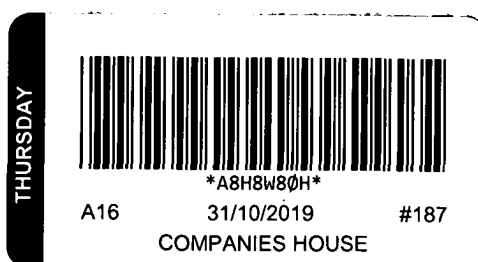


Sportingbet (Management Services) Limited

Company number: 03984715

Report and Financial Statements

Year ended 31 December 2018



SPORTINGBET (MANAGEMENT SERVICES) LIMITED
Annual report and financial statements for the year ended 31 December 2018
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SPORTINGBET (MANAGEMENT SERVICES) LIMITED

Board of Directors and professional advisors

Directors	A Lewis W Longton J Humberstone (resigned 12 December 2018)
Registered office	3 rd Floor One New Change London EC4M 9AF
Company number	03984715
Auditor	KPMG LLP St Nicholas House Park Row Nottingham NG1 6FQ

SPORTINGBET (MANAGEMENT SERVICES) LIMITED

Strategic Report for the year ended 31 December 2018

The Directors present their strategic report for the year ended 31 December 2018.

Principal activities

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

Results and dividends

The profit and loss account is set out on page 9 and shows the profit for the year. The Directors did not recommend the payment of a dividend in the current or preceding year.

Trading review

During the year the Company transferred its trade and assets to a related Group company for a consideration of £1.

The key performance indicators for the year ended 31 December 2018 are as follows:

- Revenue of £0.4m (2017: £0.9m)
- Gross profit for the year of £0.19m (2017: £7.1m)
- Net liabilities at year end of £0.24m (2017: £39.5m)

Future developments

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

Principal risks and uncertainties

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



W Longton

Director

Date: 31 October 2019

SPORTINGBET (MANAGEMENT SERVICES) LIMITED

Report of the Directors for the year ended 31 December 2018

The Directors present their report together with the audited financial statements of the Company for the year ended 31 December 2018.

Directors

The Directors of the Company during the financial 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.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Report of the Directors 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 101 'Reduced Disclosure Requirements'.

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 or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgement and estimates that are reasonable and prudent; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so (as explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to 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-olc.com/corporate-responsibility/modern-slavery-statement/>.

SPORTINGBET (MANAGEMENT SERVICES) LIMITED

Report of the Directors 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



W Longton

Director

Date: 31 October 2019

SPORTINGBET (MANAGEMENT SERVICES) LIMITED

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

Opinion

We have audited the financial statements of Sportingbet (Management Services) 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 loss 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 (MANAGEMENT SERVICES) LIMITED

Independent auditor's report to the members of Sportingbet (Management 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

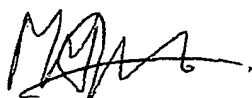
As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements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

31st October 2019

SPORTINGBET (MANAGEMENT SERVICES) LIMITED

Statement of profit or loss and other comprehensive income for the year ended 31 December 2018

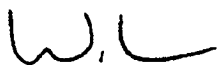
	Note	Year ended 31 December 2018	Year ended 31 December 2018	Year ended 31 December 2018	Year ended 31 December 2017	Year ended 31 December 2017	Year ended 31 December 2017
		Continuing £000s	Discontinued £000s	Total £000s	Continuing £000s	Discontinued £000s	Total £000s
Turnover		-	412	412	922	-	922
Administrative expenses		(5)	(426)	(431)	(888)	-	(888)
Operating (loss) / profit on ordinary activities before taxation	3	(5)	(14)	(19)	7,121	-	7,121
Operating (loss) / profit before exceptional items		(5)	18	13	7,121	-	7,121
Exceptional items	5	-	(32)	(32)	-	-	-
Operating (loss) / profit	3	(5)	(14)	(19)	7,121	-	7,121
Taxation on profit on ordinary activities	6	-	-	-	-	-	-
(Loss) / profit on ordinary activities after taxation		(5)	(14)	(19)	7,121	-	7,121
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		(5)	(14)	(19)	7,121	-	7,121

The notes on pages 11 to 16 form an integral part of these financial statements.

SPORTINGBET (MANAGEMENT SERVICES) LIMITED**Balance sheet at 31 December 2018****Company number: 03984715**

	Note	2018 £000s	2017 £000s
Fixed assets			
Tangible fixed assets	7	-	1
Current assets			
Debtors	8	-	9,288
Creditors: amounts falling due within one year	9	(24)	(48,670)
Net current liabilities		<u>(24)</u>	<u>(39,472)</u>
Net liabilities		<u>(24)</u>	<u>(39,472)</u>
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account		<u>(24)</u>	<u>(39,472)</u>
Shareholders' deficit		<u>(24)</u>	<u>(39,472)</u>

The financial statements were approved by the Board and authorised for issue on and signed on 31 October 2019
their behalf by



W Longton
Director

Date: 31 October 2019

The notes on pages 11 to 16 form part of these financial statements.

SPORTINGBET (MANAGEMENT SERVICES) LIMITED

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 2017	-	(46,593)	(46,593)
Profit for the year	-	7,121	7,121
Balance at 31 December 2017	-	(39,472)	(39,472)
Loss for the year	-	(19)	(19)
Capital contribution		39,467	39,467
At 31 December 2018	-	(24)	(24)

The notes on pages 11 to 16 form part of these financial statements.

SPORTINGBET (MANAGEMENT SERVICES) LIMITED

Notes forming part of the financial statements for the year ended 31 December 2018

1. Accounting Policies

The financial information has been prepared on the historical cost basis with the exception of those assets and liabilities which are carried at fair value, and in accordance with applicable UK law and United Kingdom accounting standards.

These financial statements were prepared in accordance with Financial reporting Standard 101 'Reduced Disclosure Framework'.

A summary of the significant accounting policies are set out below; these policies have been applied consistently to the periods presented, unless otherwise stated.

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.

Going concern

In previous years, the financial statements have been prepared on a going concern basis. However, during the year, the Company 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.

Turnover

Turnover represents amounts from other group companies for the provision of general management services and is recognised once the service has been provided.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on a straight-line basis to write off the cost, less any estimated residual value, of all fixed assets over their expected useful lives. It is calculated at the following rates per annum:

Furniture and fittings	25% on cost per annum straight line
------------------------	-------------------------------------

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rate 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. Exchange differences are taken into account in arriving at the operating profit.

SPORTINGBET (MANAGEMENT SERVICES) LIMITED

Notes forming part of the financial statements for the year ended 31 December 2018

1. Accounting Policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, 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 near future. Deferred tax balances are not discounted.

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance sheet.

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.

Significant judgements

In the application of the accounting policies, which are detailed in this note, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

SPORTINGBET (MANAGEMENT SERVICES) LIMITED

Notes forming part of the financial statements for the year ended 31 December 2018

1. Accounting Policies (continued)

Debtors

Management apply judgement in evaluating the recoverability of amounts owed by group undertakings. To the extent that the Board believes receivables not to be recovered they have been provided for in the financial statements.

2. Turnover

Turnover in the year arose from the Company's principal activity. This activity is carried out in the United Kingdom.

3. Operating profit

This has been arrived at after charging/(crediting):

	Year ended 31 December 2018	Year ended 31 December 2017
	£000s	£000s
Depreciation	1	2
Exceptional items	32	-
Foreign exchange (gain)/loss	3	(7,080)
Auditor's remuneration	5	5
Operating lease costs – land and buildings	-	(13)

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

4. Employees

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

	Year ended 31 December 2018	Year ended 31 December 2017
	£000s	£000s
Wages and salaries	138	326
Social security costs	7	31
Pension contributions (defined contribution scheme)	19	22
	<u>164</u>	<u>379</u>

Directors were remunerated through other group companies in the current and preceding year.

The average monthly number of full-time persons (including Directors) employed by the Company during the year was 3 (2017: 4).

SPORTINGBET (MANAGEMENT SERVICES) LIMITED**Notes forming part of the financial statements for the year ended 31 December 2018****5. Exceptional Items**

Included in administrative expenses are exceptional items charged/(credited) of £32,012 (2017: £Nil), a breakdown of which is set out below:

	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
Redundancy	32	-
	<u>32</u>	<u>-</u>

6. Taxation

	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
Current year charge	-	-

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
Loss on ordinary activities before taxation	(19)	7,121
Tax on profit on ordinary activities at standard UK corporation tax rate of 19% (2017: 19.25%)	(3)	1,371
Effects of:		
Utilisation of unrecognised deferred tax assets	(11)	(16)
Disallowed (income)/expense	-	(1,359)
Group relief	14	-
Trade losses carried forward	-	4
Current tax charge for the year	<u>-</u>	<u>-</u>

SPORTINGBET (MANAGEMENT SERVICES) LIMITED

Notes forming part of the financial statements for the year ended 31 December 2018

7. Tangible fixed assets

	Fixtures and fittings £000s
<i>Cost</i>	
At 1 January 2018	7
Disposals	(7)
At 31 December 2018	-
<i>Depreciation</i>	
At 1 January 2018	6
Charge for the year	1
Disposals	(7)
At 31 December 2018	-
<i>Net book value</i>	
At 31 December 2018	-
At 31 December 2017	1

8. Debtors due within one year

	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
Amounts owed by parent and group undertakings	-	9,270
Other debtors	-	13
Prepayments and accrued income	-	5
	-	9,288

Amounts owed by parent and group undertakings bear no interest, have no fixed date for repayment and are repayable on demand.

9. Creditors: amounts falling due within one year

	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
Trade creditors	4	-
Amounts owed to parent and group undertakings	9	48,633
Accruals and deferred income	10	38
Tax and social security	-	61
Other creditors	1	28
	24	48,670

Amounts owed to parent and group undertakings bear, no interest, have no fixed date for repayment and are repayable on demand.

SPORTINGBET (MANAGEMENT SERVICES) LIMITED

Notes forming part of the financial statements for the year ended 31 December 2018

10. Share capital

	2018	2017
	£	£
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

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. 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.