Done Brothers (Cash Betting) Limited

Annual report and financial statements
Registered number 1277703
1 October 2023

Contents

Company information

Directors of the Company:	F Done (resigned 21 September 2023) N Barr M Stebbings (resigned 21 September 2023) J Whittaker (appointed 21 September 2023) D Hasler (appointed 21 September 2023)
Company Secretary:	S Longden
Registered Office:	The Spectrum 56-58 Benson Road Birchwood Warrington WA3 7PQ
Auditor:	KPMG LLP 1 St Peter's Square Manchester M2 3AE

Strategic report

The directors present their annual strategic report, directors' report and the audited financial statements for the 53 week period ended 1 October 2023.

Principal activities

The principal activities of the Company continued to be the operation of a retail bookmaking estate trading under the Betfred name. The retail business consists of traditional Licensed Betting Offices (LBOs) situated at locations throughout the UK.

Performance of the business

The loss for the period after taxation was £48,055,000 *(2022: profit of £27,055,000).*

An interim dividend of £nil was paid during the period *(2022: £70m)*. The directors do not recommend the payment of a final dividend for the period *(2022: £nil)*.

Key performance indicators

Key performance indicators continue to be used to monitor the business. All aspects of operations are subject to performance measurement and the Company is constantly looking to improve operating performance and reduce its operating costs to continue providing competitive products. The Company's key performance indicators are net turnover, gross profit, pre-exceptional EBITDA and operating profit.

The Company's key financial performance indicators carefully monitored by the senior management team are:

£'000	**2023**	2022
Turnover	**432,162**	418,840
Gross profit	**335,602**	325,219
Pre-exceptional EBITDA	**53,889**	64,201
Operating (loss)/profit	**(41,168)**	38,550

The number of betting shops operating at 1 October 2023 was 1,029 *(2022: 1,083).* The estate is constantly being monitored and shops are closed when management feel it is necessary to do so.

On an annualised gross basis, amounts wagered and turnover for the period has increased across the business as the current year results are for 53 weeks.

Pre-exceptional EBITDA has decreased for the period due to an increase in overhead costs.

The operating loss in the period of £41.2m *(2022: profit of £38.6m)* is after goodwill and licence amortisation of £5.2m *(2022: £5.4m)* and a charge to exceptional items of £82.6m *(2022: £13.6m).* Exceptional items in the current period includes a net credit of £7,041,000 in relation to impairments and provisions due to loss making shops in the prior year now being profitable; and a charge of £89,687,000 relating to the provision of amounts due from group undertakings which are no longer considered to be recoverable. Prior year exceptional items includes a net credit of £701,000 in relation to impairments and provisions; a charge of £240,000 relating to the write off of a related party loan; a charge of £3,625,000 relating to the write off of an amount due from group undertakings; and a charge of £10,426,000 relating to the provision of amounts due from group undertakings which were no longer considered to be recoverable.

The provision for amounts due from group undertakings relates to loans provided to the US business which is a subsidiary undertaking of the Group to which the Company belongs. The US business has not been as profitable as expected, and therefore the amounts due have been provided for in full.

Strategic report *(continued)*

Non-GAAP measure: Earnings before interest, tax, depreciation, impairment, amortisation and exceptional items (EBITDA)

£'000	**2023**	2022
Operating (loss)/profit	**(41,168)**	38,550
Add back: depreciation of tangible fixed assets	**7,261**	6,624
Add back: amortisation of intangible fixed assets	**5,150**	5,437
Add back: exceptional items	**82,646**	13,590
EBITDA before exceptional items	**53,889**	64,201

Principal risks and uncertainties

The Board of Directors routinely monitor the risks that the business faces in its day-to-day operations and appropriate actions are taken to mitigate these risks. The following risks are considered pertinent to the business:

Competition, trading and market conditions

The Company monitors pricing within betting markets to ensure it remains competitive and to mitigate the risk of significant losses. The gambling industry is susceptible to the risk of economic downturn and its impact on revenues and profits.

Legal & Regulatory Compliance

The Company is exposed to the risk of regulatory non-compliance which can lead to fines and ultimately could put our reputation and operating licences at risk. Gambling regulations are subject to regular review and change and we proactively engage with regulators and ensure any changes in legislation are acted upon promptly.

In addition to this the Company faces several legal compliance risks, particularly in relation to employees and Health & Safety.

Financial

There is a risk that taxes and duties increase the Company's cost base which would impact profitability.

Cyber security

The Company relies on the robustness of its IT systems and infrastructure to ensure that they operate in accordance with regulations. The Company is exposed to the risk of a cyber-attack compromising IT systems, infrastructure, and data. The risk is mitigated through cyber security measures put in place and managed by dedicated IT risk specialists.

Loss of key locations

Whilst the Company operates from various geographical locations, our office in Warrington is a key site which is critical to the day-to-day operations of the Company. If this location was unavailable for a prolonged period, this could have an impact on operations.

Global pandemic

The Company continues to be exposed to the risk of a global pandemic impacting its operations and the global economy, as seen by the COVID-19 pandemic in 2020-21. The Company now has procedures in place to reduce the impact as much as possible should another global pandemic occur.

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

Health, safety and wellbeing of customers, employees and communitites

The safety and wellbeing of our employees, customers, and communities where we operate is essential and we put customer safety at the forefront of our decision-making and product design. Failure to meet our responsibilities in this area could expose the business to civil, criminal and/or regulatory action and risk to our reputation.

Attracting and retaining key talent

The Company relies on the dedication, expertise, and retention of its employees to deliver a high level of customer service. A failure to attract, adequately train and retain employees across the business would impact the delivery of customer offerings and risk our long-term strategic goals.

Customer experience excellence

The Company relies on third party platforms and information systems to provide its products and services, therefore we are exposed to the risk that these systems fail, despite our own cyber security controls.

Section 172 Statement

This statement sets out how the Directors have approached and met their responsibilities under section 172 Companies Act 2006 and in particular how the Directors have satisfied themselves that they have acted in a way which is most likely to promote the success of the Company in the long-term and for the benefit of its shareholders as a whole whilst also having regard for other stakeholders interests. As such, the Board have considered the following (amongst other things):

Shareholders

The Board gives significant consideration through the assessment of strategic objectives and managing and mitigating the risks identified on page 3 when considering likely long term benefits to the Company when considering investment in new businesses, confirming that it is the Board's ultimate objective to deliver long-term sustainable earnings growth to enhance total shareholder returns. The Company gives consideration to long-term factors when setting its dividend and distribution policy.

Employees

The Board and senior management team are actively involved in looking after the interests of our employees through training, development, diversity and inclusion, health and safety and working conditions. Senior management regularly engage with employees via email or the staff portal and meetings are held regularly, with all Heads of Department and various Board members in attendance. During these meetings our Head of HR gives an update on relevant employee topics. Our CEO regularly engages with the senior management team to give an update on what is going on in the business.

Suppliers

The Company has regular engagement with its suppliers and regularly reviews its payment policies and adherence to those policies when producing the six monthly supplier reports. All material contracts with suppliers are discussed at Board level and in reaching final approval on decision for material contracts the Board has regard to a number of factors including: the business case and financial impact; the impact on our suppliers; and the long term reputation of the Company.

Customers

It is important that we look after the interests of our customers, which range from product availability, ethical behaviour, service, pricing and promoting responsible attitudes to gambling. The Company as part of its commitment to responsible and safer gambling engages through initiatives like Responsible Gambling Week, where responsible gambling messages dominate our websites, social media, retail premises and head office. Betfred is committed to responsible gambling and has produced a Safe Gambling Charter for Retail customers.

Strategic report *(continued)*

Community and the environment

We are committed to making a positive contribution to the communities within which we operate, including through payment of taxes, reducing our environmental impact through initiatives such as using LED lighting and moving to electric/hybrid vehicles. We donate money to various charities and the Company has a matched charity funding scheme, where the Company matches amounts that employees raise for their chosen charities.

Regulators, governments and wider industry groups

We engage on a regular and open basis with our regulators to ensure that they are all engaged in our operating practices and that we can help policymakers shape our industry environment to best serve our stakeholder group whilst operating in a legal and fair way.

Non-financial and sustainability information statement

The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (UK-CFD), require certain publicly quoted companies and large private companies to incorporate climate disclosures in their annual reports. The Company is a subsidiary undertaking of Betfred Group Limited (previously Lightcatch Limited), and the information below relates to the Group.

In the current period, the Group has followed the UK-CFD recommendations for the first time to direct our evaluation and handling of climate-related risks and opportunities. The UK-CFD framework offers guidelines for incorporating climate-related risk management into the Group's established procedures for governance, strategy, risk management, and metrics and targets.

The Group acknowledges that climate change poses both risks and opportunities to our business strategy and global operations. Therefore, we have incorporated sustainability considerations into our daily operations through several green initiatives, which aim to help us reduce our carbon footprint, raise our employees' awareness of the climate emergency, and seize the opportunities associated with climate

The Group is required to disclose the metrics, targets, and KPIs that are used to manage climate-related risks and realise climate-related opportunities.

This section of the annual report provides a summary of our approach to managing climate-related risks and opportunities, which we indicated over three possible global warming scenarios, and three-time frames. It is separated into four main sections (Governance; Risk Management; Strategy; and Metrics &

Governance

The Group's Board of Directors has overall responsibility for Environmental, Social and Governance (ESG) matters. Due to the growing importance of the climate crisis, the Board is supported by our newly established ESG Committee that assists the Board in the management of climate-related risks and

The newly formed ESG Committee, established in August 2023, is a sub-committee of the Group's Board. It met for the first time in November 2023. The Committee is chaired by the Group CEO and comprises of the Group CFO, the Group Internal Audit Manager, and the Group Head of Procurement. Prior to the ESG Committee's formation, the Committee's members started collecting data regarding potential climate-related risks and opportunities with the help of an external ESG consultancy to identify

ESG and sustainability is a standing agenda item for Board meetings in 2024. The CEO is responsible for updating the board on ESG at every Board meeting, which occurs on a quarterly basis.

The ESG Committee is tasked with formulating the Group's ESG strategy, supervising green initiatives, and ensuring compliance with existing and upcoming ESG regulations. Meetings are conducted on a quarterly basis to report on the performance of ESG initiatives throughout the Group. To ensure governance arrangements were made, in September 2023, the ESG Committee members received training on ESG reporting and climate change, to further develop our internal teams' skills around ESG. The training was designed by our third-party ESG consultancy, Inspired ESG and included all elements relevant to the Group's resilience to climate risks, including reporting frameworks, climate change, and sustainable goals. In February 2024, we will extend the ESG training to our Board of Directors.

Strategic report *(continued)*

Non-financial and sustainability information statement *(continued)*

Oversight and management of climate-related risks and opportunities occur at several levels in the Group. The ESG Committee co-ordinates the overall impact of climate-related risks in a Climate Risk Register at the Group level and is responsible for identifying climate-related risks and opportunities. The risk register will be presented to and signed off by the Board annually. In 2024, the Board will sign off the Group's first Climate Risk Register and has already begun taking steps to mitigate the impact of climate-related risks, such as the implementation of low-emission technology. In 2024, we plan to expand our risk analysis to include further mitigation steps, metrics and targets to monitor the climate-related risks that could impact our business. Furthermore, the ESG Committee will commence assigning risk

The different business units of the Group's subsidiaries such as legal, finance, retail, HR, or product, will be responsible for managing the risks and reporting on the progress of the mitigation actions at their quarterly Audit and Risk Committee (ARC) meetings, which are independent to the business units' level, as part of their quarterly Risk Management reporting responsibilities. At the Group level, the Group Audit, Risk & Compliance Committee will consider the overall impact of climate change on the Group, which will include the mitigation steps and their progress year-on-year against our targets.

Risk Management

When it comes to evaluating the risks and opportunities associated with climate change, our primary emphasis is on comprehending how they may impact our two core objectives of acting in the best interests of our clients and building a sustainable business that meets our stakeholders' expectations. With the help of the newly established ESG Committee, our existing five risk management process to identify, assess, mitigate, document and review risks will adapt to further incorporate climate-related risks in 2024. As a preparation towards the ESG Committee's first meeting in November 2023, the Group CFO and the Group Internal Audit Manager commenced with the identification of climate-related risks in August 2023. In 2024, we will continue to deliver our mitigation strategy, to meet our stakeholders' expectations and embed climate-related risks into the Group's existing five-level risk management

Identifying and assessing climate-related risks

In August 2023, the Group engaged with an external consultant to conduct climate scenario analysis and a risk assessment for UK-CFD. In the initial phase of identifying climate risks, our consultants conducted a scenario planning review with our ESG Committee members. The review encompassed thorough future scenarios, evaluating implications through the perspectives of key stakeholders in the Group, including clients, employees, and suppliers, across three distinct global warming scenarios. To assess the importance of these risks, we used a qualitative approach by engaging with the relevant business units in the Group. In 2024, we aim to include a quantitative methodology, where possible, to assess the financial

The initital review resulted in the creation of a Climate Risk Register. We identified ten high-level risks

- Increase in regulation and reporting
- Mandates on and regulation of existing products and services
- Increase in carbon/greenhouse gas pricing
- Increased cost of energy and raw materials
- Changing customer behaviour
- Substitute of existing products and services with lower emission alternatives
- Costs to transition to lower emissions technology
- Increased stakeholder concern
- Heatwaves, flooding, windstorms, and wildfires
- Rising mean temperatures, sea level rise, and water stress

Strategic report *(continued)*

Non-financial and sustainability information statement *(continued)*

We also identified two opportunites:

- Use of lower-emission sources of energy
- Consumer shift towards sustainable designs and solutions which presents a significant

The risks and opportunities will be reviewed by the ESG Committee monthly and in 2024 our Audit and Risk Committee will also review climate-related risks. The ESG Committee will coordinate this process. We aim to examine how we can further integrate the climate-related risk identification process with our existing risk management process. We will adapt the risk rating system we use in the wider business for assessing climate-related risks, to assess the likelihood and level of the identified climate-related risks. To evaluate the magnitude of climate-related risks in the next financial period, we will perform financial modelling to capture the financial impact on our business, where possible.

Managing climate-related risks

Our aim is to manage the level of risk that the business is prepared to accept. We want to make sure that the risk mitigation strategy will minimise risks and reduce the overall impact of the risk to the business. In 2024, we will incorporate the climate risk register into the wider business risk register and use the Group's rigorous risk management framework to manage climate-related risks.

As this is our first year of reporting UK-CFD, it was important that we first capture risks that have already impacted the business, such as new climate reporting requirements. To manage this risk, we engaged with our ESG consultants to assist us with climate strategy and reporting. This mitigation strategy will help us frame our future strategy to mitigate other climate-related risks that we identified under the UK-CFD framework. For example, physical damage to our stores from acute climate events, or

To ensure ongoing vigilance, in the next financial period, our ESG Committee meeting will assign risk responsibility to the relevant regional teams, and the Board will be updated on the teams' mitigation steps on a quarterly basis by the Group's CEO. The mitigation plans will be formed by the responsible business units. We will prioritise the actions plan by categories that we will set in the next financial

Strategy

The Group has employed the recommendations of the UK-CFD to support the formulation of its ESG strategy. Aligning with the UK-CFD process is a crucial measure, to enhance the business' resilience, by integrating climate-related risks and opportunities into strategic and financial planning for the next

As per the recommendations of the UK-CFD framework, we used a range of scenarios to assess the impact of climate change on our operations and business results. Three future climate scenarios were modelled across three time frames that align with the UK's Net-Zero target by 2050 - short-term (2023-2027); medium-term (2028-2037); and long-term (2038-2052).

The scenarios are a helpful tool to assess what the future might look like in terms of global warming. In each scenario we tried to predict how the action taken today by governments and businesses will either slow down or accelerate global warming. To build the different climate scenarios, we used several climate models and internationally established frameworks. These included the International Energy Agency's World Energy Models ("WEM"), the Shared Socioeconomic Pathways ("SSPs"): Climate Natural Catastrophe Damage Model, the Co-ordinated Regional Climate Downscaling Experiment ("CORDEX") forecasts, Central Banks and Supervisors Network for Greening the Financial System

Strategic report *(continued)*

Non-financial and sustainability information statement *(continued)*

Overall, three varying scenarios were constructed to represent future operating environments:

- Below 2°C Scenario: In this scenario, organisations adhere to a coordinated and orderly transition to a low-carbon economy, aligning closely with the Paris Agreement and Science Based Targets Initiative, to be net-zero by 2050. Governments coordinate to implement firm policies and regulations to reduce carbon emissions. Each business strives to lead the way in climate action to reduce emissions. This organised approach to taking climate action results in a well-structured process at an incremental cost to businesses. Although transition risks
- Between 2-3°C Scenario: Current global pledges will likely lead to a 2.7°C scenario. This scenario predicts a delayed response to climate change, leading to policies being introduced in an uncoordinated approach to reduce global emissions. Business continues as normal in the short term, but the delayed response, results in the highest levels of transitional risks within the medium term and some physical risk due to the limited action. Only the most committed businesses will take serious action. Governments will rely heavily on technology
- Above 3°C Scenario: Reached if limited climate action is taken, business continues as normal. Global emissions continue to rise until 2040, leading to a global temperature rise above 3°C. The rise in temperatures and subsequent physical risks, will eventually apply pressure on governments and organisations to act, leading to policies being introduced in the long term, accompanied by the highest levels of physical risk, due to several tipping points

Under the three scenarios, the qualitative materiality assessment identified ten high level risks and two opportunities which are described above and are presented through our analysis to gauge the influence of transition and physical risks on fundamental business indicators. The physical climate-related risks assessed the potential impact of climate events across all of our LBOs in the UK. The identification and qualitative assessment of climate-related risks within our operation was done through a bottom-up research process, led by our third party ESG consultancy. Each risk area, as recommended by the UK-CFD, was reviewed in comparison to the services the Group offers its customers. We then flagged the risks we evaluated as material to the business, based on a qualitative assessment. The risks identified are the result of an initial assessment, and in 2024 we plan to assign risk ownership to our working teams,

We are committed to improving the robustness of these assessments over time. In 2024, we aim to conduct a more rigorous analysis which will include our entire global operation in the UK, the US and South Africa. Furthermore, we will implement the same analysis and add a quantitative perspective to expand our metrics and target reporting as part of the UK-CFD.

Our analysis determined there is a low risk to the business model and strategy, and the Group is well adapted to minimise the overall impact of the risks that are material to our business arising from climate change. The physical risks that climate change poses to the business are only material in the long term between 2038 and 2052, and therefore do not pose a high financial exposure to the Group and its assets (as the recoverability of assets does not rely on cash flows in this period). Furthermore, our online business segment enhances our resilience to a potential decrease in footfall if climate damage will require

Climate resilience refers to the Group's capacity to respond to the financial impact of climate change, and better manage the associated transition and physical risks and capitalise on opportunities.

The Group has been collecting and calculating its Scope 1 and 2 emissions and energy performance data since 2019, following the UK Streamlined Energy & Carbon Reporting (SECR) as implemented by the Companies (Directors' Report) and the Limited Liability Partnerships (Energy and Carbon Report) Regulations. A third party uses the Group's actual data to calculate emissions, but no formal assurance

Strategic report *(continued)*

Non-financial and sustainability information statement *(continued)*

Metrics and targets

In accordance with the SECR requirements, the information below summarises our energy usage, associated emissions, energy efficiency actions, and energy performance, across our UK operations for the financial period to 1 October 2023:

The Group's Scope 1 direct emissions (consumption of natural gas and transportation fuels) for the period are 938.30 tCO_2e *(2022: 856.66 tCO2e)*, resulting from the direct combustion of 4,348,273kWh of fuel *(2022: 4,036,398 kWh of fuel)*.

Scope 2 indirect emissions (purchased electricity) for the period are 8,866.15 tCO2e *(2022: 9,011.22* *tCO_2e)*, resulting from the consumption of 42,816,288 kWh *(2022: 46,598,528 kWh)* of electricity purchased and consumed in day to day business operations.

The methodology used to calculate scope 1 and 2 emissions is that of the greenhouse gas protocol. We followed the Corporate Accounting and Reporting Standard (World Resources Institute and World Business Council for Sustainable Development, 2004), the Greenhouse Gas Protocol – Scope 2 Guidance (World Resources Institute, 2015), the ISO 14064-1 and ISO 14064-2 (ISO, 2018; ISO, 2019), and the Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance

To convert our consumption to scope 1 and 2 greenhouse gas emissions, we used the Government Emissions Factor Database 2023 version 1.1.

The Group's operations have an intensity metric of 12.07 tCO2e per £m of Turnover for the period to 1 October 2023 *(2022:13.77 tCO2e per £m of Turnover)*. The intensity metric has been calculated utilising Total Turnover in £m and the total tCO_2e was divided by this figure.

The Group reinforced its commitment to achieving year-on-year improvements in energy consumption reduction throughout its estate. To identify high-consuming sites, we introduced league tables displaying energy consumption data at each location. Using EMMA AI, we monitored high-consumption sites, conducted audits, and implemented modifications, including incentivising staff to adopt energy-efficient measures. The installation of 900 smart meters across the estate enhanced our ability to pinpoint opportunities for energy savings. Furthermore, the Group collaborated with external ESG consultants in 2023 and calculated scope 1 and 2 emissions, with a specific focus on addressing grey fleet emissions

The Group remains dedicated to addressing climate-related risk and reducing carbon footprint. Ongoing collaboration with external ESG consultants will involve calculating scope 1, 2, and 3 emissions and conducting climate scenario analyses to assess annual climate risks and opportunities. In 2024, the Group plans to publicly disclose Key Performance Indicators (KPIs) and corresponding targets, showcasing progress in year-on-year carbon reduction. These metrics will guide our efforts in managing climate-related risks and seizing opportunities. The Group will persist in using league tables, monitoring energy consumption in priority areas for consumption reduction with monthly reviews, extending smart-meter installations to the remaining estate, and continuing to leverage EMMA AI to monitor consumption and

By order of the Board

N Barr
Director

Date: 28th June 2024

The Spectrum
56-58 Benson Road
Birchwood, Warrington
Cheshire, WA3 7PQ

Directors' report

Directors

The directors who served the Company during the period were as follows:

F Done (resigned 21 September 2023)
N Barr
M Stebbings (resigned 21 September 2023)
J Whittaker (appointed 21 September 2023)
D Hasler (appointed 21 September 2023)

Political and charitable donations

The Company made £171,000 *(2022: £173,000)* charitable donations during the period. These were to various recipients including local charities serving the communities in which the Company operates or to gambling related charities. The Company made no political donations in either the current or preceding period.

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the reasons set out in note 1.2.

Streamlined Energy and Carbon Reporting (SECR)

The Company is a subsidiary undertaking of Betfred Group Limited (previously Lightcatch Limited) and the Group's Streamlined Energy and Carbon Reporting (SECR) is included in the Strategic report (see metrics and targets section on page 9).

Statement of corporate governance arrangements

Betfred Group Limited (previously Lightcatch Limited) has considered the principles of various Corporate Governance regimes and has analysed how this fits into the Wates Corporate Governance Principles for large private companies below.

Principle 1: Purpose and leadership

The Group has evolved over the years to become a multi-national organisation operating in four countries with both a retail and online presence in each jurisdiction. Central to the approach and offering across both business streams are our communities and customers.

The purpose of the Wates principles for the Group is to set a standard for responsible business practices that prioritise the well-being of all stakeholders, including employees, customers, suppliers, and the wider community. Leadership plays a crucial role in this purpose by setting the tone from the top and driving a culture of integrity, transparency, and accountability throughout the organisation.

Effective leaders within the Group demonstrate a commitment to ethical behaviour and responsible decision making that aligns with the Group's values and purpose. They prioritise the well-being of their teams, creating a supportive and inclusive culture that fosters innovation, collaboration and continuous improvement. They also take a proactive approach to risk management, identifying and addressing potential issues before they escalate and working to mitigate any negative impacts on stakeholders.

To support the principles of purpose and leadership the Group has established clear policies and procedures that reflect its commitment to responsible business practices. These policies are communicated clearly and consistently to all employees and stakeholders and are regularly reviewed and updated to ensure they remain relevant and effective. In addition, leaders within the Group work to foster a culture of open communication and transparency, encouraging feedback and input from all stakeholders and take action to address any concerns or issues that arise.

Principle 2: Board composition

The Group Board of Directors consists of a Chairman, Chief Executive Officer and Chief Financial Officer. The size and composition of the Group Board is appropriate for the size and focus of our business.

Directors' report *(continued)*

Statement of corporate governance arrangements *(continued)*

Principle 3: Directors' responsibilities

Our responsibilities as directors include:

1. Setting clear values, strategy and culture for the Group that align with the Wates Principles and promote ethical behaviour, accountability and responsible business practices.

2. Ensuring that the Board is diverse, independent and has the necessary skills and expertise to effectively oversee the management of the Group.

3. Establishing effective systems of risk management and internal controls to safeguard the interests of our stakeholders and ensure compliance with legal and regulatory requirements.

4. Monitoring and evaluating the performance of the Group, including financial and non-financial measures, to ensure that we are meeting our strategic objectives and delivering value to shareholders.

5. Ensuring that the Group communicates transparently with all stakeholders, including customers, employees, suppliers, investors and the wider community, and that we actively engage with them to understand and address their concerns.

6. Fostering a culture of innovation, continuous improvement and learning within the Group, and ensuring that we are adapting to changing market conditions and customer needs.

7. Upholding the highest standards of ethical behaviour and promoting a culture of integrity and transparency throughout the organisation.

Principle 4: Opportunity and risk

The Board seeks out opportunity whilst mitigating risk.

Opportunity
Long term strategic opportunities are highlighted in the annual Group strategy process which is presented to the Board. Opportunities are drawn from the business, the wider enterprise strategy and the various committees to which responsibility is delegated. Short term opportunities to improve performance, resilience and liquidity are collated as part of the regular reforecast process which is discussed with the Board.

Risks
Risk registers are maintained for each trading entity within the Group and are discussed at the quarterly Board meetings. Each company continues to refine and enhance the Group's risk management framework. The key operational risks are outlined in the strategic report (pages 3 to 4) and a list of emerging risks is considered at each Board meeting.

Responsibilities
The Group has a defined authority matrix. Any material contract or capital commitment above predetermined levels (as defined by the Board) is approved by the relevant director to ensure the appropriate level of diligence has been performed in understanding the obligations, risks and terms associated with large commitments. This enables the Group to protect the integrity and long-term sustainability for the Group, to meet its strategic objectives and create value for its shareholders, colleagues, customers and suppliers.

Principle 5: Remuneration

The Board has a remuneration committee with the committee's main objective being to set remuneration at levels that will enhance the Group's resources by securing and retaining quality senior management who can deliver the Group's strategic goals and ambitions in a manner consistent with the visions, purpose and interests of shareholders and stakeholders.

The remuneration committee is responsible for making recommendations to the Board in respect of the Group's remuneration strategy, recruitment framework and the long term incentive for senior executives and management. The director's remuneration is disclosed in note 8.

Directors' report *(continued)*

Statement of corporate governance arrangements *(continued)*

The Group reports annually on the Gender Pay Gap, which continues to highlight improvement. It is Group policy that there shall be no discrimination in respect of sex, colour, religion, race, nationality or ethnic origin, and that all employees be given equal opportunities in respect of training, career development and promotion.
Applications for employment from disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure their employment within the Group continues and appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Principle 6: Stakeholder relationships and engagement

The Board is committed to social responsibility, community engagement and environmental sustainability. It achieves this in part through its commitment to:

- implementing ways to protect our customers whether in our retail stores or online
- a culture of safety, health and well-being of everyone who works for us
- being an employer of choice where everyone is valued and respected
- seeking new ways to reduce the environmental impact of our head offices and retail stores.

Stakeholders and business relationships

The Board promotes accountability and transparency with all external stakeholders and the fundamental belief in promoting and influencing our industry for the greater good of customers is reflected in our CEO's active engagement across industry bodies.

The Group publicly issues details of the "Gender Pay Reporting", "Supplier Payment Performance Reporting" and the "Tax Strategy". The Group welcomes the focus these reports provide as it is constantly looking to improve its engagement with all stakeholders.

We have a dedicated procurement team which ensures that all suppliers are treated fairly and consistently. The Group has regular engagement with its suppliers and regularly reviews its payment policies and adherence to those policies when producing the six-monthly supplier reports. All material contracts with suppliers are discussed at board level and in reaching final approval on decision for material contracts the Board has regard to a number of factors including: the business case and financial impact; the impact on our suppliers; and the long-term reputation of the Group.

We engage on a regular and open basis with our regulators to ensure that they are all engaged in our operating practices and that we can help policymakers shape our industry environment to best serve our stakeholder group whilst operating in a legal and fair way.

It is important that we look after the interests of our customers, which range from product availability, ethical behaviour, service, pricing and promoting responsible attitudes to gambling. The Group, as part of its commitment to responsible and safer gambling, engages through initiatives like Responsible Gambling Week, where responsible gambling messages dominate our websites, social media, retail premises and head office. Betfred is committed to responsible gambling and has produced a Safe Gambling Charter for both Retail and Online.

We are committed to making a positive contribution to the communities within which we operate, including through payment of taxes, reducing our environmental impact through initiatives such as using LED lighting and moving to electric/hybrid vehicles. We donate money to various charities and the Group has a matched charity funding scheme, where it matches amounts that employees raise for their chosen charities.

Employee involvement

The Board and senior management team are actively involved in looking after the interests of our employees through training, development, diversity and inclusion, health and safety and working conditions. Senior management regularly engage with employees via email or the staff portal and meetings are held regularly, with all Heads of Department and various Board members in attendance. During these meetings our People Director gives an update on relevant employee topics. Our CEO regularly engages with the senior management team to give an update on what is going on in the business.

Directors' report *(continued)*

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

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

By order of the Board

N Barr
Director

Date: 28th June 2024

The Spectrum
56-58 Benson Road
Birchwood, Warrington
Cheshire, WA3 7PQ

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

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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

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

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

Independent auditor's report to the members of Done Brothers (Cash Betting) Limited

Opinion

We have audited the financial statements of Done Brothers (Cash Betting) Limited ("the Company") for the 53 week period ended 1 October 2023 which comprise the profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity and the related notes, including the accounting policies in note 1.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 1 October 2023 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to other entities of public interest. 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").

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources and/or metrics relevant to debt covenants over this period were:

- The impact of a general decline in the level of stakes and margin impacting on the levels of net revenue;
- The impact of significant changes in the regulatory environment affecting the Company's profitability.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible, downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Company's financial forecasts.

We considered whether the going concern disclosure in note 1.2 to the financial statements gives a full and accurate description of the directors' assessment of going concern, including the identified risks , and related sensitivities. We assessed the completeness of the going concern disclosure.

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 as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Consultation with forensic specialists to consider fraud risk factors.

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, and our overall knowledge of the control environment, 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 onerous lease provisions. On this audit we do not consider there to be a fraud risk relating to revenue as the majority of the Company's revenues are realized in cash at the balance sheet date which limits the opportunity for

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unexpected account combinations and seldom used accounts.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement related to 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, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence 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 or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law and regulation applicable to the gambling sector in which the Company operates. 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

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 Done Brothers (Cash Betting) Limited *(continued)*

Directors' responsibilities

As explained more fully in their statement set out on page 14, 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.

Liam Finnigan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

Date: 28/6/24

Profit and loss account and other comprehensive income
for the 53 week period ended 1 October 2023

	Note	**2023 £000**	2022 £000
Turnover	*3*	**432,162**	418,840
Betting duty		**(31,609)**	(31,486)
Machine gaming duty		**(43,924)**	(41,557)
Statutory betting levy		**(7,461)**	(6,957)
Commissions paid		**(13,566)**	(13,621)
Gross profit		**335,602**	325,219
Administrative expenses - before goodwill & licence amortisation		**(311,243)**	(287,741)
Administrative expenses - goodwill & licence amortisation	*12*	**(5,150)**	(5,437)
Exceptional items	*8*	**(82,646)**	(13,590)
Other operating income	*4*	**22,269**	20,099
Operating (loss)/profit	*4-8*	**(41,168)**	38,550
Interest receivable and similar income	*9*	**6,135**	2,633
Interest payable and similar expenses	*10*	**(1,036)**	(719)
(Loss)/profit before taxation		**(36,069)**	40,464
Tax on (loss)/profit	*11*	**(11,986)**	(13,409)
(Loss)/profit after taxation		**(48,055)**	27,055
Other comprehensive income		**-**	-
Total comprehensive (expense)/income for the financial period		**(48,055)**	27,055

The notes on pages 22 to 38 form an integral part of these financial statements.

Balance sheet
at 1 October 2023

	Note	**2023** **£000**	**2023** **£000**	2022 £000	2022 £000
Fixed assets					
Intangible assets	*12*		**7,994**		12,804
Tangible fixed assets	*13*		**48,008**		27,815
Current assets			**56,002**		40,619
Stock		**479**		402	
Debtors due within one year (including £nil due after more than one year *(2022: £56.7m)*)	*15*	**58,448**		410,706	
Cash at bank		**12,776**		33,473	
		71,703		444,581	
Creditors: amounts falling due within one year	*16*	**(66,643)**		(369,653)	
Net current assets			**5,060**		74,928
Total assets less current liabilities			**61,062**		115,547
Creditors: amounts falling after more than one year	*17*		**(1,754)**		(1,253)
Provisions for liabilities and charges	*19*		**(16,964)**		(23,895)
Net assets			**42,344**		90,399
Capital and reserves					
Called up equity share capital	*21*		**8**		8
Profit and loss account			**42,336**		90,391
Shareholders' funds			**42,344**		90,399

The notes on pages 22 to 38 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors and were signed on its behalf by:

NBarr

N Barr
Director

Date: 28th June 2024

Registration number: 1277703

Statement of changes in equity
for the period ended 1 October 2023

	Called up share capital £000	Profit & Loss account £000	Total Shareholder Equity £000
Balance at 26 September 2021	8	133,336	133,344
Total comprehensive income for the period			
Profit for the period	-	27,055	27,055
Total comprehensive income for the period	-	27,055	27,055
Transactions with owners, recorded directly in equity			
Dividends paid	-	(70,000)	(70,000)
Balance at 25 September 2022	**8**	**90,391**	**90,399**

	Called up share capital £000	Profit & Loss account £000	Total Shareholder Equity £000
Balance at 25 September 2022	8	90,391	90,399
Total comprehensive expense for the period			
Loss for the period	-	(48,055)	(48,055)
Total comprehensive expense for the period	-	(48,055)	(48,055)
Balance at 1 October 2023	**8**	**42,336**	**42,344**

The notes on pages 22 to 38 form an integral part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Done Brothers (Cash Betting) Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland *("FRS 102")*. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The results presented cover a 53 week period ended 1 October 2023 *(2022: 52 week period ended 25 September 2022).*

The Company is exempt by virtue of s400 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. The Company's ultimate parent undertaking, Betfred Group Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Betfred Group Holdings Limited are prepared in accordance with FRS 102 and are publicly available. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash flow statement and related notes; and
- Key management personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

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

The directors have prepared cash flow forecasts for the Group for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking into account severe but plausible downsides across the Group, the Company will have sufficient funds, through funding from its ultimate parent company, Betfred Group Holdings Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Betfred Group Holdings Limited and its subsidiaries not seeking repayment of the amounts currently due to the group, which at 1 October 2023 amounted to £1,209,000 and providing additional financial support during that period, if required. Betfred Group Holdings Limited has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. 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.

Notes *(continued)*

1.3 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.4 Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments, discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments, discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.5 Other financial instruments

Financial instruments not considered to be basic financial instruments (other financial instruments)

Other financial instruments not meeting the definition of basic financial instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and
- hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Notes *(continued)*

1.6 Tangible fixed assets (continued)

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 1.14 below.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The depreciation is calculated as follows:

Freehold buildings	-	2.5% per annum
Leasehold buildings	-	Period of the lease
Plant, machinery and computer equipment	-	33.3% per annum
Fixtures and fittings	-	10% per annum
Motor vehicles	-	25% per annum
Office equipment	-	15% per annum
Alterations to premises	-	10% per annum

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.7 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the Company recognises goodwill as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- the estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

Notes *(continued)*

1.8 Intangible assets, goodwill and negative goodwill

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) in respect of acquisitions is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	-	10 to 20 years

Other intangible assets

Intangible fixed assets purchased separately from a business are capitalised at their cost.

Intangible assets acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably.

Intangible assets are amortised to nil by equal annual instalments over their useful economic lives, generally their respective unexpired periods, as follows:

Betting licences	-	10 to 20 years

1.9 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is 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.

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. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGUs") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

Notes *(continued)*

1.9 Impairment excluding stocks and deferred tax assets (continued)

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.10 Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

1.11 Employee benefits

Defined contribution plans and other long-term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

1.12 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Notes *(continued)*

1.13 Turnover

Amounts wagered does not represent the statutory revenue measure and comprise the gross takings receivable from customers in respect of individual bets placed in the Company's Licensed Betting Offices (LBOs). Winnings re-staked prior to being withdrawn from Fixed Odds Betting Terminals are grossed up into amounts wagered.

Turnover is measured at the fair value of the consideration received or receivable from customers being the net of amounts wagered less amounts paid or payable to winning customers.

The Company also acts as an affiliate of the Totepool and recognises commission on Totepool bets placed in the Company's LBOs.

1.14 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and interest payable

Interest payable and similar expenses includes interest payable, finance leases recognised in profit or loss using the effective interest method and unwinding of the discount on provisions.

Other interest receivable and similar income includes interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.15 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account 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 period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Notes *(continued)*

1.15 Taxation (continued)

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.16 Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are recognised in other operating income when they become receivable.

1.17 Exceptional items

The Company categorises certain income or costs as exceptional items which is not defined by FRS102. The Directors use this measure in order to assess the underlying operational performance of the Company to facilitate year-on-year comparison of the underlying trade of the business. The categorisation of exceptional items may not be directly comparable with other companies' classification and the Directors do not intend these to be a substitute for, or superior to, FRS 102 measures. These exceptional items are separately disclosed and are usually items that are significant in size or non-recurring in nature.

2 Accounting estimates and judgements

Onerous lease and dilapidation provisions (estimate)

The Company is party to a number of non-cancellable leases on properties that are either loss making or closed. Judgement is applied in determining whether leases are onerous. The principal element of uncertainty in these provisions is the future performance of the loss making stores, if the forecast loss/revenue on these stores were to change it would change the onerous lease provision. Where a lease is onerous to the Company, a provision is established for the difference between amounts contractually payable to the landlord and amounts contractually receivable from the tenant (if any).

In addition, provisions exist for the expected future dilapidation cost on leasehold properties that are considered to be onerous, any related to stores recently closed, stores which are planned to close or are at high risk of closure in the future. Management maintain all properties to a high standard and carry out repairs whenever necessary during their tenure. Therefore if there is no risk of closure any provision would be minimal and management do not consider it necessary to hold dilapidation provisions for these properties.

Recoverability of amounts due from subsidiary undertakings (estimate)

The Company funded some of the expansion in the United States businesses through inter-group loans. Due to doubts surrounding the estimated future cashflows of the United States business and therefore the recoverability of these inter-group loans, the loans have been provided for in full, £116.6m.

3 Turnover

The turnover and profit before tax are attributable to betting operations via retail outlets. New retail outlets are opened and/or purchased in accordance with the nature of the business. These are not considered to be acquisitions. All turnover originates from the United Kingdom.

Notes *(continued)*

4 Other operating income

	2023 £000	2022 £000
Rental income	**630**	828
Royalties and service charges	**21,014**	18,542
Other income receivable	**625**	729
	22,269	20,099

5 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2023 £000	2022 £000
Depreciation of tangible fixed assets	**7,261**	6,624
Loss on sale of tangible fixed assets	**59**	891
Amortisation of intangible assets	**5,150**	5,437
Operating lease land & buildings	**31,786**	32,376
Operating lease plant & machinery	**2,561**	2,713

Auditor's remuneration:

	2023 £000	2022 £000
Auditor's remuneration - audit of the financial statements	**128**	124

6 Employee numbers and costs

The average number of staff employed by the Company, on a full time equivalent basis, during the financial period amounted to:

	2023 No.	2022 No.
Number of office, management and sales staff	**4,879**	5,022

The aggregate payroll costs of the above were:

	2023 £000	2022 £000
Wages and salaries	**144,342**	130,643
Social security costs	**11,479**	10,431
Other pension costs	**4,150**	3,601
	159,971	144,675

Notes *(continued)*

7 Directors' remuneration

The directors' aggregate emoluments in respect of qualifying services were:

	2023	2022
	£000	£000
Aggregate emoluments	**1,059**	1,013
Company contributions to money purchase pension schemes	**6**	6
Compensation for loss of office	**369**	-
	1,434	1,019

The aggregate emoluments of the highest paid director were £754,000 *(2022: £369,000)* and company pension contributions of £3,000 *(2022: £3,000)* were made to a money purchase scheme on their behalf.

The number of directors who accrued benefits under company pension schemes was as follows:

	2023	2022
	No.	No.
Money purchase scheme	**2**	2

8 Exceptional items

	2023	2022
	£000	£000
Pre-operating profit		
Reversal of impairment of fixed assets	**(1,797)**	(1,933)
Impairment of fixed assets	**1,352**	1,699
Reversal of impairment of intangible assets - licences	**(1,293)**	(400)
Impairment of intangible assets - licences	**863**	665
Net onerous lease provisions reversed during the period	**(5,975)**	(3,403)
Write off amounts due from related parties	**-**	240
Write off amounts due from group undertakings	**-**	3,625
Provision for amounts due from group undertakings	**89,687**	10,426
Other provisions (reversed)/made during the period	**(191)**	2,671
	82,646	13,590

Exceptional items amounted to a net charge of £82,646,000 *(2022: £13,590,000).* Exceptional items in the current period includes a net credit of £7,041,000 in relation to impairments and provisions due to loss making shops in the prior year now being profitable; and a charge of £89,687,000 relating to the provision of amounts due from group undertakings which are no longer considered to be recoverable. Prior year exceptional items includes a net credit of £701,000 in relation to impairments and provisions; a charge of £240,000 relating to the write off of a related party loan; a charge of £3,625,000 relating to the write off of an amount due from group undertakings; and a charge of £10,426,000 relating to the provision of amounts due from group undertakings which are no longer considered to be recoverable.

Notes *(continued)*

9 Interest receivable and similar income

	2023 £000	2022 £000
Bank interest receivable	**576**	200
Net foreign exchange gains	**-**	2
Loan interest receivable	**5,385**	2,290
Other interest receivable	**174**	141
	6,135	2,633

10 Interest payable and similar expenses

	2023 £000	2022 £000
Bank interest payable	**20**	91
Unwinding of discount on provisions	**958**	628
Net foreign exchange losses	**33**	-
Other interest payable	**25**	-
	1,036	719

11 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2023 £000	2022 £000
Current tax		
Current tax on income for the period	**7,346**	13,511
Adjustments in respect of prior periods	**(325)**	(6)
Total current tax	**7,021**	13,505
Deferred tax (see note 18)		
Origination and reversal of timing differences	**4,974**	(96)
Adjustments in respect of prior periods	**(9)**	-
Total deferred tax	**4,965**	(96)
Total tax	**11,986**	13,409

	2023 £000 Current tax	2023 £000 Deferred tax	2023 £000 Total tax	2022 £000 Current tax	2022 £000 Deferred tax	2022 £000 Total tax
Recognised in profit and loss account	**7,021**	**4,965**	**11,986**	13,505	(96)	13,409
Total tax	**7,021**	**4,965**	**11,986**	13,505	(96)	13,409

Notes *(continued)*

11 Taxation *(continued)*

Reconciliation of effective tax rate

	2023	2022
	£000	£000
(Loss)/profit for the period	**(48,055)**	27,055
Total tax expense	**11,986**	13,409
(Loss)/profit excluding taxation	**(36,069)**	40,464
Tax using the UK corporation tax rate of 22% *(2022: 19%)*	**(7,935)**	7,688
Difference in tax rate on deferred tax balances	**595**	(23)
Group relief claimed not paid for	**(482)**	-
Non-deductible expenses	**20,142**	3,750
Over provided in prior periods	**(334)**	(6)
Other provisions	**-**	2,000
Total tax expense included in profit or loss	**11,986**	13,409

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the Company's future current tax charge accordingly. The deferred tax assets and liabilities at 1 October 2023 have been calculated at 25% *(2022: 25%).*

12 Intangible assets

	Goodwill	**Licences**	**Favourable Leases**	**Total**
	£000	**£000**	**£000**	**£000**
Cost				
At 25 September 2022	70,971	20,914	487	**92,372**
Disposals	-	(1,249)	-	**(1,249)**
At 1 October 2023	**70,971**	**19,665**	**487**	**91,123**
Amortisation and impairment				
At 25 September 2022	63,978	15,107	483	**79,568**
Disposals	-	(1,159)	-	**(1,159)**
Charge for the period	3,198	1,951	1	**5,150**
Impairment of assets	-	863	-	**863**
Reversal of impairment	-	(1,293)	-	**(1,293)**
At 1 October 2023	**67,176**	**15,469**	**484**	**83,129**
Net book value				
At 25 September 2022	6,993	5,807	4	12,804
At 1 October 2023	**3,795**	**4,196**	**3**	**7,994**

During the period the Directors considered if there were any indicators of impairment of goodwill or other intangible assets. Goodwill was impaired by £nil *(2022: £nil)* and licences were impaired by £863,000 *(2022: £665,000)*. The impairment is charged to exceptional items.

Notes *(continued)*

13 Tangible fixed assets

	Properties £000	Software £000	Alterations to premises £000	Fixtures & fittings £000	Plant, machinery & equipment £000	Total £000
Cost						
At 25 September 2022	14,507	4,474	31,318	54,792	70,421	**175,512**
Additions	-	-	1,720	1,084	24,530	**27,334**
Disposals	(271)	-	(1,195)	(2,564)	(1,402)	**(5,432)**
At 1 October 2023	**14,236**	**4,474**	**31,843**	**53,312**	**93,549**	**197,414**
Depreciation and impairment						
At 25 September 2022	3,849	4,474	29,362	48,129	61,883	**147,697**
Charge for the period	295	-	808	2,074	4,084	**7,261**
Disposals	(94)	-	(1,188)	(2,465)	(1,360)	**(5,107)**
Impairment of assets	-	-	334	1,014	4	**1,352**
Reversal of impairment	-	-	(435)	(1,337)	(25)	**(1,797)**
At 1 October 2023	**4,050**	**4,474**	**28,881**	**47,415**	**64,586**	**149,406**
Net book value						
At 25 September 2022	10,658	-	1,956	6,663	8,538	27,815
At 1 October 2023	**10,186**	-	**2,962**	**5,897**	**28,963**	**48,008**

The net book value of properties comprises:

	2023 £000	2022 £000
Freeholds	**9,398**	9,842
Long leaseholds (over 50 years)	**785**	802
Short leaseholds	**3**	14
Total property	**10,186**	10,658

Contracted, but not accrued, capital commitments at 1 October 2023 were £nil *(2022: £nil)*.

Notes *(continued)*

14 Investments

The Company's subsidiaries are all dormant, their trade having been transferred to the Company from acquisition. The Company holds the following investments in dormant companies:

	Registered office address	Class of shares held	Ownership 2023	Ownership 2022
			%	%
Demmy the Bookmaker Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Hanley Racing Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Giftcircle Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
A&R Racing Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
The Chase Retail Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Betfred Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100
Done Management Limited	The Spectrum, 56-58 Benson Road, Birchwood, Warrington, Cheshire, WA3 7PQ	Ordinary	100	100

15 Debtors

	2023	2022
	£000	£000
Trade debtors	**852**	632
Amounts owed by group undertakings	**40,090**	388,540
Amounts due from related parties	**2,591**	4,374
Prepayments and accrued income	**14,385**	11,223
Corporation tax	-	770
Deferred tax asset *(note 18)*	-	4,098
Other debtors	**530**	1,069
	58,448	410,706

Included within amounts owed by group undertakings is £nil *(2022: £54,225,000)* and within amounts due from related parties is £nil *(2022: £2,507,000)* which are not expected to be recovered in one year. The remaining amounts owed by group undertakings are interest free and are repayable on demand.

In the period ended 1 October 2023, a provision of £89,687,000 *(2022: £10,426,000)* was made relating to amounts due from group undertakings which are no longer considered to be recoverable. This has reduced the amounts owed by group undertakings.

Notes *(continued)*

16 Creditors: amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	**5,060**	10,944
Amounts payable to winning customers	**3,402**	3,996
Amounts due to group undertakings	**1,209**	309,632
Corporation tax	**1,249**	-
Other taxation and social security	**23,970**	21,518
Obligations under finance leases	**255**	-
Unfavourable leases	**41**	54
Accruals and deferred income	**28,183**	21,915
Other creditors	**3,274**	1,594
	66,643	369,653

Amounts due to group undertakings are interest free and are repayable on demand.

17 Creditors: amounts falling due after more than one year

	2023 £000	2022 £000
Unfavourable leases	**107**	173
Accruals and deferred income	**1,199**	1,019
Obligations under finance leases	**388**	-
Other creditors	**60**	61
	1,754	1,253

18 Deferred tax assets

Deferred tax assets and liabilities are attributable to the following:

	Assets 2023 £000	Assets 2022 £000	Liabilities 2023 £000	Liabilities 2022 £000	Net 2023 £000	Net 2022 £000
Accelerated capital allowances	**-**	4,077	**(1,257)**	-	**(1,257)**	4,077
Arising on business combinations	**-**	-	**(1,012)**	(1,402)	**(1,012)**	(1,402)
Short term timing differences	**-**	21	**-**	-	**-**	21
	-	4,098	**(2,269)**	(1,402)	**(2,269)**	2,696

Notes *(continued)*

19 Provisions for liabilities and charges

	Deferred tax £000	Dilapidation provision £000	Onerous lease provision £000	Other provisions £000	Total £000
Balance at 25 September 2022	1,402	3,575	14,247	4,671	23,895
Provisions made during the period	867	1,417	4,244	-	6,528
Provisions released during the period	-	(1,414)	(10,219)	(191)	(11,824)
Provisions used during the period	-	-	(113)	(2,480)	(2,593)
Unwinding of discounted amount	-	-	958	-	958
Balance at 1 October 2023	**2,269**	**3,578**	**9,117**	**2,000**	**16,964**

The onerous lease provision is in relation to loss making shops within the Company shop profile. An associated impairment has been recorded in relation to assets dedicated to these shops.

The dilapidation provision is associated with the Company's retail estate.

Other provisions included a provision in respect of regulatory settlements which was settled in the current period.

20 Employee Benefits

Defined contribution scheme

The Company operates two defined contribution pension plans.

The total expense relating to these plans in the current period was £4,150,000 *(2022: £3,601,000).*

21 Capital and reserves

Called up share capital

	2023 £000	2022 £000
Allotted, called up and fully paid		
75,000 ordinary shares of £0.10 each	**8**	8

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Notes *(continued)*

22 Commitments and contingencies

Commitments under operating leases:

Non-cancellable operating lease rentals are payable as follows:

	2023	2022
	£000	£000
Land and buildings		
Within one year	**15,709**	18,681
Between one and five years	**33,195**	37,879
More than five years	**8,579**	9,931
	57,483	66,491
Other		
Within one year	**2,257**	1,993
Between one and five years	**2,079**	3,533
More than five years	-	-
	4,336	5,526

Contingencies:

The Company had guaranteed a £6,000,000 facility on behalf of a related party in the prior year. The facility expired on 31 December 2022.

The Company became an obligor to a wider group banking arrangement on 18 October 2022 and, as such, has entered into a cross guarantee in respect of borrowings of £60m of the Betfred group of companies, headed by Betfred Group Limited. In addition, the Company's assets are secured by a number of fixed and floating charges held by the financing parties of the banking arrangement.

Given the Company's nature of business, it is susceptible to fraudulent customer activity, potential attempts of money laundering and legal proceedings which sometimes can give rise to future liabilities either by way of repayment of net winnings or by fines from regulatory authorities. Open regulatory cases as at the date of the financial statements are not expected to result in a material future outflow of economic benefit, however, the directors have performed an assessment and recorded suitable provisions, as outlined in Note 19, and there inherently remains the risk of potential future liabilities given the Company's nature of business.

23 Related parties

Administrative expenses

Excluding the rental costs referred to below, total expenses of £42,651,000 *(2022: £39,833,000)* were incurred in respect of entities in which Mr F Done, or close family members, have a controlling or beneficial interest.

£42,122,000 *(2022: £39,635,000)* was paid to Sports Information Services (Holdings) Limited for TV streaming in the Company's LBOs. Betfred Group has a 5.99% holding in Sports Information Services (Holdings) Limited. Expenses were incurred on normal commercial terms. The amount owed to Sports Information Services (Holdings) Limited as at 1 October 2023 is £1,968,000 *(2022: £3,256,000)*.

£341,000 *(2022: £nil)* was paid to DOMIS Construction Limited for alterations to the Company's head office. Expenses were incurred on normal commercial terms. The amount owed to DOMIS Construction Limited as at 1 October 2023 is £89,000 *(2022: £nil)*.

£108,000 *(2022: £111,000)* was paid to Peninsula Business Services Limited for employment advice. Expenses were incurred on normal commercial terms. The amount owed to Peninsula Business Services Limited as at 1 October 2023 is £nil *(2022: £nil)*.

Notes *(continued)*

23 Related parties *(continued)*

£56,000 *(2022: £64,000)* was paid to Great Leighs Estates Limited for racecourse commissions. Expenses were incurred on normal commercial terms. The amount owed to Great Leighs Estates Limited as at 1 October 2023 is

£23,000 *(2022: £23,000)* was paid to Fideliti Limited for childcare vouchers. Expenses were incurred on normal commercial terms. The amount owed to Fideliti Limited as at 1 October 2023 is £1,000 *(2022: £2,000)*.

Rental costs

Rental costs include £2,365,000 *(2022: £2,058,000)* in respect of entities in which directors, a former director or members of their close families have a controlling or beneficial interest. Rents were made on normal commercial terms.

Related Party Loans

Moneta Communications Holdings Limited had a facility with the Company and as at 1 October 2023 £nil *(2022: £2,141,000)* was outstanding. The loan carried interest at 3.25% + SONIA. Moneta Communications Limited was sold in the prior period by its parent Moneta Communications Holdings Limited. The loan was written off in the prior period and £2,841,000 of the amount previously provided for was recovered from the proceeds of the sale. Moneta Communications Holdings Limited is an entity in which Mr F Done or close family has a beneficial interest.

Gaming USA Limited also had a facility with the Company and as at 1 October 2023 £nil *(2022: £nil)* was outstanding. An amount of £1,856,000 was written off in the prior period as it was deemed to be irrecoverable.

Done Energy One Limited also had a facility with the Company and as at 1 October 2023 £nil *(2022: £26,000)* was outstanding. An amount of £129,000 was written off in the prior period as it was deemed to be irrecoverable.

GGRecon Limited has a facility with the Company and as at 1 October 2023 £2,591,000 *(2022: £2,207,000)* was outstanding. The loan carries interest at 3.25% + SONIA per annum. GGRecon Limited is an entity in which Mr F Done or close family has a beneficial interest.

24 Ultimate Parent Company and Parent Company of larger group

The Company is a subsidiary undertaking of Betfred Group Limited (previously Lightcatch Limited). Betfred Group Holdings Limited (previously Betfred Group Limited) owns 100% of the share capital of Betfred Group Limited and is the ultimate parent of the Company. The ultimate controlling party is the Done family.

The largest group in which the results of the Company are consolidated is that headed by Betfred Group Holdings Limited, registered office address The Spectrum, 56-58 Benson Road, Birchwood, Warrington, WA3 7PQ. The smallest group in which they are consolidated is that headed by Betfred Group Limited, registered office address The Spectrum, 56-58 Benson Road, Birchwood, Warrington, WA3 7PQ. The consolidated financial statements of these groups are available to the public and may be obtained from The Spectrum, 56-58 Benson Road, Birchwood, Warrington, WA3 7PQ.