required to comply with the requirements of Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008 No. 410) made under the UK Companies Act 2006.

Our reporting

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the UK Companies Act 2006, as if those requirements applied to the Company.

Under the terms of our engagement, we are also required to report to you if, in our opinion, the part of the Directors' Remuneration Report which we were engaged to audit is not in agreement with the accounting records and returns.

We have nothing to report in these respects.

Corporate governance disclosures

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the financial statements and our audit knowledge, and:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

Our reporting

Based on those procedures, we have concluded that each of these disclosures is materially consistent with the financial statements and our audit knowledge.

We are also required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in this respect.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 81, the directors are responsible for: the preparation of the financial statements including 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 Group and 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 they 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

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

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

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule ("DTR") 4.1.1.7R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with that format.

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 Section 80(c) of the Isle of Man Companies Act 2006 and the terms of our engagement by the Company. 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 the further matters we are required to state to them in accordance with the terms agreed with the Company, 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 for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants and Recognised Auditors
EastWest
Tollhouse Hill
Nottingham
NG1 5FS

7 March 2024

	Notes	2023			2022		
		Underlying items £m	Separately disclosed items (Note 6) £m	Total £m	Underlying items £m	Separately disclosed items (Note 6) £m	Total £m
Net Gaming Revenue		4,833.1	–	4,833.1	4,348.9	–	4,348.9
VAT/GST		(63.5)	–	(63.5)	(52.0)	–	(52.0)
Revenue	5	4,769.6	–	4,769.6	4,296.9	–	4,296.9
Cost of sales	7	(1,862.6)	–	(1,862.6)	(1,582.2)	–	(1,582.2)
Gross profit		2,907.0	–	2,907.0	2,714.7	–	2,714.7
Administrative costs	7	(2,222.3)	(1,286.5)	(3,508.8)	(1,978.8)	(213.2)	(2,192.0)
Contribution		2,279.4	–	2,279.4	2,128.9	–	2,128.9
Administrative costs excluding marketing		(1,594.7)	(1,286.5)	(2,881.2)	(1,393.0)	(213.2)	(1,606.2)
Group operating profit/(loss) before share of results from joint ventures and associates		684.7	(1,286.5)	(601.8)	735.9	(213.2)	522.7
Share of results from joint ventures and associates	16,17	(42.9)	–	(42.9)	(194.1)	–	(194.1)
Group operating profit/(loss)		641.8	(1,286.5)	(644.7)	541.8	(213.2)	328.6
Finance expense	8	(241.8)	(1.0)	(242.8)	(89.0)	(5.7)	(94.7)
Finance income	8	12.4	–	12.4	4.3	–	4.3
(Losses)/gains arising from change in fair value of financial instruments	8	(90.6)	–	(90.6)	(23.1)	–	(23.1)
Gains/(losses) arising from foreign exchange on debt instruments	8	123.1	–	123.1	(112.2)	–	(112.2)
Profit/(loss) before tax		444.9	(1,287.5)	(842.6)	321.8	(218.9)	102.9
Income tax	10	(105.8)	69.7	(36.1)	(97.9)	27.9	(70.0)
Profit/(loss) from continuing operations		339.1	(1,217.8)	(878.7)	223.9	(191.0)	32.9
Loss for the year from discontinued operations after tax	21	–	(57.8)	(57.8)	–	(13.4)	(13.4)
Profit/(loss) for the year		339.1	(1,275.6)	(936.5)	223.9	(204.4)	19.5
Attributable to:							
Equity holders of the parent		304.1	(1,232.7)	(928.6)	225.6	(201.4)	24.2
Non-controlling interests		35.0	(42.9)	(7.9)	(1.7)	(3.0)	(4.7)
		339.1	(1,275.6)	(936.5)	223.9	(204.4)	19.5
Earnings per share on profit/(loss) for the year from continuing operations		44.3p ¹		(141.4p)	60.9p ¹		6.4p
From profit/(loss) for the year	12	44.3p ¹		(150.7p)	60.9p ¹		4.1p
Diluted earnings per share on profit/(loss) for the year from continuing operations		44.2p ¹		(141.4p)	60.5p ¹		6.3p
From profit/(loss) for the year	12	44.2p ¹		(150.7p)	60.5p ¹		4.1p
Memo							
EBITDA		1,007.9	(742.9)	265.0	993.2	(89.3)	903.9
Share-based payments		(21.7)	–	(21.7)	(19.2)	–	(19.2)
Depreciation, amortisation and impairment		(301.5)	(543.6)	(845.1)	(238.1)	(123.9)	(362.0)
Share of results from joint ventures and associates		(42.9)	–	(42.9)	(194.1)	–	(194.1)
Group operating profit/(loss)		641.8	(1,286.5)	(644.7)	541.8	(213.2)	328.6

1. The calculation of underlying earnings per share has been adjusted for separately disclosed items, and for the removal of foreign exchange volatility arising on financial instruments as it provides a better understanding of the underlying performance of the Group. See Note 12 for further details.

The notes on pages 165 to 214 form an integral part of these consolidated financial statements.

	Notes	2023 £m	2022 £m
(Loss)/profit for the year		(936.5)	19.5
Other comprehensive (expense)/income:			
<i>Items that may be reclassified to profit or loss:</i>			
Currency differences on translation of foreign operations		(83.5)	182.9
Total items that may be reclassified to profit or loss		(83.5)	182.9
<i>Items that will not be reclassified to profit or loss:</i>			
Re-measurement of defined benefit pension scheme	30	(3.7)	(24.7)
Tax on re-measurement of defined benefit pension scheme	10	1.3	8.6
Surplus/(deficit) on revaluation of other investment	17	1.1	
Share of associate other comprehensive expense	17	(1.1)	(2.6)
Total items that will not be reclassified to profit or loss		(2.4)	(18.7)
Other comprehensive (expense)/income for the year, net of tax		(85.9)	164.2
Total comprehensive (expense)/income for the year		(1,022.4)	183.7
Attributable to:			
Equity holders of the parent		(1,020.8)	182.3
Non-controlling interests		(1.6)	1.4

The notes on pages 165 to 214 form an integral part of these consolidated financial statements.

Consolidated
balance sheet
for the year ended
31 December 2023

(Company number 4685V)

	Notes	2023 £m	2022 Restated (Note 32) £m
Assets			
Non-current assets			
Goodwill	13	4,716.0	3,980.9
Intangible assets	13	3,960.1	2,676.2
Property, plant and equipment	15	533.4	507.2
Interest in joint venture	16	–	–
Interest in associates and other investments	17	47.1	53.5
Trade and other receivables	18	31.8	38.6
Other financial assets	26	–	0.2
Deferred tax assets	10	493.2	157.3
Retirement benefit asset	30	61.8	63.8
		9,843.4	7,477.7
Current assets			
Trade and other receivables	18	503.2	500.3
Income and other taxes recoverable		71.5	30.7
Derivative financial instruments	26	31.9	72.9
Cash and cash equivalents	19	400.6	658.5
		1,007.2	1,262.4
Total assets		10,850.6	8,740.1
Liabilities			
Current liabilities			
Trade and other payables	20	(878.6)	(720.0)
Balances with customers	27	(196.8)	(200.5)
Lease liabilities	22	(65.7)	(65.1)
Interest-bearing loans and borrowings	23	(319.2)	(424.9)
Corporate tax liabilities		(48.6)	(45.3)
Provisions	24	(20.9)	(20.6)
Derivative financial instruments	26	(117.5)	(79.2)
Deferred and contingent consideration and other financial liabilities	26	(157.0)	(208.8)
		(1,804.3)	(1,764.4)
Non-current liabilities			
Trade and other payables	20	(433.8)	–
Interest-bearing loans and borrowings	23	(3,038.8)	(2,689.1)
Lease liabilities	22	(210.2)	(215.8)
Deferred tax liabilities	10	(825.1)	(495.4)
Provisions	24	(4.2)	(5.4)
Deferred and contingent consideration and other financial liabilities	26	(1,741.5)	(253.4)
		(6,253.6)	(3,659.1)
Total liabilities		(8,057.9)	(5,423.5)
Net assets		2,792.7	3,316.6
Equity			
Issued share capital	28	5.2	4.8
Share premium		1,796.7	1,207.3
Merger reserve		2,527.4	2,527.4
Translation reserve		150.4	240.2
Retained earnings		(2,211.7)	(846.9)
Equity shareholders' funds		2,268.0	3,132.8
Non-controlling interests	35	524.7	183.8
Total shareholders' equity		2,792.7	3,316.6

The financial statements on pages 160 to 214 were approved by the Board of Directors on 7 March 2024 and signed on its behalf by

S David
Interim Chief Executive Officer

R Wood
Deputy Chief Executive Officer/Chief Financial Officer

	Issued share capital £m	Share premium £m	Merger reserve £m	Translation reserve ¹ £m	Retained earnings £m	Equity shareholders' funds £m	Non- controlling interests (Note 35) £m	Total shareholders' equity £m
At 1 January 2022	4.8	1,207.3	2,527.4	63.4	(635.8)	3,167.1	1.4	3,168.5
Profit for the year	-	-	-	-	24.2	24.2	(4.7)	19.5
Other comprehensive income/ (expense)	-	-	-	176.8	(18.7)	158.1	6.1	164.2
Total comprehensive income	-	-	-	176.8	5.5	182.3	1.4	183.7
Share-based payments charge	-	-	-	-	18.3	18.3	-	18.3
Business combinations	-	-	-	-	-	-	178.9	178.9
Recognition of put liability	-	-	-	-	(181.2)	(181.2)	-	(181.2)
Purchase of non-controlling interests (Note 35)	-	-	-	-	(3.7)	(3.7)	2.1	(1.6)
Equity dividends (Note 11)	-	-	-	-	(50.0)	(50.0)	-	(50.0)
At 31 December 2022	4.8	1,207.3	2,527.4	240.2	(846.9)	3,132.8	183.8	3,316.6
At 1 January 2023	4.8	1,207.3	2,527.4	240.2	(846.9)	3,132.8	183.8	3,316.6
Loss for the year	-	-	-	-	(928.6)	(928.6)	(7.9)	(936.5)
Other comprehensive income/ (expense)	-	-	-	(89.8)	(2.4)	(92.2)	6.3	(85.9)
Total comprehensive income	-	-	-	(89.8)	(931.0)	(1,020.8)	(1.6)	(1,022.4)
Issue of shares (Note 28)	0.4	589.4	-	-	-	589.8	-	589.8
Share-based payments charge	-	-	-	-	23.6	23.6	-	23.6
Business combinations (Note 32)	-	-	-	-	-	-	354.0	354.0
Recognition of put option liability	-	-	-	-	(350.5)	(350.5)	-	(350.5)
Purchase of non-controlling interests (Note 35)	-	-	-	-	-	-	(4.1)	(4.1)
Equity dividends (Note 11)	-	-	-	-	(106.9)	(106.9)	(7.4)	(114.3)
At 31 December 2023	5.2	1,796.7	2,527.4	150.4	(2,211.7)	2,268.0	524.7	2,792.7

1. The translation reserve is used to record exchange differences arising from the translation of the financial statements of subsidiaries with non-sterling functional currencies.

The notes on pages 165 to 214 form an integral part of these consolidated financial statements.

	Notes	2023 £m	2022 £m
Cash generated by operations	29	810.0	846.9
Income taxes paid		(137.3)	(106.1)
Net finance expense paid		(224.6)	(100.6)
Net cash generated from operating activities		448.1	640.2
Cash flows from investing activities:			
Acquisitions ¹		(1,315.4)	(738.6)
Cash acquired on business combinations		87.9	29.9
Dividends received from associates		9.6	3.6
Purchase of intangible assets		(191.5)	(129.9)
Purchase of property, plant and equipment		(69.1)	(82.1)
Proceeds from the sale of property, plant and equipment including disposal of shops		0.7	–
Purchase of investments in associates and other investments		(3.1)	–
Investment in joint ventures		(40.7)	(175.1)
Net cash used in investing activities		(1,521.6)	(1,092.2)
Cash flows from financing activities:			
Proceeds from issue of ordinary shares		589.8	–
Net proceeds from borrowings		1,780.3	838.4
Repayment of borrowings		(1,419.2)	(109.0)
Repayment of borrowings on acquisition		(9.4)	(162.8)
Subscription of funds from non-controlling interests		350.5	174.3
Settlement of derivative financial instruments		(13.2)	41.6
Settlement of other financial liabilities		(266.7)	(32.9)
Payment of lease liabilities		(68.5)	(83.0)
Dividends paid to shareholders		(106.9)	(50.0)
Dividends paid to non-controlling interests		(7.4)	–
Net cash used in financing activities		829.3	616.6
Net (decrease)/increase in cash and cash equivalents		(244.2)	164.6
Effect of changes in foreign exchange rates		(13.7)	6.8
Cash and cash equivalents at beginning of the year		658.5	487.1
Cash and cash equivalents at end of the year		400.6	658.5

1. Included within cash flows from acquisitions is £5.4m relating to the purchase of minority holdings in STS Holdings SA (2022: £1.7m relating to the purchase of minority holdings in Scout Gaming AB and Global Gaming Limited).

The notes on pages 165 to 214 form an integral part of these consolidated financial statements.

1 Corporate information

Entain plc ("the Company") is a company incorporated and domiciled in the Isle of Man on 5 January 2010 whose shares are traded publicly on the London Stock Exchange. The principal activities of the Company and its subsidiaries ("the Group") are described in the strategic report. The consolidated financial statements of the Group for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 7 March 2024.

The nature of the Group's operations and its principal activities are set out in Note 5.

2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies to the European Union and in accordance with the requirements of the Isle of Man Companies Act 2006 applicable to companies reporting under IFRSs. The accounting policies set out in this section as detailed have been applied consistently year on year other than for the changes in accounting policies set out in Note 3.

The consolidated financial statements are presented in Pounds Sterling (£). All values are in millions (£m) rounded to one decimal place except where otherwise indicated. The separately disclosed items have been included within the appropriate classifications in the consolidated income statement. Further details are given in Note 6.

Going concern

In adopting the going concern basis of preparation in the financial statements, the Directors have considered the current trading performance of the Group, the financial forecasts and the principal risks and uncertainties. In addition, the Directors have considered all matters discussed in connection with the long-term viability statement including the modelling of 'severe but plausible' downside scenarios such as legislation changes impacting the Group's Online business and severe data privacy and cybersecurity breaches.

Given the level of the Group's available cash post the recent extension of certain financing facilities (see Note 36) and the forecast covenant headroom even under the sensitised downside scenarios, the Directors believe that the Group and the Company are well placed to manage the risks and uncertainties that it faces. As such, the Directors have a reasonable expectation that the Group and the Company will have adequate financial resources to continue in operational existence, for at least 12 months (being the going concern assessment period) from date of approval of the financial statements, and have, therefore, considered it appropriate to adopt the going concern basis of preparation in the financial statements.

3 Changes in accounting policies

From 1 January 2023 the Group 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:

- Amendments to IAS 1 Presentation of Financial Statements; disclosure of accounting policies;
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; definition of accounting estimates;
- Amendments to IAS 12 Income Taxes; deferred tax related to assets and liabilities arising from a single transaction;
- Amendments to IAS 12 International Tax Reform Pillar Two Model Rules;
- IFRS 17 Insurance Contracts; original issue.

4 Summary of significant accounting policies

4.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group at 31 December each year. The consolidation has been performed using the results to 31 December for all subsidiaries, using consistent accounting policies. With the exception of a small number of immaterial subsidiaries, the financial statements of those subsidiaries are prepared to 31 December. Control is achieved where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect these returns through its power over the investee.

All intragroup transactions, balances, income and expenses are eliminated on consolidation.

Subsidiaries are consolidated, using the acquisition method of accounting, from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred from the Group. On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at fair value at the date of acquisition. Any excess of the cost of acquisition over the fair values of the separately identifiable net assets acquired is recognised as goodwill. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

4.2 Critical accounting estimates and judgements

The preparation of financial information requires the use of assumptions, estimates and judgements about future conditions. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future may differ from those reported.

4 Summary of significant accounting policies (continued)

4.2 Critical accounting estimates and judgements (continued)

Judgements

Management believes that the areas where judgement has been applied are:

- separately disclosed items (Note 6).
- business combinations (Note 32)

Separately disclosed items

To assist in understanding the underlying performance of the Group, management applies judgement to identify those items that are deemed to warrant separate disclosure due to either their nature or size. Whilst not limited to, the following items of pre-tax income and expense are generally disclosed separately:

- amortisation of acquired intangibles resulting from IFRS 3 “Business Combinations” fair value exercises;
- profits or losses on disposal, closure, or impairment of non-current assets or businesses;
- corporate transaction and restructuring costs;
- legal, regulatory and tax litigation;
- changes in the fair value of contingent consideration; and
- the related tax effect of these items.

Any other non-recurring items are considered individually for classification as separately disclosed by virtue of their nature or size. During 2023 the Group separately disclosed a net charge on continuing operations before tax of £1,287.5m including £254.6m of amortisation of acquired intangibles resulting from IFRS 3.

The separate disclosure of these items allows a clearer understanding of the trading performance on a consistent and comparable basis, together with an understanding of the effect of non-recurring or large individual transactions upon the overall profitability of the Group.

The separately disclosed items have been included within the appropriate classifications in the consolidated income statement. Further details are given in Note 6.

Business combinations – Acquisition consideration

For business combinations, in assessing the relevant consideration transferred, certain judgements are required to assess whether transfers of assets reflect payments for future service or elements of acquisition consideration. Specifically, for the Tab NZ acquisition, the Group has committed to make minimum guaranteed funding payments to Tab NZ in the first five years post completion, with further contingent payments subject to revenue performance due up to and including year 25. As there are no ongoing obligations or service requirements on the selling party, these payments have been deemed to form part of consideration under IFRS 3 rather than ongoing deductions on profits. Further details are provided in Note 32.

Estimates

Included within the financial statements are a number of areas where estimation is required.

Management believes that the area where this is most notable within the financial statements is the accounting for business combinations (Note 32).

Business combinations

For business combinations, the Group estimates the fair value of the consideration transferred, which can include assumptions about the future business performance of the business acquired and an appropriate discount rate to determine the fair value of any contingent consideration.

The Group then estimates the fair value of assets acquired and liabilities assumed in the business combination. The area of most notable estimation within the fair value exercise relates to separately identifiable intangible assets including brands, customer lists and licences. These estimates also require inputs and assumptions to be applied within the relief from royalty calculation of fair values with the more significant assumptions relating to future earnings, customer attrition rates and discount rates. The Group engages external experts to support the valuation process, where appropriate. IFRS 3 ‘Business Combinations’ allows the Group to recognise provisional fair values if the initial accounting for the business combination is incomplete.

The fair value of contingent consideration recognised in business combinations is reassessed at each reporting date, using updated inputs and assumptions based on the latest financial forecasts and other relevant information for the businesses acquired. Fair value movements and the unwinding of the discounting is recognised within the income statement as a separately disclosed item. See Note 6 and Note 32 for further details.

Goodwill on acquisition is initially measured at cost, being the excess of the cost of the business combination over the Group’s interest in the net fair value of the separately identifiable assets, liabilities and contingent liabilities at the date of acquisition in accordance with IFRS 3 Business Combinations. Goodwill is not amortised but reviewed for impairment at the first reporting period after acquisition and then annually thereafter. As such it is stated at cost less any provision for impairment of value. Any impairment is recognised immediately in the consolidated income statement and is not subsequently reversed.

4 Summary of significant accounting policies (continued)

4.2 Critical accounting estimates and judgements (continued)

Business combinations (continued)

On acquisition, any goodwill acquired is allocated to cash-generating units for the purpose of impairment testing. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposal is included in the carrying amount of the assets when determining the gain or loss on disposal. On the current year acquisitions, any non-controlling interests where put options are in place are recognised using the present access method where the Group assesses that the non-controlling shareholder has present access to the returns associated with their equity interests.

Impairment

On acquisition, any goodwill acquired is allocated to cash-generating units for the purpose of impairment testing. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposal is included in the carrying amount of the assets when determining the gain or loss on disposal.

An impairment review is performed for goodwill and other indefinite life assets on at least an annual basis. For all other non-current assets an impairment review is performed where there are indicators of impairment. This requires an estimation of the recoverable amount which is the higher of an asset's fair value less costs to sell and its value in use. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from each cash-generating unit and to discount cash flows by a suitable discount rate in order to calculate the present value of those cash flows. Estimating an asset's fair value less costs to sell is determined using future cash flow and profit projections as well as industry observed multiples and publicly observed share prices for similar betting and gaming companies. See Note 14 for details on sensitivity analysis performed around these estimates.

Impairment losses are recognised in the consolidated income statement and during the current year, the Group has recognised an impairment charge of £289.0m primarily against the Group's Australian CGU, the closed B2C operations in Africa, and under the Unirkn B2C offering. See Note 14 for further details.

4.3 Other accounting policies

'Put' options over the equity of subsidiary companies

The potential cash payments related to put options issued by the Group over the equity of subsidiary companies are accounted for as financial liabilities. The amounts that may become payable under the option on exercise are initially recognised at the present value of the expected gross obligation with the corresponding entry being recognised in retained earnings. Such options are subsequently measured at amortised cost, using the effective interest method, in order to accrete the liability up to the amount payable under the option at the date at which it first becomes exercisable. The present value of the expected gross obligation is reassessed at the end of each reporting period and any changes are recorded in the income statement. In the event that an option expires unexercised, the liability is derecognised with a corresponding adjustment to retained earnings.

Intangible assets

Intangible assets acquired separately are capitalised at cost and those acquired as part of a business combination are capitalised separately from goodwill. The costs relating to internally generated intangible assets, principally software costs, are capitalised if the criteria for recognition as assets are met. Other expenditure is charged in the year in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Indefinite lived assets are not amortised and are subject to an annual impairment review from the year of acquisition. Where amortisation is charged on assets with finite lives, this expense is taken to the consolidated income statement through the 'operating expenses, depreciation and amortisation' line item.

The useful lives applied to the Group's intangible assets are as follows:

Exclusive New Zealand licence	25-year duration of licence
Other licences	Lower of 15 years, or duration of licence
Software – purchased & internally capitalised costs	2–15 years
Trademarks & brand names	10–25 years, or indefinite life
Customer relationships	3–15 years

The useful lives of all intangible assets are reviewed at each financial period end. Impairment testing is performed annually for intangible assets which are not subject to systematic amortisation and where an indicator of impairment exists for all other intangible assets.

An intangible asset is derecognised on disposal, with any gain or loss arising (calculated as the difference between the net disposal proceeds and the carrying amount of the item) included in the consolidated income statement in the year of disposal.

Pensions and other post-employment benefits

The Group's defined benefit pension plan holds assets separately from the Group. The pension cost relating to the plan is assessed in accordance with the advice of independent qualified actuaries using the projected unit credit method.

Actuarial gains or losses are recognised in the consolidated statement of comprehensive income in the period in which they arise.

Any past service cost is recognised immediately. The retirement benefit asset recognised in the balance sheet represents the fair value of scheme assets less the value of the defined benefit obligations.

4 Summary of significant accounting policies (continued)

4.3 Other accounting policies (continued)

Pensions and other post-employment benefits (continued)

There is a degree of estimation involved in predicting the ultimate benefits payable under defined benefit pension arrangements. The pension scheme liabilities are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, mortality rates and future pension increases. Due to the long-term nature of this plan, such estimates are subject to uncertainty. See Note 30 for details on sensitivity analysis performed around these estimates.

In making these estimates and assumptions, management considers advice provided by external advisers, such as actuaries. Where actual experience differs to these estimates, actuarial gains and losses are recognised directly in other comprehensive income. Refer to Note 30 for details of the values of assets and obligations and key assumptions used. The Gala Coral Pension Plan has a net asset position when measured on an IAS 19 basis. Judgement is applied, based on legal, actuarial, and accounting guidance in IFRIC 14, regarding the amounts of net pension asset that is recognised in the consolidated balance sheet. The Ladbrokes Pension Plan was bought out in 2021. Further details are given in Note 30.

Although the Group anticipates that plan surpluses will be utilised during the life of the plans to address member benefits, the Group recognises its pension surplus in full on the basis that there are no substantive restrictions on the return of residual plan assets in the event of a winding up of the plan after all member obligations have been met.

The Group's contributions to defined contribution scheme are charged to the consolidated income statement in the period to which the contributions relate.

Investments in joint ventures

A joint venture is an entity in which the Group holds an interest on a long-term basis, and which is jointly controlled by the Group and one or more other venturers under a contractual agreement.

Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement.

The Group's share of results of joint ventures is included in the Group consolidated income statement using the equity method of accounting. Investments in joint ventures are carried in the Group consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the entity less any impairment in value. The carrying value of investments in joint ventures includes acquired goodwill.

If the Group's share of losses in the joint venture equals or exceeds its investment in the joint venture, the Group does not recognise further losses, unless it has obligations to continue to provide financial support to the joint venture.

Investments in associates

Associates are those businesses in which the Group has a long-term interest and is able to exercise significant influence over the financial and operational policies but does not have control or joint control over those policies.

The Group's share of results of associates is included in the Group's consolidated income statement using the equity method of accounting. Investments in associates are carried in the Group's consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the entity less any impairment in value. The carrying value of investments in associates includes acquired goodwill. If the Group's share of losses in the associate equals or exceeds its investments in the associate, the Group does not recognise further losses, unless it has obligations to continue to provide financial support to the associate.

Property, plant and equipment

Land is stated at cost less any impairment in value.

Buildings, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Depreciation is applied using the straight-line method to specific classes of asset to reduce them to their residual value over their estimated useful economic lives.

Land and buildings	Lower of 50 years, or estimated useful life of the building, or lease. Indefinite lives are attached to any freehold land held and therefore it is not depreciated.
Plant and equipment	3–5 years
Fixtures and fittings	3–10 years

ROU assets arising under lease contracts are depreciated over the lease term (as defined in IFRS 16) being the period to the expiry date of the lease, unless it is expected that a break clause will be exercised when the lease term is the period to the date of the break.

The carrying values of property, plant and equipment are reviewed for impairment where an indicator of impairment exists, being events or changes in circumstances indicating that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

4 Summary of significant accounting policies (continued)

4.3 Other accounting policies (continued)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal, with any gain or loss arising (calculated as the difference between the net disposal proceeds and the carrying amount of the item) included in the consolidated income statement in the year of disposal.

Leases

The Group has applied IFRS 16 only to those contracts that were previously identified as a lease under IAS 17 Leases; any contracts not previously identified as leases have not been reassessed for the purposes of adopting IFRS 16. Accordingly, the definition of a lease under IFRS 16 has only been applied to contracts entered into on or after 1 January 2019.

Leases, other than those with a lease period of less than one year at inception, or where the original cost of the asset acquired would be a negligible amount (see Note 22), are capitalised at inception at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

ROU assets are included within property, plant and equipment at cost and depreciated over their estimated useful lives, which normally equates to the lives of the leases, after considering anticipated residual values.

ROU assets which are sub-leased to customers are classified as finance leases if the lease agreements transfer substantially all the risks and rewards of usage to the lessee. All other sub-leases are classified as operating leases. When assets are subject to finance leases, the present value of the sub-lease is recognised as a receivable, net of allowances for expected credit losses and the related ROU asset is derecognised. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance lease income.

Finance lease interest income is recognised over the term of the lease using the net investment method (before tax) so as to give a constant rate of return on the net investment in sub-leases. Operating lease rental income is recognised on a straight-line basis over the life of the lease.

Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand, short-term deposits (and customer balances).

Financial assets

Financial assets are recognised when the Group becomes party to the contracts that give rise to them. The Group classifies financial assets at inception as financial assets at amortised cost, financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income.

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. On initial recognition, financial assets at amortised cost are measured at fair value net of transaction costs.

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.

Financial assets at fair value through profit or loss include derivative financial instruments. Financial assets through profit or loss are measured initially at fair value with transaction costs taken directly to the consolidated income statement. Subsequently, the fair values are remeasured, and gains and losses are recognised in the consolidated income statement.

Financial assets at fair value through other comprehensive income comprise equity investments that are designated as such on acquisition. These investments are measured initially at fair value. Subsequently, the fair values are remeasured, and gains and losses are recognised in the consolidated statement of comprehensive income.

Financial liabilities

Financial liabilities comprise trade and other payables, interest-bearing loans and borrowings, contingent consideration, ante-post bets, guarantees and derivative financial instruments. 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. Financial liabilities measured at fair value include contingent consideration, derivative financial instruments, ante-post bets and guarantees.

Financial liabilities at fair value are measured initially at fair value, with transaction costs taken directly to the consolidated income statement. Subsequently, the fair values are remeasured and gains and losses from changes therein are recognised in the consolidated income statement.

Trade and other payables are held at amortised cost and include amounts due to clients representing customer deposits and winnings, which are matched by an equal and opposite amount within cash and cash equivalents.

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.

All financial liabilities are recorded as cash flows from financing activities.

4 Summary of significant accounting policies (continued)

4.3 Other accounting policies (continued)

Derecognition of financial assets and liabilities

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

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

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

Derivative financial instruments

The Group uses derivative financial instruments such as cross currency swaps, foreign exchange swaps and interest rate swaps, to hedge its risks associated with interest rate and foreign currency fluctuations. Derivative financial instruments are recognised initially and subsequently at fair value. The gains or losses on re-measurement are taken to the consolidated income statement.

Derivative financial instruments are classified as assets where their fair value is positive, or as liabilities where their fair value is negative. Derivative assets and liabilities arising from different transactions are only offset if the transactions are with the same counterparty, a legal right of offset exists, and the parties intend to settle the cash flows on a net basis.

Provisions

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

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

Foreign currency translation

The presentational currency of Entain plc and the functional currencies of its UK subsidiaries is Pounds Sterling (£).

Other than Sterling the main functional currencies of subsidiaries are the Euro (€), the US Dollar (\$) and the Australian Dollar (A\$). At the reporting date, the assets and liabilities of non-sterling subsidiaries are translated into Pounds Sterling (£) at the rate of exchange ruling at the balance sheet date and their cash flows are translated at the weighted average exchange rates for the year. The post-tax exchange differences arising on the retranslation are taken directly to other comprehensive income.

Transactions in foreign currencies are initially recorded in the subsidiary's functional currency and translated at the foreign currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the foreign currency rate of exchange ruling at the balance sheet date.

All foreign currency translation differences are taken to the consolidated income statement. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

On disposal of a foreign entity, the deferred cumulative retranslation differences previously recognised in equity relating to that particular foreign entity are recognised in the consolidated income statement as part of the profit or loss on disposal.

The following exchange rates were used in 2023 and 2022:

Currency	2023		2022	
	Average	Year end	Average	Year end
Euro (€)	1.149	1.151	1.175	1.128
US Dollar (\$)	1.242	1.274	1.245	1.208
Australian Dollar (A\$)	1.873	1.866	1.788	1.775
NZ Dollars (NZD)	2.024	2.010	1.955	1.904

Income tax

Deferred tax is provided on all temporary differences at the balance sheet date, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes except:

- on the initial recognition of goodwill;
- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the tax profit; and
- associated with investments in subsidiaries, joint ventures and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

4 Summary of significant accounting policies (continued)

4.3 Other accounting policies (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences and carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward of unused tax assets and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Interest or penalties payable and receivable in relation to income tax are recognised as an income tax expense or credit in the consolidated income statement.

Income tax expenses are recognised within profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case they are recognised in other comprehensive income or directly in equity.

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated balance sheet.

Accounting for uncertain tax positions

The Group is subject to various forms of tax in a number of jurisdictions. Given the nature of the industry within which the Group operates, the tax and regulatory regimes are continuously changing and, as such, the Group is exposed to a small number of uncertain tax positions. Judgement is applied to adequately provide for uncertain tax positions where it is believed that it is more likely than not that an economic outflow will arise. In particular, judgement has been applied in the Group's accounting for Greek tax and further disclosure is given in Note 33.

Equity instruments and dividends

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

Final dividends proposed by the Board of Directors and unpaid at the year end are not recognised in the financial statements until they have been approved by shareholders at the Annual General Meeting. Interim dividends are recognised when paid..

Revenue

The Group reports the gains and losses on all betting and gaming activities as revenue, which is measured at the fair value of the consideration received or receivable from customers less free bets, promotions, bonuses and other fair value adjustments. Revenue is net of VAT/GST. The Group considers betting and gaming revenue to be out of the scope of IFRS 15 Revenue, and accounts for those revenues within the scope of IFRS 9 Financial Instruments.

For LBOs, on course betting, Core Telephone Betting, mobile betting and Digital businesses (including sportsbook, betting exchange, casino, games, other number bets), revenue represents gains and losses, being the amounts staked and fees received, less total payouts recognised on the settlement of the sporting event or casino gaming machine roulette or slots spin. Open betting positions ("ante-post") are carried at fair value and gains and losses arising on these positions are recognised in revenue. See Note 26 for details of ante-post positions at the year end.

The following forms of revenue, which are not significant in the context of Group revenue, are accounted for within the scope of IFRS 15 Revenue. Revenue from the online poker business reflects the net income (rake) earned from poker hands completed by the year end. In the case of the greyhound stadia, revenue represents income arising from the operation of the greyhound stadia in the year, including broadcasting rights, admission fees and sales of refreshments, net of VAT. Given the nature of these revenue streams they are not considered to be subject to judgement over the performance obligations, amount received or timing of recognition.

Finance expense and income

Finance expense and income arising on interest-bearing financial instruments carried at amortised cost are recognised in the consolidated income statement using the effective interest rate method. Finance expense includes the amortisation of fees that are an integral part of the effective finance cost of a financial instrument, including issue costs, and the amortisation of any other differences between the amount initially recognised and the redemption price. All finance expenses are recognised over the availability period.

Share-based payment transactions

Certain employees (including Directors) of the Group receive remuneration in the form of equity settled share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity settled transactions).

The cost of equity settled transactions is measured by reference to the fair value at the date on which they are granted, further details of which are given in Note 31. In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Entain plc (market conditions).

4 Summary of significant accounting policies (continued)

4.3 Other accounting policies (continued)

Share-based payment transactions (continued)

The cost of equity settled transactions is recognised in the consolidated income statement, with a corresponding credit in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the Directors of the Group at that date, based on the best available estimate of the number of equity instruments, will ultimately vest.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share as shown in Note 12.

4.4 Future accounting developments

The standards and interpretations that are issued, but not yet effective, excluding those relating to annual improvements, up to the date of issuance of the Group's financial statements, are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. None of these are expected to have a significant effect on the consolidated financial statements of the Group as set out below:

IFRS 16	Leases	Lease liability in a sale and leaseback transaction	1 January 2024
IAS 1	Presentation of Financial Statements	Classification of liabilities as current or non-current Non-current liabilities regarding long-term debt with covenants	1 January 2024
IFRS 10	Consolidated Financial Statements	Sale or contribution of assets between an investor and its associate or joint venture	Date deferred
IAS 28	Investments in Associates and Joint Ventures	Sale or contribution of assets between an investor and its associate or joint venture	Date deferred
IFRS 7	Financial Instrument Disclosures	Supplier Financial Arrangements	1 January 2024
IAS 7	Statement of Cash Flows	Supplier Financial Arrangements	1 January 2024

5 Segment information

The Group's operating segments are based on the reports reviewed by the Executive Management Team (which is collectively considered to be the Chief Operating Decision Maker ("CODM")) to make strategic decisions, and allocate resources.

IFRS 8 requires segment information to be presented on the same basis as that used by the CODM for assessing performance and allocating resources. The Group's operating segments are split into the five reportable segments as detailed below:

- Online: comprises betting and gaming activities from online and mobile operations. Brands include bwin, Coral, Crystalbet, Eurobet, Ladbrokes, Sportingbet, SuperSport, Sports Interaction, STS, Tab NZ and BetCity, CasinoClub, Foxy Bingo, Gala, Gioco Digitale, partypoker and PartyCasino, Optibet, and Ninja;
- Retail: comprises betting and retail activities in the shop estates in Great Britain, Northern Ireland, Jersey, Republic of Ireland, Belgium, Italy, Croatia, New Zealand and Poland;
- New opportunities: Unikrn and innovation spend;
- Corporate: includes costs associated with Group functions including Group executive, legal, Group finance, US joint venture, tax and treasury; and
- Other segments: includes activities primarily related to Stadia.

The Executive Management Team of the Group has chosen to assess the performance of operating segments based on a measure of NGR, EBITDA, and operating profit with finance costs and taxation considered for the Group as a whole. See page 69 of this annual report for further considerations of the use of Non-GAAP measures. Transfer prices between operating segments are on an arm's-length basis in a manner similar to transactions with third parties.

5 Segment information (continued)

The segment results for the year ended 31 December were as follows:

2023	Online £m	Retail £m	All other segments £m	New opportunities £m	Corporate £m	Elimination of internal revenue £m	Total Group £m
NGR ¹	3,426.5	1,386.7	26.7	–	–	(6.8)	4,833.1
VAT/GST	(59.9)	(3.6)	–	–	–	–	(63.5)
Revenue	3,366.6	1,383.1	26.7	–	–	(6.8)	4,769.6
Gross profit	1,980.1	900.2	26.7	–	–	–	2,907.0
Contribution ²	1,369.8	890.3	26.3	(7.0)	–	–	2,279.4
Operating costs excluding marketing costs	(512.4)	(606.1)	(21.0)	(22.3)	(109.7)	–	(1,271.5)
Underlying EBITDA before separately disclosed items	857.4	284.2	5.3	(29.3)	(109.7)	–	1,007.9
Share-based payments	(7.3)	(2.4)	–	(0.7)	(11.3)	–	(21.7)
Depreciation and amortisation	(160.2)	(132.1)	(2.7)	(5.7)	(0.8)	–	(301.5)
Share of joint ventures and associates	(1.4)	–	2.0	(1.5)	(42.0)	–	(42.9)
Operating profit/(loss) before separately disclosed items	688.5	149.7	4.6	(37.2)	(163.8)	–	641.8
Separately disclosed items (Note 6)	(481.1)	(22.8)	–	(44.3)	(738.3)	–	(1,286.5)
Group operating profit/(loss)	207.4	126.9	4.6	(81.5)	(902.1)	–	(644.7)
Net finance expense							(197.9)
Loss before tax							(842.6)
Income tax							(36.1)
Loss for the year from continuing operations							(878.7)
Loss for the year from discontinued operations after tax (Note 21)							(57.8)
Loss for the year after discontinued operations							(936.5)

1. Included within NGR are amounts of £68.1m (2022: £65.6m) in relation to online poker services and £26.7m (2022: £25.1m) arising from the operation of greyhound stadia recognised under IFRS 15 Revenue.

2. Contribution represents gross profit less marketing costs and is a key performance metric used by the Group, particularly in Online.

5 Segment information (continued)

2022	Online £m	Retail £m	All other segments £m	New opportunities £m	Corporate £m	Elimination of internal revenue £m	Total Group £m
NGR ¹	3,050.5	1,277.8	25.1	–	–	(4.5)	4,348.9
VAT/GST	(52.0)	–	–	–	–	–	(52.0)
Revenue	2,998.5	1,277.8	25.1	–	–	(4.5)	4,296.9
Gross profit	1,829.6	860.0	25.1	–	–	–	2,714.7
Contribution ²	1,254.2	852.1	25.0	(2.4)	–	–	2,128.9
Operating costs excluding marketing costs	(426.0)	(571.9)	(20.1)	(26.7)	(91.0)	–	(1,135.7)
Underlying EBITDA before separately disclosed items	828.2	280.2	4.9	(29.1)	(91.0)	–	993.2
Share-based payments	(7.8)	(2.3)	–	(0.3)	(8.8)	–	(19.2)
Depreciation and amortisation	(118.3)	(112.4)	(2.7)	(4.5)	(0.2)	–	(238.1)
Share of joint ventures and associates	(0.2)	–	0.4	(0.4)	(193.9)	–	(194.1)
Operating profit/(loss) before separately disclosed items	701.9	165.5	2.6	(34.3)	(293.9)	–	541.8
Separately disclosed items (Note 6)	(114.0)	(57.4)	(0.7)	–	(41.1)	–	(213.2)
Group operating profit/(loss)	587.9	108.1	1.9	(34.3)	(335.0)	–	328.6
Net finance income							(225.7)
Profit before tax							102.9
Income tax							(70.0)
Profit for the year from continuing operations							32.9
Loss for the year from discontinued operations after tax (Note 21)							(13.4)
Profit for the year after discontinued operations							19.5

Geographical information

Revenue by destination and non-current assets on a geographical basis for the Group, are as follows:

	2023		2022	
	Revenue £m	Non-current assets ³ £m	Revenue £m	Non-current assets ³ £m
United Kingdom	1,953.8	3,076.8	2,032.7	3,022.3
Australia and New Zealand	515.1	1,475.4	463.0	528.8
Italy	517.4	512.2	472.6	523.3
Rest of Europe ¹	1,443.4	3,930.2	968.7	2,922.4
Rest of the world ²	339.9	293.8	359.9	259.6
Total	4,769.6	9,288.4	4,296.9	7,256.4

1. Rest of Europe is predominantly driven by markets in Croatia, Belgium, The Netherlands, Georgia, Germany, and Spain.

2. Rest of the world is predominantly driven by the markets in Brazil and Canada.

3. Non-current assets excluding other financial assets, deferred tax assets and retirement benefit assets.

6 Separately disclosed items

	£m	2023 Tax impact £m	£m	2022 Tax impact £m
Legal settlement ¹	585.0	–	–	–
Amortisation of acquired intangibles ²	254.6	(41.6)	116.9	(16.5)
Impairment loss ³	289.0	–	7.0	–
Restructuring costs ⁴	49.7	(9.6)	11.8	(1.4)
Corporate transaction costs ⁵	17.8	–	23.9	(0.6)
Legal and onerous contract provisions ⁶	17.6	(3.0)	8.1	(0.8)
Movement in fair value of contingent consideration ⁷	71.8	(15.5)	(1.0)	–
Loss on disposal of property, plant and equipment ⁸	1.0	–	1.0	–
Financing ⁹	1.0	–	5.7	–
Furlough ¹⁰	–	–	45.5	(8.6)
Separately disclosed items for the year from continuing operations	1,287.5	(69.7)	218.9	(27.9)
Separately disclosed items for the year from discontinued operations (Note 21)	57.8	–	13.4	–
Total before tax	1,345.3	(69.7)	232.3	(27.9)
Separately disclosed items for the year after tax	1,275.6		204.4	

- On 5 December 2023, Entain plc entered into a Deferred Prosecution Agreement ("DPA") with the Crown Prosecution Service ("CPS") in relation to historical conduct of the Group, thereby resolving the HM Revenue & Customs ("HMRC") investigation into the Group. As a result of the agreement reached, the Group has recognised a £585.0m discounted liability during the current year in relation to amounts it has agreed to be pay in relation to the disgorgement of profits, charitable donations and contributions to CPS costs. Further details are provided in Note 20.
- Amortisation charges in relation to acquired intangible assets arising from the various acquisitions made by the Group in recent years, including Ladbrokes Coral, Crystalbet, Neds, Enlabs, Avid, SuperSport, STS, NZ Tab and 365Scores.
- Relates to impairments recorded against the Group's Australian business of £190.0m, the assets associated with the Group's Unikrn and Africa operations which have closed as B2C operations during the year, of £78.1m, an £11.0m impairment of the Group's ROI retail portfolio, an impairment against the Group's Polish operation (excluding STS) of £5.1m and a number of smaller impairments against ROU assets that the Group no longer intends to use following their closure, including UK Retail shops. Further details are provided in Note 14.
- Primarily relates to costs associated with the Group's restructuring programme Project Romer.
- Transaction costs associated with the M&A activity including the acquisition of 365Scores, NZ Tab, STS and Angstrom (see Note 32).
- Relates primarily to costs associated with the Group's legal expenses in cooperating with the HMRC investigation.
- Reflects the movement in the fair value of contingent consideration arrangements on recent acquisitions as well as the associated discount unwind. Further details of contingent consideration liabilities are provided in Note 26.
- Relates to the loss on disposal of certain assets within the Group's retail estates.
- Fees incurred in respect of bridging loans and other financing activities.
- Relates to the repayment of monies received under the Government furlough scheme in the prior year.

The items above reflect incomes and expenditures which are either exceptional in nature or size or are associated with the amortisation of acquired intangibles. The Directors believe that each of these items warrants separate disclosure as they do not form part of the day-to-day underlying trade of the Group.

7 Administrative costs

Profit before tax, net finance expense and separately disclosed items has been arrived at after charging:

	2023 £m	2022 £m
Betting and gaming taxes and duties	1,104.3	909.8
Revenue share arrangements (including content providers)	537.8	555.6
Software royalties	200.1	113.3
Other cost of sales	20.4	3.5
Cost of sales	1,862.6	1,582.2
Salaries and payroll-related expenses (Note 9)	725.0	652.0
Property expenses	92.7	80.0
Content and levy expenses	163.6	176.6
Marketing expenses	627.6	585.8
Depreciation and amortisation – owned assets	239.9	173.1
Depreciation and amortisation – leased assets	61.6	65.0
Other operating expenses	311.9	246.3
Administrative costs	2,222.3	1,978.8
Separately disclosed items before tax and finance expense (Note 6)	1,286.5	213.2
Total	5,371.4	3,774.2

Fees payable to KPMG were as follows:

	2023 £m	2022 £m
Audit and audit-related services:		
Audit of the parent Company and Group financial statements	0.6	0.6
Audit of the Company's subsidiaries	3.0	2.6
Audit-related assurance services	0.7	0.5
Total fees	4.3	3.7

8 Finance expense and income

	2023 £m	2022 £m
Interest on term loans, bonds and bank facilities	(229.2)	(76.2)
Interest on lease liabilities ¹	(12.6)	(12.8)
Other financing (Note 6)	(1.0)	(5.7)
Total finance expense	(242.8)	(94.7)
Interest receivable	12.4	4.3
Losses arising on financial derivatives	(90.6)	(23.1)
Gains/(losses) arising on foreign exchange on debt instruments	123.1	(112.2)
Net finance expense	(197.9)	(225.7)

1. Interest on lease liabilities of £12.6m (2022: £12.8m) is net of £0.2m of sub-let interest receivable (2022: £0.2m).

9 Employee staff costs

The average monthly number of employees (including Executive Directors) was:

	2023 Number	2022 Number
Online	14,328	11,868
Retail	14,190	14,184
Other	467	390
Corporate	1,350	1,012
	30,335	27,454

The number of people employed by the Group at 31 December 2023 was 31,180 (2022: 28,940).

	2023 £m	2022 £m
Wages and salaries	623.9	560.6
Redundancy costs ¹	28.8	6.2
Social security costs	58.0	49.9
Other pension costs	21.4	18.6
Share-based payments (Note 31)	21.7	19.2
	753.8	654.5

1. Included within redundancy costs are £28.8m (2022: £2.5m) which are included within separately disclosed items.

In addition to salary, employees may qualify for various benefit schemes operated by the Group. Eligibility for benefits is normally determined according to an employee's length of service and level of responsibility.

Benefits may include insured benefits that can cover private healthcare for the employee and their immediate family, long-term disability, personal accident and death in service cover. Company cars, including fuel benefits, are provided predominantly to meet job requirements but also to certain executives.

10 Income tax

Analysis of expense for the year:

	2023 £m	2022 £m
Current income tax:		
– current tax charge	114.3	91.4
– adjustments in respect of previous years	(19.6)	(7.9)
Deferred tax:		
– relating to origination and reversal of temporary differences	(58.8)	(17.5)
– adjustments in respect of previous years	0.2	4.0
Income tax expense reported in the income statement	36.1	70.0
Income tax expense is attributable to:		
Profit from continuing operations	36.1	70.0
Loss from discontinued operations	–	–
	36.1	70.0
Deferred tax credited directly to other comprehensive income	(1.3)	(8.6)

10 Income tax (continued)

A reconciliation of income tax expense applicable to loss (2022: profit) before tax at the UK statutory income tax rate to the income tax expense for the years ended 31 December 2023 and 31 December 2022 is as follows:

	2023			2022		
	Underlying £m	Separately disclosed (Note 6) £m	Total £m	Underlying £m	Separately disclosed (Note 6) £m	Total £m
Profit/(loss) from continuing operations before income tax	444.9	(1,287.5)	(842.6)	321.8	(218.9)	102.9
Loss from discontinued operations before tax	–	(57.8)	(57.8)	–	(13.4)	(13.4)
Profit/(loss) before tax	444.9	(1,345.3)	(900.4)	321.8	(232.3)	89.5
Corporation tax expense thereon at 23.52% (2022: 19.00%)	104.6	(316.4)	(211.8)	61.1	(44.1)	17.0
Adjusted for the effects of:						
– Higher/(lower) effective tax rates on overseas earnings	(7.4)	19.9	12.5	4.6	6.8	11.4
– Non-deductible expenses	12.7	8.5	21.2	25.9	9.3	35.2
– Non-deductible legal settlement	–	137.6	137.6	–	–	–
– Fair value adjustment to contingent consideration	–	10.5	10.5	–	(0.6)	(0.6)
– Goodwill impairment	–	68.6	68.6	–	–	–
– Impact of additional 50% deduction for marketing expenditure in Gibraltar	–	–	–	(20.3)	–	(20.3)
– Increase in unrecognised tax losses relating to US joint venture	8.9	–	8.9	40.7	–	40.7
– Increase/(decrease) in other unrecognised tax losses	4.2	0.9	5.1	(12.1)	1.0	(11.1)
– Increase/(decrease) in unrecognised deferred interest	5.8	–	5.8	0.4	–	0.4
– Difference in current and deferred tax rates	(3.0)	0.1	(2.9)	0.7	0.5	1.2
Adjustments in respect of prior years:						
– Deferred tax	(0.4)	0.6	0.2	4.8	(0.8)	4.0
– Current tax	(19.6)	–	(19.6)	(7.9)	–	(7.9)
Income tax expense	105.8	(69.7)	36.1	97.9	(27.9)	70.0

Deferred tax

Deferred tax at 31 December relates to the following:

	Deferred tax liabilities		Deferred tax assets	
	2023 £m	2022 £m	2023 £m	2022 £m
Property, plant and equipment	–	–	(31.0)	(45.1)
Intangible assets	731.8	410.6	(22.3)	(25.1)
Retirement benefit assets	21.6	22.3	–	–
Losses	–	–	(59.7)	(56.9)
Contingent and deferred revenue share payments ¹	–	–	(321.5)	–
Other temporary difference ²	71.7	62.5	(58.7)	(30.2)
Deferred tax liabilities/(assets) ³	825.1	495.4	(493.2)	(157.3)

1. This deferred tax asset reflects tax deductions that will arise on future payment of the deferred and contingent consideration amounts by Tab NZ (see Note 32).

2. The deferred tax liability includes a provision for tax on unremitted earnings from overseas subsidiaries of £71.4m (2022: £61.8m) and other temporary differences of £0.3m (2022: £0.7m). The deferred tax asset comprises deferred interest relief of £52.2m (2022: £22.9m) and other temporary differences of £6.5m (2022: 7.3m).

3. Deferred tax assets and liabilities have been offset only where there is a legally enforceable right to do so, and the assets and liabilities relate to the same taxable entity or tax grouping.

10 Income tax (continued)

Movements in deferred tax during the year ended 31 December 2023 were recognised as follows:

Net deferred tax liabilities/(assets):

	Property, plant and equipment £m	Intangible assets £m	Retirement benefit assets £m	Losses £m	Contingent and deferred revenue share payments ¹ £m	Other temporary differences £m	Total £m
At 31 December 2021	(62.3)	305.7	33.3	(27.0)	–	16.9	266.6
Income statement	17.7	(14.5)	0.1	(28.7)	–	11.9	(13.5)
Other comprehensive income	–	–	(8.6)	–	–	–	(8.6)
Arising on business combinations	–	85.4	–	–	–	0.5	85.9
Settlement of tax on pension asset	–	–	(2.5)	–	–	–	(2.5)
Exchange adjustment	(0.5)	8.9	–	(1.2)	–	3.0	10.2
At 31 December 2022	(45.1)	385.5	22.3	(56.9)	–	32.3	338.1
Income statement	13.9	(46.7)	0.6	(3.3)	(5.1)	(18.0)	(58.6)
Other comprehensive income	–	–	(1.3)	–	–	–	(1.3)
Arising on business combinations (Note 32)	–	368.9	–	–	(309.8)	–	59.1
Exchange adjustment	0.2	1.8	–	0.5	(6.6)	(1.3)	(5.4)
At 31 December 2023	(31.0)	709.5	21.6	(59.7)	(321.5)	13.0	331.9

Amounts presented on the consolidated balance sheet:

	2023 £m	2022 £m
Deferred tax liabilities	825.1	495.4
Deferred tax assets	(493.2)	(157.3)
Net deferred tax liability	331.9	338.1

The average standard rate of UK corporation tax during the period was 23.52% (2022: 19.0%).

The deferred tax assets and liabilities are measured at the tax rates of the respective territories which are expected to apply in the year in which the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets have been recognised based on the ability of future offset against deferred tax liabilities or against future taxable profits, to the extent they relate to the same taxable entity. The assessment of future taxable profits is based on forecasts and assumptions consistent with those used for impairment testing as set out in Note 14.

As at 31 December 2023, the Group had £1,760.9m (2022: £1,764.6m) of gross unrecognised deferred tax assets. This unrecognised deferred tax asset consists of £213.3m of capital losses (2022: £213.3m), £1,479.5m of income losses (2022: £1,538.3m), £66.2m of deferred interest relief (2022: £13.0m) and £1.9m of other deferred tax assets (2022: £nil). These assets arise in entities that do not have deferred tax liabilities they can be set against, and where there are either no forecast future taxable profits, or the potential future profits are not sufficiently certain to support the deferred tax asset recognition.

There are no significant unrecognised taxable temporary differences associated with investments in subsidiaries.

With effect from 1 April 2023 the standard rate of UK Corporation Tax was increased from 19% to 25%. The 25% rate has therefore been used in measuring the UK deferred tax items at the date of this Report. Deferred tax on retirement benefit assets is provided at 35.0%, which is the rate applicable to refunds at the date of this Report.

In Gibraltar, a temporary enhanced tax deduction for qualifying business marketing and promotion costs was introduced in July 2021, which applied for the years ended 31 December 2021 and 31 December 2022. The total impact of this measure for the Group has been a cumulative tax credit of £48.4m. In a subsequent Gibraltar Budget on 28 June 2022 the Chief Minister unexpectedly announced the retrospective removal of this enhanced deduction, except in very limited circumstances. This change had not been substantively enacted by the balance sheet date and so is not reflected in the tax charge for the year. The impact of this change, once enacted, will depend on how it is implemented and to which periods the change applies, but could result in a tax charge of up to £48.4m.

The Group's future tax charge, and effective tax rate, will be affected by a number of factors including the geographic mix of profits, changes to statutory corporate tax rates and the impact of continuing global tax reforms.

During 2023 the UK enacted legislation to implement the OECD's global minimum tax model rules for multinational groups ("Pillar Two"). This will apply from 1 January 2024 and is not expected not significantly increase the Group's future Effective Tax Rate. The Group has applied the temporary exception required under IAS 12 Income Taxes in relation to the accounting for deferred taxes arising from the implementation of the Pillar Two rules.

11 Dividends

Pence per share	2023 pence	2022 pence	2023 Shares in issue number	2022 Shares in issue number
2022 interim dividend paid	–	8.5	–	588.8
2022 second interim dividend paid	8.5	n/a	588.8	n/a
2023 interim dividend paid	8.9	n/a	638.8	n/a

A second interim dividend of 8.9p (2022: 8.5p) per share, amounting to £56.9m (2022: £50.0m) in respect of the year ended 31 December 2023, was proposed by the Directors on 7 March 2024. The estimated total amount payable in respect of the final dividend is based on the expected number of shares in issue on 7 March 2024. There are no income tax implications for the Group and Company arising from the proposed second interim dividend. The 2022 second interim dividend of 8.5p per share (£50.0m) was paid on 26 April 2023. The 2023 interim dividend of 8.9p per share (£56.8m) was paid on 18 September 2023.

In the year, the Group paid a dividend totalling £7.4m to non-controlling interests (2022: £nil).

12 Earnings per share

Basic earnings per share has been calculated by dividing the loss for the year attributable to shareholders of the Company of £928.6m (2022: £24.2m profit) by the weighted average number of shares in issue during the year of 617.5m (2022: 588.2m).

The dilutive effects of share options and contingently issuable shares are not considered when calculating the diluted loss per share.

At 31 December 2023, there were 638.8m €0.01 ordinary shares in issue.

The calculation of adjusted earnings per share which removes separately disclosed items and foreign exchange gains and losses arising on financial instruments has also been disclosed as it provides a better understanding of the underlying performance of the Group. Separately disclosed items are defined in Note 4 and disclosed in Note 6.

Total earnings per share

Weighted average number of shares (millions)	2023	2022
Shares for basic earnings per share	616.0	588.2
Potentially dilutive share options and contingently issuable shares	1.5	4.5
Shares for diluted earnings per share	617.5	592.7

Total profit	2023 £m	2022 £m
(Loss)/profit attributable to shareholders	(928.6)	24.2
– from continuing operations	(870.8)	37.6
– from discontinued operations	(57.8)	(13.4)
Losses arising from financial instruments	90.6	23.1
(Gains)/losses arising from foreign exchange debt instruments	(123.1)	112.2
Associated tax charge on (losses)/gains arising from financial instruments and foreign exchange debt instruments	1.1	(2.4)
Separately disclosed items net of tax (Note 6)	1,232.7	201.4
Adjusted profit attributable to shareholders	272.7	358.5
– from continuing operations	272.7	358.5
– from discontinued operations	–	–

Earnings per share (pence)	Standard earnings per share		Adjusted earnings per share	
	2023	2022	2023	2022
Basic earnings per share				
– from continuing operations	(141.4)	6.4	44.3	60.9
– from discontinued operations	(9.3)	(2.3)	–	–
From profit for the period	(150.7)	4.1	44.3	60.9
Diluted earnings per share				
– from continuing operations	(141.4)	6.3	44.2	60.5
– from discontinued operations	(9.3)	(2.2)	–	–
From profit for the period	(150.7)	4.1	44.2	60.5

12 Earnings per share (continued)

The earnings per share presented above is inclusive of the performance from the US joint venture BetMGM. Adjusting for the removal of the BetMGM performance would result in a basic adjusted earnings per share of 51.1p (2022: 93.9p) and a diluted adjusted earnings per share of 51.0p (2022: 93.2p) from continuing operations.

13 Goodwill and intangible assets

	Goodwill £m	Licences £m	Software £m	Customer relationships £m	Trade-marks & brand names £m	Total £m
Cost						
At 1 January 2022	3,492.5	49.7	622.0	1,005.0	2,017.5	7,186.7
Exchange adjustment	153.6	7.1	28.3	34.1	44.9	268.0
Additions	–	–	129.9	–	–	129.9
Additions from business combinations (Note 32) ¹	624.0	149.1	7.4	201.9	207.0	1,189.4
Disposals	–	(0.5)	(13.9)	–	–	(14.4)
Reclassification	–	–	(1.0)	–	–	(1.0)
At 31 December 2022 (restated) ¹	4,270.1	205.4	772.7	1,241.0	2,269.4	8,758.6
Exchange adjustment	(68.2)	11.8	(12.7)	(12.3)	(17.4)	(98.8)
Additions	–	–	191.5	–	–	191.5
Additions from business combinations (Note 32)	1,067.5	747.8	49.8	275.5	439.5	2,580.1
Disposals	–	–	(2.9)	–	–	(2.9)
At 31 December 2023	5,269.4	965.0	998.4	1,504.2	2,691.5	11,428.5
Accumulated amortisation and impairment						
At 1 January 2022	275.5	13.3	405.8	942.0	180.6	1,817.2
Exchange adjustment	13.7	0.3	19.8	23.6	11.7	69.1
Amortisation charge	–	12.7	109.1	52.4	54.9	229.1
Impairment charge	–	0.5	–	–	–	0.5
Disposals	–	(0.5)	(13.9)	–	–	(14.4)
At 31 December 2022	289.2	26.3	520.8	1,018.0	247.2	2,101.5
Exchange adjustment	(13.3)	(0.1)	(9.1)	(13.8)	(7.3)	(43.6)
Amortisation charge	–	45.3	138.0	141.4	90.4	415.1
Impairment charge	277.5	–	2.2	0.5	2.1	282.3
Disposals	–	–	(2.9)	–	–	(2.9)
At 31 December 2023	553.4	71.5	649.0	1,146.1	332.4	2,752.4
Net book value						
At 31 December 2022	3,980.9	179.1	251.9	223.0	2,022.2	6,657.1
At 31 December 2023	4,716.0	893.5	349.4	358.1	2,359.1	8,676.1

1. Restatement of prior year intangible valuations has been made in relation to the prior year SuperSport acquisition during the subsequent measurement period. See note 32 for further details.

At 31 December 2023 the Group had not entered into contractual commitments for the acquisition of any intangible assets (2022: £nil).

Included within trade-marks and brand names are £1,398.4m (2022: £1,398.4m) of intangible assets considered to have indefinite lives. These assets relate to the UK Ladbrokes and Coral brands which are considered to have indefinite durability that can be demonstrated, and their value can be readily measured. The brands operate in longstanding and profitable market sectors. The Group has a strong position in the market and there are barriers to entry due to the requirement to demonstrate that the applicant is a fit and proper person with the 'know-how' required to run such operations.

Goodwill reflects the value by which consideration exceeds the fair value of net assets acquired as part of a business combination including the deferred tax liability arising on acquisitions.

Licences comprise the cost of acquired betting shop and online licences, as well as licences acquired as part of the NZ Tab acquisition (see Note 32).

Software relates to the cost of acquired software, through purchase or business combination, and the capitalisation of internally developed software. Additions of £191.5m (2022: £128.8m) include £92.6m of internally capitalised costs (2022: £58.0m).

Customer relationships, trade-marks and brand names relate to the fair value of customer lists, trade-marks and brand names acquired as part of business combinations, primarily relating to the bwin, Ladbrokes Coral Group, Enlabs, Sport Interaction, SuperSport, BetCity, 365Scores, and Tab NZ businesses.

14 Impairment testing of goodwill and indefinite life intangible assets

An impairment loss is recognised for any amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Within UK, European Retail, CEE, and Tab NZ Retail, the cash-generating units ("CGUs") are generally an individual Licensed Betting Office ("LBO") and, therefore, impairment is first assessed at this level for licences (intangibles) and property, plant and equipment, with any impairment arising booked to licences and property, plant and equipment on a pro-rata basis. Since goodwill and brand names have not been historically allocated to individual LBOs, a secondary assessment is then made to compare the carrying value of the segment against the recoverable amount with any additional impairment then taken against goodwill first.

For Online the CGU is the relevant geographical location or business unit, for example Australia, European digital (defined as websites hosted by proprietary platforms based in European constituent countries), Digital (defined as websites hosted by Entain proprietary platforms) etc. and any impairments are made firstly to goodwill, next to any capitalised intangible asset and then finally to property, plant and equipment. The expected cash flows generated by the assets are discounted using appropriate discount rates that reflect the time value of money and risks associated with the group of assets.

For both tangible and intangible assets, the future cash flows are based on the forecasts and budgets of the CGU or business discounted to reflect time value of money. The key assumptions within the UK and European Retail budgets are OTC wagers (customer visits and spend per visit), the average number of machines per shop, gross win per shop per week, salary increases, the potential impact of the shop closures and the fixed costs of the LBOs. The key assumptions within the budgets for Online are the number of active customers, net revenue per head, win percentage, marketing spend, revenue shares and operating costs. All forecasts take into account the impact of the Group's commitment to be Net Zero by 2035 as well as the impact of climate change.

The value in use calculations use cash flows based on detailed, Board approved, financial budgets prepared by management covering a three-year period. These forecasts have been extrapolated over years 4 to 8 representing a declining growth curve from year 3 until the long-term forecast growth rate is reached. The growth rates used from years 4 to 8 range from 0% to 10%. From year 9 onwards long-term growth rates used are between 0% and 2% (2022: between 0% and 2%) and are based on the long-term GDP growth rate of the countries in which the relevant CGUs operate or the relevant outlook for the business. An eight-year horizon is considered appropriate based on the Group's history of underlying profit as well as ensuring there is an appropriate decline to long-term growth rates from those growth rates currently observed in our key markets. A 0% growth rate has been used for the UK Retail operating segment. All key assumptions used in the value in use calculations reflect the Group's past experience unless a relevant external source of information is available. Whilst the same approach is adopted for Tab NZ impairment reviews, the value-in-use is assessed over the 25-year life of the licence rather than into perpetuity.

The discount rate calculation is based on the specific circumstances with reference to the WACC and risk factors expected in the industry in which the Group operates.

The pre-tax discount rates used, which have remained consistent year-on-year, and the associated carrying value of goodwill by CGU is as follows:

Goodwill	2023	2022	2023	2022
	%	%	£m	restated ¹ £m
Digital	11.1	12.6–12.9	2,263.4	2,230.7
UK Retail	12.6	12.6	76.4	76.4
Australia	13.5	13.5	145.0	347.5
European Retail	9.5–13.3	9.5–13.3	147.1	161.5
European Digital	9.5–13.3	9.5–13.3	343.3	350.4
Enlabs	11.8	11.8	205.3	209.6
BetCity	12.7	n/a	200.1	n/a
SuperSport	11.5	11.8	527.8	538.4
STS	11.7	n/a	389.1	n/a
365Scores	12.3	n/a	86.8	n/a
Tab NZ	11.1	n/a	255.5	n/a
All other segments	11.1–12.6	12.4	76.2	66.4
			4,716.0	3,980.9

1. Restatement of prior year intangible valuations has been made in relation to the prior year SuperSport acquisition during the subsequent measurement period. See note 32 for further details.

It is not practical or material to disclose the carrying value of individual licences by LBO.

Impairment recognised during the year

Impairments of intangible assets and property, plant and equipment are recognised as separately disclosed items within operating expenses.

Australia impairment

During the current year, the Group recorded a non-cash impairment charge of £190.0m against the Online division. The charge has arisen in the Group's Australian CGU and is a result of the impact of ongoing increases in the rate of Point of Consumption tax across certain states and a forecast decline in Australian revenues in 2024 as a result of a reduced market outlook.

14 Impairment testing of goodwill and indefinite life intangible assets (continued)

Whilst our Australian business continues to be profitable and strategically important, market conditions and tax headwinds have reduced the value in use of the business resulting in the impairment charge. Post the annualisation of the tax increases and stabilisation of local market conditions, we expect our Australian business to return to growth.

Impairment testing across the business

	Licences/ Franchisees	PPE & Software	Customer relationships	Goodwill	Brand name
UK Digital	Digital Impairment review				Combined Digital/UK Retail Impairment review
UK Retail	UK Retail site by site Impairment review	UK Retail Impairment review			
ROI	ROI Impairment review				
Eurobet Digital	Eurobet Digital Impairment review				Eurobet Impairment review
Eurobet Retail	Eurobet Retail Impairment review				
Belgium Digital	Belgium Digital Impairment review				Belgium Impairment review
Belgium Retail	Belgium Retail Impairment review				
Australia	Australia Impairment review				
Enlabs	Enlabs Impairment review				
BetCity	BetCity Impairment review				
SuperSport Digital	SuperSport Digital Impairment review	SuperSport Impairment review			
SuperSport Retail	SuperSport Retail Impairment review				
STS	STS Impairment review				
365Scores	365Scores Impairment review				
Tab NZ Digital	Tab NZ Digital Impairment review				Tab NZ Impairment review
Tab NZ Retail	Tab NZ Retail Impairment review				

14 Impairment testing of goodwill and indefinite life intangible assets (continued)

Unikrn impairment

During the year, the Group took the decision to close its B2C eSports business operating under the Unikrn brand, in favour of developing a leading eSports proposition on existing labels. As a result of the decision to turn off its B2C operations, the Group has recorded an £43.2m impairment of goodwill and £1.1m impairment of trade-marks and brands associated with the Unikrn operation during the current year within the New Opportunities segment.

Impala impairment

The Group has also taken the decision during 2023 to close its B2C operations in Zambia and Kenya, operations that were run out of the previously acquired African subsidiary. As a result of the decision to close these operations and focus resources to drive growth in other markets, the Group has recorded an impairment against the value of assets carried against this business. The resulting impairment has been booked against goodwill of £29.9m, and against software of £4.0m within the Online segment.

In addition, an impairment charge of £11.0m has been recognised during the current year against our Retail estate in ROI as a result of a reduced outlook for this market, and £5.0m against Totolotek following its closure post the STS acquisition.

Sensitivity analysis

With the exception of Australia, no reasonable change in assumptions would cause an additional impairment, including a 5% decrease in all cash flows or a 0.5pp increase in discount rates.

For Australia, a 10% increase in revenue would reduce the impairment by £110.0m, whereas a 5% decrease in revenue would increase the impairment by £48.0m. Each 0.5pp movement in the discount rate impacting the charge by £20.0m.

15 Property, plant and equipment

	Land and buildings £m	Plant and equipment £m	Fixtures and fittings £m	Leased assets £m	Total £m
Cost					
At 1 January 2022	26.8	102.5	188.3	572.3	889.9
Exchange adjustment	0.7	3.2	7.0	5.2	16.1
Additions	24.9	50.6	11.1	61.8	148.4
Additions from business combinations	0.2	3.2	4.4	9.5	17.3
Disposals	(10.4)	(20.2)	(16.1)	(3.5)	(50.2)
Reclassification	(1.6)	1.9	42.9	(42.2)	1.0
At 31 December 2022	40.6	141.2	237.6	603.1	1,022.5
Exchange adjustment	(0.3)	(2.1)	(3.5)	(1.4)	(7.3)
Additions	18.0	27.0	45.9	45.6	136.5
Additions from business combinations (Note 32)	4.9	8.1	2.2	26.9	42.1
Disposals	(4.5)	(6.7)	(5.7)	(49.8)	(66.7)
Reclassification	–	0.9	(0.9)	–	–
At 31 December 2023	58.7	168.4	275.6	624.4	1,127.1
Accumulated depreciation					
At 1 January 2022	11.3	38.3	52.2	320.9	422.7
Exchange adjustment	0.5	2.7	2.0	4.2	9.4
Depreciation charge	11.4	23.5	26.0	65.0	125.9
Impairment	–	0.1	1.9	4.5	6.5
Disposals	(10.3)	(20.0)	(16.1)	(2.8)	(49.2)
Reclassification	–	–	21.7	(21.7)	–
At 31 December 2022	12.9	44.6	87.7	370.1	515.3
Exchange adjustment	(0.2)	(1.5)	(2.0)	(0.6)	(4.3)
Depreciation charge	13.7	29.4	36.6	61.3	141.0
Impairment	0.9	0.7	0.4	4.7	6.7
Disposals	(4.5)	(6.0)	(5.1)	(49.4)	(65.0)
Reclassification	–	(0.2)	0.2	–	–
At 31 December 2023	22.8	67.0	117.8	386.1	593.7
Net book value					
At 31 December 2022	27.7	96.6	149.9	233.0	507.2
At 31 December 2023	35.9	101.4	157.8	238.3	533.4

15 Property, plant and equipment (continued)

At 31 December 2023, the Group had not entered into contractual commitments for the acquisition of any property, plant and equipment (2022: £nil).

Included within fixtures, fittings and equipment are assets in the course of construction which are not being depreciated of £17.1m (2022: £10.6m), relating predominantly to self-service betting terminals and the new point of sale system in UK Retail.

An impairment charge of £6.5m (2022: £6.5m) has been made against closed retail shops and office buildings included within leased assets in the year. See Notes 6 and 14 for further details.

Analysis of leased assets:

	Land and buildings £m	Plant and equipment £m	Total £m
Cost			
At 1 January 2022	520.7	51.6	572.3
Exchange adjustment	5.0	0.2	5.2
Additions	60.0	1.8	61.8
Additions from business combinations	9.5	–	9.5
Disposals	(2.0)	(1.5)	(3.5)
Reclassification	–	(42.2)	(42.2)
At 31 December 2022	593.2	9.9	603.1
Exchange adjustment	(1.3)	(0.1)	(1.4)
Additions	32.8	12.8	45.6
Additions from business combinations	26.0	0.9	26.9
Disposals	(49.8)	–	(49.8)
At 31 December 2023	600.9	23.5	624.4
Accumulated depreciation			
At 1 January 2022	299.8	21.1	320.9
Exchange adjustment	4.1	0.1	4.2
Depreciation charge	55.1	9.9	65.0
Impairment	4.5	–	4.5
Disposals	(2.0)	(0.8)	(2.8)
Reclassification	–	(21.7)	(21.7)
At 31 December 2022	361.5	8.6	370.1
Exchange adjustment	(0.6)	–	(0.6)
Depreciation charge	59.0	2.3	61.3
Impairment	4.7	–	4.7
Disposals	(49.4)	–	(49.4)
At 31 December 2023	375.2	10.9	386.1
Net book value			
At 31 December 2022	231.7	1.3	233.0
At 31 December 2023	225.7	12.6	238.3

16 Interest in joint venture

	Share of joint venture's net assets £m
Cost	
At 1 January 2022	9.7
Additions	175.1
Exchange adjustment	3.7
Share of loss after tax	(193.9)
Share of other comprehensive loss	(0.4)
Contributions to be made	5.8
At 31 December 2022	–
Additions	40.7
Exchange adjustment	0.5
Share of loss after tax	(42.0)
Share of other comprehensive loss (movement in translation reserve)	(0.6)
Contributions to be made	1.4
At 31 December 2023	–

The joint venture represents the Group's investment in BetMGM set up in the US in which a 50% stake is held.

The Group has committed to provide its final committed equity injection to BetMGM over the course of 2024, with \$25.0m additional contributions expected (\$50.0m split between both joint venture partners). This will take the Group's total investment to \$705.0m (\$1.41bn across both joint venture partners).

Given the net liabilities position of the joint venture, the Group has recorded £7.2m of these future contributions as a liability at the year end, an increase of £1.4m on the prior year.

Summarised financial information in respect of the Group's joint venture's net assets is set out below:

	2023 £m	2022 £m
Non-current assets	118.1	148.6
Cash and cash equivalents	138.7	308.7
Other current assets	182.7	92.4
Current assets	321.4	401.1
Balances with customers	(208.6)	(234.4)
Other current liabilities	(224.0)	(310.0)
Current liabilities	(432.6)	(544.4)
Non-current liabilities	(21.2)	(17.0)
Net liabilities	(14.3)	(11.7)
Group's share of net liabilities	(7.2)	(5.8)
Summarised statement of comprehensive income	2023 £m	2022 £m
Revenue	1,582.4	1,174.8
Depreciation and amortisation	(8.2)	(28.5)
Other operating expenses	(1,658.1)	(1,534.1)
Loss for the year	(83.9)	(387.8)
Other comprehensive loss	(1.2)	(0.8)
Total comprehensive loss	(85.1)	(388.6)
Group's share of loss	(42.6)	(194.3)

There are no contingent liabilities relating to the Group's interest in the joint venture (2022: £nil).

The risks associated with the Group's interest in joint ventures are aligned to the same risks the Group is exposed to on the basis that they operate wholly within the betting and gaming market.

17 Interest in associates and other investments

	Share of associates' net assets £m	Other investments £m	Total £m
Cost			
At 1 January 2022	44.2	14.2	58.4
Revaluation loss	–	(5.1)	(5.1)
Arising on business combinations	–	4.9	4.9
Dividends received	(3.6)	–	(3.6)
Share of loss after tax	(0.2)	–	(0.2)
Foreign exchange	(0.9)	–	(0.9)
At 31 December 2022	39.5	14.0	53.5
Revaluation gain	–	2.6	2.6
Additions	–	3.1	3.1
Dividends received	(9.8)	–	(9.8)
Share of loss after tax	(0.9)	–	(0.9)
Share of other comprehensive expense	(1.1)	–	(1.1)
Foreign exchange	–	(0.3)	(0.3)
At 31 December 2023	27.7	19.4	47.1

Revaluation loss includes £1.1m (2022: £2.6m) recognised through other comprehensive income with the remaining loss of £2.5m (2022: £2.5m) recognised through profit or loss.

Associates

Summarised financial information in respect of the associates is set out below:

	2023 £m	2022 £m
Non-current assets	42.5	52.0
Current assets	78.0	132.4
Non-current liabilities	(5.7)	(2.5)
Current liabilities	(73.1)	(90.1)
Net assets	41.7	91.8
Group's share of net assets	27.7	39.4
Revenue for the year	370.1	337.1
Profit for the year	10.4	0.1
Other comprehensive expense	(4.7)	–
Total comprehensive income	5.7	0.1
Group's share of total comprehensive expense	(2.0)	(0.2)

Further details of the Group's associates are listed in Note 34.

The financial year end of Sports Information Services (Holdings) Limited (SIS), an associate of the Group, is 31 March. The Group has included the results for SIS for the 12 months ended 31 December 2023.

All associates are private companies and there are no quoted market prices available for their shares.

The risks associated with associate investments are considered to be aligned to the same risks the Group is exposed to on the basis that they operate wholly within the betting and gaming market.

Other investments of £19.4m (2022: £14.0m) consist of investments which have no fixed maturity date or coupon rate.

18 Trade and other receivables

	2023 £m	2022 £m
Trade receivables	40.6	34.1
Other receivables	399.0	430.8
Finance lease receivable	4.3	3.5
Prepayments	91.1	70.5
	535.0	538.9

18 Trade and other receivables (continued)

Trade and other receivables are presented on the Balance Sheet as follows:

	2023 £m	2022 £m
Current	503.2	500.3
Non-current	31.8	38.6
Total	535.0	538.9

Trade and other receivables are non-interest bearing and are generally on 30–90 day terms. Trade and other receivables are reviewed for impairment on an ongoing basis, taking account of the ageing of outstanding amounts and the credit profile of customers. Impaired receivables, including all trade receivables that are a year old, are provided for in an allowance account. Impaired receivables are derecognised when they are assessed as irrecoverable. The expected credit losses arising from receivables are not considered to be significant.

The balance of other receivables consists of the receivable for Greek tax of €34.9m (2022: €34.9m), amounts receivable from payment service providers of £176.0m (2022: £149.8m), and other smaller items such as regulatory deposits, security deposits, rent deposits and balances due from affiliates and partners. The Group does not perceive there to be a material credit risk against these items.

19 Cash and cash equivalents

	2023 £m	2022 £m
Cash and short-term deposits	400.6	658.5

Cash and cash equivalents in the consolidated statement of cash flows comprises cash at bank, overdrafts net of short-term investments and includes £154.6m (2022: £52.1m) restricted in respect of customers.

20 Trade and other payables

	2023 £m	2022 Restated ¹ £m
Trade payables	56.9	64.4
Other payables ¹	719.9	135.4
Social security and other taxes	197.6	181.0
Accruals	338.0	339.2
	1,312.4	720.0

1. Restatement of prior year intangible valuations increasing prior year other payables by £0.2m has been made in relation to the prior year SuperSport acquisition during the subsequent measurement period. See Note 32 for further details.

Trade and other payables are presented on the Balance Sheet as follows:

	2023 £m	2022 Restated ¹ £m
Current	878.6	720.0
Non-current	433.8	–
Total	1,312.4	720.0

HMRC settlement liability within other payables

On 5 December 2023, Entain plc entered into a Deferred Prosecution Agreement (“DPA”) with the Crown Prosecution Service (“CPS”) in relation to historical conduct of the Group, thereby resolving the HM Revenue & Customs (“HMRC”) investigation into the Group.

The DPA relates to alleged offences under Section 7 of the Bribery Act 2010 and, in particular, a failure by the Company to have adequate procedures in place to prevent bribery in relation to its legacy Turkish-facing business. The Turkish-facing business was sold by a former management team in 2017.

Under the terms of the DPA, the Group has agreed to pay a financial penalty plus disgorgement of profits totalling £585 million, to make a charitable donation of £20 million and to pay a contribution of £10 million to HMRC’s and the CPS’s costs. The financial penalty, disgorgement of profits and the charitable donation will be paid in instalments over the term of the DPA, which will be four years from the date of the DPA. During the current financial year, the Group has provided for £585m representing the discounted value of all future payments over the four-year term.

Since the conduct giving rise to the DPA, the Group has undertaken a comprehensive review of its anti-bribery policies and procedures and has taken decisive action to significantly strengthen its wider compliance programme and related controls. Recognition of the significant improvements made by the Company is an integral feature of achieving a DPA.

21 Discontinued operations

During the current year, the Group recorded a £57.8m loss in discontinued operations relating to its former business Intertrader which was disposed of in November 2021. The loss recorded primarily reflects legal costs associated with historic matters as well as a provision liability for a potential settlement with the former owners of the business following a long-running legal dispute. The charge has been recognised in within separately disclosed items in the year (Note 6).

In 2022, loss on disposal was £13.4m relating to ongoing costs of disposal of the Intertrader business and the settlement of various associated legal matters.

22 Lease liabilities

	2023 £m	2022 £m
Current		
Lease liabilities	65.7	65.1
Non-current		
Lease liabilities	210.2	215.8
Total lease liabilities	275.9	280.9

The Group's leasing activity consists of leases on property, cars, self-service betting terminals and office equipment. The majority of those relate to the leasing of LBOs within the Retail estates and office buildings.

Each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments on gaming machines based on a percentage of revenue) are excluded from the measurement of the lease liability and asset. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 15).

Leases of vehicles and IT equipment are generally limited to a new lease term of 3 to 5 years. Leases of property generally have a lease term ranging from 5 to 10 years, with some legacy leases extending out to 20 years and beyond. Most new leases of property are now generally expected to be limited to no more than 10 years, with a break option after no more than 5 years, except in special circumstances.

The maturity analysis of lease liabilities at 31 December 2023 is as follows:

	Minimum lease payments due				Total £m
	Within 1 year £m	1–2 years £m	2–5 years £m	> 5 years £m	
2023					
Net present value	65.7	57.8	106.7	45.7	275.9
2022					
Net present value	65.1	56.2	106.5	53.1	280.9

The Group secures the use of its retail premises primarily through taking out leases for these premises. Typically, the leases are for a duration between 5 and 10 years. In respect of the UK property portfolio there is commonly a right to negotiate replacement leases on expiry, by virtue of the Landlord and Tenant Act 1954. Details of undiscounted amounts payable under leases are set out in Note 25.

Certain lease payments are not recognised as a liability. This arises when the Group continues to pay rents and occupy properties after the lease has expired. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments and irrecoverable VAT are not permitted to be recognised as lease liabilities and are expensed as incurred.

The use of extension and termination options gives the Group added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Group's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost.

Amounts paid for short-term and low-value leases not included within the lease liability are immaterial.

The Group incurred rent and associated costs of £20.8m (2022: £15.3m). These are predominantly driven by VAT on rental charges not being recoverable and held over leases.

Details of total cash outflow relating to leases, are disclosed in the consolidated statement of cash flows.

Group as lessor:

Finance lease receivables are included in the statement of financial position within trade and other receivables and is as follows:

	2023 £m	2022 £m
Current	1.1	1.0
Non-current	3.2	2.5

22 Lease liabilities (continued)

The maturity analysis of lease receivables, including the undiscounted lease payments to be received, are as follows:

	Minimum lease payments due				Total £m
	Within 1 year £m	1–2 years £m	2–5 years £m	> 5 years £m	
2023					
Lease payments receivable	1.4	1.3	2.0	0.8	5.5
Interest	(0.3)	(0.3)	(0.5)	(0.1)	(1.2)
Present value of lease payments receivable	1.1	1.0	1.5	0.7	4.3
2022					
Lease payments receivable	1.1	0.9	1.1	0.9	4.0
Interest	(0.1)	(0.1)	(0.2)	(0.1)	(0.5)
Present value of lease payments receivable	1.0	0.8	0.9	0.8	3.5

Operating lease commitments – Group as lessor

A number of the sublease agreements for unutilised space in the UK shop estate are not classified as finance leases within IFRS 16. These non-cancellable leases have remaining lease terms of between one and six years. The future minimum rentals receivable under these non-cancellable operating leases at 31 December are as follows:

	2023 £m	2022 £m
Within one year	0.4	0.6
After one year but not more than five years	0.6	1.0
After five years	0.1	0.1
	1.1	1.7

23 Interest-bearing loans and borrowings

	2023 £m	2022 £m
Current		
Euro-denominated loans	0.4	0.9
USD-denominated loans	23.4	17.7
Sterling-denominated loans	295.4	406.3
	319.2	424.9
Non-current		
Euro-denominated loans	869.4	994.7
USD-denominated loans	2,172.1	1,694.4
Sterling-denominated loans	(2.7)	–
	3,038.8	2,689.1

As at 31 December 2023 there were £515.0m (2022: £515.0m) of committed bank facilities of which £295.0m (2022: £nil) were drawn down and £5.2m (2022: £52.1m) of facilities which have been utilised for letters of credit.

On 6 December 2022, the Group agreed pricing and allocation of two new tranches of First Lien Term Loans, namely a EUR tranche of €800m with a maturity in June 2028 and a USD tranche of \$375m which was added to the \$1,000m term loan which had an October 2029 maturity. These new loans were issued on 11 January 2023 and used to repay the existing €1,125m loan in January 2023, ahead its March 2024 maturity.

On 26 June 2023, the Group agreed pricing and allocation of add ons to existing First Lien Term Loans. €230m was added onto the €800m term loan, with maturity remaining in June 2028 and \$385m was added onto the \$1,375m term loan, with maturity remaining in October 2029. A total of c£500m GBP equivalent was issued and these funds were part used to fund the repayment of the Ladbrokes Group Finance plc £400m bond in July 2023, a bond which was due for repayment in September 2023.

The Group's senior facilities agreement contains a single financial covenant: a springing leverage covenant (subject to customary cure rights) and solely for the benefit of the lenders under the revolving credit facility ("RCF"). The financial covenant is tested only in respect of a quarter-end date where the aggregate outstanding principal amount of all loans under the RCF (excluding utilisations of the RCF by way of letters of credit or bank guarantees) exceeds 40% of the total RCF commitments as at that date.

24 Provisions

	Property provisions ¹ £m	Restructuring provisions ² £m	Litigation and regulation provisions ³ £m	Total £m
At 1 January 2022	9.1	0.8	40.0	49.9
Provided	10.1	1.8	33.6	45.5
Utilised	(7.5)	(2.0)	(35.9)	(45.4)
Released	(4.5)	(0.6)	(1.9)	(7.0)
Reclassification	–	–	(17.0)	(17.0)
At 31 December 2022	7.2	–	18.8	26.0
Provided	4.4	28.8	28.2	61.4
Utilised	(5.3)	(25.5)	(30.4)	(61.2)
Released	(1.0)	–	(0.1)	(1.1)
At 31 December 2023	5.3	3.3	16.5	25.1

1. The Group is party to a number of leasehold property contracts. Provision has been made against the unavoidable non-rent costs on those leases where the property is now vacant. Provisions have been based on management's best estimate of the minimum future cash flows to settle the Group's obligations, considering the risks associated with each obligation, discounted at a risk-free interest rate of 3.5%. The periods of vacant property commitments range from 1 to 12 years (2022: 1 to 13 years). In accordance with IFRS 16, the rental elements of certain property provisions are included within lease liabilities.

2. Restructuring provisions relate to redundancy costs.

3. Litigation and regulation provisions relate to estimates for potential liabilities which may arise in the Group as a result of customer claims and past practices. Whilst the nature of legal claims means that the timing of settlement can be uncertain, we expect all claims to be settled in the next 1 to 2 years. Whilst the provisions are based on management's best estimate of the likely liability for obligations that exist at the year end date, the maximum potential exposure is not expected to be materially different to the provision made.

Of the total provisions at 31 December 2023, £20.9m (2022: £20.6m) is current and £4.2m (2022: £5.4m) is non-current. Provisions expected to be settled in greater than one year are discounted at the risk-free rate.

25 Financial risk management objectives and policies

The Group's treasury function provides a centralised service for the provision of finance and the management and control of liquidity, foreign exchange rates and interest rates. The function operates as a cost centre and manages the Group's treasury exposures to reduce risk in accordance with policies approved by the Board.

The Group's principal financial instruments comprise term loans, bank facilities, overdrafts, loan notes, bonds, financial guarantee contracts, and cash and short-term deposits, together with certain derivative financial instruments. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade receivables, trade payables and accruals that arise directly from its operations. Details of derivatives are set out in Note 26.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken other than betting. Activity of this nature is only undertaken by the customer and is not speculative activity of the Group. The Group's exposure to ante-post betting and gaming transactions is not significant.

The main financial risks for the Group are exchange rate risk, interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. The Group also monitors the market price risk arising from all financial instruments.

Interest rate risk

The Group is exposed to interest rate risk on certain of its interest-bearing loans and borrowings and on cash and cash equivalents.

The Group uses derivative financial instruments such as interest rate swaps to hedge its interest rate risk. At 31 December 2023, 65% (2022: 50%) of the Group's post-swap gross debt (excluding leases) was at fixed interest rates.

Interest on financial instruments at floating rates is repriced at intervals of less than six months. Interest on financial instruments at fixed rates is fixed until the maturity of the instrument.

The table below demonstrates the sensitivity to reasonably possible changes in interest rates on income for the year when this movement is applied to the carrying value of financial liabilities:

Effect on:	Profit before tax	
	2023	2022
25 basis points decrease	1.1	4.1
100 basis points increase	(4.6)	(16.3)

Foreign currency risk

Given the multi-national nature of the business, the Group is exposed to foreign exchange gains and losses on its trading activities, the net assets of its overseas subsidiaries and its non-GBP-denominated financing facilities. The primary currencies that the Group is exposed to fluctuations in are the Euro, Australian Dollar and US Dollar.

25 Financial risk management objectives and policies (continued)

Foreign currency risk (continued)

Whilst the Group does not actively hedge the foreign exposure on its trading cash flows, it continuously monitors exposures to individual currencies, taking remediating actions as necessary to manage any significant risks as they arise. In the event that the Group anticipates large transactions in currencies other than GBP, forward exchange contracts are taken out to manage the potential foreign exchange exposure.

The Group's exposure to the translation of net assets on foreign currency subsidiaries into its reporting currency is partially offset by the opposite exposure on the Group's financing facilities providing a natural economic hedge, even though the Group does not apply hedge accounting. The Group's policy on borrowings is broadly aligned to the underlying cash flows of the business.

The Group has financing facilities in GBP, Euros and US Dollars. As the Group's overseas subsidiaries largely report in Euros, the Group has taken out swap contracts to hedge the US Dollar debt into Euros in order to align the foreign currency exposure on the Group's financing facilities with that on the net assets of its subsidiaries. The Group has also taken out swap contracts to hedge US Dollar debt into GBP and Australian Dollars.

A 5% weakening in the Euro would reduce Group operating profit by £21.6m (2022: £27.7m) and net assets by £22.0m (2022: £0.8m) when applied to the results of the year in question.

A 5% weakening in the Australian Dollar would reduce Group operating profit by £3.4m (2022: £4.6m) and net assets by £7.1m (2022: £19.0m) when applied to the results of the year in question.

A 5% weakening in the US Dollar would increase Group operating profit by £2.0m (2022: £9.2m) arising from the share of loss of joint venture. There are no material net assets held in US Dollar as at 31 December 2023 and 31 December 2022.

Credit risk

The Group is not subject to significant concentration of credit risk, with exposure spread across a large number of counterparties and customers.

Receivable balances are monitored on an ongoing basis. Any changes to credit terms are assessed and authorised by senior management on an individual basis.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a primary exposure equal to the carrying amount of these instruments. Credit risk in respect of cash and cash equivalents is managed by restricting those transactions to banks that have a defined minimum credit rating and by setting an exposure ceiling per bank.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of borrowings with a range of maturities. The Group's policy on liquidity is to ensure that there are sufficient medium-term and long-term committed borrowing facilities to meet the medium-term funding requirements. At 31 December 2023, there were undrawn committed borrowing facilities of £220.0m (2022: £515.0m). Total committed facilities had an average maturity of 4.5 years (2022: 3.7 years).

The total gross contractual undiscounted cash flows of financial liabilities, including interest payments, fall due as follows. Cash flows in respect of financial guarantee contracts reflect the probability weighted cash flows.

	On demand or within 1 year £m	1–2 years £m	2–5 years £m	> 5 years £m	Total £m
2023					
Interest-bearing loans and borrowings	573.7	558.1	1,223.1	1,401.9	3,756.8
Other financial liabilities	252.7	692.4	378.5	2,855.8	4,179.4
Trade and other payables	681.0	151.3	302.5	–	1,134.8
Lease liabilities	77.5	66.8	122.9	54.0	321.2
Total	1,584.9	1,468.6	2,027.0	4,311.7	9,392.2
	On demand or within 1 year £m	1–2 years £m	2–5 years £m	> 5 years £m	Total £m
2022					
Interest bearing loans and borrowings	548.4	1,310.6	1,131.2	914.5	3,904.7
Other financial liabilities	210.7	56.5	205.5	1.7	474.4
Trade and other payables	538.8	–	–	–	538.8
Lease liabilities	72.4	61.6	116.6	59.8	310.4
Total	1,370.3	1,428.7	1,453.3	976.0	5,228.3

Details of discounted contractual cash flows of leasing liabilities are set out in Note 22.

25 Financial risk management objectives and policies (continued)

Capital risk management

The primary objective of the Group's capital management is to ensure that it maintains a credit quality that enables the Group to raise funds at an economic interest rate and to maintain healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, adjust borrowings, return capital to shareholders or issue new shares.

The Group monitors capital using an adjusted net debt to underlying EBITDA ratio. The ratio at 31 December 2023 was 3.3 times (2022: 2.8 times). See Note 27 for further details.

The Group's funding policy is to raise funds centrally to meet the Group's anticipated requirements. These are planned so as to mature at different stages in order to reduce refinancing risk. The Board reviews the Group's capital structure and liquidity periodically.

26 Financial instruments and fair value disclosures

The table below analyses the Group's financial instruments into their relevant categories:

31 December 2023	Amortised cost £m	Assets/ (liabilities) at fair value through profit and loss £m	Assets at fair value through other comprehensive income £m	Total £m
Assets				
Non-current:				
Other investments (Note 17)	1.3	10.9	7.2	19.4
Current:				
Trade and other receivables	443.9	–	–	443.9
Derivative financial instruments	–	31.9	–	31.9
Cash and short-term investments (including customer funds)	400.6	–	–	400.6
Total	845.8	42.8	7.2	895.8
Liabilities				
Current:				
Customer balances	(196.8)	–	–	(196.8)
Interest-bearing loans and borrowings ¹	(319.2)	–	–	(319.2)
Trade and other payables	(681.0)	–	–	(681.0)
Derivative financial instruments	–	(117.5)	–	(117.5)
Other financial liabilities ²	–	(157.0)	–	(157.0)
Lease liabilities (Note 22)	(65.7)	–	–	(65.7)
Non-current:				
Interest-bearing loans and borrowings	(3,038.8)	–	–	(3,038.8)
Trade and other payables	(433.8)	–	–	(433.8)
Other financial liabilities ²	(905.7)	(835.8)	–	(1,741.5)
Lease liabilities (Note 22)	(210.2)	–	–	(210.2)
Total	(5,851.2)	(1,110.3)	–	(6,961.5)
Net financial (liabilities)/assets	(5,005.4)	(1,067.5)	7.2	(6,065.7)

1. The fair value of interest-bearing loans and borrowings at 31 December 2023 and 31 December 2022 is not materially different to their original cost.

2. Other financial liabilities include £1,335.5m deferred and contingent consideration (2022: £261.7m), a put liability of £536.3m (2022: £180.4m), £9.6m of financial guarantees (2022: £2.9m) and £17.1m of ante-post liabilities (2022: £17.2m).

26 Financial instruments and fair value disclosures (continued)

31 December 2022	Amortised cost £m	Assets/ (liabilities) at fair value through profit and loss £m	Assets at fair value through other comprehensive income £m	Total £m
Assets				
Non-current:				
Other investments (Note 17)	1.3	6.6	6.1	14.0
Other financial assets	0.2	–	–	0.2
Current:				
Trade and other receivables	464.9	–	–	464.9
Derivative financial instruments	–	72.9	–	72.9
Cash and short-term investments (including customer funds)	658.5	–	–	658.5
Total	1,124.9	79.5	6.1	1,210.5
Liabilities				
Current:				
Customer balances	(200.5)	–	–	(200.5)
Interest-bearing loans and borrowings ¹	(424.9)	–	–	(424.9)
Trade and other payables	(538.8)	–	–	(538.8)
Derivative financial instruments	–	(79.2)	–	(79.2)
Other financial liabilities ²	–	(208.8)	–	(208.8)
Lease liabilities (Note 22)	(65.1)	–	–	(65.1)
Non-current:				
Interest-bearing loans and borrowings	(2,689.1)	–	–	(2,689.1)
Other financial liabilities ²	(183.3)	(70.1)	–	(253.4)
Lease liabilities (Note 22)	(215.8)	–	–	(215.8)
Total	(4,317.5)	(358.1)	–	(4,675.6)
Net financial (liabilities)/assets	(3,192.6)	(278.6)	6.1	(3,465.1)

Fair value hierarchy

IFRS 13 requires financial assets and liabilities recorded at fair value to be categorised in three levels according to the inputs used in the calculation of their fair value:

- Level 1 – uses quoted prices as the input to fair value calculations
- Level 2 – uses inputs other than quoted prices, that are observable either directly or indirectly
- Level 3 – uses inputs that are not observable

The following tables illustrate the Group's financial assets and liabilities measured at fair value after initial recognition at 31 December 2023 and 31 December 2022:

	2023			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets measured at fair value				
Derivative financial instruments	–	31.9	–	31.9
Other investments	7.1	2.5	8.5	18.1
	7.1	34.4	8.5	50.0
Liabilities measured at fair value				
Derivative financial instruments	–	(117.5)	–	(117.5)
Other financial liabilities	–	–	(992.8)	(992.8)
	–	(117.5)	(992.8)	(1,110.3)
Net assets/(liabilities) measured at fair value	7.1	(83.1)	(984.3)	(1,060.3)

26 Financial instruments and fair value disclosures (continued)

	Level 1 £m	Level 2 £m	Level 3 £m	2022 Total £m
Assets measured at fair value				
Derivative financial instruments	–	72.9	–	72.9
Other investments	5.5	1.8	5.4	12.7
	5.5	74.7	5.4	85.6
Liabilities measured at fair value				
Derivative financial instruments	–	(79.2)	–	(79.2)
	–	–	(278.9)	(278.9)
Other financial liabilities	–	(79.2)	(278.9)	(358.1)
Net assets/(liabilities) measured at fair value	5.5	(4.5)	(273.5)	(272.5)

There have been no transfers of assets or liabilities recorded at fair value between the levels of the fair value hierarchy.

Included within other financial assets and derivative financial instruments measured at fair value are: the Group's currency swaps held against debt instruments as an asset of £31.9m (2022: asset of £72.9m) and a liability of £117.5m (2022: £79.2m), investment in RAS Technology, designated as fair value through other comprehensive income, £2.1m (2022: £1.0m), an investment in Scout Gaming of £0.3m (2022: £0.3m), a convertible equity instruments with Visa Inc. for £2.5m (2022: £1.8m) and Greenrun Inc. for £3.1m (2022: £nil), and an investment fund of £5.0m (2022: £4.9m), all designated as fair value through profit and loss. During the year, the Group disposed of its investment in Hui10 (2022: £5.1m) as a share-for-share exchange with Intuitive Investment Group plc ("IIG") at a £nil profit or loss. The investment in IIG of £5.1m is designated as fair value through other comprehensive income. The fair value of the investments at 31 December 2023 and 31 December 2022 is not materially different to their original cost.

Contingent and deferred consideration

Contingent and deferred consideration arises through business combinations, the fair value for which is reassessed at each reporting date using updated inputs and assumptions based on the latest financial forecasts of each respective business. As at 31 December 2023 contingent and deferred consideration included within other financial liabilities was £1,335.5m (2022: £261.7m), including £1,155.1m on Tab NZ as well as from the Group's acquisitions of SuperSport in the prior year, and in year acquisitions of ASF Limited, BetCity, and 365Scores.

The valuation of the contingent element of consideration is subject to estimation uncertainty as the amount payable is based on various factors, including future profitability. With the exception of Tab NZ, based on the current profit forecast and reasonable upside and downside sensitivities, the range of potential valuations is not expected to be materially different from that provided for in the financial statements. For Tab NZ where the range of potential outcomes could be materially different from the amounts provided as it is subject to the future performance of the business over a 25-year time period. The fair value of contingent consideration for Tab NZ at 31 December 2023 was £788.3m. The valuation technique used for calculating the contingent consideration was a discounted cash flow model. The key unobservable inputs for the calculation are revenue growth rates, adjusted gross profit margin and discount rate. A 5% movement in forecast cash flows, both positive and negative, would impact the contingent consideration liability by approximately £50m, whereas the 0.5pp movement in the discount rate would affect the liability by approximately £40m.

During the year, the Group paid £266.7m (2022: £32.9m) of deferred and contingent consideration in relation to the aforementioned acquisitions.

Put option liability

The amortised costs of the put option liability recognised is not materially different to fair value.

Ante-post

Ante-post liabilities are valued using methods and inputs that are not based upon observable market data. The principal assumptions relate to anticipated gross win margins on unsettled bets. There are no reasonably probable changes to assumptions or inputs that would lead to material changes in the fair value determined, although the final value will be determined by future sporting results.

27 Net debt

The components of the Group's adjusted net debt are as follows:

	2023 £m	2022 £m
Current assets		
Cash and short-term deposits	400.6	658.5
Current liabilities		
Interest-bearing loans and borrowings	(319.2)	(424.9)
Non-current liabilities		
Interest-bearing loans and borrowings	(3,038.8)	(2,689.1)
Net debt	(2,957.4)	(2,455.5)
Cash held on behalf of customers	(196.8)	(200.5)
Fair value swaps held against debt instruments (derivative financial (liability)/asset)	(85.6)	(6.5)
Deposits	48.8	43.8
Balances held with payment service providers	176.0	149.8
Sub-total	(3,015.0)	(2,468.9)
Lease liabilities	(275.9)	(280.9)
Adjusted net debt including lease liabilities	(3,290.9)	(2,749.8)

Cash held on behalf of customers represents the outstanding balance due to customers in respect of their online gaming wallets.

28 Share capital

	Number of €0.01 ordinary shares	Total €m	Total £m
Authorised:			
At 31 December 2022 and 31 December 2023	773,000,000	7.7	6.4
Issued and fully paid:			
At 1 January 2022	586,550,219	5.9	4.8
Exercise of share options	2,296,623	–	–
At 31 December 2022	588,846,842	5.9	4.8
Allotment of shares	48,827,271	0.5	0.4
Exercise of share options ¹	1,125,778	–	–
At 31 December 2023	638,799,891	6.4	5.2

1. Share options exercised in the year included 56,527 (2022: 239,116) deferred bonus shares not disclosed as part share options exercised in Note 31.

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

On 16 June 2023, the Company issued an additional 48,827,271 of ordinary shares for net proceeds of £589.8m.

See Note 31 for further information on terms and amounts of shares reserved for issue under options.

29 Notes to the statement of cash flows

29.1 Reconciliation of (loss)/profit to net cash inflow from operating activities:

	2023 £m	2022 £m
(Loss)/profit before tax from continuing operations	(842.6)	102.9
Net finance expense	197.9	225.7
(Loss)/profit before tax and net finance expense from continuing operations	(644.7)	328.6
Loss before tax and net finance expense from discontinued operations	(57.8)	(13.4)
Loss/(profit) before tax and net finance expense including discontinued operations	(702.5)	315.2
Adjustments for:		
Impairment	289.0	7.0
Loss on disposal	1.0	1.0
Depreciation of property, plant and equipment	141.0	125.9
Amortisation of intangible assets	415.1	229.1
Share-based payments charge	23.6	19.2
Decrease/(increase) in trade and other receivables	42.2	44.7
Increase in other financial liabilities	62.7	2.2
(Decrease)/increase in trade and other payables	506.0	(85.9)
Decrease in provisions	(1.9)	(6.9)
Share of results from joint venture and associate	42.9	194.1
Pension settlement	–	7.0
Other	(9.1)	(5.7)
Cash generated by operations	810.0	846.9

29.2 Cash flows arising from discontinued operations:

	2023 £m	2022 £m
Cash used in operating activities	(57.8)	(13.4)
Cash used in investing activities	–	–
Net cash outflow arising from discontinued operations	(57.8)	(13.4)

29 Notes to the statement of cash flows (continued)

29.3 Reconciliation of movements of liabilities to cash flows arising from financing activities:

	2023				2022			
	Other loans and borrowings £m	Lease liabilities £m	Other financial liabilities £m	Total £m	Other loans and borrowings £m	Lease liabilities £m	Other financial liabilities £m	Total £m
Balance at 1 January	3,114.0	280.9	462.2	3,857.1	2,282.4	293.7	88.7	2,664.8
Changes from financing cash flows								
Proceeds from borrowings, net of issue costs	1,780.3	–	–	1,780.3	838.4	–	–	838.4
Repayments	(1,419.2)	–	(266.7)	(1,685.9)	(109.0)	–	(32.9)	(141.9)
Repayment of borrowings on acquisition	(9.4)	–	–	(9.4)	(162.8)	–	–	(162.8)
Repayment of lease liabilities ¹	–	(68.5)	–	(68.5)	–	(83.0)	–	(83.0)
Total changes from financing cash flows	351.7	(68.5)	(266.7)	16.5	566.6	(83.0)	(32.9)	450.7
Other changes								
Business combination consideration (Note 32)	–	–	1,254.4	1,254.4	–	–	216.7	216.7
Recognition of put option liability (Note 32)	–	–	350.5	350.5	–	–	181.2	181.2
Interest expense/discount unwind	229.2	12.8	70.4	312.4	76.2	13.0	2.9	92.1
Interest paid ²	(224.2)	(12.8)	–	(237.0)	(91.9)	(13.0)	–	(104.9)
New lease liabilities	–	45.6	–	45.6	–	61.8	–	61.8
Finance fees	1.0	–	–	1.0	5.7	–	–	5.7
Re-measurement adjustments	–	(7.4)	1.4	(6.0)	–	(5.0)	(6.1)	(11.1)
Total other changes	6.0	38.2	1,676.7	1,720.9	(10.0)	56.8	394.7	441.5
Arising through business combinations	9.4	26.9	7.0	43.3	162.8	9.5	–	172.3
The effect of changes in foreign exchange	(123.1)	(1.6)	19.3	(105.4)	112.2	3.9	11.7	127.8
Balance at 31 December	3,358.0	275.9	1,898.5	5,532.4	3,114.0	280.9	462.2	3,857.1

1. In addition to the above, the Group received £0.2m (2022: £0.2m) in respect of lease receivables resulting in a net repayment of finance leases of £68.3m (2022: £82.8m).

2. In addition to the above, the Group received £12.4m (2022: £4.3m) of interest income resulting in a net finance expense paid of £224.6m (2022: £100.6m).

Non-cash movements include amounts acquired as a result of business combinations and the amortisation of issue costs incurred in respect of debt instruments.

30 Retirement benefit schemes

Defined contribution schemes

During the year the Group charged £23.1m of contributions (2022: £18.9m) to the consolidated income statement in relation to the defined contribution pension schemes.

Defined benefit plans

Judgement is applied, based on legal, actuarial, and accounting guidance in IFRIC 14, regarding the amounts of net pension asset that are recognised in the consolidated balance sheet.

Following the buy-out of the Ladbrokes Pension Plan, the Group now only has one pension scheme, the Gala Coral Pension Plan, which is a final salary pension plan for UK employees and closed to new employees and future accrual.

At retirement each member's pension is related to their 'career average earnings' for the Gala Coral Pension Plan. The weighted average duration of the expected benefit payments from the plan is around 15 years (2022: 15 years).

The plan's assets are held separately from those of the Group. The plan is approved by HMRC for tax purposes, and is managed by independent Trustees. The plan is subject to UK regulations, which require the Group and Trustees to agree a funding strategy and contribution schedule at least every three years. Under the current contribution schedule in place, the Group does not pay contributions to Gala Coral Pension Plan but is paying the administrative costs.

There is a risk to the Group that adverse circumstances, such as a disconnect between changes in asset investment values and required funding obligations, could lead to a requirement for the Group to make additional contributions to fund any deficit that arises. As at the date of signing the financial statements no such event has arisen.

The results of the latest formal actuarial valuation 30 June 2022 for the Gala Coral Pension Plan was updated to 31 December 2023 by an independent qualified actuary in accordance with IAS 19 (Revised) Employee Benefits. The value of the defined benefit obligation and current service cost have been measured using the projected unit credit method, as required by IAS 19 (Revised). Actuarial gains and losses are recognised immediately through other comprehensive income.

30 Retirement benefit schemes (continued)

The amounts recognised in the balance sheet are as follows:

	2023 (Coral) £m	2023 (Ladbrokes) £m	2023 Total £m	2022 (Coral) £m	2022 (Ladbrokes) £m	2022 Total £m
Present value of funded obligations	(262.6)	–	(262.6)	(259.4)	–	(259.4)
Fair value of plan assets	324.4	–	324.4	323.2	–	323.2
Net asset	61.8	–	61.8	63.8	–	63.8
Disclosed in the balance sheet as: Retirement benefit asset	61.8	–	61.8	63.8	–	63.8

The Group has considered the appropriate accounting treatment in respect of the pension plan surplus, considering the current agreement with the Trustees, and concluded the recognition of the surplus is appropriate. Whilst the Trustees have discretionary rights over the use of any surplus, the nature of the plan means that any surplus that exists once all liabilities have been settled is for the benefit of the Group.

The amounts recognised in the income statement are as follows:

	2023 (Coral) £m	2023 (Ladbrokes) £m	2023 Total £m	2022 (Coral) £m	2022 (Ladbrokes) £m	2022 Total £m
Analysis of amounts charged to the income statement						
Other administrative expenses	1.3	–	1.3	1.3	–	1.3
Net interest on net asset	(3.0)	–	(3.0)	(1.6)	–	(1.6)
Total charge/(credit) recognised in the income statement	(1.7)	–	(1.7)	(0.3)	–	(0.3)

The actual return on plan assets including interest over the year was a £14.5m gain (2022: loss of £183.4m).

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

	2023 (Coral) £m	2023 (Ladbrokes) £m	2023 Total £m	2022 (Coral) £m	2022 (Ladbrokes) £m	2022 Total £m
Actual return on assets less interest on plan assets	(0.7)	–	(0.7)	(192.6)	(0.1)	(192.7)
Actuarial gains on defined benefit obligation due to changes in demographic assumptions	3.8	–	3.8	6.0	–	6.0
Actuarial gains on defined benefit obligation due to changes in financial assumptions	(3.2)	–	(3.2)	175.0	–	175.0
Experience adjustments on benefit obligation	(3.6)	–	(3.6)	(13.0)	–	(13.0)
Actuarial gains/(losses) recognised in the statement of comprehensive income	(3.7)	–	(3.7)	(24.6)	(0.1)	(24.7)

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

	2023 (Coral) £m	2023 (Ladbrokes) £m	2023 Total £m	2022 (Coral) £m	2022 (Ladbrokes) £m	2022 Total £m
At 1 January	(259.4)	–	(259.4)	(430.5)	–	(430.5)
Interest on obligation	(12.2)	–	(12.2)	(7.7)	–	(7.7)
Actuarial gains due to changes in demographic assumptions	3.8	–	3.8	6.0	–	6.0
Actuarial gains/(losses) due to changes in financial assumptions	(3.2)	–	(3.2)	175.0	–	175.0
Experience adjustments on obligations	(3.6)	–	(3.6)	(13.0)	–	(13.0)
Benefits paid	12.0	–	12.0	10.8	–	10.8
At 31 December	(262.6)	–	(262.6)	(259.4)	–	(259.4)

30 Retirement benefit schemes (continued)

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

	2023 (Coral) £m	2023 (Ladbrokes) £m	2023 Total £m	2022 (Coral) £m	2022 (Ladbrokes) £m	2022 Total £m
At 1 January	323.2	–	323.2	518.6	7.0	525.6
Interest on plan assets	15.2	–	15.2	9.3	–	9.3
Administrative expenses	(1.3)	–	(1.3)	(1.3)	–	(1.3)
Actual return less interest on plan assets	(0.7)	–	(0.7)	(192.6)	(0.1)	(192.7)
Scheme buy-out	–	–	–	–	(6.9)	(6.9)
Benefits paid	(12.0)	–	(12.0)	(10.8)	–	(10.8)
At 31 December	324.4	–	324.4	323.2	–	323.2

The Group does not expect to contribute to the plan in 2024. The Group will however continue to meet the administrative expenses of the Gala Coral Pension Plan scheme.

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

	2023 (Coral) %	2023 (Ladbrokes) %	2022 (Coral) %	2022 (Ladbrokes) %
Equities	2.0	–	6.0	–
Diversified growth funds	5.0	–	16.0	–
Liability-driven investment	48.0	–	36.0	–
Multi-asset credit	3.0	–	12.0	–
Corporate bonds	34.0	–	22.0	–
Private credit	8.0	–	8.0	–
Cash and cash equivalents	–	–	–	–
	100.0	–	100.0	–

At 31 December 2023, the plan assets were categorised as Level 2 of £297.5m (2022: £296.1m) and as Level 3 of £26.9m (2022: £27.1m). Definition of fair value level categories are set out in Note 25.

The plan does not invest directly in property occupied by the Group or in financial securities issued by the Group. Although, as the plan holds pooled investment vehicles, there may at times be indirect employer-related investment. At 31 December 2023 these represented less than 0.1% (2022: 0.1%) of the plan's total assets.

The investment strategy is set by the Trustees of the plans in consultation with the Group. For the Gala Coral Plan the current long-term strategy is to invest in a low-risk matching bond portfolio with a relatively small investment in return seeking funds.

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

	2023 (Coral) % p.a.	2023 (Ladbrokes) % p.a.	2022 (Coral) % p.a.	2022 (Ladbrokes) % p.a.
Discount rate	4.6	n/a	4.8	n/a
Price inflation (CPI)	2.0	n/a	2.2	n/a
Price inflation (RPI)	3.0	n/a	3.2	n/a
Future pension increases – LPI 5% (CPI)	2.9	n/a	3.1	n/a
– LPI 2.5% (CPI)	2.0	n/a	2.1	n/a

Post-retirement mortality assumed for most members is based on the standard SAPS mortality table with the CMI 2022 projections which considers future improvements, adjusted to reflect plan specific experience.

The assumption used implies that the expected lifetime of members for the two schemes is:

	2023 (Coral)	2023 (Ladbrokes)	2022 (Coral)	2022 (Ladbrokes)
Male aged 45 for year ended	87.0	–	87.4	n/a
Female aged 45 for year ended	89.5	–	89.9	n/a
Male aged 65 for year ended	85.8	–	86.2	n/a
Female aged 65 for year ended	88.1	–	88.5	n/a

30 Retirement benefit schemes (continued)

Changes to the assumptions will impact the amounts recognised in the consolidated balance sheet and the consolidated statement of comprehensive income in respect of the plan. For the significant assumptions, the following sensitivity analysis provides an indication of the impact on the defined benefit obligation for the year ended 31 December 2023:

	2023 (Coral) %	2023 (Ladbroskes) %	2022 (Coral) %	2022 (Ladbroskes) %
– 0.5% p.a. decrease in the discount rate	7.1	–	7.4	–
– 0.5% p.a. increase in price inflation	5.0	–	5.0	–
– One-year increase in life expectancy	3.4	–	3.3	–

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

31 Share-based payments

The following options to purchase €0.01 ordinary shares in the Group were granted, exercised, forfeited or existing at the year end:

Date of grant	Exercise price	Existing at 1 January 2023	Granted in the year	Cancelled or forfeited in the year	Exercised in the year	Existing at 31 December 2023	Exercisable at 31 December 2023	Vesting criteria
16-Dec-2016	422p	351,338	–	–	(12,000)	339,338	339,338	Note a
28-Dec-2017	0p	3,392	–	–	–	3,392	3,392	Note b
26-Mar-2019	0p	67,188	–	–	(46,783)	20,405	20,405	Note c
10-Jun-2020	0p	1,243,557	–	(199,624)	(1,005,447)	38,486	38,486	Note d
24-Mar-2021	0p	908,930	–	(73,955)	–	834,975	–	Note e
04-May-2021	1264p	667,231	–	(142,070)	(3,746)	521,415	–	Note f
18-Mar-2022	0p	1,208,514	–	(170,300)	–	1,038,214	–	Note g
26-Apr-2022	1333p	628,363	–	(87,477)	(701)	540,185	–	Note h
28-Jun-2022	0p	483,032	–	(97,566)	–	385,466	–	Note i
25-Apr-2023	1008p	–	1,008,148	(122,029)	(574)	885,545	–	Note j
04-May-2023	0p	–	902,200	(172,794)	–	729,406	–	Note k
16-Jun-2023	0p	–	1,275,465	–	–	1,275,465	–	Note k
Total Schemes		5,561,545	3,185,813	(1,065,815)	(1,069,251)	6,612,292	401,621	

Note a: 2016 MIP Plan – These equity settled awards were issued on completion of the acquisition of bwin.party. The options vest and became exercisable, subject to the satisfaction of a performance condition, over 30 months, with one-ninth vesting six months after the date of grant and a further ninth vesting at each subsequent quarter. The options lapse, if not exercised, on 2 February 2026. The performance condition is comparator total shareholder return ("TSR") of the Group against the FTSE 250. Each ninth of the shares will have its TSR condition reviewed from the date of grant until the relevant testing date. To the extent the TSR is not met at that time, it is tested again the following quarter and, if necessary, at the end of the 30-month vesting period. In order to vest, the TSR of the Group must rank at median or above against the FTSE 250.

Note b: 2017 LTIP Plan – These equity settled awards were awarded to certain Directors and employees and vest over a three-year period from the date of grant. The number of awards to vest are conditional on both cumulative Earnings Per Share ("EPS") exceeding 180 euro cents, with a pro-rata increase in the amount vesting between 180 cents and 214 cents, and TSR performance conditions being met which are split with equal weighting.

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

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

Note e: 2021 LTIP Plan – These equity settled awards were awarded to certain Directors and employees and vest over a three-year period from the date of grant. The number of awards to vest are conditional on both cumulative three-year Earnings Per Share ("EPS") exceeding 255p, with a pro-rata increase in the amount vesting between 255p and 296p, and certain TSR performance conditions being met which are split with the weighting of one-third based on EPS and two-thirds relating to TSR conditions.

Note f: 2021 Employee Sharesave Plan – During 2021 the Group set up an Employee Sharesave plan. Under this plan employees of the Group are able to subscribe up to a maximum of £100 a month to invest in share purchases at a price representing a discount of 20% from the share price at the commencement of the plan. The vesting period is three years. The right to purchase shares will vest conditional upon continued employment at the end of the three years.

Note g: 2022 LTIP Plan – These equity settled awards were awarded to certain Directors and employees and vest over a three-year period from the date of grant. The number of awards to vest are conditional on certain TSR performance conditions being met.

Note h: 2022 Employee Sharesave Plan – During 2022 the Group set up an Employee Sharesave plan. Under this plan employees of the Group are able to subscribe up to a maximum of £100 a month to invest in share purchases at a price representing a discount of 20% from the share price at the commencement of the plan. The vesting period is three years. The right to purchase shares will vest conditional upon continued employment at the end of the three years.

Note i: 2022 Employee Free Share Plan – During 2022 the Group set up an Employee Free Share plan. Under this plan each employee of the Group has been granted 22 free shares for a vesting period of two years. The shares will vest conditional upon continued employment at the end of the two years.

Note j: 2023 Employee Sharesave Plan – During 2023 the Group set up an Employee Sharesave plan. Under this plan employees of the Group are able to subscribe up to a maximum of £100 a month to invest in share purchases at a price representing a discount of 20% from the share price at the commencement of the plan. The vesting period is three years. The right to purchase shares will vest conditional upon continued employment at the end of the three years.

Note k: 2023 LTIP Plan – These equity settled awards were awarded to certain Directors and employees and vest over a three-year period from the date of grant. The number of awards to vest are conditional on certain TSR performance conditions being met.

The charge to share-based payments within the consolidated income statement in respect of these options in 2023 was £21.7m (2022: £19.2m) which related entirely to equity settled options.

31 Share-based payments (continued)

Weighted average exercise price of options

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 31 December 2023	Number of options 31 December 2023	Weighted average exercise price 31 December 2022	Number of options 31 December 2022
Outstanding at the beginning of the year	329p	5,561,545	31p	6,167,742
Granted during the year	319p	3,185,813	366p	2,468,119
Exercised during the year	11p	(1,069,251)	21p	(2,057,507)
Cancelled or forfeited in the year	393p	(1,065,815)	426p	(1,016,809)
Outstanding at the end of the year	365p	6,612,292	329p	5,561,545
Exercisable at the end of the year	357p	401,621	351p	421,918

The options outstanding at 31 December 2023 have a weighted average contractual life of 1.5 years (31 December 2022: 1.4 years).

Valuation of options

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The Group engaged third-party valuation specialists to provide a fair value for the options.

All LTIP plans are valued using both a Black Scholes valuation model and Monte Carlo valuation for the cumulative EPS and TSR conditions respectively.

Fair value of share options and assumptions:

Date of grant	Share price at date of grant (£)	Exercise price (£)	Expected volatility %	Exercise multiple	Expected dividend yield	Risk-free rate %	Fair value at measurement date (£)
Dec-16	6.48	4.22	28%–30%	n/a	n/a	–	1.43–1.94
Dec-17	9.34	–	26.6%	n/a	n/a	0.40%	7.39–9.34
Mar-19	4.96	–	31.5%	n/a	n/a	0.70%	1.90–4.96
Jun-20	7.86	–	33.2%	n/a	n/a	0.30%	3.54–7.86
Mar-21	15.25	–	52.8%	n/a	2.0%	0.01%	10.03–11.27
May-21	16.46	12.64	51.3%	n/a	2.0%	0.02%	6.75
Mar-22	16.66	–	51.5%	n/a	1.2%	1.4%	10.77–12.35
Apr-22	14.74	13.33	50.1%	n/a	1.3%	1.60%	5.66
Jun-22	13.04	–	n/a	n/a	n/a	n/a	13.04
Apr-23	14.39	10.08	41.3%	n/a	1.4%	3.59%	6.39
May-23	14.70	–	41.0%	n/a	1.7%	4.68%	5.48
Jun-23	12.21	–	41.0%	n/a	1.7%	4.68%	5.48

32 Business combinations

Business combinations are accounted for using the acquisition method. Identifiable assets and liabilities acquired, and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date. The identification and valuation of intangible assets arising on business combinations is subject to a degree of estimation. We engaged independent third parties, including Kroll, to assist with the identification and valuation process. This was performed in accordance with the Group's policies. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable assets acquired is recorded as goodwill. Costs related to the acquisition are expensed as incurred; see Note 6 for details.

SuperSport

Measurement period adjustment

The initial value of goodwill recognised was £518.8m on acquisition. Subsequent to this a measurement period adjustment has been applied to increase the goodwill by £1.7m, increase licences by £1.5m, increase trade-marks & brand names by £1.0m, decrease customer relationships by £4.0m, and increase other liabilities by £0.2m.

Due to these measurement period adjustments, in line with IFRS 3 'Business Combinations' it has been necessary to present a restated 2022 balance sheet and related notes to the accounts for those balances affected.

Transactions with minority shareholders

During the period, the Group received by way of an equity injection into Entain Holdings (CEE) Limited £42.6m from EMMA Capital in relation to their 25% share of the 2022 earn-out under the SuperSport acquisition. As EMMA Capital holds a put option over its equity, which is enforceable on the Group from November 2025, a financial liability equivalent to the equity injection has been recognised to reflect the future liability within equity.

Summary of acquisitions in the period:

Acquisitions during the year relate primarily to online gaming activities. Tab NZ, an STS also have retail estates. Fair values were determined on the basis of an initial assessment performed by an independent professional expert.

NZ Ent Limited (trading as Tab NZ)

On 1 June, the Group completed the acquisition of a business (NZ Ent Limited) which entitles them to the exclusive license to operate and run the brand of Tab NZ in New Zealand for 25 years for an initial payment of £85.3m with a further £10.6m paid following acquisition. As part of the acquisition, the Group has also committed to make minimum guaranteed funding payments to Tab NZ (the seller) in the first five years post completion, with further contingent payments due up to and including year 25. As there are no ongoing obligations or service requirements on the selling party, these payments have been deemed to form part of consideration under IFRS 3 rather than ongoing deductions on profits. As such, based on forecast performance for the Group's New Zealand business and the estimated returns on the potential introduction of geo-blocking, which could be significant, the discounted estimate of consideration for the Tab NZ acquisition is £1,208.7m, which is considered to be equal to the fair value.

In accordance with IFRS 3, as control has been obtained, the business has been consolidated from the point of acquisition.

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

	Fair value £m
Intangible assets (excluding goodwill)	894.6
Property, plant and equipment	17.4
Trade and other receivables	24.6
Cash and cash equivalents	10.2
Deferred tax asset	309.8
Deferred tax liability	(242.6)
Trade and other payables	(45.3)
Lease liabilities	(10.5)
Total	958.2
Net assets acquired	958.2
Goodwill	250.5
Total net assets acquired	1,208.7
Consideration:	
Cash	96.6
Deferred consideration	386.5
Contingent consideration	725.6
Total consideration	1,208.7

32 Business combinations (continued)

STS Holdings SA

On 23 August, a Group subsidiary, Entain CEE, acquired 99.28% of STS Holdings S.A. ("STS") at a purchase price of PLN 24.80 per share. As part of the acquisition and the funding of Entain CEE's purchase of STS, the majority shareholder in STS acquired a 10% economic stake in the enlarged Entain CEE business for cash with the existing minority shareholder, EMMA Capital, also subscribing for additional equity in Entain CEE for cash to fund their economic proportion of the acquisition. Total consideration for the acquisition of STS was £748.6m, with minority holdings, including the remaining 0.72% of shares not acquired as part of the initial purchase, contributing £313.5m of the consideration. As the former majority shareholder in STS and EMMA Capital have put options on their equity stake in Entain CEE, the Group has recognised an equivalent financial liability for these two put options (see Note 26).

Post the acquisition, the remaining 0.72% of equity in STS has been acquired by Entain CEE, with each parent contributing in line with their economic interest in Entain CEE.

In accordance with IFRS 3, as the Entain Group exercises control of CEE and therefore indirectly controls STS, the business has been consolidated from the point of acquisition.

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

	Fair value £m
Intangible assets (excluding goodwill)	401.3
Property, plant and equipment	22.6
Trade and other receivables	5.6
Cash and cash equivalents	56.7
Deferred tax liability	(74.8)
Trade and other payables	(21.5)
Lease liabilities	(15.4)
Total	374.5
Net assets acquired	374.5
Goodwill	374.1
Total net assets acquired	748.6
Consideration:	
Cash	435.1
Non-controlling interest	313.5
Total consideration	748.6

Other business combinations

BetCity

On 11 January, the Group acquired 100% of the share capital of BetCity for initial consideration of €305m, including working capital adjustments, with further contingent amounts payable in 2024 and beyond subject to financial performance. Based on financial forecasts at the point of acquisition, total discounted consideration has been assessed as €362m. Amounts payable are capped at €550m.

In accordance with IFRS 3, as control has been obtained, the business has been consolidated from the point of acquisition.

365Scores

On 30 March, the Group acquired 100% of the share capital of 365Scores for \$157m including working capital adjustments, with further contingent payments payable subject to the achievement of certain financial targets capped at \$10m. Based on financial forecasts at the point of acquisition, total discounted consideration has been assessed as \$161m.

In accordance with IFRS 3, as control has been obtained, the business has been consolidated from the point of acquisition.

Tiidal Gaming

On 9 June, the Group acquired 100% of the share capital of Tiidal Gaming for £7.8m. There are no contingent consideration elements in the acquisition.

In accordance with IFRS 3, as control has been obtained, the business has been consolidated from the point of acquisition.

ASF Limited (trading as Angstrom)

On 29 September the Group completed the acquisition of ASF Ltd, acquiring 100% of the share capital of the business for initial consideration of \$93.5m with up to an additional \$65.0m (\$82.7m undiscounted) payable subject to the achievement of certain milestones. Based on forecasts for the business' performance post acquisition, total discounted consideration has been assessed as \$138.5m.

32 Business combinations (continued)

In accordance with IFRS 3, as control has been obtained, the business has been consolidated from the point of acquisition.

Details of the total purchase consideration, and the values of the net assets acquired and goodwill on the acquisition of BetCity, 365Scores, Tiidal Gaming, and Angstrom are as follows:

	Fair value £m
Intangible assets (excluding goodwill)	216.7
Property, plant and equipment	2.1
Trade and other receivables	26.2
Cash and cash equivalents	21.0
Deferred tax liability	(51.5)
Loans and borrowings	(9.4)
Trade and other payables	(49.3)
Lease liability	(1.0)
Total	154.8
Net assets acquired	154.8
Goodwill	442.9
Total net assets acquired	597.7
Consideration:	
Cash	455.4
Deferred consideration	142.3
Total consideration	597.7

All of the acquired businesses contributed revenues of £357.6m and underlying profit before tax of £34.9m.

Had the acquisitions occurred on the first day of the financial year the revenue for the Group would have been £4,990.2m with an underlying profit before tax of £493.4m.

Included in the valuation of goodwill is the value attributed to acquired workforce, and the benefit of future trading potential including synergies arising as part of the acquisition.

33 Commitments and contingencies

AUSTRAC

In October 2020, AUSTRAC initiated a compliance assessment of Entain Group Pty Ltd, the Group's subsidiary in Australia ("Entain Australia"). Following two years of assisting AUSTRAC with the assessment, Entain Australia was notified in September 2022 that AUSTRAC would be commencing an enforcement investigation. The investigation is focused on whether Entain Australia complied with its obligations under the AML/CTF Act.

Entain Australia continues to co-operate fully with AUSTRAC's enforcement team, and is liaising regularly with AUSTRAC's regulatory operations teams as it implements a detailed remediation plan. As AUSTRAC are still conducting their investigation and reviewing documentation, it is too early to predict the likely timing and potential outcome of the investigation. Whilst the details of the investigation into Entain Australia are different to other AUSTRAC investigations in the bookmaking industry, the directors note that previous penalties in AUSTRAC civil penalty proceedings have been significant. Therefore, as at the Balance Sheet date, uncertainty exists over both the timing and outcome of the investigation, with any potential penalty, should one arise, potentially material.

The Group remains fully engaged, working collaboratively with AUSTRAC and providing detailed quarterly updates on enhancements to its AML/CTF program. Whilst significant progress has been made since 2022, this remains a key area of focus.

As a leading gambling operator, the Group recognises that it has a responsibility to keep financial crime out of gambling, and remains committed to our customers, our shareholders and the communities that we operate in to ensure we act as a gatekeeper for safer betting.

Greek Tax

In November 2021, the Athens Administrative Court of Appeal ruled in favour of the Group's appeal against the tax assessment raised by the Greek tax authorities in respect of 2010 and 2011. In February 2022, the Greek tax authorities appealed against the judgements to the Greek Supreme Administrative Court. While the Group expects to be successful in defending the appeal by the Greek authorities, should the Greek Supreme Administrative Court rule in favour of the Greek tax authorities, then the Group could become liable for the full 2010-2011 assessment plus interest, an estimated total of €283.6m at 31 December 2023.

34 Related party disclosures

Other than its associates and joint venture, the related parties of the Group are the Executive Directors, Non-Executive Directors and members of the Executive Committee of the Group.

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

During the year, Group companies entered into the following transactions with related parties who are not members of the Group:

	2023 £m	2022 £m
Equity investment		
– Joint venture ¹	40.7	175.1
Sundry income		
– Associates ²	21.5	–
Sundry expenditure		
– Associates ²	(51.4)	(55.5)

1. Equity investment in BetMGM.

2. Payments in the normal course of business made to Sports Information Services (Holdings) Limited.

Details of related party outstanding balances

	2023 £m	2022 £m
Other amounts outstanding		
– Joint venture receivable	54.7	87.8
– Associates receivables	3.2	4.4
– Associates payables	(0.1)	(0.3)

Terms and conditions of transactions with related parties

Sales to, and purchases from, related parties are made at market prices and in the ordinary course of business. Outstanding balances at 31 December 2023 are unsecured and settlement occurs in cash. For the year ended 31 December 2023, the Group has not raised any provision (2022: £nil) for doubtful debts relating to amounts owed by related parties as the payment history has been good. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Transactions with Directors and key management personnel of the Group

For details of Directors' remuneration please refer to the Directors' remuneration table included on pages 118 to 121 of this report.

The remuneration of key management personnel is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures. Key management personnel comprise Executive Directors and members of the Executive Management Team. Further information about the remuneration of individual Directors is provided in the Directors' remuneration report.

	2023 £m	2022 £m
Short-term employee benefits	7.3	7.9
Redundancy/loss of office	1.6	–
Pension-related costs	0.3	0.1
Share-based payments	10.7	7.6
Total compensation paid to key management personnel	19.9	15.6

The consolidated financial statements include the financial statements of Entain plc and its subsidiaries. The companies listed below are those which were part of the Group at 31 December and therefore the results, cash flows and balance sheets of all subsidiaries listed are consolidated into the Group financial statements, furthermore the results of joint ventures and associates are accounted for in accordance with the policy set out in Note 4.

34 Related party disclosures (continued)

Subsidiaries based in the United Kingdom

Registered address	Company	% equity interest	
		2023	2022
7th Floor, One Stratford Place, Westfield Stratford City, Montfichet Road, London, United Kingdom, E20 1EJ	Arthur Prince (Turf Accountants) Limited ⁵	100.0	100.0
	Bartletts Limited ⁵	100.0	100.0
	Birchgree Limited ⁴	100.0	100.0
	Bloxhams Bookmakers Limited ⁵	100.0	100.0
	Brickagent Limited	100.0	100.0
	ASF Limited	100.0	100.0
	Cashcade Limited	100.0	–
	CE Acquisition 1 Limited ⁴	100.0	100.0
	Chas Kendall (Turf Accountant) Limited ⁵	100.0	100.0
	Choicebet Limited ⁵	100.0	100.0
	C L Jennings (1995) Limited ⁵	100.0	100.0
	Competition Management Services Co. Limited ⁵	97.5	97.5
	Coral (Holdings) Limited ⁴	100.0	100.0
	Coral (Stoke) Limited ⁵	100.0	100.0
	Coral Estates Limited	100.0	100.0
	Coral Eurobet Limited	100.0	100.0
	Coral Eurobet Holdings Limited ⁴	100.0	100.0
	Coral Group Limited ⁴	100.0	100.0
	Coral Group Trading Limited ⁴	100.0	100.0
	Coral Limited ⁴	100.0	100.0
	Coral Racing Limited	100.0	100.0
	Coral Stadia Limited ⁴	100.0	100.0
	E.F. Politt & Son Limited ⁵	100.0	100.0
	Electraworks Maple Limited	100.0	100.0
	Entain Holdings (UK) Limited ^{1,2,4}	100.0	100.0
	Entain Marketing (UK) Limited ⁴	100.0	100.0
	Entain Services Limited ⁵	100.0	100.0
	Entain Wave Limited ⁵	100.0	100.0
	Gable House Estates Limited ⁵	100.0	100.0
	Ganton House Investments Limited	100.0	100.0
	Greatmark Limited	100.0	100.0
	Hillford Estates Limited ⁵	75.0	75.0
	Hindwain Limited ⁵	100.0	100.0
Impala Digital Limited ³	100.0	100.0	
Interactive Sports Limited ⁵	100.0	100.0	
J G Leisure Limited ⁵	100.0	100.0	
J. Ward Hill & Company ⁵	100.0	100.0	
Jack Brown (Bookmaker) Limited	100.0	100.0	
Jerusalem Development (Mamilla) Co. Limited ⁵	100.0	100.0	
Jerusalem Development Corporation (Holdings) Limited ^{4,5}	100.0	100.0	
Joe Jennings Limited ⁵	100.0	100.0	
Krullind Limited ⁵	100.0	100.0	
Ladbroke & Co., Limited ⁵	100.0	100.0	
Ladbroke (Rentals) Limited ⁵	100.0	100.0	
Ladbroke City & County Land Company Limited ⁵	100.0	100.0	
Ladbroke Dormant Holding Company Limited ^{4,5}	100.0	100.0	
Ladbroke Entertainments Limited	100.0	100.0	
Ladbroke Group ⁴	100.0	100.0	
Ladbroke Group Homes Limited ⁵	100.0	100.0	

34 Related party disclosures (continued)

Registered address	Company	% equity interest	
		2023	2022
	Ladbroke Group Properties Limited ^{4,5}	100.0	100.0
	Ladbroke Land Limited ⁵	100.0	100.0
	Ladbroke US Investments Limited ⁴	100.0	100.0
	Ladbrokes Betting & Gaming Limited ^{2,3,4}	100.0	100.0
	Ladbrokes Contact Centre Limited	100.0	100.0
	Ladbrokes Coral Corporate Director Limited ⁵	100.0	100.0
	Ladbrokes Coral Corporate Secretaries Limited ⁵	100.0	100.0
	Ladbrokes Coral Group Life Benefits Trustee Limited ⁵	100.0	100.0
	Ladbrokes Coral Group Limited ^{2,4}	100.0	100.0
	Ladbrokes Coral Group Pension Trustee Limited	100.0	100.0
	Ladbrokes E-Gaming Limited ⁵	100.0	100.0
	Ladbrokes Group Finance plc ²	100.0	100.0
	Ladbrokes Investments Holdings Limited ^{4,5}	100.0	100.0
	Ladbrokes IT & Shared Services Limited ⁵	100.0	100.0
	Ladbrokes Trustee Company Limited ⁵	100.0	100.0
	Lightworld Limited ^{4,5}	100.0	100.0
	London & Leeds Estates Limited ⁵	100.0	93.5
	Margolis and Ridley Limited ⁵	100.0	100.0
	New Angel Court Limited ⁵	100.0	100.0
	Paddington Casino Limited ⁵	100.0	100.0
	Reg. Boyle Limited	100.0	100.0
	Reuben Page Limited ^{4,5}	100.0	100.0
	Romford Stadium Limited	100.0	100.0
	Rousset Capital Limited ⁵	100.0	100.0
	Sponsio Limited ⁵	100.0	100.0
	Sporting Odds Limited ^{2,3}	100.0	100.0
	Sportingbet (IT Services) Limited ⁵	100.0	100.0
	Sportingbet (Management Services) Limited ⁵	100.0	100.0
	Sportingbet Holdings Limited ⁴	100.0	100.0
	Sportingbet Limited ⁴	100.0	100.0
	Sports (Bookmakers) Limited ⁵	100.0	100.0
	Techno Land Improvements Limited ⁵	100.0	100.0
	Town and County Factors Limited	100.0	100.0
	Vegas Betting Limited ⁵	100.0	100.0
	Ventmear Limited ⁵	100.0	100.0
1 Bartholomew Lane, London, United Kingdom EC2N 2AX	Techno Limited	84.0	84.0
77A Andersonstown Road, Belfast, United Kingdom BT11 9AH	Ladbrokes (Northern Ireland) (Holdings) Limited ⁴	100.0	100.0
	Ladbrokes (Northern Ireland) Limited ⁵	100.0	100.0
	North West Bookmakers Limited ^{2,3}	100.0	100.0

Subsidiaries based overseas

Registered address	Company	% equity interest	
		2023	2022
c/o Corporate & Trust Services (Caribbean) Limited, Thomas, John & Co, PO Box 990, FD, ICIC Bldg, Lower Factory Road, St John's, Antigua and Barbuda	Green Sand Limited ⁵	100.0	100.0

34 Related party disclosures (continued)

Registered address	Company	% equity interest	
		2023	2022
East Tower, Level 2, 25 Montpelier Road, Bowen Hills, QLD 4006 Australia	Ennovate Investments Pty Limited	100.0	100.0
	Ennovate Labs Pty Limited	100.0	100.0
	Entain Group Pty Limited ^{2,3}	100.0	100.0
	Esports Australia Pty Limited	100.0	100.0
	Gaming Investments Pty Limited ⁴	100.0	100.0
	Ladbrokes Racing Club Pty Limited	100.0	100.0
	LB Australia Holdings Pty Limited ⁴	100.0	100.0
	Neds International Pty Limited ⁴	100.0	100.0
	Neds.com.au Pty Limited ⁴	100.0	100.0
17 Atlantic Dr, Keysborough, VIC 3173 Australia	Full House Group Pty Limited	33.0	33.3
2 Kosmala Close, Newington, NSW 2127, Australia	Inquizitive Pty Limited	100.0	100.0
Suite 902, Level 9, 146 Arthur Street, North Sydney, NSW 2060, Australia	Angstrom Sports Australia Pty Ltd	100.0	–
Marxergasse 1b, 1030 Vienna, Austria	Entain Services Australia GmbH	100.0	100.0
		100.0	
		100.0	
Chaussée de Wavre 1100 Box 3, 1160 Auderghem, Belgium	Ladbroke Belgium SA ⁴	100.0	100.0
	Pari Mutuel Management Services S.A.	100.0	100.0
	N.V. Derby S.A.	100.0	100.0
	Redsports.be SRL/BV	100.0	100.0
	Tiercé Ladbroke S.A. ³	100.0	100.0
	Tilt SRL/BV	100.0	100.0
Alameda Rio Negro 111 1030, Andar 2 Conj 206 Torre Stadium Corpor, Alphaville Industrial Barueri; Sao Paulo, 06454911, Brazil	365 Scores Midia Ltda	100.0	–
Belmont Chambers, Road Town, Tortola, British Virgin Islands	Creative Trend Limited ⁵	100.0	100.0
		100.0	100.0
		100.0	100.0
		100.0	100.0
Jayla Place, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	Westman Holdings Limited ^{4,5}	100.0	100.0
Sea Meadow House, Blackbourne Highway, PO Box 116, Road Town, Tortola, British Virgin Islands	Wavecrest Providers Limited ⁵	100.0	100.0
55 Nikola Vaptsarov Blvd, Office Park Expo 2000, Building Phase 4, Floor 3, Lozenets Area, Sofia 1407, Bulgaria	Entain Services (Bulgaria) EOOD	100.0	100.0
1565 Carling Avenue, Suite 400, Ottawa, Ontario K1Z 8R1, Canada	Entain Operations Canada Limited	100.0	100.0
		100.0	
100-2006 Old Malone Road, Kahnawake, Quebec J0L1B0, Canada	Kahnawake Management Services Inc	100.0	100.0
1500 Royal Centre, 1055 West Georgia Street, Vancouver BC V6E 4N7, Canada	Angstrom Sports Canada Inc.	100.0	–
5B, First Floor, St Anne's House, Victoria Street, Alderney, GY9 3UF, Channel Islands	Interactive Sports (C.I.) Limited ⁴	100.0	100.0
Quay House, South Esplanade St. Peter Port, Guernsey, GY1 4EJ, PO Box 132, Channel Islands	Longfrie Limited	100.0	100.0
1st Floor, Liberation House, Castle Street, St. Helier, JE1 1GL, Jersey, Channel Islands	Ladbroke (Channel Islands) Limited ³ Maple Court Investments (Jersey) Limited ⁵	100.0	100.0

34 Related party disclosures (continued)

Registered address	Company	% equity interest	
		2023	2022
Block 3, The Forum, Grenville Street, St. Helier JE2 4UF, Jersey	Avid International Limited	100.0	100.0
13/F, Gloucester Tower, The Landmark, 15 Queen's Road, Central Hong Kong, China	GVC Technology Consulting (Asia) Co Limited	100.0	100.0
CR 15 # 106 32 Of P H 3, BOGOTA D.C., Colombia	Bwin Latam S.A.S.	100.0	100.0
Krcka Ulica 18d 10000 Zagreb, Croatia	Emma Gamma Adriatic d.o.o.	67.5	75.0
	Puni Broj d.o.o.	67.5	75.0
	SuperSport d.o.o.	67.5	75.0
	SuperSport marketing d.o.o.	67.5	75.0
Ulica Josipa Marohnića 1/1, Zagreb, Croatia	minus5 d.o.o.	75.0	75.0
Emancipatie Boulevard Dominico F. "Don" Martina 29, Curaçao	GVC Services BV	100.0	100.0
Heelsumstraat 51 E-Commerce Park Curaçao PO Box 422	Best Global N.V.	100.0	100.0
Kaya Richard J. Beajon Z/N Landhuls Joonchi II, Curaçao P.O Box 6248	Elec Games N.V.	100.0	100.0
15 Agion Omologiton, Nicosia, 1080 Cyprus	Bellingrath Enterprises Limited ⁴	100.0	100.0
Na Zatorka, 672/24, Bubeneř Prague, 18600, Czech Republic	Sporticon Development s.r.o.	67.5	–
Karolinská 650/1, Kralín, Prague, 18600, Czech Republic	Betsys, s.r.o.	50.0	–
Fruebjergvej 3, Copenhagen, 2100, Denmark	Interactive Sports (Denmark) ApS	100.0	100.0
Lootsa tn 1a, Lasnamae Linnaosa, 11415 Estonia	Ninja Global OU ⁵	100.0	100.0
	Optiwin OU ³	100.0	100.0
Unioninkatu 24, Helsinki, 00130 Finland	Finnplay Technologies Oy	100.0	100.0
19 Boulevard Malesherbes, 75008, Paris, France	B.E.S. S.A.S.	100.0	100.0
Linden Palais, Unter den Linden 40, 10117 Berlin, Germany	Entain (Germany) GmbH	100.0	100.0
Apt. 48, N19, Vake District, Kavtaradze Str., Tbilisi, Georgia	Entain Georgia LLC ⁴	100.0	100.0
Vake District, Kavtaradze Str., No 5, Entrance 2, Floor 2, Office Space No 2, Tbilisi, Georgia	MARS LLC ^{2,3}	100.0	100.0
Suite 6 Atlantic Suites, Europort Avenue, Gibraltar	Balltree (International) Limited ⁵	100.0	100.0
	Bingo Marketing Limited ⁵	100.0	100.0
	bwin.party holdings Limited ⁴	100.0	100.0
	bwin.party services (Gibraltar) Limited ⁵	100.0	100.0
	Coral Interactive (Gibraltar) Limited ⁵	100.0	100.0
	ElectraGames Limited ⁴	100.0	100.0
	ElectraWorks Limited ^{2,3}	100.0	100.0
	Gala Coral Interactive (Gibraltar) Limited ^{4,5}	100.0	100.0
	Gala Interactive (Gibraltar) Limited ^{4,5}	100.0	100.0
	Greyjoy Limited	100.0	100.0
	Entain Corporate Services Limited	100.0	100.0
	Entain Holdings (Gibraltar) Limited ^{1,2,4}	100.0	100.0
	Entain Operations Limited ^{2,3,4}	100.0	100.0
	Entain Trustees Limited	100.0	100.0
	Fusionex Limited	100.0	100.0
	IGM Domain Name Services Limited	100.0	100.0
ISG (Gibraltar) Limited	100.0	100.0	
LC International Limited ^{2,3,4}	100.0	100.0	

34 Related party disclosures (continued)

Registered address	Company	% equity interest	
		2023	2022
	PartyGaming IA Limited ⁵	100.0	100.0
7th Floor, Madison building, Midtown, Queensway, GX11 1AA, Gibraltar	The Entain Foundation	100.0	100.0
1st Floor Otter House, Naas Road, Dublin 22 Ireland	Avid Ecom Solutions Limited	100.0	100.0
	Avid Studios Limited	100.0	100.0
	Ladbroke (Ireland) Limited ^{2,3,4}	100.0	100.0
3 Dublin Landings, North Wall Quay, D01 C4EO Ireland	Fort Anne Limited ¹	100.0	100.0
	M.L.B. Limited	100.0	100.0
5th Floor, Divyasree Omega Block – B, Hitec City Road, Kondapur, Hyderabad Andhra Pradesh, 500081 India	IVY Comptech Private Limited	100.0	100.0
	IVY Software Development Services Private Limited	100.0	100.0
	IVY Foundation Limited	100.0	100.0
	Ivy Mobitech Services Private Limited	100.0	100.0
32 Athol Street, Douglas, IM1 1JB Isle of Man	IVY Global Shared Services Private Limited	100.0	100.0
	Entain (IOM) Limited ^{1,4}	100.0	100.0
	Gala Interactive (Services) Limited	100.0	100.0
	GVC Impala R&D Limited	100.0	100.0
2 Nahalat Yitchak, Tel-Aviv Yaffo, 6744801, Israel	Ladbrokes Israel Limited	100.0	100.0
	365 Scores Limited	100.0	–
	Agenzia M3 S.R.L.	100.0	100.0
Via Lungotevere Arnaldo da Brescia 12, 00196 Rome, Italy	Eurobet Holding S.R.L. ⁴	100.0	100.0
	Eurobet Italia S.R.L. ^{2,3}	100.0	100.0
	bwin European Markets Holding SpA	100.0	100.0
Via Gaetano Prevati 9, 20149 Milan, Italy	bwin Italia S.R.L. ³	100.0	100.0
	Wave Operations (Kenya) Limited	100.0	100.0
ALN House Eldama Ravine Close, Off Eldama Ravine Road, Westlands, Nairobi, PO Box 200, Kenya	Wave Online (Kenya) Limited	100.0	100.0
	Setekles iela, Riga LV-1050 Latvia	SIA Klondaika	100.0
	SIA Klondaika Café	100.0	100.0
	SIA Laimz ³	100.0	100.0
	SIA Optibet ³	100.0	100.0
	Orsos g. 4-101, Vilnius, Lithuania	UAB Baltic Bet ³	100.0
	UAB Party Casino ³	100.0	100.0
	Penthouse, Palazzo Spinola Business Centre, Number 46, St Christopher Street, Valletta, VLT 1464, Malta	bwin.party holding Malta Limited	100.0
Unit 6 ST Business Centre, 120 The Strand, Gzira GZR 1027 Malta	bwin.party International Malta Limited	100.0	100.0
	bwin (Deutschland) Limited	100.0	100.0
	bwin.gr Limited ²	100.0	100.0
	bwin Holdings (Malta) Limited ^{1,4}	100.0	100.0
	bwin.party services (Malta) Limited	100.0	100.0
	Online-Wetten (Austria) Limited	100.0	100.0
	Deis Limited ⁴	100.0	100.0
	ElectraWorks (France) Limited	100.0	100.0
	ElectraWorks (Kiel) Limited	100.0	100.0
	ElectraWorks (Svenska) Limited	100.0	100.0
	ElectraWorks Europe Ltd	100.0	100.0
	Entain Holdings (Malta) Limited	100.0	100.0
	Entertainments Technologies Group Limited ⁴	100.0	100.0
	Gaming VC Corporation Limited	100.0	100.0
	Ladbrokes (Deutschland) Limited	100.0	100.0
	Martingale Europe Limited	100.0	100.0

34 Related party disclosures (continued)

Registered address	Company	% equity interest	
		2023	2022
	Martingale Malta 2 Limited	100.0	100.0
	Sportingbet (Deutschland) Limited	100.0	100.0
	Scandic Bookmakers Limited	100.0	100.0
	Spread Your Wings Bravo Limited	100.0	100.0
	STS Gaming Group Limited	67.5	–
	STS.Bet Limited	67.5	–
	Entain (Romania) Limited	100.0	100.0
	VistaBet Limited ²	100.0	100.0
120 The Strand, Unit 6, Trig Ix-Xatt, Gzira GZR 1027 Malta	BestBet Limited ³	100.0	100.0
	Elec Games C1 Limited ³	100.0	100.0
	Elec Games Holdings Limited ⁴	100.0	100.0
	Elec Games Limited ³	100.0	100.0
	Evora International Limited	100.0	100.0
	Future Domain Lead Generation Limited	100.0	100.0
	Future Lead Generation Limited ⁴	100.0	100.0
	Lifland Holdings Limited ⁴	100.0	100.0
	Ninja Global Limited ³	100.0	100.0
	Entain Holdings (CEE) Limited ⁴	67.5	100.0
	West African Gaming Limited ⁵	100.0	100.0
San Francisco 1005, Dolonia Del Valle, Alcaldía Benito Juárez, Mexico City, C.P. 03100 Mexico	Bwin Operations Mexico, S.A. de C.V.	100.0	100.0
	Entain Mexico, S.A. de C.V.	100.0	100.0
Johan Crujff Boulevard 61, Amsterdam 1101DI Netherlands	Entain Holdings (Netherlands) B.V.	100.0	100.0
Keurenplein 4, Unit D1442, 1069CD, Amsterdam, Netherlands	Betent B.V.	100.0	–
106-110 Jackson Street, Petone, Lower Hutt, 5012, New Zealand	Entain New Zealand Limited	100.0	–
Floor 6 Exchange Place, 5 Willeston Street, Wellington Central, Wellington, 6011, New Zealand	TIIDAL GAMING NZ LIMITED	100.0	–
6F Tower 3 Double Dragon Plaza EDSA Ext. cor. Macapagal Avenue, Pasay City Philippines	InteractiveSports Asia Limited Inc. NCH Customer Support Services, Inc	100.0 100.0	100.0 100.0
Porcelanowa 8, 40-246 Katowice, Poland	BetSys Poland Sp. Z.o.o. STS Holdings S.A. STS S.A.	50.0 67.5 67.5	– – –
Ul. Taneczna 18A, 02-829 Warsaw Poland	bwin Poland S.A.	100.0	100.0
Praceta António Gedeão, 1 B, Paiões, 2635 – 002 Sintra, Portugal	Infield – Serviços de Consultoria Marketing Unipessoal LDA.	100.0	100.0
Avenida D João II, Lote 1.07.2.1, 5ªA, Parque das Nações 1990-096 Lisbon, Portugal	Gobet Entretenimento SA ³ Entain Operations Portugal SA	100.0 100.0	100.0 100.0
1 Harbourfront Avenue, Keppel Bay Tower 14-03/07, 098632 Singapore	Cozy Games Pte Limited Florent Pte Limited	100.0 100.0	100.0 100.0
Calle Amador de los Ríos nº1, 6 planta 28010 Madrid, Spain	bwin Interactive Marketing Espana S.L.	100.0	100.0
Calle Josep Plá, número 2, planta 5ªD Edificio Torre Diagonal Litoral, 08019 Barcelona, Spain	Entain Services Iberia S.l.	100.0	100.0
Castello 82 4 IZQ, 28006 Madrid, Spain	Ladbrokes Betting and Gaming Spain, S.A.	100.0	100.0

34 Related party disclosures (continued)

Registered address	Company	% equity interest	
		2023	2022
Calle Real Numero 74, 51001 Ceuta, Spain	Electraworks (Ceuta) S.A.	100.0	100.0
Avenida de Fuencarral 44, Edificio Tribeca 1 Modulo B, CP 28108 Alcobendas Madrid, Spain	Winners Apuestas SA	100.0	100.0
Cl Conde de Aranda 20, 28001 Madrid, Spain	Sportinbet Spain S.A.	100.0	100.0
San Justo Desvern, calle de la Constitución 1, 5º planta, local 3, 08960, Barcelona, Spain	Atlantic Version 2014 SLU	100.0	100.0
Suite 4 Constantia House, Steenbert Office Park, Constantia, 7800 South Africa	SBT Software Operations (SA) (Pty)	100.0	100.0
24A 18th Street, Menlo Park, Pretoria, 0081 South Africa	Ladbrokes (SA) (Pty) Limited	100.0	60.0
Office 519, Spaces, Dock Road Junction, Corner of Stanley & Dock Road, Waterfront, Cape Town, 8001, South Africa	Wave SA (Pty) Limited	85.0	100.0
Stora Gatan 46, Sigtuna Kommun, 19330, Sweden	Enlabs AB ⁴	100.0	100.0
	Entraction AB	100.0	100.0
	Score24 AB ³	100.0	100.0
Royal Park Serviced Office, Frosundaviks alle 15, 15903 Solna, Sweden	Scout Gaming AB ³	100.0	100.0
c/o The Corporation Trust Company, 1209 Orange Street, Country of New Castle, Wilmington DE 19891, United States	GVC Finance LLC ¹	100.0	100.0
	GVC Holdings (USA) Inc	100.0	100.0
	Ladbrokes Holdco. Inc. ⁴	100.0	100.0
7251 Amigo Strees, Suite 100, Las Vegas NV 89119, United States	Stadium Technology Group, LLC ³	100.0	100.0
1013 Centre Road, Suite 403-B, Wilmington DE 19805, United Estates	Angstrom Sports Inc	100.0	-
4445 Corporation Ln Ste 264, Virginia Beach VA 23462-3262, United States	Angstrom Sports Virginia LLC	100.0	-
Five Greentree Centre, 525 Route 72 North, STE 104 Marlton, New Jersey 08053, United States	Angstrom Sports NJ LLC	100.0	-
701 S.Carson Street, Suite 200, Carson City, NV 90801, United States	bwin.party (USA) Inc	100.0	100.0
	bwin.party entertainment (NJ) LLC	100.0	90.0
	bwin.party services (NJ) Inc	100.0	100.0
	Ladbrokes Subco LLC	100.0	100.0
c/o Saiber LLC, 18 Columbia Turnpike, Suite 200, Florham Park, New Jersey, United States	The Entain Foundation US, Inc	100.0	100.0
2 Mykoly Solovtsova St, Office 38/1 01014 Kyiv, Ukraine	Entain (Ukraine) LLC	100.0	100.0
Office 13, 39 Dzhona Makkeina, Steer 01042 Kyiv, Ukraine	LLC Bwin	100.0	100.0
Dr Luis Bonavita, 1294, Torre 2 WTC Free Zone, Oficina 631, Montevideo, Uruguay	Gomifer S.A.	100.0	100.0
34972 Longacres, Lusaka Lusaka Province, Zambia	Wave Digital Zambia Limited	100.0	100.0

1. Company that is directly owned by Entain plc.

2. Company that forms part of the Group as at 31 December 2023 and which, principally affected the Group's reported results for the year.

3. Trading entity engaged in activity associated with betting and gaming.

4. Holding company.

5. Dormant company.

34 Related party disclosures (continued)

Joint ventures

Registered address	Company	% equity interest	
		2023	2022
Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, United States	BetMGM, LLC	50.0	50.0

Associates

Country of incorporation	Company	% equity interest	
		2023	2022
China	Asia Gaming Technologies (Beijing) Co., Ltd ¹	49.0	49.0
	Asia Gaming Technologies Limited	49.0	49.0
Germany	bwin E.K. Neugersdorf	50.0	50.0
Belgium	Gran Casino de Dinant SA	20.0	20.0
	Infiniti Casino Oostende NV	20.0	20.0
	Leaderbet NV	20.0	20.0
	Professional Gaming Services SRL/BV	19.0	19.0
United Kingdom	Draw & Code Limited	40.0	40.0
	Games For Good Causes PLC	36.3	36.3
	Sports Information Services (Holdings) Limited	23.4	23.4

1. Subsidiary of Asia Gaming Technologies Limited.

35 Non-controlling interests

The principal non-controlling interests at 31 December 2023 held investments in Entain Holdings (CEE) Limited (32.5%). Details of the business combinations resulting in the recognition of these non-controlling interests are set out in Note 32.

The total assets relating to subsidiaries with a non-controlling interest were £2,024.0m (2022: £1,237.9m) of which there were related liabilities of £412.2m (2022: £512.5m).

The loss attributable to non-controlling interests was £7.9m (2022: loss of £4.7m).

The balance attributable to non-controlling interest is disclosed in the table below:

	Total £m
As at January 2022	1.4
Profit attributable to non-controlling interests	(4.7)
Business combinations	178.9
Purchase of non-controlling interests	2.1
Foreign exchange	6.1
As at January 2023	183.8
Profit attributable to non-controlling interests – underlying items	35.0
Separately disclosed items attributable to non-controlling interests	(42.9)
Dividends paid	(7.4)
Minority interest contribution to SuperSport earnout (Note 32)	42.6
Minority interest in STS acquisition (Note 32)	313.5
Other	(6.2)
Foreign exchange	6.3
As at 31 December 2023	524.7

36 Subsequent events

On 1 March 2024, the Group raised an additional £300m of borrowings under a bank loan facility and used the proceeds to repay all amounts drawn under the Group's revolving credit facility. On 1 March 2024, the commitments available under the Group's revolving credit facility (disclosed in Note 23) were increased by £45m further increasing the Group's available liquidity. Following these transactions, the Group's revolving credit facility had total commitments of £635m which, as at 1 March 2024 was completely undrawn save £5m carved out for letters of credit and guarantees.

Company
income statement
for the year ended
31 December 2023

	Note	2023 £m	2022 £m
Other operating income		13.0	18.7
Dividends received		–	150.0
Operating expense		(22.7)	(17.3)
Operating (loss)/profit before separately disclosed items	6	(9.7)	151.4
Administrative costs – separately disclosed items	7	(645.5)	(13.1)
(Loss)/profit before tax and net finance expense		(655.2)	138.3
Finance expense	8	(88.6)	(104.1)
Finance income	8	90.1	12.2
(Losses)/gains arising from change in fair value of financial instruments	8	(75.7)	86.7
Losses arising from foreign exchange on debt instruments	8	(0.1)	(1.6)
(Loss)/profit before tax		(729.5)	131.5
Income tax	9	–	(0.2)
(Loss)/profit for the year		(729.5)	131.3

All items included above relate to continuing operations.

There were no other items of comprehensive income in the year.

The notes on pages 218 to 222 are an integral part of these financial statements.

(Company number 4685V)

	Note	2023 £m	2022 £m
Assets			
Non-current assets			
Investments	11	5,635.2	4,845.6
Trade and other receivables	12	297.9	633.3
Interest-bearing loans and borrowings		7.0	5.0
		5,940.1	5,483.9
Current assets			
Trade and other receivables	12	371.3	145.3
Interest-bearing loans and borrowings		0.1	–
Derivative financial assets		33.4	96.2
Cash and cash equivalents		0.1	0.1
		404.9	241.6
Total assets		6,345.0	5,725.5
Liabilities			
Current liabilities			
Trade and other payables	13	(202.1)	(1,135.5)
Interest-bearing loans and borrowings		(0.4)	–
		(202.5)	(1,135.5)
Net current assets/(liabilities)		202.4	(893.9)
Non-current liabilities			
Trade and other payables	13	(2,411.6)	(651.3)
Other financial liabilities	13	(15.2)	–
		(2,426.8)	(651.3)
Net assets		3,715.7	3,938.7
Shareholders' equity			
Called up share capital	16	5.2	4.8
Share premium account		1,796.7	1,207.3
Merger reserve		2,527.4	2,527.4
Retained earnings		(613.6)	199.2
Total shareholders' equity		3,715.7	3,938.7

Under the Companies Act 2006 section 49 (Isle of Man), the Directors are satisfied that the Company satisfies the solvency test for distributions to be made.

The notes on pages 218 to 222 are an integral part of these financial statements.

The financial statements on pages 215 to 222 were approved by the Board of Directors on 7 March 2024 and signed on its behalf by

S David
Interim Chief Executive Officer

RM Wood
Deputy Chief Executive Officer/Chief Financial Officer

Company statement
of changes in equity
for the year ended
31 December 2023

	Called up share capital £m	Share premium account £m	Merger reserve account £m	Retained earnings £m	Total £m
At January 2022	4.8	1,207.3	2,527.4	99.6	3,839.1
Profit for the year	–	–	–	131.3	131.3
Total comprehensive income	–	–	–	131.3	131.3
Share-based payments charge	–	–	–	18.3	18.3
Equity dividends	–	–	–	(50.0)	(50.0)
At 31 December 2022	4.8	1,207.3	2,527.4	199.2	3,938.7
Loss for the year	–	–	–	(729.5)	(729.5)
Total comprehensive expense	–	–	–	(729.5)	(729.5)
Issue of shares (Note 16)	0.4	589.4	–	–	589.8
Share-based payments charge	–	–	–	23.6	23.6
Equity dividends	–	–	–	(106.9)	(106.9)
At 31 December 2023	5.2	1,796.7	2,527.4	(613.6)	3,715.7

The notes on pages 218 to 222 form an integral part of these financial statements.

1 General information

Entain plc ("the Company") is a limited company incorporated and domiciled in the Isle of Man. 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 2023 were authorised for issue in accordance with a resolution of the Directors on 7 March 2024.

The Company has taken advantage of the exemption from preparing a cash flow statement under paragraph 8(g) of the disclosure exemptions from UK-adopted IFRS for qualifying entities included in Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The Entain plc consolidated financial statements for the year ended 31 December 2023 contain a consolidated statement of cash flows.

The Company is exempt under paragraph 8(k) of the disclosure exemptions from UK-adopted IFRS included in FRS 101 for qualifying entities from disclosing related party transactions with entities that form part of the Entain plc Group of which Entain plc is the ultimate parent undertaking.

The Company's financial statements are presented in Pounds Sterling (£). All values are in millions (£m) rounded to one decimal place except where otherwise indicated. The Company's financial statements are individual entity financial statements.

2 Basis of preparation

These financial statements were prepared in accordance with FRS 101 and Isle of Man Companies Act 2006. The financial statements are prepared on a going concern basis under the historical cost convention except for certain financial liabilities measured at fair value. For details on the going concern considerations made, see Note 2 of the consolidated financial statements.

The accounting policies which follow in Note 3 set out those policies which apply in preparing the financial statements for the year ended 31 December 2023 and have been applied consistently to all years presented.

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

- (a) IFRS 2 Share-based Payments;
- (b) IFRS 3 Business Combinations;
- (c) IFRS 5 Non-current Assets Held for Sale;
- (d) IFRS 7 Financial Instruments: Disclosure;
- (e) IFRS 13 Fair Value Measurement;
- (f) IFRS 15 Revenue from Contracts with Customers;
- (g) IFRS 16 Leases;
- (h) IAS 1 Presentation of Financial Statements;
- (i) IAS 7 Statement of Cash Flows;
- (j) IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (k) IAS 16 Property, Plant and Equipment;
- (l) IAS 24 Related party transactions;
- (m) IAS 36 Impairment of Assets.

3 Summary of significant accounting policies

Investments

Investments comprise interests in subsidiary companies and are held as non-current assets stated at cost less provision for impairment. The values used in any impairment review are based on the same principles and methods as described in the Group accounting policies and in Note 14 of the consolidated financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The Company assesses these investments for impairment wherever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of the recoverable amount. If the recoverable amount is less than the value of the investment, the investment is considered to be impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in the income statement.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet consist of cash at banks and in hand, short-term deposits with an original maturity of less than three months.

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 either financial assets at fair value or loans and receivables. Financial assets 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 remeasured and gains and losses from changes therein are recognised in the income statement.

3 Summary of significant accounting policies (continued)

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.

Financial liabilities

Financial liabilities comprise predominantly amounts due to other Group companies. On initial recognition, financial liabilities are measured at fair value plus transaction costs where they are not categorised as financial liabilities 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 remeasured and gains and losses from changes therein are recognised in the income statement.

Derecognition of financial assets and liabilities

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

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

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

Derivative financial instruments

The Group policy and disclosure of financial risk are set out in Notes 4.3 and Note 25 of the consolidated financial statements.

Current and deferred income tax

The Company is tax resident in the United Kingdom.

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is recognised using the tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are only recognised to the extent it is probable that there will be suitable taxable profits from which they can be recovered.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax's assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. Deferred tax balances are not discounted.

Foreign currency translation

Transactions in foreign currencies are initially recorded in Pounds Sterling (£) at the foreign currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into Pounds Sterling (£) at the rates of exchange ruling at the balance sheet date (the closing rate).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

Dividends

Final dividends proposed by the Board of Directors and unpaid at the year end are not recognised in the financial statements until they have been approved by shareholders at the Annual General Meeting. Interim dividends are recognised when paid.

Equity instruments

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

Share-based payments

The cost of equity settled transactions with employees is measured by reference to the fair value at the date on which they are granted (see Note 31 of the consolidated financial statements for further details).

3 Summary of significant accounting policies (continued)

Separately disclosed items

To assist in understanding its underlying performance, the Company has defined the following items of pre-tax income and expense as separately disclosed items as they reflect items which are exceptional in nature or size.

The separate disclosure of these items allows a clearer understanding of the trading performance on a consistent and comparable basis, together with an understanding of the effect of non-recurring or large individual transactions upon the overall profitability of the Company.

The separately disclosed items have been included within the appropriate classifications in the income statement. Further details are given in Note 7.

Finance expense and income

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

4 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make assumptions, estimates and judgements that affect the amounts reported as assets and liabilities as at the balance sheet date and the amounts reported as revenues and expenses during the year. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future may differ from those reported. Judgement applied to separately disclosed items is set out in the Note 4.2 of the consolidated financial statements.

5 Future accounting developments

The standards and interpretations that are issued, but not yet effective, excluding those relating to annual improvements, are not expected to have a material impact on the parent Company financial statements. The Company intends to adopt these standards, if applicable, when they become effective as set out in the Note 4.4 of the consolidated financial statements.

6 Operating profit before separately disclosed items

This is stated after crediting/(charging):

	2023 £m	2022 £m
Management fees	13.0	18.7
Audit fees	(0.6)	(0.6)

7 Separately disclosed items

	2023 £m	2022 £m
Legal and onerous contract costs	54.7	0.6
Corporate transaction costs	5.8	12.5
Legal settlement (see Note 6 and Note 20 of the consolidated financial statements)	585.0	–
	645.5	13.1

8 Finance expense and income

	2023 £m	2022 £m
Loan interest income	38.7	12.2
Gains arising from change in fair value of financial instruments	–	86.7
Intercompany foreign exchange gain	51.4	–
Total finance income	90.1	98.9
Intercompany interest expense	(82.3)	(3.5)
Intercompany foreign exchange loss	–	(98.4)
Losses arising from change in fair value of financial instruments	(75.7)	–
Losses arising from foreign exchange on debt instruments	(0.1)	(1.6)
Loan interest expense	(6.3)	(2.2)
Net finance expense	(74.3)	(6.8)

The Group manages currency exposure through a number of derivative financial instruments, some of which are taken out in the name of Entain plc as well as other Group companies. The financial instruments taken out in the name of Entain plc are used to swap the foreign exchange risk on intercompany loans, which are back-to-back with the Group's external debt held in other Group companies. The net change in fair value of financial instruments during the year was £75.7m (2022: £86.7m).

9 Income tax

The tax charge for the year presented is £nil (2022: tax credit of £0.2m).

A reconciliation of income tax applicable to loss (2022: profit) before tax at the UK statutory income tax rate to the income tax for the years ended 31 December 2023 and 31 December 2022 is as follows:

	2023 £m	2022 £m
(Loss)/profit before tax	(729.5)	131.5
Corporate tax (credit)/charge thereon at 23.52% (2022: 19.00%)	(171.4)	25.0
Adjusted for the effects of:		
– Non-taxable income	–	(28.5)
– Non-deductible expenses	14.4	5.2
– Non-deductible legal settlement	137.6	–
– Group relief surrendered/(claimed)	19.4	(1.7)
– Overseas tax charge/(credit)	–	0.2
Income tax charge	–	0.2

There is no deferred tax present on the balance sheet for either periods presented.

10 Dividends

Please see Note 11 of the consolidated financial statements.

11 Investments

	Total £m
Cost and net book value	
At 1 January 2022	4,372.1
Additions	473.5
At 31 December 2022	4,845.6
Cost and net book value	
At 1 January 2023	4,845.6
Additions	789.6
At 31 December 2023	5,635.2

Subsidiaries and other related entities are listed in Note 34 of the consolidated financial statements.

Additions in the year predominantly relate to additional equity subscribed for in subsidiary companies.

12 Trade and other receivables

	2023 £m	2022 £m
Amounts due from Group companies	666.6	770.3
Other debtors	1.2	5.6
Prepayments	1.4	2.7
	669.2	778.6

Amounts of £297.9m (2022: £633.3m) are not expected to be called upon within the next 12 months following the approval of these financial statements and have therefore been classified as non-current assets within the balance sheet.

Other amounts owed by other Group undertakings are included under amounts falling due within one year as they are repayable on demand, unsecured, and accumulate interest in a range between 0% and 4% plus IBOR.

The expected credit losses arising from receivables are not considered to be significant.

13 Trade and other payables

	2023 £m	2022 £m
Current		
Amounts due to Group companies	-	1,131.0
Other payables	202.1	4.5
	202.1	1,135.5
Non-current		
Amounts due to Group companies	1,977.8	651.3
Other payables	433.8	-
	2,411.6	651.3

Amounts owed to certain Group undertakings are included under amounts falling due within one year as they are repayable on demand, unsecured, and accumulate interest in a range between 0% and 4% plus IBOR.

Other payables include the HMRC settlement liability (see Note 20 of the consolidated financial statements).

14 Interest-bearing loans and borrowings

The Company has prepaid costs of £7.0m (2022: £5.0m) in respect of committed bank facilities.

The Company is part of the revolving credit facility. As at 31 December 2023 there were £515.0m (2022: £515.0m) of committed bank facilities of which £295.0m (2022: £nil) were drawn down by the Company and £5.2m (2022: £52.1m) of facilities which have been utilised for letters of credit. Fees incurred by the Company in the year relating to the undrawn facility were £2.3m (2022: £3.2m).

15 Financial risk management objectives and policies

The financial risk management objectives and policies applied by the Company are in line with those of the Group as disclosed in Note 25 of the consolidated financial statements.

16 Called-up share capital

Details of the share capital of the Company are given in Note 28 of the consolidated financial statements.

17 Contingent liabilities and guarantees

Contingent liabilities

Refer to Note 33 of the Group 2023 Annual Report.

Guarantees

The Company has entered into financial guarantee contracts to guarantee indebtedness held on the balance sheets of Group undertakings amounting to £3,038.8m (2022: £2,689.1m).

The Company has also guaranteed derivative agreements of Group undertakings, of which those in a net liability at the reporting date total £119.0m (2022: £102.5m).

The company has payables of £613.5m (2022: £651.3m) to the group subsidiary which is the principal external borrower and £1,001.0m (2022: £496.0m) to the subsidiary with a net liability on its derivatives. Consequently, no additional liability has been recognised in respect of the financial guarantee contracts noted above.

The likelihood of the above items being called upon is considered remote.

18 Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly-owned subsidiaries. See Note 34 of the consolidated financial statements for disclosure of remuneration of key management personnel.

19 Subsequent events

For details of subsequent events affecting the Company, see Note 36 of the consolidated financial statements.

Definition of terms

AAMS	Automated accounts management systems
Adjusted fully diluted EPS cents	Fully diluted earnings per share based on adjusted PBT
Adjusted PBT	Profit before exceptional items, amortisation associated with acquisition, dividends from previously sold businesses
AML	Anti-Money-Laundering
ARC™	Advanced Responsibility and Care™, the Group's safer betting and gaming technology programme
B2B	Business-to-business
B2C	Business-to-consumer
BI	Business intelligence
CAGR	Compound annual growth rate
CC	Constant currency
CGUs	Cash-generating units
CMS	Customer marketing services
Constant currency basis	Each month in the prior period re-translated at the current period's exchange rate
Contribution	Revenue less betting taxes, payment service provider fees, software royalties, affiliate commissions, revenue share and marketing costs
Contribution margin	Contribution as a percentage of NGR
CRM	Customer relationship management
CS	Customer services
DE&I	Diversity, Equality and Inclusion
DPA	Deferred Prosecution Agreement the Group reached with the Crown Prosecution Service December 2023.
DTR	Disclosure and transparency rules
EPS	Earnings per share
ESG	Environmental, social and governance
GGY	Gross gaming revenue
GHG	Greenhouse gas
GVC/GVC Holdings PLC	The Group's former name before becoming Entain plc in December 2021
H2GC	H2 Gambling Capital – independent providers of betting and gaming market data and estimates
IA	Internal audit and risk management
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IOT	Internet of things
KPIs	Key performance indicators
KYC	Know your customer – customer verification tools
Ladbrokes Coral	Ladbrokes Coral Group Plc
LTIP	Long-term incentive plan
MIP	Management incentive plan
Net debt	Cash and cash equivalents (including amounts recorded as assets in disposal groups classified as held for sale), less customer liabilities less interest-bearing loans and borrowings
Net Gaming Revenue ("NGR")	Revenue before deducting VAT
NGR YTD	Net Gaming Revenue in the year to date
RET	Research, education and treatment associated with responsible gambling
Revenue	Net Gaming Revenue less VAT (imposed by certain EU jurisdictions on either sports or gaming revenue)
RMG	Real money gaming
SASW	Single Account Single Wallet functionality, enabling BetMGM customers with cross-state-access to their accounts.
Sports Gross Win Margin	Sports wagers less payouts
Sports Gross Win Margin %	Sports Gross Win Margin divided by Sports wagers
Sports Net Gaming Revenue ("Sports NGR")	Sports Gross Win Margin less free bets and promotional bonuses
Sports Wagers	Gross bets placed by customers on sporting events
TCFD	Taskforce for Climate-related Financial Disclosures
Underlying EBITDA	Stated pre separately disclosed items

Annual General Meeting

The Company's 2024 AGM will be held on Wednesday 24 April 2024 at 10:00am (BST) at etc. venues, 200 Aldersgate, London EC1A 4HD. Details of each resolution to be considered at the meeting and voting instructions are in the Notice of Meeting which is available on the Company's website at www.entaingroup.com. The voting results of the 2024 AGM will be available on the Company's website at www.entaingroup.com shortly after the meeting.

Communications

Information about the Company, including financial results and details of the current share price, is available on the website, www.entaingroup.com.

Shareholding contacts

For any queries regarding your shareholding, please contact our Registrar, Link Asset Services.

Share fraud warning

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. While high profits are promised, if you buy or sell shares in this way you will probably lose your money. Should you receive any unsolicited calls or documents to this effect, you are advised not to give out any personal details or to hand over any money without ensuring that the organisation is authorised by the UK Financial Conduct Authority ("FCA") and undertaking further research.

If you are unsure or you think you have been targeted, you should report the organisation to the FCA. For further information, please visit the FCA's website at www.fca.org.uk, email consumer.queries@fca.org.uk or call the FCA consumer helpline on 0800 111 6768 (freephone), 0300 500 8082 (from the UK) or +44 20 7066 1000 (if calling from outside the UK).