

Annual Report and Financial Statements

Coral Eurobet Limited

For the year ended 31 December 2017



Coral Eurobet Limited

DIRECTORS AND ADVISORS

DIRECTORS

S Smith

C Sutters

Ladbrokes Coral Corporate Director Limited

COMPANY SECRETARY

Ladbrokes Coral Corporate Secretaries Limited

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 Embankment Place

London

WC2N 6RH

REGISTERED OFFICE

3rd Floor

One New Change

London

EC4M 9AF

Coral Eurobet Limited

STRATEGIC REPORT

for the year ended 31 December 2017

The directors present their strategic report on Coral Eurobet Limited for the year ended 31 December 2017.

RESULTS AND DIVIDENDS

The profit for the financial year amounted to £1,942,000 (2016: £42,739,000). There were no dividends paid during the year (2016 £762,500,000).

On 28 March 2018 Ladbrokes Coral Group plc was acquired by GVC Holdings plc, a company listed on the London Stock Exchange, and registered in the Isle of Man. Subsequent to the acquisition the Group delisted from the London Stock Exchange and re-registered itself to Ladbrokes Coral Group Limited.

BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS

The company provides financing facilities to other group companies.

The profit for the financial year includes £7,567,000 (2016: £42,739,000) of interest receivable on a loan to another group company. Offsetting this amount was interest payable of £5,625,000 (2016: £nil).

The net assets of the Company were £53,723,000 as at 31 December 2017 (2016: £51,781,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk the company faces is regarding interest rates applicable to its group payables and receivables.

On behalf of the board



S Smith
Director

28 September 2018

DIRECTORS' REPORT

for the year ended 31 December 2017

The directors present their annual report and audited financial statements for the year ended 31 December 2017. The prior period reported was for a fifteen month period ended 31 December 2016.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The company provides financing facilities to other group companies. The directors propose to continue the same activity next year.

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:

L Beardsell	(appointed 16 April 2018, resigned 4 June 2018)
S Smith	(appointed 18 July 2017)
C Sutters	(appointed 12 December 2017)
G Mason	(appointed 18 July 2017, resigned 16 April 2018)
Ladbroke Coral Corporate Director Limited	(appointed 18 July 2017)
P Bowtell	(resigned 18 July 2017)
V Parmar	(resigned 18 July 2017)
Gala Coral Nominees Limited	(resigned 18 July 2017)

DIRECTORS' INDEMNITIES AND INSURANCE

Ladbroke Coral Group Limited 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.

INDEPENDENT AUDITORS

Following the acquisition of the Ladbroke Coral Group of companies by GVC plc, and pursuant to section 485 of the Companies Act 2006, the company intends to appoint the group auditor KPMG LLP as statutory auditor for the year ending 31 December 2018 to replace PricewaterhouseCoopers LLP.

On behalf of the Board



S Smith
Director

28 September 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements
- make judgements and accounting estimates that are reasonable and prudent; 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 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 are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of each director in office at the date the Directors' Report is approved:

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

Independent auditors' report to the members of Coral Eurobet Limited

Report on the audit of the financial statements

Opinion

In our opinion, Coral Eurobet Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2017; the profit and loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent auditors' report to the members of Coral Eurobet Limited (continued)

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Ian Benham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

28 September 2018

Coral Eurobet Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2017

		12 months ended 31 December 2017 £000	15 months ended 31 December 2016 £000
	Notes		
Interest receivable and similar income	5	7,567	42,739
Interest payable and similar charges	5	(5,625)	-
		-----	-----
PROFIT BEFORE TAXATION		1,942	42,739
Tax on profit	7	-	-
		-----	-----
PROFIT FOR THE FINANCIAL YEAR/ PERIOD		1,942	42,739
		=====	=====

All the operations of the company are continuing.

Coral Eurobet Limited

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2017

	Called up Share Capital £000	Retained Earnings £000	Total Shareholders' funds £000
At 27 September 2015	-	771,542	771,542
Profit for the financial period	-	42,739	42,739
Dividends paid (note 6)	-	(762,500)	(762,500)
At 31 December 2016	-	51,781	51,781
At 1 January 2017	-	51,781	51,781
Profit for the financial year	-	1,942	1,942
At 31 December 2017	-	53,723	53,723

Coral Eurobet Limited

BALANCE SHEET as at 31 December 2017

		31 December 2017 £000	31 December 2016 £000
	Notes		
CURRENT ASSETS			
Debtors	8	209,348	201,781
		<u> </u>	<u> </u>
CREDITORS: amounts falling due within one year	9	(155,625)	(150,000)
		<u> </u>	<u> </u>
NET ASSETS		53,723	51,781
		<u> </u>	<u> </u>
CAPITAL AND RESERVES			
Called up share capital	10	-	-
Profit and loss account		53,723	51,781
		<u> </u>	<u> </u>
TOTAL SHAREHOLDERS' FUNDS		53,723	51,781
		<u> </u>	<u> </u>

The financial statements on pages 7 to 16 were approved by the Board of Directors on ~~28 September~~ 2018 and are signed on its behalf by:



S Smith
Director

28 September 2018

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

1. CORPORATE INFORMATION

Coral Eurobet Limited (the 'Company') is a private company limited by share capital, incorporated and domiciled in England and Wales within the United Kingdom. The principal activities of the company are the provision of finance to other group companies.

The address of its registered office and principal place of business is disclosed within directors and advisors on page 1.

2. STATEMENT OF COMPLIANCE

The financial statements of Coral Eurobet Limited have been prepared in accordance with United Kingdom Accounting Standards which comply with Financial Reporting Standard 102 and the Companies Act 2006.

The financial statements cover the period for the year ended 31 December 2017. The comparative period covers the fifteen months ended 31 December 2016 and the comparative amounts reported are consequently for a different length of accounting period.

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with.

The Company has taken advantage of the exemptions set out below on the basis that it is a qualifying entity since its results are included in the consolidated financial statements of Ladbrokes Coral Group Limited which are available from 3rd Floor, One New Change, London, EC4M 9AF.

- Preparation of a cash flow statement
- Disclosure of related party transactions with and between wholly owned subsidiaries
- Disclosures relating to financial instruments.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are addressed below.

(i) Asset value and impairment (note 8)

If there is an indication that an asset is included in the balance sheet at less than its recoverable amount, an impairment review is undertaken. A value in use calculation is performed using discounted forecast future cash flows and is compared to the fair value of the asset less costs to sell. The higher of these two values is compared to the carrying value and if the recoverable amount is less than the carrying value, the impairment is recognised in the profit and loss account.

Foreign currency

The Company's functional and presentation currency is pound sterling.

Finance income

Interest receivable is recognised on an accruals basis for interest bearing loans with group companies and is recognised in the profit and loss account.

Taxation

Taxation expense for the period comprises of current and deferred tax. Tax is recognised in the profit and loss account. Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior period. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

(ii) Deferred income tax

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

The carrying amount of deferred income tax assets is reviewed at each balance sheet date.

Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Borrowings are carried at their issue proceeds net of finance costs less amounts repaid. Finance costs are amortised over the life of the related borrowing.

Financial assets

Basic financial assets including loans to fellow group companies and investments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled, or substantially all the risks and rewards of the ownership of the asset are transferred to another party or control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Share capital

Ordinary shares are classified as equity.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Distributions to equity holders

Dividends and other distributions to shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved. These amounts are recognised in the Statement of changes in equity.

Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Company's financial statements.

4. DIRECTORS', AUDITORS' AND EMPLOYEES' REMUNERATION

The directors who have served during the period 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 (2016: £nil).

The auditors' remuneration has been paid by a fellow subsidiary company. The amount in respect of the company is £2,500 (2016: £2,500).

The company does not have any employees (2016: none). Management services are provided to the company by a fellow subsidiary company. No charge is made for these services (2016: £nil).

5. INTEREST RECEIVABLE AND PAYABLE

	12 months ended 31 December 2017 £000	15 months ended 31 December 2016 £000
Interest receivable and similar income:		
Interest receivable from group companies	7,567	42,739
	<u> </u>	<u> </u>
Interest payable and similar charges:		
Interest payable to group companies	5,625	-
	<u> </u>	<u> </u>

6. DIVIDENDS PAID

There were no dividends paid during the year (2016 £762,500,000).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

7. TAX ON PROFIT

a) Current tax:

The company makes and receives no payment for group relief for the year (2016: nil) and as a result the tax charge is £nil (2016: £nil).

b) Factors affecting the total tax charge:

The tax charge on the profit before taxation for the year differs from (2016: differs from) the average standard rate of corporation tax in the UK. The differences are reconciled below:

	12 months ended 31 December 2017 £000	15 months ended 31 December 2016 £000
Profit before taxation	1,942	42,739
Profit before taxation multiplied by average standard rate of corporation tax in the UK for the year of 19.25% (2016: 20.00%)	374	8,548
Group relief claimed for nil payment	(374)	((8,548))
Tax charge for the period	-	-

In the budget on 16 March 2016, the Chancellor announced that the standard rate of UK Corporation Tax will be reduced from 1 April 2020 to 17%. In addition, he announced that the planned reductions in rates would be delayed and amended so that the standard rate of UK Corporation Tax will be reduced from 20% to 19% from 1 April 2017, with a further reduction to 17% from 1 April 2020.

The deferred tax assets and liabilities at the balance sheet date are calculated at the substantively enacted rate of 17%. Although the reduction to 17% is effective from 1 April 2020, this was substantively enacted on 6 September 2016.

a) Deferred taxation:

The company has an unrecognised deferred tax asset of £nil as at 31 December 2017 in respect of losses carried forward (2016: £nil).

Coral Eurobet Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2017

8. DEBTORS

	31 December 2017 £000	31 December 2016 £000
Amounts owed by group undertakings	209,348	201,781

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

9. CREDITORS: amounts falling due within one year

	31 December 2017 £000	31 December 2016 £000
Amounts owed to group undertakings	155,625	150,000

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

10. SHARE CAPITAL

	Ordinary shares of £1 each	
<i>Allotted and fully paid:</i>	<i>Number</i>	<i>£000</i>
At 31 December 2017 and at 31 December 2016	1	-

11. ULTIMATE CONTROLLING PARTY

The Company is a subsidiary of Coral Eurobet Holdings Limited, a company incorporated in England and Wales.

The only group in which the results of Coral Eurobet Limited are consolidated is that headed by Ladbrokes Coral Group Limited, a company incorporated in England and Wales. Consolidated financial statements are available to the public and may be obtained from Ladbrokes Coral Group Limited, 3rd Floor One New Change London EC4M 9AF.

As at 31 December 2017 the ultimate parent company and controlling party of the group was Ladbrokes Coral Group Limited.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

12. EVENTS SINCE THE BALANCE SHEET DATE

On 28 March 2018 the ultimate parent of the Company, Ladbrokes Coral Group plc was acquired by GVC Holdings plc, a company listed on the London Stock Exchange, and registered in the Isle of Man.

Subsequent to the acquisition the previous ultimate parent of the Company changed its registered name to Ladbrokes Coral Group Limited.

The new ultimate parent of the Company from the date of the transaction is GVC Holdings plc.