

Interactive Sports Limited

Company number: 03776352

Report and Financial Statements

Year ended 31 December 2019

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**INTERACTIVE SPORTS LIMITED
COMPANY DIRECTORS AND PROFESSIONAL ADVISORS**

Directors: A Lewis
W Longton

Registered office: 3rd Floor, One New Change, London, EC4M 9AF

Company number: 03776352

Auditor: KPMG LLP
St Nicholas House
Park Row
Nottingham
NG1 6FQ

INTERACTIVE SPORTS LIMITED
Report of the Directors for the year ended 31 December 2019

The Directors present their report together with the audited financial statements for the year ended 31 December 2019.

Directors

The Directors who served the Company during the year and at the date of approving this report are:

A Lewis
W Longton

Directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Director's 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.

Auditor

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.

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/>.

On behalf of the Board



W Longton

Director

Company number: 03776352

3rd Floor, One New Change, London, EC4M 9AF

Date: 30 October 2020

The Directors present their strategic report for the year ended 31 December 2019.

Principal activities

The Company disposed of its investments on 19 March 2013. During the year it has incurred minimal administrative costs.

Results and dividends

The Directors did not recommend the payment of a dividend in the current or preceding year. The results for the year are set out on page 6.

Future developments

The Directors do not anticipate any changes to the Company in the forthcoming financial year.

Principal risks and uncertainties

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 2019 of GVC Holdings PLC.

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>

On behalf of the Board



W Longton

Director

Company number: 03776352

3rd Floor, One New Change, London, EC4M 9AF

Date: 30 October 2020

INTERACTIVE SPORTS LIMITED

Independent auditor's report to the members of Interactive Sports Limited

Opinion

We have audited the financial statements of Interactive Sports Limited for the year ended 31 December 2019, which comprise the Statement of profit or loss and other comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 101 'Reduced Disclosure Framework'.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

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

- 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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report has been prepared in accordance with applicable legal requirements.

INTERACTIVE SPORTS LIMITED

Independent auditor's report to the members of Interactive Sports Limited (*continued*)

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

Matter on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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.

Auditor's 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 auditor's 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



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

INTERACTIVE SPORTS LIMITED**Statement of profit or loss and other comprehensive income for the year ended 31 December 2019**

	Year ended 31 December 2019 £000s	Year ended 31 December 2018 £000s
Turnover	-	-
Administrative costs	(33)	(5)
Loss before taxation	(33)	(5)
Taxation on ordinary activities	-	-
Loss on ordinary activities after taxation	(33)	(5)
Other comprehensive income	-	-
Total comprehensive loss for the year	(33)	(5)

The notes on pages 9 to 11 form part of these financial statements.

INTERACTIVE SPORTS LIMITED
Balance Sheet as at 31 December 2019
Company number: 03776352

	Note	2019 £000s	2018 £000s
Current Assets			
Debtors	4	23,352	20,206
Current liabilities			
Creditors	5	<u>(3,197)</u>	<u>(18)</u>
Net assets		<u>20,155</u>	<u>20,188</u>
Capital and reserves			
Called up share capital	6	-	-
Profit and loss account		<u>20,155</u>	<u>20,188</u>
Shareholders' funds		<u>20,155</u>	<u>20,188</u>

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



W Longton
Director
Date: 30 October 2020

The notes on pages 9 to 11 form part of these financial statements.

INTERACTIVE SPORTS LIMITED**Statement of changes in equity for the year ended 31 December 2019**

	Share capital	Profit and	
	£000s	loss account	Total
		£000s	£000s
Balance at 1 January 2018	-	20,193	20,193
Loss for the year	-	(5)	(5)
At 1 January 2019	-	20,188	20,188
Loss for the year	-	(33)	(33)
At 31 December 2019	-	20,155	20,155

The notes on pages 9 to 11 form part of these financial statements.

1. Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards and the Companies Act 2006.

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 and related party transactions.

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and the preceding year.

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.

Going concern

The accounts are prepared on a going concern basis. The use of the going concern basis of accounting is appropriate because the Directors consider that there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern.

Should the company become reliant on support from the wider Group, 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.

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.

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.

INTERACTIVE SPORTS LIMITEDNotes forming part of the financial statements for the year ended 31 December 2019 (*continued*)**2. Operating loss**

The loss for the year is stated after charging:

	Year ended 31 December 2019 £000s	Year ended 31 December 2018 £000s
Auditor's remuneration	3	3
Foreign exchange differences	30	2

3. Taxation

	Year ended 31 December 2019 £000s	Year ended 31 December 2018 £000s
Current year charge	-	-

The tax assessed for the year is lower (2018: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 December 2019 £000s	Year ended 31 December 2018 £000s
Loss on ordinary activities before taxation	(33)	(5)
Tax on loss on ordinary activities at standard UK Corporation tax rate of 19% (2018: 19.00%)	(6)	(1)
Effects of:		
Group relief	6	1
Current tax charge for the year	-	-

4. Debtors

	2019 £000s	2018 £000s
Amounts owed by group undertakings	23,352	20,206
	23,352	20,206

All amounts owed by group undertakings have no fixed repayment dates and are repayable on demand.

INTERACTIVE SPORTS LIMITEDNotes forming part of the financial statements for the year ended 31 December 2019 (*continued*)

5. Creditors	2019	2018
	£000s	£000s
Amounts owed to group undertakings	3,194	13
Accruals	3	5
	<u>3,197</u>	<u>18</u>

All amounts owed to group undertakings have no fixed repayment dates and are repayable on demand.

6. Share capital

	2019	2018
	£	£
<i>Allotted, issued and fully paid</i>		
1 ordinary £1 shares	<u>1</u>	<u>1</u>

7. 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 Group accounts prepared by the ultimate parent company are available 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.

8. Related party transactions

The Company has taken advantage of the exemptions under FRS 101 not to disclose related party transactions. Balances outstanding at 31 December are disclosed in notes 4 and 5.

9. Subsequent Events

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 does not trade 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.