

# **Annual Report and Financial Statements**

*Margolis and Ridley Limited*

**For the year ended 31 December 2019**



**MARGOLIS AND RIDLEY LIMITED**

**DIRECTORS AND ADVISORS**

**DIRECTORS**

C A Sutters

R M Sandbach

**COMPANY SECRETARY**

Ladbrokes Coral Corporate Secretaries Limited

**REGISTERED COMPANY NUMBER**

00532497

**INDEPENDENT AUDITOR**

KPMG LLP

Chartered Accountants and Statutory Auditor

15 Canada Square

London

E14 5GL

**REGISTERED OFFICE**

3<sup>rd</sup> Floor

One New Change

London

EC4M 9AF

## **MARGOLIS AND RIDLEY 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 THE BUSINESS**

During the year the Company acted as an investment holding company. The result of the Company for the year arises from the Company's 100% share of the results of Ladbrokes Sportsbook LP, a limited partnership based in Gibraltar, of which the Company is a 99% limited partner.

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

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Profit from investment	<b>23,220</b>	41,639
Investments	-	100,000
Net assets	-	42,860

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

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

GVC Holdings PLC reviews and evaluates key risks and uncertainties faced by the company 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 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.

#### **FINANCIAL POSITION**

As at 31 December 2019 the Company had net assets of £nil (2018: £42,860,000).

#### **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.

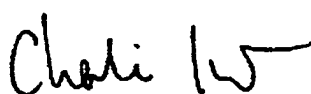
The Company is a wholly owned subsidiary of GVC Holdings PLC and therefore the directors have also considered the wider context in which the Company operates to adhere to the high standards of professionalism, culture, values, ethics, strategy and environmental and social responsibility set by the GVC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

By order of the Board



C A Sutters

Director

30 October 2020

## **MARGOLIS AND RIDLEY LIMITED**

### **DIRECTORS' REPORT – FOR THE YEAR ENDED 31 DECEMBER 2019**

The following served as directors during the year and up to the date of signing the financial statements:

Directors: R M Sandbach  
C A Sutters

Secretary : Ladbrokes Coral Corporate Secretaries Limited

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

Company Number: 00532497

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The directors present their Directors' Report and the Company's audited financial statements for the year ended 31 December 2019. Comparative information is presented for the year ended 31 December 2018.

### **RESULTS AND DIVIDENDS**

The financial statements show a profit for the financial year of £302,978,000 (2018: £40,765,000). The directors do not recommend the payment of a dividend on ordinary shares (2018: £Nil).

On 1 June 2019 the Company's investment, Ladbrokes Sportsbook LP, sold its trade and assets to another group company, LC International Limited, for a consideration of £383,994,000. Under the terms of the partnership agreement 100% of the capital proceeds generated were allocated to the Company.

On 25 June 2019 the Company paid out a dividend of £345,603,000 to its parent Ladbrokes Betting & Gaming Limited.

### **FUTURE DEVELOPMENTS**

Following the events mentioned above the Company now has the status of a dormant company.

### **FINANCIAL RISK MANAGEMENT**

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

### **GOING CONCERN**

As discussed above, during the year the Company's sole investment transferred its trade and assets to another group company. As the directors do not intend to acquire a replacement trade, they have not prepared the financial statements on a going concern basis as stated in note 4.1.

### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

GVC Holdings PLC maintains a qualifying (as defined by law) directors' and officers' liability insurance. The above named directors, (except for the corporate directors) have received an indemnity from the group to the extent permitted by law throughout the year and up to the date of signing this report. Neither the indemnity nor the insurance will provide cover in situations where a director has acted fraudulently or dishonestly.

### **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/>.

## **MARGOLIS AND RIDLEY LIMITED**

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

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **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.

On behalf of the Board



Director  
C A Sutters  
30 October 2020

## **MARGOLIS AND RIDLEY LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARGOLIS AND RIDLEY LIMITED**

#### **Opinion**

We have audited the financial statements of Margolis and Ridley 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 profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **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:

## **MARGOLIS AND RIDLEY LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARGOLIS AND RIDLEY LIMITED (continued)**

- 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.

#### **Directors' responsibilities**

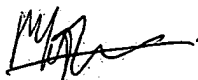
As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements 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](http://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

**MARGOLIS AND RIDLEY LIMITED****INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019**

		<b>2019</b>	<b>2018</b>
	<b>Note</b>	<b>£'000</b>	<b>£'000</b>
Profit from investment	6	<b>23,455</b>	<b>41,639</b>
Dividends received		<b>383,994</b>	-
Impairment of investments		<b>(100,000)</b>	-
<b>Profit before tax and finance expense</b>		<b>307,449</b>	<b>41,639</b>
Interest payable and similar charges		<b>(1,894)</b>	<b>(3,451)</b>
<b>Profit before taxation</b>		<b>305,555</b>	<b>38,188</b>
Income tax	8	<b>(2,577)</b>	<b>2,577</b>
<b>Profit and total comprehensive expense for the year</b>		<b>302,978</b>	<b>40,765</b>
Attributable to:			
Equity holders of the parent		<b>302,978</b>	<b>40,765</b>

All items dealt with in arriving at the profit before taxation 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 10 to 14 form an integral part of these financial statements



**BALANCE SHEET AS AT 31 DECEMBER 2019**

	<b>Note</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
<b>Non-current assets</b>			
Investments	9	-	100,000
		-	100,000
<b>Current assets</b>			
Trade and other receivables	10	-	41,639
Deferred tax asset	8	-	2,577
Cash and cash equivalents		-	1
		-	44,217
<b>Current liabilities</b>			
Trade and other payables	11	-	(101,357)
		-	
<b>Net current assets/(liabilities)</b>		-	(57,140)
<b>Net assets</b>		-	42,860
<b>Capital and reserves</b>			
Issued share capital	12	-	100,021
Retained earnings		-	(57,161)
<b>Total shareholders' funds</b>		-	42,860

The financial statements on pages 7 to 14 were approved by the board of directors on 30 October 2020 and were signed on its behalf by:



C A Sutters  
Director

30 October 2020

**MARGOLIS AND RIDLEY LIMITED****STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Issued share capital</b> £'000	<b>Retained earnings</b> £'000	<b>Total shareholders' funds</b> £'000
<b>At 1 January 2018</b>	<b>100,021</b>	<b>(97,926)</b>	<b>2,095</b>
Profit and total comprehensive expense for the year	-	40,765	40,765
<b>At 1 January 2019</b>	<b>100,021</b>	<b>(57,161)</b>	<b>42,860</b>
Share capital reduction (note 12)	(100,021)	100,021	-
Dividends paid	-	(345,838)	(345,838)
Profit and total comprehensive expense for the year	-	302,978	302,978
<b>At 31 December 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>

The notes on pages 10 to 14 form an integral part of these financial statements.

## **MARGOLIS AND RIDLEY LIMITED**

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

#### **1. Corporate information**

Margolis and Ridley 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 place of business is disclosed in the Directors' Report.

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

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The financial statements are prepared under the historical cost convention.

The Company's financial statements are presented in Sterling, which is also the Company's functional currency, 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 FRS 101 and Companies Act 2006. The financial statements are prepared under the historical cost convention on a non-going concern basis (see note 4).

The principal accounting policies applied in the preparation of these financial statements are set out in note 4. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

- a) IFRS 7 Financial Instruments: Disclosures;
- b) IFRS 13 Fair Value Measurement;
- c) IAS 1 Presentation of Financial Statements
- d) IAS 7 Statement of Cash Flows
- e) IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- f) IAS 24 Related Party Disclosures
- g) IAS 36 Impairment of Assets

#### **3. Key judgements and sources of estimation uncertainty**

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

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

Recoverable amount of non-current assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the recoverable amount.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or companies of assets. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

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.

## **MARGOLIS AND RIDLEY LIMITED**

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

#### **4. Summary of significant accounting policies**

##### **4.1 Going concern**

In previous years, the financial statements have been prepared on a going concern basis. However, during the year, the Company's sole investment transferred its trade and assets to a fellow group company and ceased trading. Accordingly the directors have not prepared the financial statements on a going concern basis.

##### **4.2 Recoverable amount of non-current assets**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the recoverable amount.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or companies of assets. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

##### **4.3 Finance expense and income**

Finance income and expenses is recognised on an accruals basis for interest bearing loans with other group undertakings and is recognised in the income statement.

**MARGOLIS AND RIDLEY LIMITED****NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)****5. Profit before tax**

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

**6. Profit from investment**

This is stated after charging:	<b>2019</b>	2018
	<b>£'000</b>	£'000
Share of partnership profit for the year	<b>23,455</b>	41,639

**7. Directors and employees**

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

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.

**8. Income tax**

<b>a) Tax (charge)/credit in the income statement</b>	<b>2019</b>	2018
	<b>£'000</b>	£'000
Current tax		
UK corporation tax	-	-
<b>Deferred tax</b>		
Total deferred tax	<b>(2,577)</b>	2,577
Tax (charge)/credit in the income statement	<b>(2,577)</b>	2,577

**b) Reconciliation of the total tax charge**

A reconciliation of income tax expense applicable to profit before tax at the UK statutory income rate to the income tax (charge)/credit for the year ended 31 December 2019 and 31 December 2018 is as follows:

	<b>2019</b>	2018
	<b>£'000</b>	£'000
<b>Profit before tax</b>	<b>305,555</b>	38,188
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 – 19.00%)	<b>58,055</b>	7,256
Non-deductible expenses	<b>19,000</b>	9
Profit from investment not subject to UK taxation	<b>(4,456)</b>	(7,990)
Recognition of opening deferred tax asset	-	(2,577)
Creation of unrecognised tax assets	<b>2,577</b>	
Dividends received	<b>(72,959)</b>	
Group Relief surrendered to other group companies for nil consideration	<b>360</b>	725
<b>Total tax reported in the income statement</b>	<b>2,577</b>	(2,577)

**MARGOLIS AND RIDLEY LIMITED****NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)****8. Income tax (continued)****c) Changes in corporation tax**

In the Budget on 16 March 2017, 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.

**d) Deferred Tax**

Movements in the deferred tax asset during the period were as follows:

	£'000
At 1 January 2019	2,577
Origination and reversal of timing differences	(2,577)
<b>At 31 December 2019</b>	<b>-</b>

At 31 December 2019 there were £nil of unrecognised deferred tax assets. (2018: £1,979,000)

**9. Investments**

				2019 £'000	2018 £'000
Promissory note				-	100,000
<b>Name of company</b>	<b>Country of incorporation</b>	<b>Holding</b>	<b>% of shares held</b>	<b>Registered address</b>	<b>Nature of business</b>
Ladbrokes Sportsbook LP	Gibraltar	Ordinary shares	99.0	57/63 Line Wall Road Gibraltar	Betting and gaming operator

The Company issued an unsecured promissory note of £100,000,000 to Ladbrokes Sportsbook LP which entitles it to 99% of the results of the partnership. Due to the quasi-investment nature of the loan note, it has been classified as investment in the financial statements.

On 1 June 2019 the Company's investment, Ladbrokes Sportsbook LP, sold its trade and assets to another group company, LC International Limited, for a consideration of £383,994,000. Under the terms of the partnership agreement 100% of the capital proceeds generated were allocated to the Company.

Subsequent to the transaction detailed above, the Company impaired its investment by £100,000,000.

**10. Trade and other receivables**

	2019 £'000	2018 £'000
Amounts owed by group undertakings	-	41,639
	-	41,639

Amounts owed by other group undertakings are included under amounts falling due within one year as they are repayable on demand.

**MARGOLIS AND RIDLEY LIMITED****NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)****11. Trade and other payables**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Amounts owed to group undertakings	-	101,357
	-	101,357

Amounts owed to other group undertakings are included under amounts falling due within one year as they are repayable on demand.

**12. Issued share capital**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Issued, called up and fully paid: 100,021,000 (2018:100,021,000) ordinary shares of £0.000001 (2018: £1) each	-	100,021

On 1 June 2019 the Company performed a capital reduction to reduce its share capital to 100,021,000 ordinary shares of £0.000001 each releasing £100,021,000 to retained earnings.

**13. Related party transactions**

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

**14. Immediate and ultimate parent undertaking**

The immediate parent undertaking of the Company is Ladbrokes Betting & Gaming Limited, a company registered in England and Wales. The ultimate parent undertaking, as at the year end of the Company and the largest and smallest group preparing consolidated financial statements which include the Company is GVC Holdings PLC for the year ended 31 December 2019.

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

**15. 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 no longer trades 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.