

Annual Report and Financial Statements

CE Acquisition 1 Limited

For the year ended 31 December 2019

CE Acquisition 1 Limited

DIRECTORS AND ADVISORS

DIRECTORS

C Sutters

S Smith

Ladbrokes Coral Corporate Director Limited

COMPANY SECRETARY

Ladbrokes Coral Corporate Secretaries Limited

INDEPENDENT AUDITOR

KPMG LLP

Chartered Accountants and Statutory Auditor

15 Canada Square

London

E14 5GL

REGISTERED OFFICE

3rd Floor

One New Change

London

EC4M 9AF

CE Acquisition 1 Limited

STRATEGIC REPORT

for the year ended 31 December 2019

The directors present their strategic report on CE Acquisition 1 Limited for the year ended 31 December 2019.

SECTION 172 STATEMENT

In performing their duties under the Companies Act 2006 the Board are required to describe how they have had regard to the matters set out in section 172(1)(a) to (f).

When making decisions throughout the year the directors have taken into consideration, and had regard to, the Company's shareholders, stakeholders, business relationships, reputation for high standards, the community and environment and the impact of the Board's decision making on the long term success of the business.

The Company is a wholly owned subsidiary of GVC Holdings PLC and therefore the directors have also considered the wider context in which the Company operates to adhere to the high standards of professionalism, culture, values, ethics, strategy and environmental and social responsibility set by the GVC group.

In discharging their duties under section 172 the directors have access to the full resource, assistance, support and guidance offered by the GVC group and are committed to driving further improvements in shareholder and stakeholder engagement.

The Company has no employees or direct customers.

The 2019 annual report and accounts for GVC Holdings PLC can be found here: <https://gvc-plc.com/wp-content/uploads/2020/04/GVC-2019-Annual-Report-and-Accounts.pdf>

RESULTS AND DIVIDENDS

The loss for the financial year, amounted to £82,960,000 (2018: £89,103,000).

The Company had net assets of £214,366,000 as at 31 December 2018 (2018: £297,326,000)

There were no dividends received or paid during the year (2018: £nil).

BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS

The company provides financing facilities to other group companies.

The loss for the year includes £115,967,000 (2018: £140,005,000) of interest payable on loans with group companies, partially offset by interest receivable on loans with other group companies.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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 60 to 66 presented in the Annual Report 2019 of GVC Holdings PLC.

On behalf of the board



S Smith
Director
30 October 2020

CE Acquisition 1 Limited

DIRECTORS' REPORT

for the year ended 31 December 2019

The directors present their annual report and audited financial statements for the year ended 31 December 2019. The prior period reported was for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The company continues to provide financing facilities to other group companies. The company also acts as a holding company within the Ladbrokes Coral Group.

FUTURE DEVELOPMENTS

The Company does not anticipate any changes in its activity in the forthcoming year.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing these financial statements.

The Group has assessed the impact of the Covid-19 outbreak on the business and has revised its cash flow forecasts for 2020 and 2021 to take account of the consequent reduction in profits and net cash inflows. The revised forecasts indicate that the group will remain within its present bank facilities and will continue to be able to pay its liabilities as they fall due.

DIRECTORS

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

S Smith

C Sutters

Ladbrokes Coral Corporate Director Limited

DIRECTORS' INDEMNITIES AND INSURANCE

GVC Holdings PLC 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.

PRINCIPAL RISKS AND UNCERTAINTIES

Please refer to the strategic report for a discussion of the key risks facing the Company.

INDEPENDENT AUDITORS

Pursuant to Section 487 of the Companies Act 2006, KPMG LLP will be deemed to be reappointed and will therefore continue in office following a resolution put to the shareholders at the Annual General Meeting.

EVENTS SINCE THE BALANCE SHEET DATE

The Company has evaluated subsequent events for the period from 31 December 2019 to the date of signing these financial statements see note 14 for further information.

The carrying value of the company's investment in Coral Group Limited continues to be supported by the value in use of the ongoing trade of remaining subsidiaries plus underlying assets.

CE Acquisition 1 Limited

DIRECTORS' REPORT (CONTINUED) for the year ended 31 December 2019

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 auditors are unaware; and
- b) each director has taken all the steps that they ought to have taken as director in order to make them aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board



S Smith
Director
30 October 2020

CE Acquisition 1 Limited

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

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.

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.

CE Acquisition 1 Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CE ACQUISITION 1 LIMITED for the year ended 31 December 2019

Opinion

We have audited the financial statements of CE Acquisition 1 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.

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.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

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:

CE Acquisition 1 Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CE ACQUISITION 1 LIMITED for the year ended 31 December 2019 (continued)

Strategic report and directors' report (continued)

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

Auditor's responsibilities

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

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Flanagan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

KPMG LLP

St Nicholas House

Park Row

Nottingham

NG1 6FQ

5 November 2020

CE Acquisition 1 Limited

PROFIT AND LOSS ACCOUNT for the year ended

		31 December 2019 £000	31 December 2018 £000
Administrative expenses		-	-
		<hr/>	<hr/>
OPERATING (LOSS)/ PROFIT		-	-
Interest receivable and similar income	6	33,007	50,902
Interest payable and similar expenses	7	(115,967)	(140,005)
		<hr/>	<hr/>
LOSS BEFORE TAXATION		(82,960)	(89,103)
Tax on loss	8	-	-
		<hr/>	<hr/>
LOSS FOR THE FINANCIAL YEAR		(82,960)	(89,103)
		<hr/> <hr/>	<hr/> <hr/>

All the operations of the company are continuing.

There are no items of other comprehensive income in the year presented (2018: none). Therefore, no separate statement of other comprehensive income has been prepared.

The notes on pages 11 to 19 form an integral part of these financial statements.

CE Acquisition 1 Limited

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2019

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Shareholders' funds £000
At 1 January 2018	127	235,566	875	149,861	386,429
Loss for the financial period	-	-	-	(89,103)	(89,103)
At 31 December 2018	<u>127</u>	<u>235,566</u>	<u>875</u>	<u>60,758</u>	<u>297,326</u>
Loss for the financial year	-	-	-	(82,960)	(82,960)
At 31 December 2019	<u>127</u>	<u>235,566</u>	<u>875</u>	<u>(22,202)</u>	<u>214,366</u>

The notes on pages 11 to 19 form an integral part of these financial statements.

CE Acquisition 1 Limited

BALANCE SHEET as at 31 December 2019

		31 December 2019 £000	31 December 2018 £000
FIXED ASSETS			
Investments	9	2,508,054	2,508,054
		<u> </u>	<u> </u>
CURRENT ASSETS			
Debtors	10	917,642	900,010
		<u> </u>	<u> </u>
CREDITORS: amounts falling due within one year	11	(3,211,330)	(3,110,738)
		<u> </u>	<u> </u>
NET CURRENT LIABILITIES		(2,293,688)	(2,210,728)
		<u> </u>	<u> </u>
NET ASSETS		214,366	297,326
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>
CAPITAL AND RESERVES			
Called up share capital	12	127	127
Share premium account	12	235,566	235,566
Capital redemption reserve	12	875	875
Profit and loss account	12	(22,202)	60,758
		<u> </u>	<u> </u>
TOTAL SHAREHOLDERS' FUNDS		214,366	297,326
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>

The financial statements on pages 8 to 19 were approved by the Board of Directors on 30 October 2020 and are signed on its behalf by:



S Smith
Director
30 October 2020

Registered number: 5282218

CE Acquisition 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. CORPORATE INFORMATION

CE Acquisition 1 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 are that of a holding company within the Ladbrokes Coral Group, and providing 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

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and Companies Act 2006 as applicable to companies using FRS 101. The financial statements are prepared on a going concern basis under the historical cost convention.

The financial statements cover the year ended 31 December 2019. The comparative period is for the year ended 31 December 2018

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.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of GVC Holdings PLC.

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.

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. As the company has net current liabilities it has received a letter of support from GVC Holdings PLC.

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 GVC Holdings PLC 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

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

Asset value and impairment (notes 9 and 10)

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 recognized in the profit and loss account.

Functional 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.

Borrowing costs

Borrowing costs on interest bearing loans are recognised in the profit and loss account on an accruals basis.

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

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Deferred income tax (continued)

- 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.

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.

Investments

Investments in subsidiary companies are held at cost less accumulated impairment losses.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 (2018: £nil).

All operations of the Company are undertaken by employees of other group companies and their respective emoluments have not been included in these financial statements.

Total auditors' remuneration for the audit of the Company has been borne by another group company.

5. INCOME FROM SHARES IN GROUP UNDERTAKINGS

There were no dividends received or paid during the year. (2018: £nil).

CE Acquisition 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	31 December 2019 £000	31 December 2018 £000
Interest receivable and similar income:		
Interest receivable from group companies	33,007	50,902

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	31 December 2019 £000	31 December 2018 £000
Interest payable and similar expenses:		
Interest payable to group undertakings	115,967	140,005

8. TAX ON LOSS

a) Current taxation:

The company makes and receives no payment for group relief for the year (2018: nil) and as a result the tax charge is £nil (2018: £nil).

b) Factors affecting the current tax charge:

The tax on the loss for the year differs from (2018: differs from) the average standard rate of corporation tax in the UK. The differences are reconciled below:

	31 December 2019 £000	31 December 2018 £000
Loss before taxation	(82,960)	(89,103)
Loss multiplied by average standard rate of corporation tax in the UK for the year of 19.00% (2018: 19.00%)	(15,762)	(16,930)
Group relief surrendered for nil payment	15,762	16,930
Tax charge for the year/ 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. Although the reduction to 17% is effective from 1 April 2020, this was substantively enacted on 6 September 2016.

The deferred tax assets at the balance sheet date are calculated at the substantively enacted rate of 17% (2018 – 17%). The company has an unrecognised deferred tax asset of £30,377,000 (2018 - £30,377,000) in respect of losses.

In the Budget on 11 March 2020 the Chancellor announced that the standard rate of UK Corporation Tax would increase from the planned 17% rate to 19% on 1 April 2020. This change was enacted on 17 March 2020 and therefore does not impact the rate of 17% used for the year ended 31 December 2019.

CE Acquisition 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

9. INVESTMENTS

a) Shares in group companies

£000

Cost:

At 31 December 2019 and 31 December 2018

2,508,054

b) Investments:

Name of company	Nature of business	Place of incorporation
Coral Racing Limited	Provision of leisure activities	Great Britain
Coral Stadia Limited	Provision of leisure activities	Great Britain
Romford Stadium Limited	Provision of leisure activities	Great Britain
Eurobet Italia SRL	Provision of leisure activities	Italy
Brickagent Italia SRL	Provision of leisure activities	Italy
Eurobet Holding SRL	Provision of leisure activities	Italy
Coral Group Trading Limited	Provision of corporate services	Great Britain
Coral Estates Limited	Asset management company	Great Britain
Brickagent Limited	Provision of administration	Great Britain
Coral Eurobet Holdings Limited	Holding company	Great Britain
Coral Eurobet Limited	Holding company	Great Britain
Coral (Holdings) Limited	Holding company	Great Britain
Coral Group Limited	Holding company	Great Britain
Coral Limited	Holding company	Great Britain
Reuben Page Limited	Holding company	Great Britain
Gala Coral Pension Trustee Limited	Dormant company	Great Britain

CE Acquisition 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

9. INVESTMENTS (CONTINUED)

Name of company	Nature of business	Place of incorporation
Gala Coral Secretaries Limited	Dormant company	Great Britain
Gala Coral Nominees Limited	Dormant company	Great Britain
Gala Coral Properties Limited	Dormant company	Great Britain
Coral (Stoke) Limited	Dormant company	Great Britain
C L Jennings (1995) Limited	Dormant company	Great Britain
Joe Jennings Limited	Dormant company	Great Britain
Joe Jennings (1995) Limited	Dormant company	Great Britain
Lightworld Limited	Dormant company	Great Britain
Vegas Betting Limited	Dormant company	Great Britain
Chas Kendall (Turf Accountants) Limited	Dormant company	Great Britain
Bloxhams Bookmakers Limited	Dormant company	Great Britain
J G Leisure Limited	Dormant company	Great Britain
Choicebet Limited	Dormant company	Great Britain
Forster's (Bookmakers) Limited	Dormant company	Great Britain
Sports (Bookmakers) Limited	Dormant company	Great Britain
Arthur Prince (Turf Accountants) Limited	Dormant company	Great Britain
Reg. Boyle Limited	Dormant company	Great Britain
49s Limited*	Provision of leisure activities	Great Britain
Lucky Choice Limited*	Dormant company	Great Britain

* Owned 33.3%.

Coral Group Limited is directly owned by the company; all other subsidiaries are indirectly owned.

The registered offices of all subsidiaries are as follows;

Country of incorporation	Registered office address
United Kingdom	3rd Floor, One New Change, London, EC4M 9AF
Italy	Via Alessandro Marchetti No.105, Rome 00148, Italy

CE Acquisition 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

10. DEBTORS

	31 December 2019 £000	31 December 2018 £000
Amounts owed by group undertakings	917,642	900,010

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.

11. CREDITORS: amounts falling due within one year

	31 December 2019 £000	31 December 2018 £000
Amounts owed to group undertakings	3,211,330	3,110,738

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

12. CALLED UP SHARE CAPITAL AND RESERVES

Allotted and fully paid:

	Ordinary Shares of 1p Number	Ordinary Shares of 1p £000	Total £000
At 1 January 2019 and 31 December 2019	12,774,331	127	127

The share premium account relates to prior share issues where a premium was paid on the issued ordinary shares.

The capital redemption reserve relates to shares which were previously bought back by the company.

The profit and loss account relates to accumulated profits and losses recorded by the company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

13. ULTIMATE CONTROLLING PARTY

The company is a subsidiary of Ladbrokes Betting & Gaming Limited, a company incorporated in England and Wales

The only group in which the results of CE Acquisition 1 Limited are consolidated is that headed by GVC Holdings PLC, a company incorporated in the Isle of Man. Consolidated financial statements are available to the public and may be obtained from GVC Holdings PLC, 3rd Floor, One New Change, London, EC4M 9AF.

As at 31 December 2019 the ultimate parent company and controlling party of the group was GVC Holdings PLC.

14. EVENTS SINCE THE BALANCE SHEET DATE

Since the year end the World Health Organisation declared a global pandemic following the Covid-19 outbreak leading to a number of countries around the world moving into a status of lockdown and preventing in certain cases any continuation of trade. This has had an impact on the GVC Holdings PLC group as it means a number of sporting events around the world have been halted. The Company's risks in this respect are aligned to that of the group.

Given the Company is a holding company there has been no noticeable impact to the Company during the pandemic.

The Group has assessed the impact of the Covid-19 outbreak on the business and has revised its cash flow forecasts for 2020 and 2021 to take account of the consequent reduction in profits and net cash inflows. The revised forecasts indicate that the group will remain within its present bank facilities and will continue to be able to pay its liabilities as they fall due.