

Annual Report and Financial Statements

Ladbrokes Trustee Company Limited

For the year ended 31 December 2021

LADBROKES TRUSTEE COMPANY LIMITED

STRATEGIC REPORT – FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their Strategic Report for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

During the year the Company acted as a vehicle to hold client monies in trust until such time as other group companies become legally entitled to those monies or those monies are required to be returned to customers upon withdrawal. Due to the limitation of activities undertaken by the Company, no key performance indicators are relevant.

PRINCIPAL RISK AND UNCERTAINTIES

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

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

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.

LADBROKES TRUSTEE COMPANY LIMITED

STRATEGIC REPORT – FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

MODERN SLAVERY

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

On behalf of the Board



R M Sandbach

Director

28 September 2022

LADBROKES TRUSTEE COMPANY LIMITED

DIRECTORS' REPORT – FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

Directors: R M Sandbach
R M Wood

Secretary : Ladbrokes Coral Corporate Secretaries Limited

Registered Office : 3rd Floor, One New Change, London, EC4M 9AF

Company Number: 03270973

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' LIABILITY INSURANCE

Entain plc maintains a qualifying (as defined by law) directors' and officers' liability insurance. The above named directors, (except for the corporate 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 AUDITOR

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

- a) so far as each director is aware, there is no relevant audit information of which the company's Auditor is unaware; and

each director has taken all the steps that they ought to have taken as director in order to make themselves aware of any relevant audit information and to establish that the company's Auditor is aware of that information

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) with the status as that of a holding company. Consequently, the ability of the Company to continue as a going concern is based on the ability of the Group to continue as a going concern.

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

LADBROKES TRUSTEE COMPANY LIMITED

DIRECTORS' REPORT – FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

GOING CONCERN (continued)

Entain plc has indicated its intention not to seek repayment of the amounts currently due to the group, which at 31 December 2021 amounted to £41,193,000 and to continue to make available such funds as are needed by the company, until at least 31 December 2021 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.

INDEPENDENT AUDITORS

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.

LADBROKES TRUSTEE COMPANY LIMITED

DIRECTORS' REPORT – FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

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

On behalf of the Board



R M Sandbach

Director

3rd Floor

One New Change

London

EC4M 9AF

28 September 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LADBROKES TRUSTEE COMPANY LIMITED

Opinion

We have audited the financial statements of Ladbrokes Trustee Company 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 4.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LADBROKES TRUSTEE COMPANY LIMITED
(continued)

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LADBROKES TRUSTEE COMPANY LIMITED
(continued)

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

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

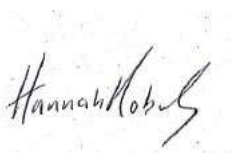
Auditor's responsibilities

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

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

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

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



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

LADBROKES TRUSTEE COMPANY LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	<u>Note</u>	<u>2021</u> <u>£'000</u>	<u>2020</u> <u>£'000</u>
Administrative income/(expenses)		8	(78)
		<hr/>	<hr/>
Profit/(loss) before taxation and finance expense	5	8	(78)
Finance income	7	-	80
Finance expense	8	(8)	(2)
		<hr/>	<hr/>
Result before taxation		-	-
Income tax expense	9	-	-
		<hr/>	<hr/>
Result for the financial year		-	-
		<hr/>	<hr/>
Attributable to:			
Equity holders of the parent		-	-
		<hr/>	<hr/>

All items dealt with in arriving at the results for the financial year relate to continuing operations.

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

The notes on pages 12 to 16 form an integral part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2021

	<u>Note</u>	<u>2021</u> £'000	<u>2020</u> £'000
Current assets			
Trade and other receivables (including £39,748,000 (2020: £36,352,000) due after more than one year)	11	39,748	36,352
Cash and cash equivalents	10	<u>1,445</u>	<u>56,334</u>
		41,193	92,686
Current liabilities			
Trade and other payables	12	(41,193)	(92,686)
		<u>-</u>	<u>-</u>
Net assets			
Shareholders' equity			
Called up share capital	13	-	-
Accumulated losses		-	-
		<u>-</u>	<u>-</u>
Total shareholders' funds			
		<u><u>-</u></u>	<u><u>-</u></u>

The financial statement on pages 9 to 16 were approved by the board of directors on 28 September 2022 and were signed on its behalf by:



R M Sandbach

Director

28 September 2022

LADBROKES TRUSTEE COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Accumulated losses	Total shareholders' equity
	£'000	£'000	£'000
As at 1 January 2020	-	-	-
Result for the financial year and total comprehensive income for the year	-	-	-
At 31 December 2020	-	-	-
Result for the financial year and total comprehensive income for the year	-	-	-
At 31 December 2021	-	-	-

The notes on pages 12 to 16 form an integral part of these financial statements.

LADBROKES TRUSTEE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2021

1. Corporate information

Ladbrokes Trustee Company Limited (‘the Company’) is a private company limited by share capital incorporated and domiciled in England and Wales within the United Kingdom. The address of its registered office and principal places of business is disclosed in the Directors’ Report.

The financial statement of the Company for the year ended 31 December 2021 were authorised to issue in accordance with a resolution of the directors.

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

2. Basis of preparation

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

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

The accounting policies which follow in note 4 set out those policies which apply in preparing the financial statements for the period ended 31 December 2021. These policies have been applied consistently other than those newly adopted in the year.

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

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

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

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

New standards and IFRIC interpretations

From 1 January 2021 the Company has not been required to adopt, for the first time, any new standards, interpretations, or amendments as there have been no new issues effective in the reporting year.

3. Key judgments and sources of estimation uncertainty

The preparation of financial information 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. In this regard, management believes that the accounting policies where judgement is necessarily applied are those that relate to the recoverable amount of non-current assets.

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 following estimates are dependent upon the assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised at the balance sheet date.

Financial assets

Financial assets are recognised when the Company becomes party to the contracts that give rise to them. The Company classifies financial assets at inception as loans and receivables, financial assets at fair value through profit or loss or available-for-sale financial assets. At 31 December 2021, the Company had only financial assets classified as loans and receivables.

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

Financial liabilities

Financial liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

The Company determines the classification of financial liabilities at initial recognition. Financial liabilities comprise of interest-bearing loans

LADBROKES TRUSTEE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2021

4. Summary of significant accounting policies

4.1 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) with the status as that of a holding company. Consequently, the ability of the Company to continue as a going concern is based on the ability of the Group to continue as a going concern.

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

Entain plc has indicated its intention not to seek repayment of the amounts currently due to the group, which at 31 December 2021 amounted to £41,193,000 and to continue to make available such funds as are needed by the company, until at least 31 December 2021 and for the foreseeable future. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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

4.2 Financial assets

Financial assets are recognised when the Company becomes party to the contracts that give rise to them. The Company classifies financial assets at inception as loans and receivables, financial assets at fair value through profit or loss or available-for-sale financial assets. At 31 December 2020, the Company had only financial assets classified as loans and receivables.

The Company's financial assets include amounts owed by group undertakings.

4.3 Financial liabilities

Financial liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

The Company determines the classification of financial liabilities at initial recognition. Financial liabilities comprise of interest-bearing loans.

5. Loss before tax and finance expense

The audit fee for the Company of £1,000 has been borne by another group company (2020: £1,000).

6. Directors and employees

The directors who have served during the year are also directors of other undertakings within the Group and spend an immaterial amount of their time on activities relating to the company. As such, none of their remuneration is considered to be for qualifying services to the company.

All operations of the Company are undertaken by employees of other group companies, and their respective emoluments have not been included in these financial statements.

7. Finance income

	<u>2021</u> £'000	<u>2020</u> £'000
Bank interest income	-	80

LADBROKES TRUSTEE COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2021****8. Finance expenses**

	<u>2021</u> £'000	<u>2020</u> £'000
Interest payable to group companies	<u>8</u>	<u>2</u>

9. Income tax expenses**a) Tax charged in the income statement****Current tax**

UK corporation tax

<u>2021</u> £'000	<u>2020</u> £'000
-	-

Deferred tax

Origination and reversal of temporary differences

Total deferred tax

-	-
-	-

Tax expense in the income statement

-	-
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b) Reconciliation of the total tax charge

A reconciliation of income tax expense applicable to result before tax at the UK statutory income rate to the income tax result for the year ended 31 December 2021 and 31 December 2020 is as follows:

	<u>2021</u> £'000	<u>2020</u> £'000
Result before tax	-	-
Result before tax multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	-	-
Total tax expense reported in the income statement	<u>-</u>	<u>-</u>

c) Changes 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 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.

d) Deferred tax

There are unrecognised deferred tax assets of £78,000 (2020: £70,000) arising due to temporary timing differences on overseas interest payments.

LADBROKES TRUSTEE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2021

10. Cash and cash equivalents

Cash is held in trust for customers and as such is considered restricted.

11. Trade and other receivables

	<u>2021</u> £'000	<u>2020</u> £'000
Amounts owed by group undertakings	<u>39,748</u>	<u>36,352</u>

Amounts owed by other group undertakings are included under amounts falling due within one year as they are repayable on demand. 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 £39,748,000 which is expected to be recovered after more than one year (2020: £36,352,000).

12. Trade and other payables

	<u>2021</u> £'000	<u>2020</u> £'000
Amounts owed to group undertakings	<u>41,193</u>	<u>92,686</u>

Amounts owed to other group undertakings are included under amounts falling due within one year as they are repayable on demand. Amounts owed to group companies bear interest at a rate linked to the group's borrowing costs.

13. Called up share capital

	<u>2021</u> £	<u>2020</u> £
Allotted, called up and fully paid:		
2 (2020: 2) ordinary shares of £1 each	<u>2</u>	<u>2</u>

14. Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

There are no other related party transactions.

15. Immediate and ultimate parent undertaking

The immediate parent undertaking of the Company is Ladbroke Dormant Holding Company Limited, a Company registered in England and Wales, and the ultimate parent undertaking at the year end was Entain plc, a Company registered in the Isle of Man. The largest and smallest group preparing consolidated financial statements which include the Company at the year end was Entain plc for the year ended 31 December 2021.

Copies of the Annual Report and Financial Statements for Entain plc can be obtained from the registered office of the company at 3rd Floor, One New Change, London, EC4M 9AF.