

The Sporting Exchange Limited

Directors' report and financial statements

Year ended 31 December 2021

Registered number: 03770548



The Sporting Exchange Limited

Directors' report and financial statements

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The Sporting Exchange Limited

Directors and other information

Directors	Peter Jackson Edward Traynor
Secretary	Jonathan Seeley
Registered office	Waterfront Hammersmith Embankment Chancellors Road London W6 9HP
Auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2
Bankers	Natwest 280 Bishopsgate London EC2M 4RB
Registered number	03770548

The Sporting Exchange Limited

Strategic report

The strategic report is prepared in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Principal activity and future developments

The principal activity of The Sporting Exchange Limited (the 'Company') is as an investment and intermediary holding company in the Flutter Entertainment group (comprising Flutter Entertainment plc and its subsidiaries) (the 'Group'). The Directors believe these activities will continue for the foreseeable future.

Review of business

During the year ended 31 December 2021 the Company generated £17.6m (2020: £17.6m) of other operating income from the sale of intellectual property to Group undertakings.

Key performance indicators

The Directors believe the KPIs of the company and its subsidiary undertakings are its net assets. The Company holds £590m of net assets at year ended 31 December 2021 (2020:£566.2m).

Going concern

The Company is in a net current liability position which is primarily attributable to intercompany payables. The Company's ultimate parent undertaking, Flutter Entertainment plc, has indicated that it will guarantee any outstanding intercompany balances between Group companies and that no Group company will demand repayment such that it would threaten the counterparty's ability to continue as a going concern. On this basis, the Directors have formed the opinion that the Company's financial statements should be prepared on the going concern basis

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. The key business risks and uncertainties affecting the Group are considered to relate to regulation, licensing and regulatory compliance, data management and cyber security, technology infrastructure, systems stability and availability, business continuity planning and disaster recovery, product availability and competition, reliance on third parties and key supplier relationships, health and safety and key employees recruitment and retention. Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided on pages 84 to 91 of the Flutter Entertainment plc Annual Report and Accounts 2021 which does not form part of this report. A copy of the Flutter Entertainment plc Annual Report and 2021 Accounts can be found on its website, www.flutter.com/investors, and can be obtained from the following address :

The Company Secretary
Flutter Entertainment plc
Belfield Office Park
Beech Hill Road
Clonskeagh
Dublin 4

The Group's risks are formally reviewed by the Flutter Entertainment plc Board and appropriate processes are put in place to mitigate them. It is possible that the overall effect of such events would result in adverse implications for the Company.

The Sporting Exchange Limited

Strategic report *(continued)*

Financial risk management

The Group continues to have a prudent treasury management policy in place, this applies to the Company also.

The Group's operations expose it to a variety of other financial risks, including interest rate and foreign exchange movements. Management continues to monitor closely the Group's financial risks and mitigate its exposure where appropriate.

This Strategic Report is approved on behalf of the Board of Directors by:

J. Peter Jackson

Peter Jackson
Director

28 September 2022

The Sporting Exchange Limited

Directors' report

The Directors present their Directors' Report together with the audited financial statements of the Company for the year ended 31 December 2021.

Business activities

Details of the Company's business activities are set out in the Strategic Report.

Dividends

The Company did not pay any dividends, during the year or prior year. The Directors do not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: Nil).

Political contributions

The Company made no political contributions during the year ended 31 December 2021 (2020: Nil).

Directors

The Directors who held office during the year, and up to the date of this report, are as follows:

Peter Jackson
Edward Traynor

All Directors benefited from qualifying third-party indemnity provisions in place during the financial year and at the date of this report.

Secretary

Jonathan Seeley

Events subsequent to reporting date

In August 2022, the Group drew down €2,000m under the First Lien Term Loan B as an amendment to this facility agreement. The Company is among a number of Group entities which act as guarantors on this agreement.

The above the Directors are not aware of any matter or circumstance occurring since 31 December 2021 that has significantly or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor, KPMG Ireland, will be deemed to have been re-appointed for the next financial period.

Relevant audit information

The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditor is aware of that information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditor is unaware.

The Sporting Exchange Limited

Directors' report *(continued)*

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 2.

On behalf of the Board of Directors:

J. Peter Jackson

Peter Jackson
Director

28 September 2022

Registered office: Waterfront, Hammersmith Embankment, Chancellors Road, London, W6 9HP

The Sporting Exchange Limited

Statement of Directors' responsibilities in respect of the strategic report, the Directors' report and the financial statements

The Directors are responsible for preparing the Directors' report, strategic 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 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 its profit or loss for that year. 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 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 assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls 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 of Directors:

J. Peter Jackson

Peter Jackson
Director

28 September 2022



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of The Sporting Exchange Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Sporting Exchange Limited ('the Company') for the year ended 31 December 2021 set out on pages 11 to 24, which comprise the Statement of Profit and Loss Account and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 Reduced Disclosure Framework.

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;
- the financial statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework; and
- the financial statements 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 under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to 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.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.



Independent auditor's report to the members of The Sporting Exchange Limited (continued)

Report on the audit of the financial statements (continued)

Conclusions relating to going concern (continued)

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company's regulatory and legal correspondence; and reading Board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation and assessing the disclosures in the financial statements

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 (irregularities) 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 remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.



Independent auditor's report to the members of The Sporting Exchange Limited (continued)

Report on the audit of the financial statements (continued)

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Opinions on other matters prescribed by the Companies Act 2006

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report 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.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements including being satisfied that they give a true and fair view, and 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, 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



Independent auditor's report to the members of The Sporting Exchange Limited
(continued)

Respective responsibilities and restrictions on use (continued)

Auditor's responsibilities for the audit of the financial statements

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

Our 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.

Ryan McCarthy
Senior Statutory Auditor
for and on behalf of
KPMG Statutory Auditor
1 Stokes Place
St. Stephen's Green
Dublin 2

30 September 2022

The Sporting Exchange Limited

Statement of Profit and Loss Account and Other Comprehensive Income for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Administrative expenses		(6)	(8)
Other operating income	4	17,600	17,600
Operating profit		17,594	17,592
Interest receivable and similar income	5	6,435	6,352
Interest payable and similar charges	6	(97)	(17)
Profit before taxation		23,932	23,927
Tax on profit	7	(543)	377
Profit for the year		23,389	24,304

There are no items of comprehensive income in the financial year or preceding year other than those dealt with in the profit and loss account. Accordingly, no statement of other comprehensive income has been prepared.

The Sporting Exchange Limited

Statement of Financial Position

as at 31 December 2021

	Note	2021 £'000	2020 £'000
Non-current assets			
Investments	8	431,036	431,036
Debtors: amounts falling due after one year	9	309,648	303,443
Total non current assets		740,684	734,479
Current assets			
Debtors: amounts falling due within one year	10	24,041	23,811
Cash at bank and in hand		8	-
Total current assets		24,049	23,811
Creditors: amounts falling due within one year	11	(50,473)	(49,819)
Net current assets		(26,424)	(26,008)
Creditors: amounts falling due after more than one year	13	(124,667)	(142,267)
Net assets		589,593	566,204
Capital and reserves			
Called up share capital	14	104	104
Share premium account		366,447	366,447
Retained earnings		223,042	199,653
Shareholders' funds		589,593	566,204

The notes on pages 14 to 24 form an integral part of these financial statements.

These financial statements were approved by the board of Directors on 28 September 2022 and were approved by:

J. Peter Jackson

Peter Jackson
Director

Company registered number: 03770548

The Sporting Exchange Limited

Statement of Changes in Equity
for the year ended 31 December 2021

	Called up share capital	Share premium account	Retained earnings	Shareholders' funds
	£'000	£'000	£'000	£'000
Balance at 1 January 2020	104	1,447	175,349	176,900
Profit for the year	-	-	24,304	24,304
Share capital issued	-	365,000	-	365,000
Balance at 31 December 2020	104	366,447	199,653	566,204
Profit for the year	-	-	23,389	23,389
Balance at 31 December 2021	104	366,447	223,042	589,593

The Sporting Exchange Limited

Notes

forming part of the financial statements

1. Accounting policies

The Sporting Exchange Limited (the "Company") is a private company limited by shares incorporated, domiciled and registered in the UK. The registered number of the Company is 03770548 and the address of its registered office is Waterfront, Hammersmith Embankment, Chancellors Road, London, W6 9PS.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules in accordance with applicable UK accounting standards, including FRS 101 Reduced Disclosure Framework (FRS 101'), and comply with the requirements of the United Kingdom Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the Companies Act 2006 ('UK-adopted IFRSs'), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Flutter Entertainment plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Flutter Entertainment plc are prepared in accordance with International Financial Reporting Standards as adopted by EU and are available to the public and may be obtained from www.flutter.com/investors.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosure:

- Cash flow statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and,
- Disclosures in respect of the compensation of key management personnel

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

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The financial statements have been prepared in GBP, which is the Company's functional currency, rounded to the nearest 1,000.

The Company is in a net current liability position which is primarily attributable to intercompany payables. The Company's ultimate parent undertaking, Flutter Entertainment plc, has indicated that it will guarantee any outstanding intercompany balances between Group companies and that no Group

The Sporting Exchange Limited

Notes *(continued)*

1. Accounting policies *(continued)*

company will demand repayment such that it would threaten the counterparty's ability to continue as a going concern. On this basis, the directors have formed the opinion that the Company's financial statements should be prepared on the going concern basis.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Non-derivative financial instruments

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for lifetime expected credit losses.

Subsequent to initial recognition, cash and cash equivalents and trade and other creditors are measured at amortised cost.

Interest receivable

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired.

Interest payable

Interest expense is charged by the Group undertaking by applying the effective interest rate to the gross carrying amount.

Financial assets

Financial assets are initially recorded at cost and subsequently stated at cost less any provision for impairment.

Impairment

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise and indications that a debtor or issuer will enter bankruptcy.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

The Sporting Exchange Limited

Notes (continued)

1. Accounting policies (continued)

Other operating income

Other operating income comprises income recognised from licensing of intellectual property.

Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

2. Auditor's remuneration

Audit fees have been borne by a fellow Group undertaking in the current year and prior year.

3. Directors remuneration and employees

No Directors received remuneration for services to the Company during the year ended 31 December 2021 (2020: £Nil). The Company had no employees during the current year or prior year.

4. Other operating income

	2021 £'000	2020 £'000
Release of deferred income from the sale of intellectual property	<u>17,600</u>	<u>17,600</u>

The Sporting Exchange Limited

Notes (continued)

5. Interest receivable and similar income

	2021 £'000	2020 £'000
Interest receivable from Group undertakings	<u>6,435</u>	<u>6,352</u>

6. Interest payable and similar charges

	2021 £'000	2020 £'000
Interest payable to Group undertakings	<u>97</u>	<u>17</u>

7. Taxation

	2021 £'000	2020 £'000
Analysis of tax charge for the year		
UK corporation tax - prior year	-	(27)
Total current tax expense/(credit)	<u>-</u>	<u>(27)</u>
Origination and reversal of timing differences	543	(350)
Total deferred tax expense/(credit)	<u>543</u>	<u>(350)</u>
Total tax expense expense(credit)	<u>543</u>	<u>(377)</u>

Reconciliation of effective tax rate

	2021 £'000	2020 £'000
Profit before tax	<u>23,932</u>	<u>23,927</u>
Tax using the corporation tax rate of 19% (2020:19%)	4,547	4,546
<i>Effects of :</i>		
Effect of changes in tax rate	892	-
Adjustments in respect of previous periods	-	(27)
Income not taxable	(3,344)	(3,344)
Group losses transferred	(1,553)	(1,552)
Total tax expense/(credit)	<u>543</u>	<u>(377)</u>

The Sporting Exchange Limited

Notes (continued)

7. Taxation (continued)

The UK Budget 2021 announced on 3 March 2021 an increase in the UK's main corporation tax rate to 25% from 1 April 2023. This was enacted as part of Finance Bill 2021 on 10 June 2021. As these changes were substantively enacted at the balance sheet date, they have been reflected in the deferred tax balances within these financial statements with the deferred tax liability at 31 December 2021 being shown at 25%. Subsequently, on 23 September 2022, the UK government announced that the UK corporation tax rate would remain at 19%. As this had not yet been enacted at the balance sheet date, this has not been reflected in the deferred tax balance at 31 December 2021.

8. Investments

Cost

At 31 December 2020 & December 2021

431,036

The related undertakings in which the Company has a direct interest at the year-end are as follows:

Company	Country of incorporation and registered address	Principal activity	Classification	Ordinary shares held % Co	Group
Betfair Limited	England and Wales ¹	Support services	Subsidiary	100	100
Betfair General Betting Limited	England and Wales ¹	Non-trading	Subsidiary	100	100
London Multi-Asset Exchange (Holdings) Limited*	England and Wales ¹	Holding company	Subsidiary	99.79	99.79
The Sporting Exchange (Clients) Limited	England and Wales ¹	Trust operator	Subsidiary	100	100
TSE (International) Limited	England and Wales ¹	Non-trading	Subsidiary	100	100
TSE Development Limited	England and Wales ¹	Intellectual property licensor	Subsidiary	100	100
TSE Global Limited	England and Wales ¹	Support services	Subsidiary	100	100
TSE Holdings Limited	England and Wales ¹	Holding company	Subsidiary	100	100
Flutter.com LLC	USA ²	Non-trading	Subsidiary	100	100

The Sporting Exchange Limited

Notes (continued)

8. Investments (continued)

The related undertakings in which the Company has an indirect interest at the year-end are as follows:

Company	Country of incorporation and registered address	Principal activity	Ordinary shares held %	
			Co	Group
Timeform Limited	England and Wales ¹	Publisher	-	100
Portway Press Limited	England and Wales ¹	Non-trading	-	100
Insightmarket Limited	England and Wales ¹	Non-trading	-	100
Winslow One Limited	England and Wales ¹	Holding company	-	100
Winslow Two	England and Wales ¹	Holding company	-	100
Tradfair Spreads Limited*	England and Wales ¹	Spread betting services	-	99.79
FanDuel Limited	Scotland ³	Fantasy sports betting and support services	-	95
Winslow Three Limited	Cayman Islands ⁴	Holding company	-	100
Winslow Four	Cayman Islands ⁴	Holding company	-	100
TSE Malta LP	Gibraltar ⁵	Online sports betting	-	100
TSE Services Limited	Gibraltar ⁵	Support services	-	100
TSE Data Processing Limited	Ireland ⁶	Data centre and support services	-	100
Betfair Italia S.R.L.	Italy ⁷	Online sports betting and gaming	-	100
Betfair International Plc	Malta ⁸	Online sports betting and gaming	-	100
TSED Unipessoal LDA	Portugal ⁹	R&D activities	-	100
Betfair Romania Development S.R.L.	Romania ¹⁰	R&D activities	-	100
Betfair Interactive US LLC	USA ²	Online sports betting and gaming	-	95
Betfair US LLC	USA ²	Online sports betting	-	95
Draft Player Reserve LLC	USA ²	Trust Operator	-	95
Fandom Gaming, Inc.	USA ¹¹	Fantasy sports insight and data service	-	95
FanDuel Deposits LLC	USA ¹²	Trust Operator	-	95
FanDuel Group, Inc.	USA ²	Holding company	-	95
FanDuel Inc	USA ¹²	Fantasy sports betting	-	95
Fastball Parent 1 Inc.	USA ²	Holding company	-	95
Fastball Parent 2 Inc.	USA ²	Holding company	-	95
Fastball Parent 3 Limited	USA ²	Holding company	-	95
HRTV LLC	USA ²	Horse racing broadcaster and betting network	-	95
HRTV Holdco LLC	USA ²	Holding company	-	95
The iTech Resource Group LLC	USA ²	Non-trading	-	95
NumberFire, Inc.	USA ¹²	Support services	-	95

The Sporting Exchange Limited

Notes (continued)

8. Investments (continued)

Company	Country of incorporation and registered address	Principal activity	Ordinary shares held %	
			Co	Group
ODS Holding LLC	USA ²	Holding company	-	95
ODS Properties, Inc.	USA ²	Property holding company	-	95
ODS Technologies LP	USA ²	Horse racing broadcaster and betting network	-	95
Showdown Sports, Inc.	USA ¹²	Non-trading	-	95
Starstreet, LLC	USA ²	Fantasy sports betting	-	95
The Rebate Company LLC	USA ²	Online gaming	-	95
Trackside Live Productions, LLC	USA ²	Horse racing broadcaster and betting network	-	95
TSE US LLC	USA ²	Support services	-	95
FanDuel Group Parent LLC	USA ¹³	Holding company	-	95
FanDuel PA LLC	USA ¹³	Holding company	-	95
Aviator LLC	Georgia ¹⁴	Online gaming	-	51
Motamashe LLC	Georgia ¹⁴	Streaming services provider	-	51
Cosmos LLC	Georgia ¹⁴	Online gaming	-	51
AdjaraPay LLC	Georgia ¹⁴	Payment services provider	-	51
Comra LLC	Georgia ¹⁴	Holding company	-	51
Cabarco LLC	Armenia ¹⁵	Online gaming	-	51
Abarco LLC	Armenia ¹⁵	Holding company	-	51
Sabarco LLC	Armenia ¹⁵	Online gaming	-	51
TSG Interactive US Services Limited	USA ¹⁶		-	100
Stars Fantasy Sports LLC	USA ¹⁶	Holding company	-	100
Stars Fantasy Sports Subco LLC	USA ¹⁶	Online gaming	-	100
Labranza Limited	Cyprus ¹⁷	Online gaming	-	100
Skygulf Limited	England and Wales ¹⁸	Support services	-	100
Betfair International Spain S.A.	Spain ¹⁹	Online sports betting and gamins	-	100

* Minority interest of 0.21% exists in relation to London Multi Asset Exchange (Holdings) Limited and Tradefair Spreads Limited. The value of this interest is immaterial.

¹ The registered address of these related undertakings is: Waterfront, Hammersmith Embankment, Chancery Road, London, W6 9HP.

² The registered address of these related undertakings is: 251 Little Falls Drive, Wilmington, DE 19808, USA

³ The registered address of this related undertakings is: Shepherd & Wedderburn LLP, 1 Exchange Crescent, Conference Square, Edinburgh, EH3 8UL

⁴ The registered address of these related undertakings is: 89 Nexus Way, Camana Bay, Grand Cayman. KY1-9007.

⁵ The registered address of these related undertakings is: 57/63 Line Wall Road, Gibraltar.

⁶ The registered address of these related undertakings is: Belfield Office Park, Beech Hill Road, Clonskeagh, Dublin 4, D04V972, Ireland

⁷ The registered address of these related undertakings is: Palazzo Cova, Via Carducci 36, 20123, Milan, Italy.

⁸ The registered address of these related undertakings is: Triq il-Kappillan Mifsud, Santa Venera, SVR1851, Malta.

The Sporting Exchange Limited

Notes (continued)

8. Investments (continued)

- ⁹. The registered address of these related undertakings is: Avenida de Camilo 72, 4300-095 Porto, Portugal
- ¹⁰. The registered address of these related undertakings is: Cladirea The Office, B-dul 21 Decembrie 1989, Nr.77, Corp A, Etaj 4, Cluj-Napoca, 400604, Romania.
- ¹¹. The registered address of these related undertakings is: 300 Delaware Avenue, Suite 210-A, Wilmington, DE 19801, USA
- ¹². The registered address of these related undertakings is: Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA
- ¹³. The registered address of these related undertakings is 251 Little Falls Drive, Wilmington, Delaware, 19808, USA
- ¹⁴. The registered address of these related undertakings is: Chovelidze Str, Mtatsminda District, Tbilisi, Georgia.
- ¹⁵. The registered address of this related undertaking is 58/2 Ulnetsi, Yerevan, Armenia
- ¹⁶. The registered address of this related undertaking is 1209 Orange Street, Wilmington, DE, 19801
- ¹⁷. The registered address of this related undertaking is Αρχ. Μακαρίου ΙΙΙ, 117, Floor 4, Flat 410-4143021, Λεμεσός, Κύπρος Cyprus
- ¹⁸. The registered address of this related undertaking is 1 Princeton Mews, 167-169 London Road, Kingston Upon Thames, Surrey, United Kingdom, KT2 6PT
- ¹⁹. The registered address of this related undertaking is Paseo de las Palmeras, Number 10, Mezzanine office number one, Ceuta, 51001, Spain

9. Debtors: amounts falling due after one year

	£'000	£'000
Amounts receivable from Group undertakings	<u>309,648</u>	<u>303,443</u>

10. Debtors: amounts falling due within one year

	2021 £'000	2020 £'000
Corporation tax	104	104
Amounts receivable from Group undertakings	23,937	23,707
	<u>24,041</u>	<u>23,811</u>

Amounts owed by fellow Group companies are unsecured, interest bearing and repayable on demand.

The Sporting Exchange Limited

Notes (continued)

11. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Deferred income	17,600	17,600
Amounts payable to Group undertakings	29,155	29,044
Corporation tax	-	-
Deferred tax liability	3,718	3,175
	<u>50,473</u>	<u>49,819</u>

Amounts owed to fellow Group companies are unsecured, interest bearing and repayable on demand.

12. Deferred tax liability

	2021 £'000	2020 £'000
Other short-term timing differences	3,718	3,175
Balance at the end of year	<u>3,718</u>	<u>3,175</u>

The movements on deferred tax during the year is analysed as follows:

	2021 £'000	2020 £'000
Balance at beginning of year	3,175	3,525
Other short-term timing differences	543	(350)
Balance at the end of year	<u>3,718</u>	<u>3,175</u>

The Sporting Exchange Limited

Notes (continued)

13. Creditors: amounts falling due after more than one year

	2021 £'000	2020 £'000
Deferred income	<u>124,667</u>	<u>142,267</u>
Maturity of deferred income	2021 £'000	2020 £'000
Matures in second to fifth years inclusive	70,400	70,400
Matures in more than five years	54,267	71,867
	<u>124,667</u>	<u>142,267</u>

The deferred income represents the element of the consideration from the sale of an exclusive licence of the Company's intellectual property to TSE Development Limited in the year ended 30 April 2005.

14. Called up share capital

			2021 £'000	2020 £'000
Authorised				
200,000,000 ordinary shares of 0.1p each			<u>200</u>	<u>200</u>
Allotted, called up and fully paid	2021 Number	2021 £'000	2020 Number	2020 £'000
At 1 January	104,136,304	104	104,136,303	104
New shares issued	-	-	1	-
At 31 December	<u>104,136,304</u>	<u>104</u>	<u>104,136,304</u>	<u>104</u>

The Sporting Exchange Limited

Notes *(continued)*

15. Immediate and ultimate parent

The immediate parent company is Betfair Group Limited, a company incorporated in England and Wales.

Flutter Entertainment plc is the ultimate parent company and is incorporated in the Republic of Ireland. Copies of the Group's Annual Report and Accounts can be found at www.flutter.com/investors, and can be obtained from:

The Company Secretary
Flutter Entertainment plc
Belfield Office Park
Beech Hill Road
Clonskeagh
Dublin 4

16. Commitments and contingencies

Guarantees and facilities

On 11 March 2020, Flutter Entertainment plc secured a committed term loan and revolving credit bank loan facility ("TLA/RCF") of £1.3 billion provided by a syndicate of banks which expires in May 2025. On 5 May 2020, the TLA/RCF was amended to an amount of £1.4 billion, with no change to the expiration date. In November 2021, an additional lender was added to the facility increasing the overall TLA Agreement by £100m bringing the total to £1.5bn. Subsequently in November 2021, the Group completed an additional drawdown of £68m under the TLA Agreement and its existing terms

The Company is among a number of Group entities which act as guarantors on this TLA/RCF agreement. The TLA Agreement described above provides a term loan facility in an aggregate amount of £1,017.9m (2020: £950m). Additionally the agreement above provides a multi-currency revolving loan facility in an aggregate amount of £482.0m (2020: £450.0m). As at 31 December 2021 no loan amounts were drawn under the Revolving Credit Facility

In July 2021, the Group completed a refinancing on their debt which included a repayment of the \$1 billion 7% Senior Notes and repricing and upsizing the the First Lien Term Loan B's where the Company acts as guarantor. At 31 December 2021, the Group had a USD term loan with an outstanding principal balance of \$2,931m (2020: \$1,456.3m) and a EUR first lien term loan with an outstanding principal balance of €507.2m (2020: €507.2m) under this TLB facility.

Capital commitments

At 31 December 2021, the Company had no commitments for capital expenditure not yet incurred or provided for in the financial statements (2020: £Nil). The company has no contingencies outstanding in the financial statements (2020: £Nil).

17. Use of estimates and judgements

In the opinion of the Directors, there were no accounting estimates and judgements made in the course of preparing these financial statements that were difficult to reach, subjective or complex to a degree which would warrant their description as significant and critical in terms of the requirements of IAS1 (revised).

The Sporting Exchange Limited

Notes *(continued)*

18. Events subsequent to reporting date

In August 2022, the Group drew down €2,000m under the First Lien Term Loan B as an amendment to this facility agreement. The Company is among a number of Group entities which act as guarantors on this agreement.

The Directors are not aware of any other matter or circumstance occurring since 31 December 2021 that has significantly or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

19. Approval of financial statements

The financial statements were approved by the Directors on 28 September 2022.