

# **Annual Report and Financial Statements**

*Coral (Holdings) Limited*

**For the year ended 31 December 2021**

# Coral (Holdings) Limited

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## DIRECTORS AND ADVISORS

### **DIRECTORS**

S Smith  
C Sutters  
A Hicks  
A Lewis

### **COMPANY SECRETARY**

Ladbrokes Coral Corporate Secretaries Limited

### **INDEPENDENT AUDITOR**

KPMG LLP  
St Nicholas House  
Park Row  
Nottingham  
NG1 6FQ

### **REGISTERED OFFICE**

3rd Floor  
One New Change  
London  
EC4M 9AF

# Coral (Holdings) Limited

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## STRATEGIC REPORT

for the year ended 31 December 2021

The directors present their strategic report on Coral (Holdings) Limited for the year ended 31 December 2021.

### RESULTS AND DIVIDENDS

The profit for the financial year, amounted to £28,657,000 (2020: £10,000,000). No dividends have been paid or proposed (2020: £nil).

### PRINCIPAL ACTIVITIES REVIEW OF BUSINESS

The company is a holding company within the Entain plc group.

The profit for the year of £28,657,000 relates to a dividend received from the Company's subsidiary Eurobet Holding SRL of £29,237,000, interest receivable from another group company and other costs of £1,754,000. The prior year profit of £10,000,000 related to a dividend received of £8,917,000 and interest receivable from another group company.

### PRINCIPAL RISKS AND UNCERTAINTIES

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

The Company has no other significant risks or uncertainties other than those that arise from being a part of the Entain plc. The significant risks or uncertainties, including the Company's exposure to financial risk management are dealt with on pages 81 to 85 presented in the Annual Report 2021 of Entain plc.

### SECTION 172 STATEMENT

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

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

- Defining and establishing purpose and strategy including, where relevant, having regard to the purpose, strategy, culture and values defined by Entain plc.;
- Monitoring the potential significant operational challenges presented by the COVID-19 pandemic, having regard to the company's safe and reliable operations; and
- Assessing the principal and emerging risks relevant to the company.

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

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

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

STRATEGIC REPORT (CONTINUED)  
for the year ended 31 December 2021

**SECTION 172 STATEMENT (CONTINUED)**

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

**EVENTS SINCE THE BALANCE SHEET DATE**

The Company has evaluated subsequent events for the period from 31 December 2021 to the date of signing of which there are considered to be none.

On behalf of the board



S Smith  
Director  
28 September 2022

# Coral (Holdings) Limited

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## DIRECTORS' REPORT for the period ended 31 December 2021

The directors present their annual report and audited financial statements for the year ended 31 December 2021. The prior year reported was for the year ended 31 December 2020.

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

### **DIRECTORS**

S Smith  
C Sutters  
A Hicks  
A Lewis

### **COMPANY SECRETARY**

Ladbroke's Coral Corporate Secretaries Limited

### **FUTURE DEVELOPMENTS**

The directors do not propose any change to the Company or its principal activity in the forthcoming year.

### **FINANCIAL RISK MANAGEMENT**

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

### **DIRECTORS' AND OFFICERS' INDEMNITIES AND INSURANCE**

Entain plc maintains a qualifying (as defined by law) directors' and officers' liability insurance. The above named directors have received an indemnity from the group to the extent permitted by law throughout the period and up to the date of signing this report. Neither the indemnity nor the insurance will provide cover in situations where a director has acted fraudulently or dishonestly.

### **POLITICAL DONATIONS**

Neither the Company nor any of its subsidiaries made any disclosable political donations or incurred any disclosable political expenditure during the year (2020: £nil).

### **STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

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

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

### **GOING CONCERN**

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

The company is a subsidiary of the Group headed by Entain plc (the Group) and consequently, the ability of the Company to continue as a going concern is based on the ability of the Group to continue as a going concern.

The Group has prepared financial forecasts comprising operating profit, balance sheet and cash flows covering the 36-month period to 2024. In preparing these forecasts, the directors have assessed the impact of the Covid-19, including the normalization of revenues against prior year periods with lockdowns. These revised forecasts indicate that the Group will remain within its present facilities and that there is sufficient covenant headroom even under the sensitised downside scenarios.

## Coral (Holdings) Limited

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### DIRECTORS' REPORT (CONTINUED) for the period ended 31 December 2021

#### **GOING CONCERN (continued)**

Entain plc has indicated its intention to continue to make available such funds as are needed by the company, until at least 30 September 2023 and for the foreseeable future. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so

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

#### **AUDITOR**

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

DIRECTORS' REPORT (CONTINUED)  
for the period ended 31 December 2021

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

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

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

On behalf of the Board



S Smith  
Director  
3rd Floor  
One New Change  
London  
EC4M 9AF  
28 September 2022

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORAL (HOLDINGS) LIMITED

## Opinion

We have audited the financial statements of Coral (Holdings) Limited ("the company") for the year ended 31 December 2021 which comprise income statement, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease their operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over 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").

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

Our conclusions based on this work:

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

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

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

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

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

- Enquiring of directors as to the company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORAL (HOLDINGS) LIMITED (CONTINUED)

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

We did not identify any additional fraud risks.

We also performed procedures including:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORAL (HOLDINGS) LIMITED (CONTINUED)

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

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

We have nothing to report in these respects.

### **Directors' responsibilities**

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

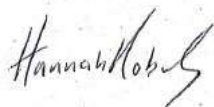
### **Auditor's responsibilities**

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

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

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

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



**Hannah Roberts** (*Senior Statutory Auditor*)  
*for and on behalf of KPMG LLP, Statutory Auditor*  
*Chartered Accountants*  
St Nicholas House  
Park Row  
Nottingham  
NG1 6FQ  
30 September 2022

Coral (Holdings) Limited

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**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2021

		31 December 2021 £000	31 December 2020 £000
Other operating income		-	61
Other operating expenses		(1,754)	-
Income from investments	5	29,237	8,917
Operating profit		<u>27,483</u>	<u>8,978</u>
Interest receivable and similar income	6	1,174	1,022
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>28,657</u>	<u>10,000</u>
Tax on profit on ordinary activities	7	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>28,657</u></u>	<u><u>10,000</u></u>

All the operations of the company are continuing.

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

The notes on pages 13 to 20 form an integral part of these financial statements.

Coral (Holdings) Limited

BALANCE SHEET  
as at 31 December 2021

		31 December 2021 £000	31 December 2020 £000
<b>FIXED ASSETS</b>			
Investments	8	354,135	354,135
<b>CURRENT ASSETS</b>			
Trade and other receivables (including £9,487,000 (2020: £57,452,000) due after more than one year)	9	86,109	57,452
<b>NET ASSETS</b>		<u>440,244</u>	<u>411,587</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	136	136
Capital contribution reserve		250,266	250,266
Profit and loss account		189,842	161,185
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>440,244</u>	<u>411,587</u>

The financial statements on pages 10 to 20 were approved by the Board of Directors on 28 September 2022 and are signed on its behalf by:



S Smith  
Director  
28 September 2022

Coral (Holdings) Limited

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STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 December 2021

	Called up Share capital £000	Capital Contribution Reserve £000	Retained Earnings £000	Total Shareholders' funds £000
At 1 January 2020	136	250,266	151,185	401,587
Profit for the financial year	-	-	10,000	10,000
At 31 December 2020	136	250,266	161,185	411,587
Profit for the financial year	-	-	28,657	28,657
At 31 December 2021	136	250,266	189,842	440,244

The notes on pages 13 to 20 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
for the period ended 31 December 2021

**1. CORPORATE INFORMATION**

Coral (Holdings) Limited (the 'Company') is a private company limited by share capital, incorporated and domiciled in the United Kingdom. The principal activities are that of a holding company within the Entain plc group, and providing finance to other group companies.

The address of its registered office and principal place of business is disclosed within directors and advisors on page 1.

**2. STATEMENT OF COMPLIANCE**

The financial statements of Coral (Holdings) Limited have been prepared in accordance with United Kingdom Accounting Standards which comply with Financial Reporting Standard 102 and the Companies Act 2006.

The financial statements cover the year ended 31 December 2021. The comparative period covers the year ended 31 December 2020.

**3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

***Basis of preparation***

These financial statements have been prepared in accordance with Financial Reporting Standard 102, under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

***Exemptions for qualifying entities under FRS 102***

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with.

The Company has taken advantage of the exemptions set out below on the basis that it is a qualifying entity since its results are included in the consolidated financial statements of Entain plc which are available from 3rd Floor, One New Change, London, EC4M 9AF.

- Preparation of a cash flow statement
- Disclosure of related party transactions with and between wholly owned subsidiaries and key management
- Disclosures relating to financial instruments.

***Critical accounting judgements and estimation uncertainty***

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

NOTES TO THE FINANCIAL STATEMENTS  
for the period ended 31 December 2021

**3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

***Key accounting estimates and assumptions***

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are addressed below.

*(i) Asset value and impairment (notes 8 and 9)*

If there is an indication that an asset is included in the balance sheet at less than its recoverable amount, an impairment review is undertaken. A value in use calculation is performed using discounted forecast future cash flows and is compared to the fair value of the asset less costs to sell. The higher of these two values is compared to the carrying value and if the recoverable amount is less than the carrying value, the impairment is recognised in the profit and loss account.

***Going concern***

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

The company is a subsidiary of the Group headed by Entain plc (the Group) and consequently, the ability of the Company to continue as a going concern is based on the ability of the Group to continue as a going concern.

The Group has prepared financial forecasts comprising operating profit, balance sheet and cash flows covering the 36-month period to 2024. In preparing these forecasts, the directors have assessed the impact of the Covid-19, including the normalization of revenues against prior year periods with lockdowns. These revised forecasts indicate that the Group will remain within its present facilities and that there is sufficient covenant headroom even under the sensitised downside scenarios.

Entain plc has indicated its intention to continue to make available such funds as are needed by the company, until at least 30 September 2023 and for the foreseeable future. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so

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

***Foreign currency***

*(i) Functional and presentation currency*

The Company's functional and presentation currency is pound sterling.

*(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange at the date of the transaction and non-monetary items measured at fair value using exchange rates when fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS  
for the period ended 31 December 2021

**3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

***Finance income***

Interest receivable is recognised on an accruals basis for interest bearing loans with group companies and is recognised in the profit and loss account.

***Borrowing costs***

Borrowing costs on interest bearing loans are recognised in the profit and loss account on an accruals basis.

***Taxation***

Taxation expense for the period comprises of current and deferred tax. Tax is recognised in the profit and loss account. Current or deferred taxation assets and liabilities are not discounted.

***(i) Current tax***

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior period. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

***(ii) Deferred income tax***

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- When the deferred tax liability arises from the initial recognition of goodwill or 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 taxable profit or loss
- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date.

Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.



NOTES TO THE FINANCIAL STATEMENTS  
for the period ended 31 December 2021

**3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

***Investments***

Investments in subsidiary companies are held at cost less accumulated impairment losses.

***Financial instruments***

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Borrowings are carried at their issue proceeds net of finance costs less amounts repaid. Finance costs are amortised over the life of the related borrowing.

***Financial assets***

Basic financial assets including loans to fellow group companies and investments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled, or substantially all the risks and rewards of the ownership of the asset are transferred to another party or control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

***Financial liabilities***

Basic financial liabilities, including loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

***Share capital***

Ordinary shares are classified as equity.

***Distributions to equity holders***

Dividends and other distributions to shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved. These amounts are recognised in the Statement of changes in equity.

***Related party transactions***

The Company discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Company's financial statements.

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NOTES TO THE FINANCIAL STATEMENTS  
for the period ended 31 December 2021

**4. DIRECTORS', AUDITOR'S AND EMPLOYEES' REMUNERATION**

The directors who have served during the period are also directors of other undertakings within the group therefore it is impracticable to split their time according to each separate entity.

The auditor's remuneration has been paid by a fellow subsidiary company. The amount in respect of the company is £2,500 (2020: £2,500).

The company does not have any employees (2020: nil). Management services are provided to the company by a fellow subsidiary company. No charge is made for these services (2020: £nil).

**5. INCOME FROM INVESTMENTS**

During the year the Company received a dividend from its investment Eurobet Holdings SRL of £29,237,000 (2020: £8,917,000).

**6. INTEREST RECEIVABLE**

	31 December 2021 £000	31 December 2020 £000
<i>Interest receivable and similar income:</i>		
Interest received from group companies	<u>1,174</u>	<u>1,022</u>
	<u>1,174</u>	<u>1,022</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the period ended 31 December 2021

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

## a) Current tax:

The company makes and receives no payment for group relief for the year (2020: £nil) and as a result the tax charge is £nil (2020: £nil).

## b) Factors affecting the current tax charge:

The tax on the loss on ordinary activities for the year differs from (2020: differs from) the average standard rate of corporation tax in the UK. The differences are reconciled below:

	31 December 2021 £000	31 December 2020 £000
Profit before taxation	28,657	10,000
	=====	=====
Profit before tax multiplied by average standard rate of corporation tax in the UK for the year of 19.00% (2020: 19.00%)	5,445	1,900
Transfer pricing adjustments	57	-
Group relief surrendered/(claimed) for nil payment	53	(206)
Income from investments	(5,555)	(1,694)
	-----	-----
Tax charge for the period	-	-
	=====	=====

## c) Change in corporation tax rate:

In the Budget on 3 March 2021 the Chancellor announced that the standard rate of UK Corporation Tax would increase from the planned 19% rate to 25% on 1 April 2023. This change was substantively enacted on 24 May 2021. Both the 19% and 25% rate have therefore been used in measuring deferred tax items, depending on the expected rate of reversal of any timing differences.

NOTES TO THE FINANCIAL STATEMENTS  
for the period ended 31 December 2021

**8. INVESTMENTS**

a) Shares in group companies

£000

**Cost and net book value:**

As at 31 December 2020 and 2021

354,135

b) Investments:

<b>Name of company</b>	<b>Nature of business</b>	<b>Place of incorporation</b>
Coral Racing Limited	Provision of leisure activities	Great Britain
Coral Stadia Limited	Provision of leisure activities	Great Britain
Romford Stadium Limited	Provision of leisure activities	Great Britain
Coral Estates Limited	Asset management company	Great Britain
Brickagent Limited	Provision of administration	Great Britain
Reuben Page Limited	Holding company	Great Britain
Coral (Stoke) Limited	Dormant company	Great Britain
C L Jennings (1995) Limited	Dormant company	Great Britain
Eurobet Italia SRL	Provision of leisure activities	Italy
Eurobet Holding SRL	Holding company	Italy
Joe Jennings Limited	Dormant company	Great Britain
Joe Jennings (1995) Limited	Dormant company	Great Britain
Lightworld Limited	Dormant company	Great Britain
Vegas Betting Limited	Dormant company	Great Britain
Chas Kendall (Turf Accountants) Limited	Dormant company	Great Britain
Bloxhams Bookmakers Limited	Dormant company	Great Britain
J G Leisure Limited	Dormant company	Great Britain
Choicebet Limited	Dormant company	Great Britain
Forster's (Bookmakers) Limited	Dormant company	Great Britain
Sports (Bookmakers) Limited	Dormant company	Great Britain
Arthur Prince (Turf Accountants) Limited	Dormant company	Great Britain
Reg. Boyle Limited	Dormant company	Great Britain
Lucky Choice Limited*	Dormant company	Great Britain

\* Owned 33.3%

Coral Racing Limited, Coral Stadia Limited, Coral Estates Limited, Brickagent Limited and Eurobet Holding SRL are directly owned by the company; all other subsidiaries are indirectly owned

All the UK subsidiaries have the registered office of 3rd Floor, One New Change, London, EC4M 9AF with all the Italian subsidiaries registered at Via Alessandro Marchetti No. 105, Rome 00148, Italy.

NOTES TO THE FINANCIAL STATEMENTS  
for the period ended 31 December 2021

**9. TRADE AND OTHER RECEIVABLES**

	31 December 2021 £000	31 December 2020 £000
Amounts owed by group companies	86,109	57,452

Amounts owed by group companies are unsecured and have no fixed date of repayment. Amounts owed by group companies bear interest at a rate linked to the group's borrowing costs.

Included within amounts owed by group undertakings is £9,487,000 which is expected to be recovered after more than one year (2020: £57,452,000).

**10. SHARE CAPITAL**

	Ordinary shares of £0.0001 each	
	Number 000	£000
<i>Allotted and fully paid:</i>		
At 31 December 2021 and at 31 December 2020	1,356,300	136

**11. ULTIMATE CONTROLLING PARTY**

The company is a subsidiary of Coral Group Trading Limited, a company incorporated in England and Wales.

The only group in which the results of Coral (Holdings) Limited are consolidated is that headed by Entain plc a company incorporated in the Isle of Man. Consolidated financial statements are available to the public and may be obtained from Entain plc, 3rd Floor, One New Change, London, EC4M 9AF.

As at 31 December 2021 the ultimate parent company and controlling party of the group was Entain plc.

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