

Annual Report and Financial Statements

Ladbrokes Trustee Company Limited

For the year ended 31 December 2019

LADBROKES TRUSTEE COMPANY LIMITED

STRATEGIC REPORT – FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their Strategic Report for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

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

There have been no changes in the Company's activities during the year.

PRINCIPAL RISK AND UNCERTAINTIES

GVC Holdings PLC reviews and evaluates key risks and uncertainties faced by the group as part of the divisional reviews undertaken at its regular board meetings. The impact of risks and uncertainties of the Company is considered as part of this review process.

The Company's principal risks arise from the carrying value of investments, and interest rates, which affect the balances with other group companies and interest due on those balances.

The Company has no other significant risks or uncertainties other than those that arise from being a part of the GVC Holdings PLC. The significant risks or uncertainties, including the Company's exposure to financial risk management and those arising from Brexit are dealt with on pages 57 to 62 presented in the Annual Report 2019 of GVC Holdings PLC.

SECTION 172 STATEMENT

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

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

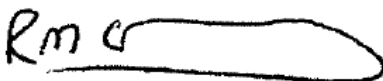
The Company is a wholly owned subsidiary of GVC Holdings PLC and therefore the directors have also considered the wider context in which the Company operates to adhere to the high standards of professionalism, culture, values, ethics, strategy and environmental and social responsibility set by the GVC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

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

The Company has no employees or direct customers.

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

On behalf of the Board



R M Sandbach
Director

30 October 2020

LADBROKES TRUSTEE COMPANY LIMITED

DIRECTORS' REPORT – FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their Directors' Report and the Company's audited financial statements for the year ended 31 December 2018.

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

Directors: R M Sandbach
 R M Wood

Secretary : Ladbrokes Coral Corporate Secretaries Limited

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

Company Number: 03270973

FINANCIAL RISK MANAGEMENT

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

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing these financial statements.

The Group has assessed the impact of the Covid-19 outbreak on the business and has revised its cash flow forecasts for 2020 and 2021 to take account of the consequent reduction in profits and net cash inflows. The revised forecasts indicate that the group will remain within its present bank facilities and will continue to be able to pay its liabilities as they fall due.

FUTURE DEVELOPMENTS

The Company plans to continue its existing activities in the forthcoming year.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year and up to the date of approval of these financial statements GVC Holdings PLC purchased and maintained on behalf of the Company liability insurance for its directors and officers as permitted by section 234 of the Companies Act 2006.

INDEPENDENT AUDITORS

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

MODERN SLAVERY

GVC Holdings PLC and its global subsidiaries ("the group") recognise that companies have an obligation to ensure that their business and supporting supply chains are slavery free. The group's full modern slavery statement can be found at <https://gvc-plc.com/corporate-responsibility/modern-slavery-statement/>.

LADBROKES TRUSTEE COMPANY LIMITED

DIRECTORS' REPORT – FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

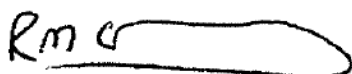
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

On behalf of the Board



R M Sandbach
Director

30 October 2020

Independent auditors' report to the members of Ladbrokes Trustee Company Limited

Opinion

We have audited the financial statements of Ladbrokes Trustee Company Limited (“the company”) for the year ended 31 December 2018 which comprise the Balance Sheet, the Income Statement, the Statement of Changes in Equity and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the company’s affairs as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the valuation of assets, and related disclosures, and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company’s future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company’s future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

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 are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors’ conclusions, we considered the inherent risks to the company’s business model, including the impact of Brexit, and analysed how those risks might affect the company’s financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors’ report

The directors are responsible for the strategic report and the directors’ report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors’ report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors’ report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditors' report to the members of Ladbrokes Trustee Company Limited (continued)

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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



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

Chartered Accountants

KPMG LLP

St Nicholas House

Park Row

Nottingham

NG1 6FQ

5 November 2020

LADBROKES TRUSTEE COMPANY LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	<u>Note</u>	<u>2019</u> <u>£'000</u>	<u>2018</u> <u>£'000</u>
Administrative expenses		(242)	(118)
		<hr/>	<hr/>
Loss before taxation and finance expense	5	(242)	(118)
Finance income	7	242	205
Finance expense	8	-	(87)
Income tax expenses	9	-	-
		<hr/>	<hr/>
RESULT FOR THE FINANCIAL YEAR		-	-
		<hr/>	<hr/>
Attributable to:			
Equity holders of the parent		-	-
		<hr/>	<hr/>

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

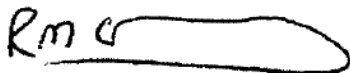
There are no items of other comprehensive income in the year presented. Therefore, no separate statement of comprehensive income has been prepared.

The notes on pages 9 to 14 form an integral part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2019

	<u>Note</u>	<u>2019</u> £'000	<u>2018</u> £'000
Current assets			
Cash and cash equivalents	10	46,497	44,463
Trade and other receivables	11	36,464	45
		82,961	44,508
Current liabilities			
Trade and other payables	12	(82,961)	(44,508)
Net assets		-	-
Shareholders' equity			
Called up share capital	13	-	-
Accumulated losses		-	-
Total shareholders' equity		-	-

The financial statement on pages 6 to 14 were approved by the board of directors on 30 October 2020 and were signed on its behalf by:



R M Sandbach
Director

30 October 2020

LADBROKES TRUSTEE COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Issued share capital	Accumulated losses	Total shareholders' equity
	£'000	£'000	£'000
As at 1 January 2018	-	-	-
Result for the financial year and total comprehensive income for the year	-	-	-
At 31 December 2018	-	-	-
Result for the financial year and total comprehensive income for the year	-	-	-
At 31 December 2019	-	-	-

The notes on pages 9 to 14 form an integral part of these financial statements.

LADBROKES TRUSTEE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2019

1. Corporate information

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

The financial statement of the Company for the year ended 31 December 2019 were authorised to issue in accordance with a resolution of the directors.

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

2. Basis of preparation

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

The accounting policies which follow in note 4 set out those policies which apply in preparing the financial statements for the year ended 31 December 2018. These policies have been applied consistently other than where new polices have been adopted.

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

- a) IAS 1 Presentation of Financial Statements
- b) the requirements of IAS 7 Statement of Cash Flows
- c) IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- d) IAS 24 Related Party Disclosures
- e) IFRS Financial Instruments: Disclosure;

3. Key judgments and sources of estimation uncertainty

The preparation of financial information requires management to make assumptions, estimates and judgements that affect the amounts reported as assets and liabilities as at the balance sheet date and the amounts reported as revenues and expenses during the year. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future may differ from those reported. In this regard, management believes that the accounting policies where judgement is necessarily applied are those that relate to the recoverable amount of non-current assets.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. The following estimates are dependent upon the assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised at the balance sheet date.

Financial assets

Financial assets are recognised when the Company becomes party to the contracts that give rise to them. The Company classifies financial assets at inception as loans and receivables, financial assets at fair value through profit or loss or available-for-sale financial assets. At 31 December 2019, the Company had only financial assets classified as loans and receivables.

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

Financial liabilities

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

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

LADBROKES TRUSTEE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

4. Summary of significant accounting policies

4.1 Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

The Group has assessed the impact of the Covid-19 outbreak on the business and has revised its cash flow forecasts for 2020 and 2021 to take account of the consequent reduction in profits and net cash inflows. The revised forecasts indicate that the group will remain within its present bank facilities and will continue to be able to pay its liabilities as they fall due.

4.2 Financial assets

Financial assets are recognised when the Company becomes party to the contracts that give rise to them. The Company classifies financial assets at inception as loans and receivables, financial assets at fair value through profit or loss or available-for-sale financial assets. At 31 December 2018, the Company had only financial assets classified as loans and receivables.

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

4.3 Financial liabilities

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

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

5. Loss before tax and finance expense

The audit fee for the Company of £1,000 has been borne by another group company (2018: £1,000).

6. Directors and employees

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

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

7. Finance income

	<u>2019</u> <u>£'000</u>	<u>2018</u> <u>£'000</u>
Bank interest income	<u>242</u>	<u>205</u>

LADBROKES TRUSTEE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

8. Finance expenses

	<u>2019</u> £'000	<u>2018</u> £'000
Interest payable to group companies	-	87

9. Income tax expenses

a) Tax charged in the income statement

	<u>2019</u> £'000	<u>2018</u> £'000
Current tax		
UK corporation tax	-	-
Deferred tax		
Origination and reversal of temporary differences	-	-
Impact of change in tax laws and rates	-	-
Total deferred tax	-	-
Tax expense in the income statement	-	-

b) Reconciliation of the total tax charge

A reconciliation of income tax expense applicable to result before tax at the UK statutory income rate to the income tax result for the year ended 31 December 2019 and 31 December 2018 is as follows:

	<u>2019</u> £'000	<u>2018</u> £'000
Result before tax	-	-
Result before tax multiplied by standard rate of corporation tax in the UK of XX.00 (2018: 19.00%)	-	-
Adjusted for the effects of:		
Non-deductible expenses	2	17
Group relief claimed for nil consideration	(2)	(17)
Total tax expense reported in the income statement	-	-

c) Changes in corporation tax

In the Budget on 16 March 2016, the Chancellor announced that the standard rate of UK Corporation Tax will be reduced from 1 April 2020 to 17%. In addition, he announced that the planned reductions in rates would be delayed and amended so that the standard rate of UK Corporation Tax will be reduced from 20% to 19% from 1 April 2017, with a further reduction to 17% from 1 April 2020.

In the Budget on 11 March 2020 the Chancellor announced that the standard rate of UK Corporation Tax would increase from the planned 17% rate to 19% on 1 April 2020. This change was enacted on 17 March 2020 and therefore does not impact the rate of 17% used for the year ended 31 December 2019.

LADBROKES TRUSTEE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

9. Income tax expenses (continued)

d) Deferred tax

There are unrecognised deferred tax assets of £70,000 (2018: £70,000) arising due to temporary timing differences on overseas interest payments.

10. Cash and cash equivalents

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

11. Trade and other receivables

	<u>2019</u> £'000	<u>2018</u> £'000
Amounts owed by group undertakings	36,464	41
Prepayments	-	4
	<u>36,464</u>	<u>45</u>

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

12. Trade and other payables

	<u>2019</u> £'000	<u>2018</u> £'000
Amounts owed to group undertakings	<u>82,961</u>	<u>44,508</u>

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

13. Called up share capital

	<u>2019</u> £	<u>2018</u> £
Allotted, called up and fully paid:		
2 (2018: 2) ordinary shares of £1 each	<u>2</u>	<u>2</u>

14. Related party transactions

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

There are no other related party transactions.

15. Immediate and ultimate parent undertaking

The immediate parent undertaking of the Company is Ladbroke Dormant Holding Company Limited, a Company registered in England and Wales, and the ultimate parent undertaking at the year end was GVC Holdings PLC, a Company registered in the Isle of Man. The largest and smallest group preparing consolidated financial statements which include the Company at the year end was GVC Holdings PLC for the year ended 31 December 2019.

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

16. Subsequent events

Since the year end the World Health Organisation declared a global pandemic following the Covid-19 outbreak leading to a number of countries around the world moving into a status of lockdown and preventing in certain cases any continuation of trade. This has had an impact on the GVC Holdings PLC group as it means a number of sporting events around the world have been halted. The Company's risks in this respect are aligned to that of the group.

Given the Company does not trade there has been no noticeable impact to the Company during the pandemic.

The Group has assessed the impact of the Covid-19 outbreak on the business and has revised its cash flow forecasts for 2020 and 2021 to take account of the consequent reduction in profits and net cash inflows. The revised forecasts indicate that the group will remain within its present bank facilities and will continue to be able to pay its liabilities as they fall due.