

**Sportingbet (IT Services) Limited**

**Company number: 05214498**

**Report and Financial Statements**

**Year ended 31 December 2018**

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

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	<b>Page</b>
Board of Directors and professional advisors	2
Report of the Directors	3
Strategic Report	5
Independent auditor's report to the members of Sportingbet (IT Services) Limited	6
Statement of profit or loss and other comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes forming part of the financial statements	12

**SPORTINGBET (IT SERVICES) LIMITED**

**Board of Directors and professional advisors**

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Directors	A Lewis W Longton J Humberstone (resigned 12 December 2018)
Secretary and registered office	3 <sup>rd</sup> Floor One New Change London EC4M 9AF
Company number	05214498
Auditor	KPMG LLP St Nicholas House Park Row Nottingham NG1 6FQ

## **SPORTINGBET (IT SERVICES) LIMITED**

### **Strategic Report for the year ended 31 December 2018**

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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 IT 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.

#### **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:

- Turnover of £1.4m (2017: £5.5m)
- Administrative costs of £1.4m (2017: £3.6m)
- Loss before and after tax of £0.05m (2017: profit £1.9m)
- Net assets at year end of £98k (2017: £7.2m net liabilities).

#### **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 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 the Group in certain markets.

##### *Competitor Risk*

The Directors of the Group manage competition through close attention to market research, benchmarking with competitors, and recruitment of highly skilled professional staff.

##### *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**



**W Longton**

**Director**

Date: 31 October 2019

## **SPORTINGBET (IT SERVICES) LIMITED**

### **Report of the Directors for the year ended 31 December 2018**

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

#### **Directors**

The Directors of the Company during the year were:

A Lewis  
W Longton  
J Humberstone (resigned 12 December 2018)

#### **Results and dividends**

The profit and loss account is set out on page 8 and shows the results for the year. The Directors did not recommend the payment of a dividend in the current or preceding year.

#### **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' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the 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), 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; 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 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 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, and 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.

**SPORTINGBET (IT SERVICES) LIMITED**

**Report of the Directors for the year ended 31 December 2018**

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**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/>.

**Auditors**

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**

**Company number: 05214498**

**Date: 31 October 2019**

## **SPORTINGBET (IT SERVICES) LIMITED**

### **Independent auditor's report to the members of Sportingbet (IT Services) Limited**

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#### **Opinion**

We have audited the financial statements of Sportingbet (IT 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.

## **SPORTINGBET (IT SERVICES) LIMITED**

### **Independent auditor's report to the members of Sportingbet (IT Services) Limited**

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#### **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.

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

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

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

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**SPORTINGBET (IT SERVICES) LIMITED**

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

**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

31<sup>st</sup> October 2019

**SPORTINGBET (IT SERVICES) LIMITED**

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


		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
	Note	Continuing £000s	Discontinued £000s	Total £000s	Continuing £000s	Discontinued £000s	Total £000s
Turnover	2	-	1,446	1,446	5,485	-	5,485
Administrative expenses		(5)	(1,446)	(1,451)	(3,554)	-	(3,554)
Operating (loss) / profit	3	(5)	-	(5)	1,931	-	1,931
Operating (loss) / profit before exceptional items		(5)	363	358	1,931	-	1,931
Exceptional items	5	-	(363)	(363)	-	-	-
Operating (loss) / profit after exceptional items		(5)	-	(5)	1,931	-	1,931
Interest receivable		-	-	-	1	-	1
(Loss) / profit on ordinary activities before taxation		(5)	-	(5)	1,932	-	1,932
Taxation	6	-	-	-	-	-	-
(Loss) / profit on ordinary activities after taxation		(5)	-	(5)	1,932	-	1,932
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		(5)	-	(5)	1,932	-	1,932

The notes on pages 12 to 17 form part of these financial statements.

**SPORTINGBET (IT SERVICES) LIMITED**  
**Company number: 05214498**  
**Balance sheet as at 31 December 2018**

	Note	2018 £000s	2017 £000s
<b>Fixed assets</b>			
Intangible assets	7	-	257
Tangible assets	8	-	-
		<u>-</u>	<u>257</u>
<b>Current assets</b>			
Debtors	9	26	38,262
Cash at bank		82	82
<b>Creditors: amounts due within one year</b>	10	(10)	(45,790)
<b>Net current assets / (liabilities)</b>		<u>98</u>	<u>(7,446)</u>
<b>Net assets / (liabilities)</b>		<u>98</u>	<u>(7,189)</u>
<b>Capital and reserves</b>			
Called up share capital	11	-	-
Profit and loss account		98	(7,189)
<b>Shareholders' funds / (deficit)</b>		<u>98</u>	<u>(7,189)</u>

The financial statements were approved by the Board and authorised for issue and signed on its behalf by



W Longton

Director

Date: 31 October 2019

The notes on pages 12 to 17 form part of these financial statements.

**SPORTINGBET (IT SERVICES) LIMITED**

Company number: 05214498

**Statement of Changes in Equity for the year ended 31 December 2018**

	<b>Share capital</b> <b>£000s</b>	<b>Profit and loss</b> <b>account</b> <b>£000s</b>	<b>Total</b> <b>£000s</b>
Balance at 1 January 2017	-	(9,121)	(9,121)
Profit for the year ended 31 December 2017	-	1,932	1,932
<b>At 1 January 2018</b>	-	<b>(7,189)</b>	<b>(7,189)</b>
Loss for the year ended 31 December 2018	-	(5)	(5)
Capital contribution	-	7,292	7,292
<b>At 31 December 2018</b>	-	<b>98</b>	<b>98</b>

The notes on pages 12 to 17 form part of these financial statements.

## SPORTINGBET (IT SERVICES) LIMITED

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

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#### 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, presentation of an opening balance sheet in the first year of adopting FRS 101, and related party transactions.

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial period and the preceding year. The Directors have reviewed the principal accounting policies and consider that they remain the most appropriate for the Company.

The following principal accounting policies have been applied:

##### *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.

##### *Cash flow statement*

The Company is exempt from the requirement under IAS 7 "Statement of Cash Flows" to prepare a cash flow statement as its cash flows are consolidated in the financial statements of GVC Holdings PLC which are publicly available.

##### *Turnover*

Turnover represents amounts from other Group companies for the provision of general IT services and is recognised net of sales taxes 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 a straight-line basis
Computer equipment and software	20-33% on a straight-line basis

##### *Computer software*

Where the Company's expenditure, in relation to the development of internet activities, results in the provision of further services under licensing type agreements, these costs are capitalised and amortised over the shorter of three years or the average period of aggregate licence agreements in existence during the period.

## SPORTINGBET (IT SERVICES) LIMITED

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

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#### 1. Accounting policies (*continued*)

##### *Foreign currencies*

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

##### *Deferred taxation*

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed by the Balance sheet date, 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 future. Deferred tax balances are not discounted.

##### *Leased assets*

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

##### *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 year. 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.

## SPORTINGBET (IT SERVICES) LIMITED

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

#### 1. Accounting policies (*continued*)

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.

#### 2. Turnover

Turnover arose from the Company's principal activity. This activity is carried out exclusively 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
Amortisation on owned intangible assets	257	841
Amortisation on finance lease intangible assets	-	74
Depreciation on owned fixed assets	-	96
Depreciation on finance lease assets	-	158
Auditor's remuneration	5	5
Foreign exchange loss / (gain)	21	(1,611)
Exceptional items	363	-

The audit fee in the current and prior year was borne by the ultimate parent company.

#### 4. Employees

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

	Year ended 31 December 2018	Year ended 31 December 2017
	£000s	£000s
Wages and salaries	312	2,397
Social security costs	110	344
Redundancy and restructuring	363	-
Pension contributions (defined contribution scheme)	92	73
	877	2,814

No Director received any emoluments in respect of his services to the Company (2017: £nil) and were remunerated through other group companies.

The average monthly number of full-time persons (including Directors) employed by the Company during the period was 24 (2017: 27).

**SPORTINGBET (IT SERVICES) LIMITED****Notes forming part of the financial statements for the year ended 31 December 2018**

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**5. Exceptional costs**

During the year the Company recognised a charge of £0.4m (2017: £nil) in relation to restructuring and redundancy.

**6. Taxation**

	<b>Year ended 31 December 2018 £000s</b>	<b>Year ended 31 December 2017 £000s</b>
<i>Current tax</i>		
UK Corporation tax on profit for the year	<u>-</u>	<u>-</u>

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:

	<b>Year ended 31 December 2018 £000s</b>	<b>Year ended 31 December 2017 £000s</b>
(Loss)/profit on ordinary activities before tax	(5)	1,932
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2017: 19.25%)	(1)	372
Effects of:		
Utilisation of unrecognised deferred tax assets	(189)	(356)
Tax losses carried forward	-	293
Group relief	190	-
Disallowed expense / (income)	-	(309)
Current tax charge for the year	<u>-</u>	<u>-</u>

**SPORTINGBET (IT SERVICES) LIMITED**

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

**7. Intangible fixed assets**

	<b>Computer software £000s</b>
<b>Cost</b>	
At 1 January 2018 and 31 December 2018	3,923
Disposals	<u>(3,923)</u>
At 31 December 2018	<u>-</u>
<b>Amortisation</b>	
At 1 January 2018	3,666
Charge for the year	257
Disposals	<u>(3,923)</u>
At 31 December 2018	<u>-</u>
<b>Net book value</b>	
At 31 December 2018	<u>-</u>
	<u>1</u>
At 31 December 2017	<u>257</u>

**8. Tangible fixed assets**

	<b>Computer equipment and software £000s</b>
<b>Cost</b>	
At 1 January 2018 and 31 December 2018	1,594
Disposals	<u>(1,594)</u>
At 31 December 2018	<u>-</u>
<b>Amortisation</b>	
At 1 January 2018	1,594
Disposals	<u>(1,594)</u>
At 31 December 2018	<u>-</u>
<b>Net book value</b>	
At 31 December 2018	<u>-</u>
	<u>-</u>
At 31 December 2017	<u>-</u>

**SPORTINGBET (IT SERVICES) LIMITED****Notes forming part of the financial statements for the year ended 31 December 2018****9. Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£000s</b>	<b>£000s</b>
Amounts owed by group undertakings	20	37,967
Other debtors	6	104
Prepayments and accrued income	-	191
	<u>26</u>	<u>38,262</u>

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

**10. Creditors**

	<b>2018</b>	<b>2017</b>
	<b>£000s</b>	<b>£000s</b>
Amounts owed to group undertakings	-	45,408
Accruals	10	382
	<u>10</u>	<u>45,790</u>

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

**11. Share capital**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<i>Allotted, issued and fully paid</i>		
1 ordinary £1 share	1	1

**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.

**13. 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](http://www.gvc-plc.com).