

Sportingbet (IT Services) Limited

Company number: 05214498

Report and Financial Statements

Year ended 31 December 2019

SPORTINGBET (IT SERVICES) LIMITED

Annual report and financial statements for the year ended 31 December 2019

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SPORTINGBET (IT SERVICES) LIMITED

Board of Directors and professional advisors

Directors	A Lewis W Longton C Sutters S Smith
Secretary and registered office	Ladbrokes Coral Corporate Secretaries Limited 3 rd Floor One New Change London EC4M 9AF
Company number	05214498
Auditor	KPMG LLP St Nicholas House Park Row Nottingham NG1 6FQ

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

Principal activities

Historically the principal activity of the Company was the provision of IT services to companies within the GVC Holdings PLC group. During the prior year the Company transferred its trade and related assets to another group company GVC Holdings (UK) Limited.

Trading review

The key performance indicators for the year ended 31 December 2019 are as follows:

- Turnover of £nil (2018: £1,446,000)
- Administrative costs of £nil (2018: £1,088,000)
- Result before and after tax of £nil (2018: profit £5,000)
- Net assets at year end of £98,000 (2018: £98,000).

Future developments

Following the trade and asset transfer described above, the directors expect the Company to continue as that of a dormant company.

Principal risks and uncertainties

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

Economic Risk

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

Competitor Risk

The Directors of the Group manage competition through close attention to market research, benchmarking with competitors, and recruitment of highly skilled professional staff.

Financial Risk

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

The Company has no other significant risks or uncertainties other than those that arise from being a part of the 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 60 to 66 presented in the Annual Report 2019 of GVC Holdings PLC.

On behalf of the Board



S Smith
Director

Date:

30 October 2020

The Directors present their report together with the audited financial statements for the year ended 31 December 2019.

Directors

The Directors of the Company during the year were:

- A Lewis
- W Longton
- C Sutters (appointed 31 October 2019)
- S Smith (appointed 31 October 2019)

Results and dividends

The profit and loss account is set out on page 8 and shows the results for the year. The Directors did not recommend the payment of a dividend in the current or preceding year.

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.

Directors' responsibilities statement

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.

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.

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>


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/>.

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.

On behalf of the Board



S Smith
Director

Company number: 05214498

Date: 30 October 2020

Opinion

We have audited the financial statements of Sportingbet (IT Services) Limited ("the company") for the year ended 31 December 2019 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 2019 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.

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 auditor's report to the members of Sportingbet (IT Services) Limited

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

SPORTINGBET (IT SERVICES) LIMITED

Statement of profit or loss and other comprehensive income for the year ended

	Note	31 December 2019 Total £000s	31 December 2018 Continuing £000s	31 December 2018 Discontinued £000s	31 December 2018 Total £000s
Turnover	2	-	-	1,446	1,446
Administrative expenses		-	(5)	(1,083)	(1,088)
Operating result/profit before separately disclosed items and tax	3	-	(5)	363	358
Separately disclosed items		-	-	(363)	(363)
Result/(loss) on ordinary activities before taxation		-	(5)	-	(5)
Taxation	6	-	-	-	-
Result/(loss) on ordinary activities after taxation		-	(5)	-	(5)

The notes on pages 11 to 14 form part of these financial statements.

SPORTINGBET (IT SERVICES) LIMITED

Company number: 05214498

Balance sheet as at 31 December

	Note	2019 £000s	2018 £000s
Current assets			
Debtors	7	116	26
Cash at bank		-	82
Creditors: amounts due within one year	8	(18)	(10)
Net current assets		<u>98</u>	<u>98</u>
Net assets		<u>98</u>	<u>98</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		<u>98</u>	<u>98</u>
Shareholders' funds		<u>98</u>	<u>98</u>

The financial statements were approved by the Board and authorised for issue and signed on its behalf by



S Smith
Director

Date: 30 October 2020

The notes on pages 11 to 14 form part of these financial statements.

SPORTINGBET (IT SERVICES) LIMITED

Company number: 05214498

Statement of Changes in Equity for the year ended 31 December 2018

	Share capital £000s	Profit and loss account £000s	Total £000s
Balance at 1 January 2018	-	(7,189)	(7,189)
Loss for the year	-	(5)	(5)
Capital contribution	-	7,292	7,292
At 1 January and 31 December 2019	-	98	98

The notes on pages 11 to 14 form part of these financial statements.

1. Basis of Preparation

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

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

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial period and the preceding year. The Directors have reviewed the principal accounting policies and consider that they remain the most appropriate for the Company.

2. Accounting policies

The following principal accounting policies have been applied:

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.

Cash flow statement

The Company is exempt from the requirement under IAS 7 "Statement of Cash Flows" to prepare a cash flow statement as its cash flows are consolidated in the financial statements of GVC Holdings PLC which are publicly available.

Turnover

Turnover represents amounts from other Group companies for the provision of general IT services and is recognised net of sales taxes once the service has been provided.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Deferred taxation

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed by the Balance sheet date, except for deferred tax assets which are only recognised to the extent that they have either been agreed with the relevant tax authority and/or the Company anticipates making sufficient suitable taxable profits in the future. Deferred tax balances are not discounted.

2. Accounting policies (continued)*Financial instruments*

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

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

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

3. Operating profit

This has been arrived at after charging:

	Year ended 31 December 2019 £000s	Year ended 31 December 2018 £000s
Amortisation on owned intangible assets	-	257
Auditor's remuneration	-	5
Foreign exchange loss	-	21
Separately disclosed items	-	363
	<u> </u>	<u> </u>

The audit fee in the current year was borne by the ultimate parent company.

4. Employees

Employees' remuneration and related costs during the year amount to:

	Year ended 31 December 2019 £000s	Year ended 31 December 2018 £000s
Wages and salaries	-	312
Social security costs	-	110
Redundancy and restructuring	-	363
Pension contributions (defined contribution scheme)	-	92
	<u> </u>	<u> </u>
	-	877

No Director received any emoluments in respect of his services to the Company (2018: £nil) and were remunerated through other group companies.

The average monthly number of full-time persons (including Directors) employed by the Company during the period was nil (2018: 24).

SPORTINGBET (IT SERVICES) LIMITED**Notes forming part of the financial statements for the year ended 31 December 2019****5. Separately disclosed items**

During the year the Company recognised a charge of £nil (2018: £363,000) in relation to restructuring and redundancy.

6. Taxation

	Year ended 31 December 2019 £000s	Year ended 31 December 2018 £000s
<i>Current tax</i>		
UK Corporation tax on profit for the year	-	-

The tax assessed for the year is lower (2018: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 December 2019 £000s	Year ended 31 December 2018 £000s
Result/(loss) on ordinary activities before tax	-	(5)
Result/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	-	(1)
Effects of:		
Utilisation of unrecognised deferred tax assets	-	(189)
Group relief	-	190
Current tax charge for the year	-	-

7. Debtors

	2019 £000s	2018 £000s
Amounts owed by group undertakings	116	20
Other debtors	-	6
	116	26

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

8. Creditors

	2019 £000s	2018 £000s
Amounts owed to group undertakings	18	-
Accruals	-	10
	18	10

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

9. Share capital

	2019	2018
	£	£
<i>Allotted, issued and fully paid</i>		
1 ordinary £1 share	1	1

10. Related party transactions

The Company has taken advantage of the exemption in FRS 101 'Reduced Disclosure Framework' from the requirement to disclose transactions with Group companies on the grounds that the Company is a wholly owned subsidiary and publicly available consolidated financial statements are prepared by the ultimate parent company.

11. Parent company and controlling related party

The Company's immediate parent company is Sportingbet Holdings Limited, a company incorporated in England and Wales. The Company's ultimate parent company and controlling related party is GVC Holdings PLC, a company incorporated in the Isle of Man. Copies of the financial statements of GVC Holdings PLC can be obtained from the Company Secretary at the Company's registered office at 32 Athol Street, Douglas, Isle of Man, IM1 1JB or from the Investor Relations section of the Company's website at www.gvc-plc.com.

12. 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.