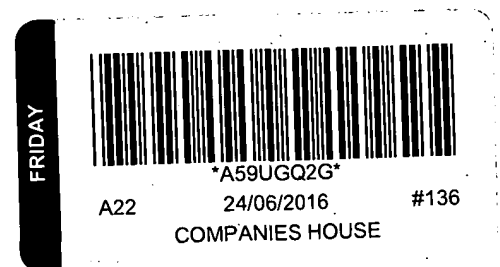


# **Annual Report and Financial Statements**

*Coral Eurobet Holdings Limited*

**For the year ended 26 September 2015**



# **Coral Eurobet Holdings Limited**

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## **DIRECTORS AND ADVISORS**

### **DIRECTORS**

P Bowtell

Gala Coral Nominees Limited

### **COMPANY SECRETARY**

Gala Coral Secretaries Limited

### **INDEPENDENT AUDITOR**

KPMG LLP

Chartered Accountants and Statutory Auditor

St Nicholas House

Park Row

Nottingham

NG1 6FQ

### **REGISTERED OFFICE**

New Castle House

Castle Boulevard

Nottingham

NG7 1FT

# Coral Eurobet Holdings Limited

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## STRATEGIC REPORT

for the year ended 26 September 2015

The directors present their strategic report on Coral Eurobet Holdings Limited for the year ended 26 September 2015.

### RESULTS AND DIVIDENDS

The profit for the financial year, after taxation amounted to £110,926,000 (2014: loss of £25,950,000). No dividends were paid or proposed during the year (2014: £nil).

### BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS

The company provides financing facilities to other group companies.

On 10 February 2015 the company received a capital contribution of £2,056,037,000 from its parent company, Coral Limited, which was primarily used to settle all group payables of the company.

The profit for the year includes £184,938,000 (2014: £114,627,000) of interest receivable on a loan with another group company. The company also paid interest of £62,990,000 (2014: £132,432,000) on loans with other group companies.

### PRINCIPAL FINANCIAL RISKS AND UNCERTAINTIES

The principal risk the company faces is liquidity risk and the ability of counterparts to meet interest payments.

On behalf of the board



H A Willits

On behalf of  
Gala Coral Secretaries Limited  
Company Secretary  
24 June 2016

# Coral Eurobet Holdings Limited

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## DIRECTORS' REPORT

for the year ended 26 September 2015

The directors present their annual report and the audited financial statements for the year ended 26 September 2015. These financial statements are drawn up to the last Saturday in September each year. As a result of this the company benefits from an additional 53rd week of trading in certain years (last 53 week year was 2012).

### PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The company is a holding company which manages investments in subsidiary companies. The directors propose to continue the same activity next year.

### POST BALANCE SHEET EVENTS

On 21 March 2016 the company received a dividend of £762.5 million from its subsidiary, Coral Eurobet Limited. After recognising a consequent impairment in the company's investment in Coral Eurobet Limited net assets are increased by £644.0 million.

On the same date the company issued 1,000,000 ordinary shares of 1p each to its parent company, which was settled by the transfer of group receivables of £318.5 million. As a result share capital is increased by £10,000 and share premium by approximately £318.5 million.

### GOING CONCERN

The directors have continued to review the company's cash flow forecasts and after making appropriate enquiries, have formed the view that the company is financially robust and will generate sufficient cash to meet its ongoing requirements for at least the next 12 months from the date of approval of these financial statements.

### DIRECTORS

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

P Bowtell

Gala Coral Nominees Limited

### DIRECTORS' INDEMNITIES AND INSURANCE

The Gala Coral Group 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.

### STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR

For all the directors at the time this report was approved, the following applies:

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

## Coral Eurobet Holdings Limited

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### DIRECTORS' REPORT (CONTINUED) for the year ended 26 September 2015

#### AUDITOR

KPMG LLP was appointed as auditor during the year. Pursuant to Section 487 of the Companies Act 2006, KPMG LLP will be deemed to be reappointed and will therefore continue in office.

By order of the board



H A Willits

On behalf of  
Gala Coral Secretaries Limited  
Company Secretary  
24 June 2016

# Coral Eurobet Holdings Limited

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## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORAL EUROBET HOLDINGS LIMITED**

We have audited the financial statements of Coral Eurobet Holdings Limited for the year ended 26 September 2015 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 26 September 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.



**Mark Flanagan (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
St Nicholas House  
Park Row  
Nottingham  
NG1 6FQ

Date 24 June 2016

## Coral Eurobet Holdings Limited

### PROFIT AND LOSS ACCOUNT for the year ended 26 September 2015

	Notes	2015 £000	2014 £000
Interest receivable and other similar income	3	184,938	114,627
Interest payable and other similar charges	3	(62,990)	(132,432)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>121,948</b>	<b>(17,805)</b>
Tax on profit/(loss) on ordinary activities	4	(11,022)	(8,145)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	9	<b>110,926</b>	<b>(25,950)</b>

All operations of the company are continuing.

There are no recognised gains or losses for the year other than the loss attributable to the shareholders of the company of £110,926,000 (2014: loss of £25,950,000).

There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial years stated above, and their historical cost equivalents.



## Coral Eurobet Holdings Limited

### RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS/(DEFICIT) for the year ended 26 September 2015

	2015 £000	2014 £000
Profit/(loss) for the financial year	110,926	(25,950)
Capital contribution	2,056,037	53,929
Group relief (note 4)	(27,209)	(7,553)
Opening shareholders' funds/(deficit)	17,778	(2,648)
<b>CLOSING SHAREHOLDERS' FUNDS</b>	<b>2,157,532</b>	<b>17,778</b>

# Coral Eurobet Holdings Limited

## BALANCE SHEET

As at 26 September 2015

	Notes	2015 £000	Restated 2014 £000
<b>FIXED ASSETS</b>			
Fixed asset investments	5	168,149	168,149
<b>CURRENT ASSETS</b>			
Debtors	6	1,989,383	1,643,130
<b>CREDITORS: amounts falling due within one year</b>	7	-	(1,793,501)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,989,383	(150,371)
<b>NET ASSETS</b>		2,157,532	17,778
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	94	94
Share premium account	9	9,532	9,532
Capital reserve	9	875	875
Capital contribution reserve	9	2,109,966	53,929
Profit and loss account	9	37,065	(46,652)
<b>TOTAL SHAREHOLDERS' FUNDS</b>		2,157,532	17,778

The financial statements on pages 7 to 15 were approved by the Board of Directors on 24 June 2016 and are signed on its behalf by:



P Bowtell  
Director

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 26 September 2015

**1. ACCOUNTING POLICIES**

***Basis of preparation***

The company is exempt from preparing group financial statements under Section 400 of the Companies Act 2006 since it is a wholly owned subsidiary of another UK company, and accordingly the financial statements present information about the company as an individual undertaking only.

The financial statements are prepared on a going concern basis under the historical cost convention, applying the accounting policies set out below, and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006, which have been applied consistently.

***Restatement of comparatives***

Amounts due from and to other group companies have previously been classified as due in over one year as it has been confirmed by the directors (who are also directors of the other group companies) that they do not intend to request payment within the next year. As this is not formally documented in a written agreement as at the year end the company does not have an enforceable right to defer payment for more than 12 months and therefore this treatment has been revised in these accounts to show all such amounts as due within one year. The prior year balance sheet has been restated to reflect this change. There is no impact on profit and loss or net assets due to this change.

***Cash flow statement and related party disclosures***

The company is included in the consolidated financial statements of Gala Coral Group Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) 'Cash Flow Statements'.

The company is also exempt under the terms of FRS 8 'Related Party Disclosures' from disclosing related party transactions with wholly owned entities that are part of the Gala Coral Group.

***Going concern***

The directors have continued to review the company's cash flow forecasts and after making appropriate enquiries, have formed the view that the company is financially robust and will generate sufficient cash to meet its ongoing requirements for at least the next 12 months from the date of approval of these financial statements.

***Deferred taxation***

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date which will result in an obligation to pay more, or a right to pay less or to receive more, tax with the following exceptions:

- deferred tax assets are recognised only to the extent that the directors consider it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

***Fixed asset investments***

Investments are stated at cost less any necessary provision against their carrying value for diminution in value.

# Coral Eurobet Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 26 September 2015

### 1. ACCOUNTING POLICIES (continued)

#### *Classification of financial instruments issued by the company*

Financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company. To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

There are no such issues in the company as the redemption of the deferred shares is at the option of the company not the holder. As such these shares are classified as equity.

### 2. DIRECTORS', AUDITORS' AND EMPLOYEES' REMUNERATION

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 (2014: £nil).

The auditors' remuneration has been paid by a fellow subsidiary company. The amount in respect of the company is £2,500.

The company does not have any employees (2014: none). Management services are provided to the company by a fellow subsidiary company. No charge is made for these services (2014: £nil).

### 3. INTEREST RECEIVABLE AND PAYABLE

	2015 £000	2014 £000
<b>Interest receivable and similar income:</b>		
Interest receivable from group companies	184,938	114,627
	<u>          </u>	<u>          </u>
<b>Interest payable and similar charges:</b>		
Interest payable to group companies	62,990	132,432
	<u>          </u>	<u>          </u>

### 4. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

a) Current tax:	2015 £000	2014 £000
Adjustment in respect of prior years' group relief	11,022	8,145
	<u>          </u>	<u>          </u>

The company makes and receives no payment for group relief for the year (2014: nil %). During the year the company made adjustments to prior years' group relief at £1 in the £1 rate as this was the original value received. The amount recorded in the profit and loss account is equal to the effective tax rate with the remainder of the charge of £27,209,000 (2014: £7,553,000) recognised in reserves.

# Coral Eurobet Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 26 September 2015

### 4. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (continued)

#### b) Factors affecting the current tax charge:

The tax charge on the profit/(loss) on ordinary activities for the year differs from (2014: differs from) the average standard rate of corporation tax in the UK. The differences are reconciled below:

	2015 £000	2014 £000
Profit/(loss) on ordinary activities before taxation	121,948	(17,805)
Profit/(loss) on ordinary activities multiplied by average standard rate of corporation tax in the UK for the year of 20.51% (2014: 22.02%)	25,011	(3,921)
Losses (utilised)/carried forward	(466)	29,161
Debt cap interest adjustment	-	(25,240)
Adjustment in respect of prior years' group relief	11,022	8,145
Group relief for claims for nil payment	(24,545)	-
Current tax charge for the year	11,022	8,145

Finance Act 2015 included provision for the reduction of corporation tax to rates of 19% and 18% with effect from 1 April 2017 and 1 April 2020 respectively. As the Finance Act was not substantively enacted by the balance sheet date, deferred tax has been calculated using the enacted rate of 20%. Post year end the Finance Act has been substantively enacted and it has been further announced that the standard rate will now be reduced to 17% from 1 April 2020.

#### c) Deferred taxation:

The company has an unrecognised deferred tax asset of £44,711,000 as at 26 September 2015 (2014: £37,520,000) in respect of losses carried forward.

### 5. FIXED ASSET INVESTMENTS

#### a) Shares in group companies

	£000
<b>Cost and net book value:</b>	
At 26 September 2015 and at 27 September 2014	168,149

# Coral Eurobet Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 26 September 2015

### 5. FIXED ASSET INVESTMENTS (continued)

#### b) Investments:

Name of company	Nature of business	Place of incorporation
Coral Eurobet Limited	Holding company	Great Britain
Gala Four Limited	Dormant company	Great Britain
2015 GC Limited	Dormant company	Great Britain

Coral Eurobet Limited (formerly CE Finance 1 Limited) is directly owned by the company, all other subsidiaries are indirectly owned.

### 6. DEBTORS:

	2015 £000	2014 £000
Amounts owed by group companies	1,989,383	1,643,130

Amounts owed by group companies are unsecured and have no fixed date of repayment. Amounts owed by group companies bear interest at a rate linked to the group's borrowing costs.

### 7. CREDITORS: amounts falling due within one year

	2015 £000	Restated 2014 £000
Amounts owed to group companies	-	1,793,501

Amounts owed by group companies are unsecured and have no fixed date of repayment. Amounts owed by group companies bear interest at a rate linked to the group's borrowing costs.

The prior year balances have been restated to show amounts owed to other group companies as due in less than one year as fully explained in note 1.

# Coral Eurobet Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 26 September 2015

### 8. CALLED UP SHARE CAPITAL

*Allotted and fully paid:*

	Ordinary Shares of 1p Number	Ordinary Shares of 1p £000	*Deferred Shares of 1p Number	*Deferred Shares of 1p £000	Total £000
At 26 September 2015 and at 27 September 2014	9,174,330	92	218,806	2	94

\*The deferred shares do not carry any right to participate in the profits of the company and hold no voting rights. They are redeemable at the option of the company by payment to each holder of £0.01 for every 1,000 deferred shares (or part of 1,000 deferred shares) held.

### 9. RESERVES

	Share premium account £000	Capital reserve £000	Capital contribution reserve £000	Profit and loss account £000	Total £000
At 27 September 2014	9,532	875	53,929	(46,652)	17,684
Profit for the financial year	-	-	-	110,926	110,926
Capital contribution	-	-	2,056,037	-	2,056,037
Group relief (note 4)	-	-	-	(27,209)	(27,209)
At 26 September 2015	9,532	875	2,109,966	37,065	2,157,438

### 10. GUARANTEES

The borrowings of the Gala Coral Group are secured on the assets of the company and are guaranteed by fellow members of the group. The extent of the group borrowings can be found in the Gala Coral Group Limited's annual report.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 September 2015

### 11. POST BALANCE SHEET EVENTS

On 21 March 2016 the company received a dividend of £762.5 million from its subsidiary, Coral Eurobet Limited. After recognising a consequent impairment in the company's investment in Coral Eurobet Limited net assets are increased by £644.0 million.

On the same date the company issued 1,000,000 ordinary shares of 1p each to its parent company, which was settled by the transfer of group receivables of £318.5 million. As a result share capital is increased by £10,000 and share premium by approximately £318.5 million.

### 12. ULTIMATE CONTROLLING PARTY

The company is a subsidiary of CE Finance 3 Limited, a company incorporated in England and Wales.

The only group in which the results of Coral Eurobet Holdings Limited are consolidated is that headed by Gala Coral Group Limited, a company incorporated in England and Wales. Consolidated financial statements are available to the public and may be obtained from Gala Coral Group Limited, New Castle House, Castle Boulevard, Nottingham, NG7 1FT.

As at 29 September 2012 the ultimate parent company and controlling party of the group was GCG Manager S.A Luxco S.C.A a "société en commandité par actions" established under the laws of Luxembourg.