

**Annual Report and
Financial Statements**
Ladbroke US Investments Limited

For the year ended 31 December 2020

LADBROKE US INVESTMENTS LIMITED (Company Number 616561)

DIRECTORS AND ADVISORS

DIRECTORS

C Sutters

S Smith

COMPANY SECRETARY

Ladbrokes Coral Corporate Secretaries Limited

REGISTERED COMPANY NUMBER

00616561

INDEPENDENT AUDITOR

KPMG LLP

Chartered Accountants and Statutory Auditor

15 Canada Square

London

E14 5GL

REGISTERED OFFICE

3rd Floor

One New Change

London

EC4M 9AF

Strategic Report for the year ended 31 December 2020

The directors present their Strategic Report for the year ended 31 December 2020.

Principal activities and business developments

The Company acts as an investment holding company for Entain plc subsidiaries. There have been no changes in the Company's activity during the year.

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

	2020 £'000	2019 £'000
Profit before tax	11,221	10,928
Amounts owed by group undertakings	501,690	522,235
Total shareholders' funds	1,244,935	1,236,895

Due to the limited activities undertaken by the Company, no other key performance indicators are relevant.

Principal risks and uncertainties

Entain plc reviews and evaluates key risks and uncertainties faced by the group as part of the divisional 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's principal risks arise from the carrying value of investments, and interest rates, which affect the balances with other group companies and interest due on those balances.

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 and those arising from Brexit are dealt with on pages 72 to 75 presented in the Annual Report 2020 of Entain plc.

SECTION 172 STATEMENT

In performing their duties under the Companies Act 2006 the Board are required to describe how they have had regard to the matters set out in section 172(1)(a) to (f).

When making decisions throughout the year the directors have taken into consideration, and had regard to, the Company's shareholders, stakeholders, business relationships, reputation for high standards, the community and environment and the impact of the Board's decision making on the long term success of the business.

The Company is a wholly owned subsidiary of Entain plc and therefore the directors have also considered the wider context in which the Company operates to adhere to the high standards of professionalism, culture, values, ethics, strategy and environmental and social responsibility set by the GVC group.

In discharging their duties under section 172 the directors have access to the full resource, assistance, support and guidance offered by the GVC group and are committed to driving further improvements in shareholder and stakeholder engagement.

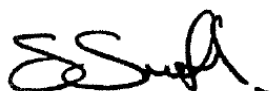
The Company has no employees or direct customers.

The 2020 annual report and accounts for Entain plc can be found here: <https://gvc-plc.com/wp-content/uploads/2020/04/GVC-2019-Annual-Report-and-Accounts.pdf>

Financial position

As at 31 December 2020, the company had net assets of £1,244,935,000 (2019: £1,236,895,000).

On behalf of the Board



S Smith
Director
15 December 2021

Directors' Report 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:

Directors:	C Sutters S J Smith
Secretary:	Ladbrokes Coral Corporate Secretaries Limited
Registered Office:	3 rd Floor, One New Change, London, EC4M 9AF

The directors present their Directors' Report and the Company's audited financial statements for the year ended 31 December 2020. Comparative information is presented for the year ended 31 December 2019.

Results and dividends

The financial statements show a profit for the financial year of £8,040,000 (2019: £15,001,000).

The directors do not recommend payment of a dividend (2019: £nil).

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 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 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.

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.

Future developments

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

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.

Directors' Report for the year ended 31 December 2020 (continued)

Independent auditor

KPMG LLP was appointed as auditor during the year. Pursuant to Section 487 of the Companies Act 2006, KPMG LLP will be deemed to be reappointed and will therefore continue in office.

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/>.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' 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;
- 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
15 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LADBROKE US INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Ladbroke US Investments Limited ("the company") for the year ended 31 December 2020 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the Entain plc's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

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, and the risk of bias in accounting estimates and judgements such as provisions for impairment. 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 AUDITOR'S REPORT TO THE MEMBERS OF LADBROKE US INVESTMENTS LIMITED
(continued)**

We performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included: unusual revenue pairings; unusual journals with a credit or debit to entry to cash; and, unusual journals in seldom used pairings.
- Evaluated the business purpose of significant unusual transactions.
- Assessing significant accounting estimates for bias.

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 (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

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.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

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

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LADBROKE US INVESTMENTS LIMITED
(continued)**

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.



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

Chartered Accountants

St Nicolas House

Park Row

Nottingham

NG1 6FQ

22 December 2021

Income Statement for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Interest receivable and similar income	3	11,221	10,939
Interest payable and similar expenses	4	-	(11)
Profit before taxation		<u>11,221</u>	<u>10,928</u>
Tax on profit	6	<u>(3,181)</u>	<u>4,073</u>
Profit for the financial year		<u>8,040</u>	<u>15,001</u>

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

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

The notes on pages 10 to 15 form an integral part of these financial statements.

Balance Sheet as at 31 December 2020

	Note	2020 £'000	2019 £'000
Non-current assets			
Investments	7	710,972	710,972
Deferred tax asset	6	1,919	5,100
		<u>712,891</u>	<u>716,072</u>
Current assets			
Financial Assets	9	357	354
Trade and other receivables	8	531,689	522,235
		<u>532,046</u>	<u>522,589</u>
Total assets		<u>1,244,937</u>	<u>1,238,661</u>
Current liabilities			
Trade and other payables	10	(2)	(1,766)
Total liabilities		<u>(2)</u>	<u>(1,766)</u>
Net current assets		<u>532,044</u>	<u>520,823</u>
Net assets		<u>1,244,935</u>	<u>1,236,895</u>
Capital and reserves			
Called up share capital	11	115	115
Profit and loss account	11	644,820	636,780
Capital contribution reserve		600,000	600,000
Total shareholders' funds		<u>1,244,935</u>	<u>1,236,895</u>

The financial statements on pages 7 to 15 were approved by the board of directors on 15 December 2021 and were signed on its behalf by:



S Smith
Director
15 December 2021

Statement of Changes in Equity for the year ended 31 December 2020

Note	Called up share capital £'000	Fair value reserve £'000	Profit and loss account £'000	Capital contribution reserve £'000	Total Shareholders' funds £'000
At 1 January 2019	115	-	621,779	600,000	1,221,894
Profit and total comprehensive income for the financial year	-	-	15,001	-	15,001
At 31 December 2019	115	-	636,780	600,000	1,236,895
Profit and total comprehensive expense for the financial year	-	-	8,040	-	8,040
At 31 December 2020	115	-	644,820	600,000	1,244,935

The notes on pages 10 to 15 form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2020

1. Accounting Policies

Corporate Information

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

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. The Company's financial statements are individual entity financial statements.

Basis of preparation

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

The accounting policies which follow in note 1 set out those policies which apply in preparing the financial statements for the year ended 31 December 2020. These policies have been applied consistently, other than where new policies have been adopted.

The company is a wholly-owned subsidiary of Ladbrokes Investments Holdings Limited 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 consolidated financial statements under the terms of section 400 of the Companies Act 2006.

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

- a) IFRS 3 *Business Combinations*;
- b) The requirements of IFRS 7 *Financial Instruments: Disclosures*;
- c) IFRS 13 *Fair Value Measurement*
- d) IAS 1 *Presentation of Financial Statements*
- e) IAS 7 *Statement of Cash Flows*;
- f) IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*; and
- g) IAS 24 *Related Party Disclosures*

From 1 January 2019, the Entain plc group has applied, for the first time, certain standards, interpretations and amendments.

On transition to IFRS9 "Financial instruments" any gains or losses previously recognised in other comprehensive income have been recycled to the profit and loss reserve see note 9 for further information.

The adoption of any further amendments did not have any impact on the Company for the current period or any prior period and is not likely to affect future periods.

Key judgements and sources of estimation uncertainty

The preparation of financial statements requires management to make assumptions, estimates and judgements that affect the amounts reported as assets and liabilities as at the balance sheet date and the amounts reported as revenues and expenses during the year. Use of available information and application of judgement are inherent in the formation of estimates.

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 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

Notes to the financial statements for the year ended 31 December 2020 (continued)

1. Accounting Policies (continued)

Recoverable amount of non-current assets

Investment in subsidiaries are reviewed for impairment when an indicator for impairment is identified, using a value in use calculation where the investment is considered a single cash generating unit. In determining value in use for the investment, future discounted cash flows from both possible and expected dividends are considered.

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.

Summary of significant accounting policies

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 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 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.

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.

Financial assets

Financial assets are recognised when the Company becomes party to the contracts that give rise to them.

The Company classifies financial assets at inception as loans and receivables, financial assets at fair value through profit or loss, or financial assets at fair value through other comprehensive income. At 31 December 2020, the Company had financial assets that were classified as loans and receivables and investments that were classified at fair value through profit and loss.

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.

After initial measurement, financial assets at fair value through profit and loss are subsequently measured at fair value with gains or losses recognised in the income statement.

The Company's financial assets include investments in listed government bonds and amounts owed by group undertakings.

Finance expense and income

Finance expense and income arising on interest bearing on interest bearing financial instruments carried at amortised cost are recognised in the income statement using the effective interest rate method. Finance income represents income arising principally from loans to fellow group companies.

Notes to the financial statements for the year ended 31 December 2020 (continued)

1. Accounting Policies (continued)

Investments – shares in group undertakings

Investments in subsidiaries and joint ventures are held at cost less any provision for impairment.

An undertaking is regarded as a subsidiary undertaking if the Company has control when it is exposed, or has rights, to variable returns from its involvement with the Company and has the ability to affect those returns through its power over the Company.

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.

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.

2. Auditor's remuneration

The audit fee for the Company of £1,000 has been borne by another group company (2019: £1,000).

3. Interest receivable and similar income

	2020 £'000	2019 £'000
Interest receivable from group companies	11,218	10,939
Revaluation of assets held as FVTPL	3	-
	<u>11,221</u>	<u>10,939</u>

4. Interest payable and similar expenses

	2020 £'000	2019 £'000
Revaluation of assets held as FVTPL	<u>-</u>	<u>11</u>

Notes to the financial statements for the year ended 31 December 2020 (continued)

5. Directors and employees

The directors who have served during the period 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 (2019: £nil).

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.

6. Tax on profit on ordinary activities

A reconciliation of income tax expense (which relates to the UK) applicable to profit before at the UK statutory income tax rate to the income tax charge for the year ended 31 December 2020 and 31 December 2019 is as follows:

	2020	2019
	£'000	£'000
Profit before taxation	<u>11,221</u>	<u>10,928</u>
Corporation tax charge thereon at 19.00% (2019: 19.00%)	2,132	2,076
Adjusted for the effects of:		
Adjustments in respect of prior years	-	(11)
Group relief claimed from other group companies	(2,132)	-
Derecognition/(recognition) of opening deferred tax asset	3,781	(5,100)
Utilisation of unrecognised tax assets	-	(1,038)
Tax rate changes	<u>(600)</u>	<u>-</u>
Total tax	<u>3,181</u>	<u>(4,073)</u>

Changes in corporation tax

In the Budget on 11 March 2020 the Chancellor announced that the standard rate of UK Corporation Tax would increase from the planned 17% rate to 19% on 1 April 2020. This change was substantively enacted on 17 March 2020 and therefore the deferred tax assets and liabilities at the balance sheet date are calculated at the substantively enacted rate of 19%.

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 enacted on 24 May 2021.

Deferred tax

The deferred tax included in the Company balance sheet is as follows:

	2020	2019
	£'000	£'000
At 1 January	5,100	-
Adjustments in respect of prior year	-	-
Origination and reversal of timing differences	(3,781)	5,100
Impact of tax rate changes	600	-
At 31 December	<u>1,919</u>	<u>5,100</u>

The deferred tax asset is expected to be recovered through the generation of future expected taxable profits.

Notes to the financial statements for the year ended 31 December 2020 (continued)

7. Investments – in subsidiaries

	£'000
Cost	
At 1 January 2020 and 31 December 2020	820,675
Impairment Provisions	
At 1 January 2020 and 31 December 2020	109,703
Net book value	
At 31 December 2020 and 31 December 2019	710,972

In accordance with its accounting policies, the Company carried out an annual impairment review of its investments and an impairment of £nil (2019: £nil) was recognised.

Significant shareholdings in undertakings

This table represents the Company's significant shareholding at 31 December 2020.

Subsidiary	Holding	Country of incorporation	Registered Office	Nature of business
IHF (Jersey) Limited	100%	Jersey	1 st Floor, Liberation House, Castle Street, St Helier, JE1 1GL	Investment holding company
Maple Court Investments (Jersey) Limited	100%	Jersey	13 Castle Street, St Helier, JE4 5UT	Dormant company
Ladbroke City & County Land Company Limited	100%	United Kingdom	3rd Floor One New Change, London, United Kingdom, EC4M 9AF	Investment holding company

8. Trade and other receivables

	2020	2019
	£'000	£'000
Amounts owed by group undertakings	531,689	522,235

Amounts owed by group undertakings are included under amounts falling due within one year where they are subject to cancellation and repayment at any time by either the Lender or the Borrower giving written notice to the other.

9. Financial Assets

	Current assets		Non-Current assets	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
<i>Fair value through profit and loss</i>	357	354	-	-
Listed investments	357	354	-	-

The above represents investments in listed treasury stock that present the Company with opportunity for return through dividend income and trading gains and accordingly are classified as fair value through profit and loss. The fair values of all equity securities are based on quoted market prices. The cost of the shares on acquisition was £101,000.

Notes to the financial statements for the year ended 31 December 2020 (continued)

10. Trade and other payables

	2020 £'000	2019 £'000
Other creditors	2	-
Corporation tax creditor	-	1,766
	<u>2</u>	<u>1,766</u>

Amounts owed to group undertakings are included under amounts falling due within one year where they are subject to cancellation and payment at any time by either the Lender or the Borrower giving written notice to the other. Amounts owed to group companies bear interest at a rate linked to the group's borrowing costs.

11. Called up share capital and reserves

	2020 £'000	2019 £'000
Issued, called up and fully paid:		
1,150,925,600 (2019: 1,150,925,600) ordinary shares of £0.0001 each	<u>115</u>	<u>115</u>

The profit and loss account relates to cumulative profits or losses recorded.

12. Related Party Transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly-owned subsidiaries.

There are no other related party transactions.

13. Immediate and ultimate parent undertaking

The immediate parent undertaking of the Company is Ladbrokes Investments Holdings Limited, a company registered in England and Wales, and the ultimate parent undertaking is Entain plc, a company registered in the Isle of Man. The only group preparing consolidated group financial statements which include the Company is Entain plc for the year ended 31 December 2020.

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