

Company Registration No. 03534726 (England and Wales)

Annual Report and Financial Statements

Sportingbet Limited

For the year ended 31 December 2021

Sportingbet Limited

Directors and advisors

Directors	A Lewis W Longton C Sutters S Smith
Registered office	3 rd Floor One New Change London EC4M 9AF
Company number	03534726
Statutory auditor	KPMG LLP St Nicholas House Park Row Nottingham NG1 6FQ

Sportingbet Limited

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Sportingbet Limited

Strategic Report

For the year ended 31 December 2021

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

Principal activity

The principal activity of the Company is an intermediary holding company within the Entain plc group.

Results and dividends

The Profit and loss account is set out on page 11 and shows the profit for the year. No dividends were paid or declared in the current or preceding year.

Trading review

The financial performance highlights for the year ended 31 December 2021 are as follows:

- Operating loss £453,000 (2020: £338,000 profit).
- Profit after tax of £40,484,000 (2020: £338,000 profit).
- Net assets at year-end of £315,159,000 (2020: £38,756,000).

Principal Risks and Uncertainties

The Directors consider the risks detailed below as inherent to the Company:

Economic Risk

The risk of foreign exchange losses, increased interest rates and or inflation having an adverse impact on the Group in certain markets.

Financial Risk

The Company has budgetary and financial reporting procedures, supported by appropriate key performance indicators to manage credit, liquidity, and other financial risk.

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.

S172 statement

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

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

- Defining and establishing purpose and strategy including, where relevant, having regard to the purpose, strategy, culture and values defined by Entain plc.;
- 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 interests of the company's employees.
- c. The need to foster the company's business relationships with suppliers, customers, and others.
- d. The impact of the company's operations on the community and the environment.
- e. The desire to maintain the company's reputation for high standards of business conduct.
- f. The need to act fairly between members of the company.

S172 statement (continued)

The directors also considered the interests of a wider set of stakeholders, including the companies it has provided guarantees to and for. Further information on the process behind how the Entain plc board makes decisions that affects 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 the Entain group, particularly where the impact of a decision may impact the group's reputation.

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



S Smith

Director

Company number: 03534726

28 September 2022

Sportingbet Limited

Directors' Report

For the year ended 31 December 2021

The Directors present their report and the audited financial statements for the year ended 31 December 2021 for Sportingbet Limited.

Directors

The Directors who held office during the year were:

A Lewis
W Longton
C Sutters
S Smith

Future Developments

The Company does not anticipate any changes in its activity in the forthcoming year.

Financial Risk Management

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

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

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 2023 to take account of the consequent changes in profits and net cash inflows. 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 not to seek repayment of the amounts currently due to the group, which at 31 December 2021 amounted to £11,877,000 and to continue to make available such funds as are needed by the company, until at least 31 December 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.

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).

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.

Statement of Disclosure of Information to Auditor

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

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

Independent Auditor

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

Sportingbet Limited

Directors' Report

For the year ended 31 December 2021

Directors' Responsibility Statement

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



S Smith

Director

Company number: 03534726

3rd Floor

One New Change

London

EC4M 9AF

28 September 2022

Independent auditor's report to the members of Sportingbet Limited

Opinion

We have audited the financial statements of Sportingbet 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 2.

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 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.

Independent auditor's report to the members of Sportingbet Limited

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 Sportingbet Limited

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 7, 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.

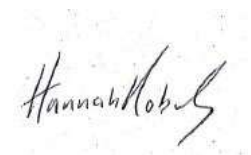
Auditor's responsibilities

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

Sportingbet Limited

Income Statement and Other Comprehensive Income

For the year ended 31 December 2021

		Year ended 31 December 2021	Year ended 31 December 2020
	Notes	£000s	£000s
Administrative income/(expense)		(453)	338
(Loss)/Profit on ordinary activities before taxation		(453)	338
Reversal of investment impairment	3	40,635	-
Profit before tax	5	40,182	338
Tax on ordinary activities	6	302	-
Profit for the financial year		40,484	338
Other comprehensive income		-	-
Total comprehensive income for the year		40,484	338

All amounts relate to continuing activities.

The notes on pages 14 to 19 form an integral part of these financial statements.

Sportingbet Limited
Balance Sheet at 31 December 2021
Company No. 03534726

		At 31 December 2021	At 31 December 2020
	Notes	£000s	£000s
Fixed Assets			
Investments	3	315,740	1,977
Current assets			
Debtors (including £11,250,000 (2020: £22,330,000) due after more than one year)	7	11,262	62,789
Cash		38	25
		<u>11,300</u>	<u>62,814</u>
Creditors: amounts falling due within one year	8	(11,882)	(26,035)
Net current (liabilities)/assets		<u>(582)</u>	<u>36,779</u>
Net Assets		<u><u>315,158</u></u>	<u><u>38,756</u></u>
Capital and reserves			
Called up share capital	9	-	667
Other reserves	10	-	62,309
Profit and loss account		315,158	(24,220)
Total shareholders' funds		<u><u>315,158</u></u>	<u><u>38,756</u></u>

The financial statements on pages 11 to 19 were approved by the Board of Directors and were signed on their behalf by:



S Smith
 Director
 28 September 2022

Sportingbet Limited
Statement of Changes in Equity
For the year ended 31 December 2021

	Note	Share capital £000s	Other reserves £000s	Profit and loss account £000s	Total £000s
Balance at 1 January 2020		667	62,309	(24,558)	38,418
Profit for the year		-	-	338	338
At 1 January 2021		667	62,309	(24,220)	38,756
<i>Total comprehensive expense for the period:</i>					
Profit for the year		-	-	40,484	40,484
<i>Transactions with owners, recorded directly in equity:</i>					
Share Capital Issue	9	235,918	-	-	235,918
Reserve transfer	10		(62,309)	62,309	-
Capital Reduction	9	(236,585)		236,585	-
At 31 December 2021		-	-	315,158	315,158

The notes on pages 14 to 19 form an integral part of these financial statements.

Sportingbet Limited

Notes to the financial statements

For the year ended 31 December 2021

1 Basis of preparation

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

As permitted under FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to the listing of new and revised standards that have not been adopted, financial instruments, fair values, presentation of a cash flow statement and related party transactions.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

Under the provision of section 400 of the Companies Act 2006, the Company is exempt from preparing consolidated financial statements and has not done so; therefore the financial statements show information about the Company as an individual entity.

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

The 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 2 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.

Sportingbet Limited

Notes to the financial statements

For the year ended 31 December 2021

2 Summary of significant accounting policies

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction.

Cash flow statement

The Company is a wholly owned subsidiary of Entain plc and is included in the consolidated financial statements of Entain plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement.

Financial instruments

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

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

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

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

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

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 2023 to take account of the consequent changes in profits and net cash inflows. 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 not to seek repayment of the amounts currently due to the group, which at 31 December 2021 amounted to £11,877,000 and to continue to make available such funds as are needed by the company, until at least 31 December 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.

Sportingbet Limited

Notes to the financial statements

For the year ended 31 December 2021

3. Investments

Investments in subsidiaries are recognised at cost less any impairment.

	Investments
	£000s
Cost	
At 1 January 2021	44,589
Additions	273,128
Disposals	(1,977)
31 December 2021	<u>315,740</u>
Impairment provision	
At 1 January 2021	42,612
Disposals	(1,977)
Reversal of impairment	(40,635)
31 December 2021	<u>-</u>
Net Book Value	
At 31 December 2020	<u>1,977</u>
At 31 December 2021	<u>315,740</u>

On 28 July 2021, the Company subscribed £273,128,000 for additional capital in Sportingbet Holdings Limited.

During the year the Company performed a review of its investments and noted that the provision for impairment is no longer required due to the subsidiary receiving a significant tax refund.

An impairment loss is recognized 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 where the investment is considered a single cash generating unit.

The Company is exempt from preparing consolidated financial statements under section 400 of the Companies Act 2006. In the opinion of the directors, the value of the subsidiary companies is not less than the amount at which they are stated in the financial statements.

Sportingbet Limited

Notes to the financial statements

For the year ended 31 December 2021

3. Investments (continued)

The following subsidiaries were wholly owned at 31 December 2021:

<u>Company</u>	<u>Country of Incorporation</u>	<u>% owned</u>	<u>Activity</u>
<i>Direct investments:</i>			
Sportingbet Holdings Limited	England	100%	Holding company
SBT Software Operations (SA) (Pty) Limited	South Africa	100%	Online betting
<i>Indirect investments:</i>			
Interactive Sports Limited	England	100%	Dormant
Sportingbet (Management Services) Limited	England	100%	Dormant
Sportingbet (IT Services) Limited	England	100%	Dormant
Sportingbet (Product Services) Limited	England	100%	Dormant
Sporting Odds Limited	England	100%	Online betting
M.L.B. Limited	Ireland	100%	IT centre
Sportingbet Spain S.A.	Spain	100%	Dormant
Interactive Sports (C.I.) Limited	Alderney	100%	Administrative services
Interactive Sports Denmark ApS	Denmark	100%	Dormant
Longfrie Limited	Guernsey	100%	Dormant
Interactive Sports Asia Limited Inc	Philippines	100%	Dormant
Scandic Bookmakers Limited	Malta	100%	Dormant
Javari Marketing Consultancy Services S.L	Spain	100%	Marketing and web design services
Bwin Latam SAS	Colombia	100%	Online betting

4. Staff Costs

The average monthly number of employees (including Directors) during the year was:

	2021	2020
Board	3	3

Directors are remunerated through other group entities.

5. Operating profit

The operating profit is stated after charging/(crediting):

	2021	2020
	£000s	£000s
Foreign exchange loss/(gain)	405	(390)
Auditor's remuneration	5	5

Sportingbet Limited

Notes to the financial statements

For the year ended 31 December 2021

6. Taxation

	2021	2020
	£000s	£000s
Current taxation credit	(302)	-
	(302)	-

The tax credit for the year is different from that which would result from applying the standard rate of corporation tax of 19% (2020: 19.00%). A reconciliation is shown below:

	2021	2020
	£000s	£000s
Profit before tax	40,182	338
Profit on ordinary activities multiplied by standard rate of corporation tax of 19.00% (2020: 19.00%)	7,635	64
Reversal of investment impairment	(7,721)	-
Group relief (claimed)/surrendered for nil consideration	74	(64)
Expenses not deductible for tax purposes	12	-
Adjustment in respect of prior years – current tax	(302)	-
Tax credit	(302)	-

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 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.

7. Debtors

	2021	2020
	£000s	£000s
Amounts owed by group undertakings	11,249	62,725
Vat receivable	-	64
Corporation tax	13	-
	11,262	62,789

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

Included within amounts owed by group undertakings is £11,250,000 which is expected to be recovered after more than one year (2020: £22,330,000).

8. Creditors: amounts falling due within one year

	2021	2020
	£000s	£000s
Amounts owed to group undertakings	11,877	25,729
Corporation tax	-	301
Accruals	5	5
	11,882	25,035

Sportingbet Limited
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For the year ended 31 December 2021

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

9. Share capital

	2021	2020
	£000s	£000s
Authorised		
100m ordinary shares at 0.1p each	-	1,000
Allotted, called up and fully paid	-	667

On 28 July 2021 the Company issued an additional 235,918,366,000 shares to its parent company, Entain Holdings (UK) Limited, for proceeds of £235,918,366. Subsequently the Company cancelled and extinguished all but 1,000 of its issued ordinary shares resulting in a transfer to retained earnings of £236,585,650.

10. Other reserves

Other reserves represented merger reserves under the Companies Act 2006. These reserves became realised profits when the business to which they related was sold in the year ended 31 December 2013.

11. Related party transactions

The Company has taken advantage of exemptions under FRS 101 “Reduced Disclosure Framework” not to disclose transactions between group companies which are 100% owned. Amounts owed by and to related parties are disclosed in notes 7 and 8 respectively.

12. Ultimate parent undertaking

The immediate parent undertaking and ultimate controlling party is Entain plc, a company incorporated in The Isle of Man. Copies of the financial statements of Entain plc can be obtained from the Company Secretary at the Company’s registered office at 32 Athol Street, Douglas, Isle of Man, IM1 1JB or from the Investor Relations section of the Company’s website at <https://entaingroup.com/investor-relations/financial-reports/>