

Company Registration No. 03534726 (England and Wales)

SPORTINGBET LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018



Sportingbet Limited
Directors and advisors

Directors	Adam Lewis William Longton James Humberstone (resigned 12 December 2018)
Registered office	3 rd Floor One New Change London EC4M 9AF
Company number	03534726
Solicitors	Addleshaw Goddard LLP Milton Gate 60 Chiswell Street London, EC1Y 4AG
Statutory auditor	KPMG LLP St Nicholas House Park Row Nottingham NG1 6FQ

Sportingbet Limited

Contents

For the year ended 31 December 2018

	Page
Strategic report	3
Directors' report	4
Independent auditor's report to the members of Sportingbet Limited	6
Statement of profit or loss and other comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11

Sportingbet Limited
Strategic Report
For the year ended 31 December 2018

The Directors present their Strategic Report for the year ended 31 December 2018.

Principal activity

The principal activity of the Company is an intermediary holding company within the GVC Holdings PLC group.

Results and dividends

The Profit and loss account is set out on page 6 and shows the profit (2017: loss) for the year. No dividends were paid or declared in the current or preceding year.

Trading review

The financial performance highlights for the year ended 31 December 2018 are as follows:

- Operating profit £0.3 million (2017: loss of £3.1 million).
- Profit after tax of £1.5 million (2017: loss of £3.2 million).
- Net assets at year-end of £79.1 million (2017: £77.7 million).

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 served markets.

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 57 to 62 presented in the Annual Report 2018 of GVC Holdings PLC.

On behalf of the Board



William Longton
Director
Company number: 03534726
Date: 31 October 2019

Sportingbet Limited

Directors' Report

For the year ended 31 December 2018

The Directors present their report and the audited financial statements for the year ended 31 December 2018 for Sportingbet Limited.

Directors

The Directors who held office during the year were:

A Lewis

W Longton

J Humberstone (resigned 12 December 2018)

Going concern

As discussed above, during the year the Company 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 1.

Directors' Responsibility Statement

The Directors are responsible for preparing the Directors' Report, the Strategic 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 the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 and profit and loss of the Company for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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. They 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 confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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/>.

Sportingbet Limited

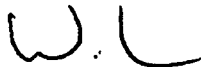
Directors' Report

For the year ended 31 December 2018

Auditor

During the year KPMG LLP were appointed as auditor. Under section 487 (2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing accounts with the registrar, whichever is earlier.

On behalf of the Board



William Longton

Director

Company number: 03534726

Date: 31 October 2019

Sportingbet Limited

Independent auditor's report to the members of Sportingbet Limited

Opinion

We have audited the financial statements of Sportingbet 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 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.

Emphasis of matter – non-going concern basis of preparation

We draw attention to the disclosure in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

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.

Sportingbet Limited

Independent auditor's report to the members of Sportingbet 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

31st October 2019

Sportingbet Limited
Statement Of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2014

		Year ended 31 December 2018	Year ended 31 December 2017
	Notes	£000s	£000s
Administrative income/(expenses)		<u>329</u>	<u>(3,089)</u>
Profit/(loss) on ordinary activities before taxation		329	(3,089)
Tax on profit/(loss) on ordinary activities	5	<u>1,023</u>	<u>(89)</u>
Profit/(loss) for the financial year		1,352	(3,178)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		<u>1,352</u>	<u>(3,178)</u>

All amounts relate to continuing activities.

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

Sportingbet Limited
Balance Sheet at 31 December 2018
Company No. 03534726

		At 31 December 2018	At 31 December 2017
	Notes	£000s	£000s
Fixed Assets			
Investments	2	44,612	44,612
Current assets			
Debtors	6	61,163	59,907
Creditors: amounts falling due within one year	7	(26,744)	(26,840)
Net current assets		<u>34,419</u>	<u>33,067</u>
Net Assets		<u>79,031</u>	<u>77,679</u>
Capital and reserves			
Called up share capital	8	667	667
Other reserves		62,309	62,309
Profit and loss account		16,055	14,703
Total shareholders' funds		<u>79,031</u>	<u>77,679</u>

The financial statements on pages 8 to 14 were approved by the Board of Directors and were signed on 31 October 2019
their behalf by:



William Longton
Director
Date: 31 October 2019

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

Sportingbet Limited
Statement of Changes in Equity
For the year ended 31 December 2018

	Share capital	Other reserves	Profit and loss account	Total
	£000s	£000s	£000s	£000s
Balance at 1 January 2017	667	62,309	17,881	80,857
Loss for the year	-	-	(3,178)	(3,178)
At 1 January 2018	667	62,309	14,703	77,679
Profit for the year	-	-	1,352	1,352
At 31 December 2018	667	62,309	16,055	79,031

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

Sportingbet Limited

Notes to the financial statements

For the year ended 31 December 2018

1. Accounting Policies

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 and related party transactions.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of Section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The following accounting policies have been applied consistently throughout the year in relation to the Company's financial statements.

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at 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 the transaction, except, where the transaction is settled at a contracted rate, the contracted rate is used.

Cash flow statement

The Company is a wholly owned subsidiary of GVC Holdings PLC and is included in the consolidated financial statements of GVC Holdings PLC, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement.

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.

Financial assets are initially measured at fair value adjusted by transaction costs and classified as loans and receivables. Financial assets are subject to annual impairment review at least at each reporting date.

Going concern

The accounts are prepared on a going concern basis. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern.

Sportingbet Limited**Notes to the financial statements****For the year ended 31 December 2018****2. Investments**

Investments in subsidiaries are recognised at cost less any impairment.

Investments**£000s**

Cost at 1 January 2018 and 31 December 2018

44,612

The following subsidiaries were wholly owned at 31 December 2018:

<u>Company</u>	<u>Country of Incorporation</u>	<u>% owned</u>	<u>Activity</u>
<i>Direct investments:</i>			
Spread Your Wings Germany Limited	Malta	99%	Online betting
Corvee Limited	Guernsey	100%	Administrative services
Sportingbet Holdings Limited	England	100%	Holding company
Portman Road Limited	British Virgin Islands	100%	Dormant
SBT Software Operations (SA) (Pty) Limited	South Africa	100%	Online betting
<i>Indirect investments:</i>			
Interactive Sports Limited	England	100%	Online betting
Sportingbet (Management Services) Limited	England	100%	Administrative services
Sportingbet (IT Services) Limited	England	100%	Software development and IT related services
Sportingbet (Product Services) Limited	England	100%	Project management and web design services
Sporting Odds Limited	England	100%	Online betting
M.L.B. Limited	Ireland	100%	Contract call centre
Green Sand Limited	Antigua and Barbuda	100%	Online betting
Main Street 1013 Pty Limited	South Africa	100%	Administrative services
Sportingbet Spain S.A.	Spain	100%	Online betting
Interactive Sports C.I. Limited	Alderney	100%	Online betting
Interactive Sports Denmark ApS	Denmark	100%	Administrative services
Longfrie Limited	Guernsey	100%	Administrative services
Interactive Sports Asia Limited Inc	Philippines	100%	Administrative services
Scandic Bookmakers Limited	Malta	100%	Administrative services
Javari Marketing Consultancy Services S.L	Spain	100%	Marketing and web design services

Sportingbet Limited**Notes to the financial statements****For the year ended 31 December 2018****3. Staff Costs**

The average monthly number of employees (including Directors) during the year was:

	2018	2017
Board	3	3

Directors are remunerated through other group entities.

4. Operating profit

The operating profit (2017: loss) is stated after charging/(crediting):

	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
Foreign exchange movement	(1,501)	5,387
Auditor's remuneration	5	5

5. Taxation

	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
Current taxation (credit)/charge	(1,023)	89

The tax charge for the year is different from that which would result from applying the standard rate of corporation tax of 19% (2017: 19.25%). A reconciliation is shown below:

	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
Profit/(loss) before tax	329	(3,089)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax of 19% (2017: 19.25%)	63	(595)
Non-deductible expenditure	5	542
Non-taxable income	(69)	-
Utilisation of tax losses	-	53
Tax losses surrendered to group entities	1	-
Overseas tax (receivable)/payable	(1,023)	89
Tax (credit)/charge	(1,023)	89

Sportingbet Limited**Notes to the financial statements****For the year ended 31 December 2018****6. Debtors**

	31 December 2018	31 December 2017
	£000s	£000s
Corporation tax	272	479
Amounts owed by group undertakings	60,885	59,428
Prepayments	1	-
VAT receivable	5	-
	61,163	59,907

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

7. Creditors: amounts falling due within one year

	31 December 2018	31 December 2017
	£000s	£000s
Trade creditors	4	-
Amounts owed to group undertakings	26,730	26,798
Other creditors	-	15
Accruals	10	27
	26,744	26,840

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

8. Share capital

	31 December 2018	31 December 2017
	£000s	£000s
Authorised		
100m ordinary shares at 1p each	1,000	1,000
Allotted, called up and fully paid	667	667

9. Related party transactions

The Company has taken advantage of exemptions under FRS 101 "Reduced Disclosure Framework" not to disclose transactions between group companies which are 100% owned. Amounts owed by and to related parties are disclosed in notes 6 and 7 respectively.

10. Ultimate parent undertaking

The immediate parent undertaking and ultimate controlling 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.