

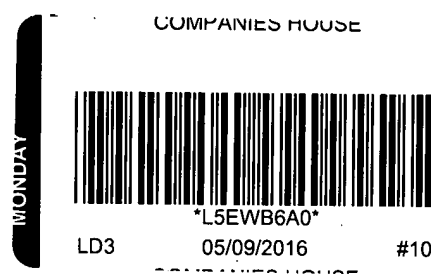
Sportingbet Holdings Limited

Company number: 07264739

Report and Financial Statements

Year ended

31 December 2015



SPORTINGBET HOLDINGS LIMITED
Statement of changes in equity

For the year ended 31 December 2015

SPORTINGBET HOLDINGS LIMITED

Annual report and financial statements for the year ended 31 December 2015

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SPORTINGBET HOLDINGS LIMITED

Board of Directors and professional advisors

Directors

K J Alexander
R Q M Cooper

Registered office

3rd Floor, 45 Moorfields, London, EC2Y 9AE

Company number

07264739

Auditor

Grant Thornton UK LLP
Chartered accountants, Statutory auditor
Grant Thornton House, Melton Street, London NW1 2EP

SPORTINGBET HOLDINGS LIMITED

Report of the directors for the year ended 31 December 2015

The directors present their report together with the audited financial statements of the Company, for the year ended 31 December 2015.

Principal activities

The principal activity of the Company is that of a holding company.

Directors

The directors of the Company during the year were:

K J Alexander
R Q M Cooper

Results and dividends

The profit and loss account is set out on page 6 and shows the profit (2014: loss) for the year.

Trading Review

The financial performance highlights for the year ended 31 December 2015 are as follows:

- Operating profit before exceptional items was £3.3m (2014: £5.7m)
- Exceptional items were a charge to the profit and loss account of £nil (2014: charge of £219.7m)
- Profit before and after tax for the year ended 31 December 2015 of £3.3m (2014: loss of £214.1m)

Going concern

The directors have considered the implications of the potential impact of regulatory uncertainties discussed in note 12. The directors have reviewed the cash flow projections for the Company in light of these uncertainties and have considered the financial resources available to the Company and the support provided by the ultimate parent company. Accordingly, the directors have a reasonable expectation that the Company has adequate resources to continue operations for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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 FRS 101 'Reduced Disclosure Requirements'.

SPORTINGBET HOLDINGS LIMITED

Report of the directors for the year ended 31 December 2015

Directors' responsibilities (continued)

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. 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;
- 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 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.

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.

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

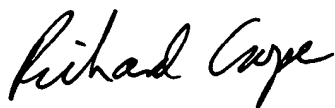
Small companies

In preparing this report the directors have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK 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 the accounts with the registrar, whichever is earlier.

On behalf of the Board



R Q M Cooper

Director

Company Number: 07264739

Date: 2 September 2016

Independent auditor's report to the members of Sportingbet Holdings Limited

We have audited the financial statements of Sportingbet Holdings Limited for the year ended 31 December 2015, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and FRS 101 'Reduced Disclosure Requirements'.

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 on pages 2-3, 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 (APB'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.

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 31 December 2015 and its profit for the year then ended;
- have been properly prepared in accordance with FRS 101 'Reduced Disclosure Requirements'; and
- have been prepared in accordance with requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

SPORTINGBET HOLDINGS LIMITED

Independent auditor's report (continued)

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirements to prepare a Strategic Report or in preparing the Directors' Report.

Grant Thornton UK LLP

Gary Jones

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

Date: 2/9/16

SPORTINGBET HOLDINGS LIMITED**Profit and loss account for the year ended 31 December 2015**

	Note	Year ended 31 December 2015 £000's	Year ended 31 December 2014 £000's
Administrative expenses		3,311	(214,059)
Operating Profit/ (Loss)	2	3,311	(214,059)
Operating profit before exceptional items		3,311	5,664
Exceptional items	3	-	(219,723)
Operating Profit/(Loss)		3,311	(214,059)
Other income		536	-
Profit/ (Loss) on ordinary activities before taxation		3,847	(214,059)
Taxation	4	-	-
Profit/ (Loss) on ordinary activities after taxation	9	3,847	(214,059)
Other comprehensive income		-	-
Total comprehensive income for the year		3,847	(214,059)

All amounts relate to continuing activities.

The notes on pages 9 to 14 form part of these financial statements.

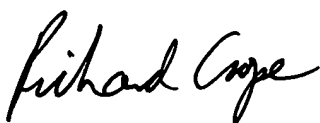
SPORTINGBET HOLDINGS LIMITED

Company number: 07264739

Balance sheet at 31 December 2015

	Note	2015 £000's	2014 £000's
Fixed assets			
Investments	5	87	87
Current assets			
Debtors	6	84,743	92,889
		<u>84,743</u>	<u>92,889</u>
Creditors: amounts falling due within one year	7	(138,320)	(150,313)
Total net current liabilities		<u>(53,577)</u>	<u>(57,424)</u>
Total net liabilities		<u>(53,490)</u>	<u>(57,337)</u>
Capital and reserves			
Called up share capital	8	2,469	2,469
Share premium	9	13,727	13,727
Profit and loss account	9	(69,686)	(73,533)
Shareholders' deficit	9	<u>(53,490)</u>	<u>(57,337)</u>

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



R Q M Cooper
Director

Date: 2 September 2016

The notes on pages 9 to 14 form part of these financial statements.

SPORTINGBET HOLDINGS LIMITED
Statement of changes in equity

For the year ended 31 December 2015

	Share capital	Share premium	Profit and loss account	Total
	£000s	£000s	£000s	£000s
Balance at 1 January 2014	2,469	13,727	140,526	156,722
Loss for the year	-	-	(214,059)	(214,059)
At 1 January 2015	2,469	13,727	(73,533)	(57,337)
Profit for the year	-	-	3,847	3,847
At 31 December 2015	2,469	13,727	(69,686)	(53,490)

The notes on pages 9 to 14 form part of these financial statements.

SPORTINGBET HOLDINGS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2015

1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards.

During the year the Company adopted FRS 101 'Reduced Disclosure Framework' and has undergone transition from reporting under UK GAAP (UK Generally Accepted Accounting Practice). This transition is not considered to have had a material effect on the financial statements.

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 year.

Under the provision of section 400 of the Companies Act 2006, the Company is exempt from preparing consolidated financial statements and has not done so; therefore the financial statements show information about the Company as an individual entity.

The following principal accounting policies have been applied:

Going concern

The accounts are prepared on a going concern basis. The Directors, in making this assessment, have considered among other factors the net current financial position, the profitability of the Company and the on-going financial support from its parent in light of its net liabilities. Accordingly the directors have a reasonable expectation that the Company has adequate resources to continue operations for the foreseeable future.

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.

Fixed asset investments

Fixed asset investments are shown at cost less any amounts written off. Provisions are made for impairment. Only dividends received and receivable are credited to the Company's Profit and loss account.

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.

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 near future. Deferred tax balances are not discounted.

SPORTINGBET HOLDINGS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2015 (*continued*)

1 Accounting policies (*continued*)

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.

2 Operating Loss

	Year ended 31 December 2015 £000's	Year ended 31 December 2014 £000's
This has been arrived at after charging / (crediting):		
Exceptional items (note 3)	-	219,723
Foreign exchange gain	(3,314)	(5,664)
	<hr/>	<hr/>

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

Directors are remunerated through other group entities.

SPORTINGBET HOLDINGS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2015 (continued)

3 Exceptional items

Included in administration expenses is a charge for exceptional items of £nil (2014: £219.7m), a breakdown of which is set out below:

	Year ended 31 December 2015 £000's	Year ended 31 December 2014 £000's
Impairment of investments	-	219,723

4 Taxation

	Year ended 31 December 2015 £000's	Year ended 31 December 2014 £000's
<i>Current tax</i>		
UK corporation tax on Profit/ (loss) for the year	-	-

The tax assessed for the year is lower (2014: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 December 2015 £000's	Year ended 31 December 2014 £000's
Profit/ (Loss) on ordinary activities before tax	3,847	(214,059)
Profit / (loss) on ordinary activities at the standard rate of corporation tax in the UK of 20.25 % (2014 – 21.5%)	779	(46,023)
Effects of:		
Non-deductible expenses	(780)	-
Non-taxable expenses	1	46,023
Current tax charge for the year	-	-

SPORTINGBET HOLDINGS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2015 (continued)

5 Investments

Shares in
subsidiary
undertakings
£000's

At 1 January 2015 and 31 December 2015

87

The company held 100% of the issued ordinary share capital of the following subsidiary undertakings at 31 December 2015.

Subsidiary	Activity	Country of incorporation or registration
<i>Direct subsidiaries:</i>		
Interactive Sports (C.I.) Limited	Online betting	Alderney
Interactive Sports Limited	Online betting	England
Danbook Limited*	Online betting	England
Centrebet (UK) Limited*	Online betting	England
Sporting Odds Limited	Online betting	England
Sportingbet (IT Services) Limited	Software development and IT related services	England
Sportingbet (Management Services) Limited	Administrative services	England
Sportingbet (Product Services) Limited	Market research, project management and web design services	England
Green Sand Limited	Online betting	Antigua and Barbuda
MLB Limited	Contract call centre	Ireland
Sportingbet Spain S.A.	Online betting	Spain
Centrebet Holdings Limited	Holding company	Malta
Main Street 1013 Pty Limited	Administrative services	South Africa
<i>Indirect subsidiaries:</i>		
Interactive Sports Denmark ApS^	Administrative services	Denmark
Longfrie Limited^	Administrative services	Guernsey
Interactive Sports Asia Limited Inc^	Administrative services	Philippines
Scandic Bookmakers Limited^	Administrative services	Malta

For all undertakings listed above, the country of incorporation is the same as the country of operation.

*Centrebet (UK) Limited and Danbook Limited were dissolved on 22 May 2016. The directors undertook an impairment review in the prior period and consequently there is no impairment charge (2014: £3,261,179).

SPORTINGBET HOLDINGS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2015 *(continued)*

6 Debtors

	2015 £000's	2014 £000's
Amounts due from group undertakings	<u>84,743</u>	<u>92,889</u>

Amounts due from group undertakings are repayable on demand and are non-interest bearing.

7 Creditors: amounts falling due in more than one year

	2015 £000's	2014 £000's
Amounts owed to group undertakings	<u>138,320</u>	<u>150,313</u>

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

8 Share capital

	2015 £000's	2014 £000's
Allotted, issued and fully paid 246,926,301 ordinary 1p shares	<u>2,469</u>	<u>2,469</u>

9 Shareholders' deficit

	Share Capital £'000s	Share Premium £'000s	Profit and loss account £'000s	Total £'000s
At 1 January 2015	2,469	13,727	(73,533)	(57,337)
Profit for the year	-	-	3,847	3,847
At 31 December 2015	<u>2,469</u>	<u>13,727</u>	<u>(69,686)</u>	<u>(53,490)</u>

SPORTINGBET HOLDINGS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2015 *(continued)*

10 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.

11 Parent company and ultimate parent company

The Company’s immediate parent company is Sportingbet Limited, a company incorporated in England and Wales. The ultimate parent company is GVC Holdings PLC, a company incorporated in the Isle of Man. Copies of the Group accounts prepared by the ultimate parent company are available from 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 Subsequent events

There are no subsequent events since the Balance sheet date and the date of the Director’s report which would have a material impact on the financial statements and require disclosing.