

Annual Report and Financial Statements

Ladbroke Entertainments Limited

For the year ended 31 December 2017

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LADBROKE ENTERTAINMENTS LIMITED
(Company Number 789497)

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their strategic report for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The Company acts as a holding company for investments in a number of feature films rights during the year.

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

| | 2017 | <i>Unaudited</i> 2016 |
|------------------------------------|-------|--------------------------|
| | £'000 | £'000 |
| Profit for the financial year | 350 | 291 |
| Amounts owed by group undertakings | 1,562 | 1,212 |
| Total shareholders' funds | 1,562 | 1,212 |

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

PRINCIPAL RISK AND UNCERTAINTIES

Ladbrokes Coral Group Limited 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.

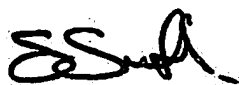
The Company's principal risks arise from changes in foreign exchange rates, which affect the value of dollar loans due to and due from other group companies, and interest rates, which affect the balances with other group companies and interest due on those balances.

The Company has no other significant risks or uncertainties other than those that arise from being part of the Ladbrokes Coral Group Limited which are dealt with in note 25 presented in the Annual Report and Financial Statements 2017 of Ladbrokes Coral Group Limited.

FINANCIAL POSITION

As at 31 December 2017, the Company had net assets of £1,562,000 (2016: £1,212,000).

On behalf of the Board



S Smith
Director

15 February 2019

LADBROKE ENTERTAINMENTS LIMITED
(Company Number 789497)

Directors' report for the year ended 31 December 2017

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

| | | |
|------------|---------------|-------------------------------------------------|
| Directors: | V Parmar | (Resigned 12 December 2017) |
| | S Shah | (Resigned 6 March 2017) |
| | G Mason | (Resigned 16 April 2018) |
| | S Smith | (Appointed 8 February 2017) |
| | C Sutters | (Appointed 12 December 2017) |
| | L C Beardsell | (Appointed 16 April 2018, resigned 4 June 2018) |

Secretary: Ladbroke Coral Corporate Secretaries Limited

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

The directors present their report and the Company's audited financial statements for the year ended 31 December 2017. Comparative information is presented for the year ended 31 December 2016.

Results and dividends

The financial statements for the year show a profit for the financial year of £350,000 (2016: £291,000). The directors do not recommend payment of a dividend (2016: nil).

In the prior year the Company claimed a qualifying exemption from requiring an audit, and therefore the prior year comparatives are unaudited.

On 28 March 2018 Ladbroke Coral Group plc was acquired by GVC Holdings plc, a company listed on the London Stock Exchange, and registered in the Isle of Man. Subsequent to the acquisition the Group de-listed from the London Stock Exchange and re-registered itself to Ladbroke Coral Group Limited.

Future developments

The Company does not anticipate any changes in its activities in the forthcoming year.

Financial Risk Management

The company's exposure to financial risk managements are outlined in the Strategic Report.

Going concern

The directors have performed an assessment of the company's ability to continue as a going concern and have received written confirmation of financial support from the parent company for a period that of at least 12 months from the date of approval of these financial statements by the board of directors. As such, these financial statements have been prepared on the going concern basis.

Directors' and officers' liability insurance

During the year Ladbroke Coral Group Limited 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

Following the acquisition of the Ladbroke Coral Group of companies by GVC Holdings plc, and pursuant to section 485 of the Companies Act 2006, the company intends to appoint the group auditor KPMG LLP as statutory auditor for the year ending 31 December 2018 to replace PricewaterhouseCoopers LLP.

LADBROKE ENTERTAINMENTS LIMITED
(Company Number 789497)

Directors' report for the year ended 31 December 2017 (continued)

Statement of directors' responsibilities in relation to the financial statements

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 "Reduced Disclosure Framework", 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 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.

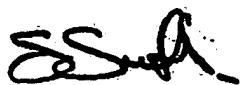
Statement of disclosure of information to auditors

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.

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.

On behalf of the Board



S Smith
Director

15 February 2019

Independent auditors' report to the members of Ladbroke Entertainments Limited (continued)

Report on the audit of the financial statements

Opinion

In our opinion, Ladbroke Entertainments Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2017; the income statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, which is currently due to occur on 29 March 2019, are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent auditors' report to the members of Ladbroke Entertainments Limited (continued)

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Other matter

The financial statements for the year ended 31 December 2016, forming the corresponding figures of the financial statements for the year ended 31 December 2017, are unaudited.

Stuart Newman

Stuart Newman (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
18 February 2019

LADBROKE ENTERTAINMENTS LIMITED
(Company Number 789497)

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

| | Note | 2017 £'000 | Unaudited 2016 £'000 |
|-------------------------------------------------------------------------------------------------------------------------|------|---------------|----------------------------|
| Other income | | 322 | 287 |
| Interest receivable from group undertakings | 7 | 28 | 4 |
| Profit before taxation | | 350 | 291 |
| Taxation | 8 | - | - |
| Profit for the financial year and total comprehensive income for the year attributable to equity holders | | 350 | 291 |
| Attributable to: | | | |
| Equity holders of the parent | | 350 | 291 |

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.

LADBROKE ENTERTAINMENTS LIMITED
(Company Number 789497)

BALANCE SHEET AS AT 31 DECEMBER 2017

| | Note | 2017 £'000 | Unaudited 2016 £'000 |
|----------------------------------|------|----------------|----------------------------|
| Current assets | | | |
| Trade and other receivables | 9 | 1,562 | 1,212 |
| Net assets | | <u>1,562</u> | <u>1,212</u> |
| Shareholders' funds | | | |
| Called up share capital | 10 | 8,820 | 8,820 |
| Profit and loss account | | <u>(7,258)</u> | <u>(7,608)</u> |
| Total shareholders' funds | | <u>1,562</u> | <u>1,212</u> |

The financial statements on pages 6 to 12 were approved by the board of directors 15 February 2019 and were signed on its behalf by:



S Smith
Director

15 February 2019

LADBROKE ENTERTAINMENTS LIMITED
(Company Number 789497)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

| | Notes | Issued share capital | Retained earnings | Total shareholder's equity |
|--------------------------------------------------------------------|-------|----------------------------|----------------------|----------------------------------|
| | | £'000 | £'000 | £'000 |
| As at 1 January 2016 | 10 | 8,820 | (7,899) | 921 |
| <i>Unaudited</i> | | | | |
| Profit for the financial year and total comprehensive income | | - | 291 | 291 |
| At 31 December 2016 | 10 | 8,820 | (7,608) | 1,212 |
| <i>Unaudited</i> | | | | |
| Profit for the financial year and total comprehensive income | | - | 350 | 350 |
| At 31 December 2017 | 10 | 8,820 | (7,258) | 1,562 |

The notes on pages 9 to 12 form an integral part of these financial statements.

LADBROKE ENTERTAINMENTS LIMITED
(Company Number 789497)

Notes to the financial statements for the year ended 31 December 2017

1. Corporate information

Ladbroke Entertainments 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 2017 were authorised to issue in accordance with a resolution of the directors on 15 February 2019.

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 reporting under 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 2017. These accounting policies have been applied consistently, other than where policies have been newly adopted in the year.

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:

Financial assets

Financial assets are recognised when the Company becomes party to the contracts that give rise to them. At 31 December 2017, the Company had only financial assets classified as loans and receivables.

LADBROKE ENTERTAINMENTS LIMITED
(Company Number 789497)

Notes to the financial statements for the year ended 31 December 2017 (continued)

4. Summary of significant accounting policies

4.1 Financial assets

Financial assets are recognised when the Company becomes party to the contracts that give rise to them. At 31 December 2017, the Company's financial assets include cash and other receivables, being amounts owed by group undertakings.

4.2 Derecognition of financial assets

Financial assets are derecognised when the right to receive cash flows from the assets has expired or when the Company has transferred its contractual right to receive the cash flows from the financial assets or has assumed an obligation to pay the received cash flows in full without material delay to a third party, and either:

- substantially all the risks and rewards of ownership have been transferred; or
- substantially all the risks and rewards have neither been retained nor transferred but control is not retained.

4.3 Finance income

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

4.4 Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date.

Income tax is charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

LADBROKE ENTERTAINMENTS LIMITED
(Company Number 789497)

Notes to the financial statements for the year ended 31 December 2017 (continued)

5. Operating profit

Other income includes royalty income from distribution of feature films.

Audit fees for the audit of the financial statements of £1,500 have been borne by another group company (2016: £nil). The Company was also exempt from this requirement to submit audited financial statements in the prior year.

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 (2016: £nil).

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. Interest receivable from group undertakings

| | 2017 | <i>Unaudited</i> 2016 |
|-------------------------|--------------|---------------------------------|
| | £'000 | £'000 |
| From group undertakings | <u>28</u> | <u>4</u> |
| | <u>28</u> | <u>4</u> |

8. Taxation

| | 2017 | <i>Unaudited</i> 2016 |
|----------------------------------------|--------------|---------------------------------|
| | £'000 | £'000 |
| a) Tax charged in the income statement | <u>2017</u> | <u>2016</u> |
| Current tax | £'000 | £'000 |
| UK corporation tax | - | - |
| Tax expense in the income statement | <u>-</u> | <u>-</u> |

b) Reconciliation of the total tax charge

A reconciliation of income tax expense applicable to profit before taxation at the UK statutory income rate to the income tax result for the year ended 31 December 2017 and 31 December 2016 is as follows:

| | 2017 | <i>Unaudited</i> 2016 |
|--------------------------------------------------------------------------------------------------------|--------------|---------------------------------|
| | £'000 | £'000 |
| Profit before taxation | 350 | 291 |
| Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.25% (2016 – 20%) | 67 | 58 |

Adjusted for the effects of:

| | | |
|----------------------------------------------------|-------------|-------------|
| Non taxable income | (46) | (36) |
| Group relief claimed from other group companies | (21) | (22) |
| Total tax expense reported in the income statement | <u>-</u> | <u>-</u> |

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.

LADBROKE ENTERTAINMENTS LIMITED
(Company Number 789497)

Notes to the financial statements for the year ended 31 December 2017 (continued)

8. Taxation (continued)

The deferred tax assets and liabilities at the balance sheet date are calculated at the substantively enacted rate of 17%. Although the reduction to 17% is effective from 1 April 2020, this was substantively enacted on 6 September 2016.

d) Deferred tax

There are no recognised or unrecognised deferred tax assets or liabilities (2016: £nil).

9. Trade and other receivables

| | 2017 £'000 | <i>Unaudited</i> 2016 £'000 |
|-------------------------------------|---------------|-----------------------------------|
| Amounts due from group undertakings | <u>1,562</u> | <u>1,212</u> |

Amounts owed by other group undertakings are included under amounts falling due within one year where they are subject to repayment at any time by either the Lender or the Borrower giving written notice to the other. Amounts owed by group companies bear interest at a rate linked to the group's borrowing costs.

10. Called up share capital

| | 2017 £'000 | <i>Unaudited</i> 2016 £'000 |
|--------------------------------------------------------|---------------|-----------------------------------|
| Issued, called up and fully paid: | | |
| 8,820,000 (2016: 8,820,000) ordinary shares of £1 each | <u>8,820</u> | <u>8,820</u> |

11. 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.

12. Immediate and ultimate parent undertaking

The immediate and ultimate parent undertaking of the company at the year end was Ladbrokes Coral Group Limited, a company registered in England and Wales. The largest and smallest group preparing consolidated group financial statements which include the company is Ladbrokes Coral Group Limited for the year ended 31 December 2017.

Copies of the Annual Report and Accounts of Ladbrokes Coral Group Limited can be obtained from the registered office of that company at 3rd Floor, One New Change, London, United Kingdom, EC4M 9AF.

13. Subsequent events

On 28 March 2018 the ultimate parent of the Company, Ladbrokes Coral Group plc was acquired by GVC Holdings plc, a company listed on the London Stock Exchange, and registered in the Isle of Man.

Subsequent to the acquisition the previous ultimate parent of the Company changed its registered name to Ladbrokes Coral Group Limited.

The new ultimate parent of the Company from the date of the transaction is GVC Holdings plc.