

Annual Report and Financial Statements

Ladbrokes Coral Group Limited

For the year ended 31 December 2019

LADBROKES CORAL GROUP LIMITED

DIRECTORS AND ADVISORS

DIRECTORS

R M Wood

COMPANY SECRETARY

Ladbrokes Coral Corporate Secretaries Limited

INDEPENDENT AUDITORS

KPMG LLP
St Nicholas House
Park Row
Nottingham
NG1 6FQ

REGISTERED OFFICE

3rd Floor One New Change
London
United Kingdom
EC4M 9AF

LADBROKES CORAL GROUP LIMITED

Strategic Report for the year ended 31 December 2019

The directors present their Strategic Report on the Company for the year ended 31 December 2019.

Principal activities and review of the business

The Company's principal activity is to provide managerial and administrative services to GVC Holdings PLC and its subsidiary companies ("the Group").

The Company's key financial performance indicators during the year were as follows:

	2019	2018
	£m	£m
Net assets	2,224.4	2,270.3

Principal risks and uncertainties

The ultimate parent company, GVC Holdings PLC reviews and evaluates the key risks and uncertainties faced by the group as part of the divisional reviews undertaken at its regular Board meetings. The impact of risks and uncertainties of the Company is considered as part of this review process.

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.

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>

Position of the business

As at 31 December 2019, the company had net assets of £2,224,400,000 (2018: £2,270,300,000).

On behalf of the Board



R M Wood

Director
3rd Floor One New Change
London
United Kingdom
EC4M 9AF
30 October 2020

LADBROKES CORAL GROUP LIMITED

Directors' Report for the year ended 31 December 2019

The directors present their Report and the audited financial statements of the Company for the year ended 31 December 2019.

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Directors:	R M Wood	(Appointed 8 March 2019)
	A Lewis	(Resigned 21 October 2019)
	K Alexander	(resigned 17 July 2020)
	P Bowtell	(Resigned 8 March 2019)
Secretary:	Ladbrokes Coral Corporate Secretaries Limited	
Registered Office:	3rd Floor One New Change, London, United Kingdom, EC4M 9AF	
Company registration no:	00566221	

Results and dividends

The financial statements for the year show a profit before taxation of £116,400,000 (2018: loss of £202,200,000).

During the year dividends were paid totalling £94,200,000 (2018: £76,600,000) No further dividends have been declared or paid by the Company since the year end.

During the year, the Company undertook a pension buy-in on the pension scheme with the assets of the scheme replaced with an insurance policy against the payment of future liabilities. As a result of the buy-in, the Company recorded an actuarial loss of £81,300,000 which has been recognised within the Statement of Comprehensive Income. An associated deferred tax credit of £28,500,000 has also been recognised in the Statement of Other Comprehensive Income.

Future developments

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

Financial Risk Management

The company's exposure to financial risk management are outlined in the Strategic Report.

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' and officers' liability insurance

During the year and up to the date of approval of these financial statements, GVC Holdings PLC purchased and maintained, on behalf of the Company, liability insurance, being a qualifying indemnity provision, for its directors and officers as permitted by Section 233 of the Companies Act 2006.

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/>.

LADBROKES CORAL GROUP LIMITED

Directors' Report for the year ended 31 December 2019 (continued)

Statement of directors' responsibilities

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.

Statement of declaration of information to auditors

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

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.

On behalf of the Board



R M Wood
Director
3rd Floor One New Change
London
United Kingdom
EC4M 9AF
30 October 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LADBROKES CORAL GROUP LIMITED

Opinion

We have audited the financial statements of Ladbrokes Coral Group Limited (“the company”) for the year ended 31 December 2019 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 2019 and of its profit 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:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LADBROKES CORAL GROUP LIMITED (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 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

Income statement for the year ended 31 December

	Note	2019 £m	2018 £m
Operating income		6.8	3.4
Profit before tax, finance expense and Separately disclosed items	5a	6.8	3.4
Separately disclosed items	5b	101.2	(19.1)
Income from investments		6.5	87.1
Amounts written off investments		(2.1)	(277.7)
Profit/(loss) before tax and finance expense		112.4	(206.3)
Finance income		4.0	4.2
Finance expenses		-	(0.1)
Net finance income	6	4.0	4.1
Profit/(loss) before taxation		116.4	(202.2)
Income tax expense	9	(0.8)	(4.4)
Profit/(loss) for the year		115.6	(206.6)

The above results relate to continuing activities.

The notes on pages 11 to 23 form an integral part of these financial statements.

Statement of comprehensive income for the year ended 31 December

For the year ended 31 December	Notes	2019 £m	2018 £m
Profit/(loss) for the year		<u>115.6</u>	<u>(206.6)</u>
Other comprehensive expense:			
<i>Items that will not be reclassified to profit or loss:</i>			
Re-measurement of defined benefit pension scheme	13	(103.6)	(9.5)
Tax on re-measurement of defined benefit pension scheme		<u>36.3</u>	<u>3.4</u>
Total items that will not be reclassified to profit or loss		<u>(67.3)</u>	<u>(6.1)</u>
Total other comprehensive expense for the year, net of tax		<u>(67.3)</u>	<u>(6.1)</u>
Total comprehensive expense for the year		<u><u>48.3</u></u>	<u><u>(212.7)</u></u>

Balance sheet as at 31 December

	Note	2019 £m	2018 £m
ASSETS			
Non-current assets			
Investments	10	1,981.9	1,984.0
Retirement benefit assets	13	6.7	109.0
		<u>1,988.6</u>	<u>2,093.0</u>
Current assets			
Trade and other receivables	11	285.5	285.8
Total assets		<u>2,274.1</u>	<u>2,378.8</u>
LIABILITIES			
Current liabilities			
Trade and other payables	12	(44.5)	(32.4)
Non-current liabilities			
Trade and other payables	12	(2.9)	(37.9)
Deferred tax liabilities	9	(2.3)	(38.2)
		<u>(5.2)</u>	<u>(76.1)</u>
Total liabilities		<u>(49.7)</u>	<u>(108.5)</u>
Net assets		<u>2,224.4</u>	<u>2,270.3</u>
Shareholders' equity			
Called up share capital	14	546.3	552.0
Share premium account		336.0	336.0
Merger reserves		921.7	921.7
Treasury and own shares		-	(67.5)
Capital redemption reserve		5.8	0.1
Retained earnings		414.6	528.0
Total shareholders' funds		<u>2,224.4</u>	<u>2,270.3</u>

The financial statements on pages 7 to 23 were approved by the board of directors on 30 October 2020 and were signed on its behalf by

R M Wood
Director
30 October 2020

Statement of changes in equity for the year ended 31 December 2019

	Called up share capital £m	Share premium account £m	Merger Reserve account £m	Treasury and own shares £m	Capital redemption reserve £m	Retained earnings £m	Total £m
At January 2018	551.9	335.9	921.7	(107.0)	0.1	853.9	2,556.5
Loss for the year	-	-	-	-	-	(206.6)	(206.6)
Other comprehensive expense	-	-	-	-	-	(6.1)	(6.1)
Total comprehensive expense	-	-	-	-	-	(212.7)	(212.7)
Issue of shares	0.1	0.1	-	-	-	-	0.2
Share-based payments charge	-	-	-	-	-	2.9	2.9
Movement in shares in ESOP trusts	-	-	-	1.5	-	(1.5)	-
Cancellation of own shares	-	-	-	38.0	-	(38.0)	-
Equity dividends	-	-	-	-	-	(76.6)	(76.6)
At 31 December 2018	552.0	336.0	921.7	(67.5)	0.1	528.0	2,270.3
Profit for the year	-	-	-	-	-	115.6	115.6
Other comprehensive expense	-	-	-	-	-	(67.3)	(67.3)
Total comprehensive income	-	-	-	-	-	48.3	48.3
Cancellation of treasury shares (note 14)	(5.7)	-	-	67.5	5.7	(67.5)	-
Equity dividends	-	-	-	-	-	(94.2)	(94.2)
At 31 December 2019	546.3	336.0	921.7	-	5.8	414.6	2,224.4

The notes on pages 11 to 23 form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2019 (continued)

1. Corporate information

Ladbrokes Coral Group Limited ('the Company') is a limited company incorporated and domiciled in the United Kingdom. The address of its registered office and principal place of business is disclosed in the Directors' report. The financial statements of the Company for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors.

The Company's financial statements are presented in Pounds Sterling (£), which is also the Company's functional currency, and all values are rounded to the nearest million (£m) except when otherwise indicated. The Company's financial statements are individual entity financial statements.

2. Basis of preparation

These financial statements were prepared in accordance with FRS 101 and Companies Act 2006. The financial statements are prepared on a going concern basis under the historical cost convention except for certain financial liabilities measured at fair value.

The Company has taken advantage of the exemption under s401 of the Companies Act 2006 not to prepare group financial statements as it is a wholly owned subsidiary of GVC Holdings Plc.

The accounting policies which follow in note 3 set out those policies which apply in preparing the financial statements for the year ended 31 December 2019 and have been applied consistently to all years presented.

The Company has taken advantage of the following disclosure exemptions under FRS 101 in respect of:

- a) IFRS 7 Financial Instruments: Disclosures;
- b) IFRS 13 Fair Value Measurement;
- c) IAS 1 Presentation of Financial Statements
- d) IAS 7 Statement of Cash Flows
- e) IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- f) IAS 24 Related Party Disclosures
- g) IAS 36 Impairment of Assets

3. Critical accounting estimates and judgements

The preparation of financial statements requires management to make assumptions, estimates and judgements that affect the amounts reported as assets and liabilities as at the balance sheet date and the amounts reported as revenues and expenses during the year. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future may differ from those reported. In this regard, management believes that the key accounting policies where judgement is necessarily applied are those that relate to the recoverable amount of non-current assets and income tax. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. Further information about key assumptions concerning the future and other key sources of estimation uncertainty are set out below.

Investments

Investments held as fixed assets are stated at cost less provision for impairment.

The Company assesses these investments for impairment wherever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of the recoverable amount. If the recoverable amount is less than the value of the investment, the investment is considered to be impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account.

Pension and other post-employment benefit obligations

There is a significant degree of estimation involved in predicting the ultimate benefits payable under defined benefit pension arrangements. The pension scheme liabilities are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. The Company's defined benefit pension scheme has a net asset position when measured on an IAS 19 basis. Judgement is applied, based on legal, actuarial, and accounting guidance in IFRIC 14, regarding the amounts of net pension asset that is recognised in the consolidated balance sheet. Further details are given in note 13.

Notes to the financial statements for the year ended 31 December 2019 (continued)

4. Summary of significant accounting policies

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.

Recoverable amount of non-current assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the recoverable amount.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

Financial assets

Financial assets are recognised when the Company becomes party to the contracts that give rise to them. The Company classifies financial assets at inception as loans and receivables, financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive. At 31 December 2019, the Company had only financial assets classified as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative assets with fixed or determinable payments that are not quoted in an active market and comprise trade and other receivables and loans to fellow subsidiary companies. On initial recognition, loans and receivables are measured at fair value net of transaction costs. Subsequently, the fair values are measured at amortised cost using the effective interest rate method, less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in interest receivable in the income statement. Losses arising from impairment are recognised in the income statement in operating expenses.

Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. The Company classifies financial liabilities as loans and borrowings. The Company determines the classification of financial liabilities at initial recognition. Financial liabilities comprise trade and other payables and interest-free, unsecured loans.

Loans and borrowings

On initial recognition, loans and borrowings are recognised at fair value net of transaction costs. After initial recognition, interest-free, unsecured loans are measured at amortised cost using the effective interest method.

Derecognition of financial assets and liabilities

Financial assets are derecognised when the right to receive cash flows from the assets has expired or when the Company has transferred its contractual right to receive the cash flows from the financial assets or has assumed an obligation to pay the received cash flows in full without material delay to a third party, and either:

- Substantially all the risks and rewards of ownership have been transferred; or
- Substantially all the risks and rewards have neither been retained nor transferred but control is not retained.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

**Notes to the financial statements
for the year ended 31 December 2019** (continued)**4. Summary of significant accounting policies (continued)****Foreign currency translation**

The presentation and functional currency of the Company is Pounds Sterling (£).

Transactions in foreign currency are initially recorded in Pounds Sterling at the foreign currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the foreign currency rate of exchange ruling at the balance sheet date.

All foreign currency translation differences are taken to the income statements and are reported as part of the operating expenses.

Finance expense and income

Finance expense and income arising on interest bearing financial instruments carried at amortised cost are recognised in the income statement using the effective interest rate method. Finance expense includes the amortisation of fees that are an integral part of the effective finance cost of a financial instrument, including issue costs, and the amortisation of any other differences between the amount initially recognised and the redemption price. Finance income represents income arising from loans to fellow group companies.

Income tax

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.

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 probably 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 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 enforceable 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. 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.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

Treasury shares

Own equity instruments that are reacquired (treasury shares) are deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Share-based payments

The cost of equity settled transactions with employees is measured by reference to the fair value at the date on which they are granted.

The cost of equity settled transactions is recharged to the respective employing entities, with a corresponding increase in equity booked within Ladbrokes Coral Group Limited.

Notes to the financial statements
for the year ended 31 December 2019 (continued)

4. Summary of significant accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance expense within interest payable and similar charges.

Separately disclosed items

To assist in understanding its underlying performance, the Company has defined the following items of pre-tax income and expense which are separately disclosed as they either reflect items which are exceptional in nature or size or are associated with the amortization of acquired intangibles. Items treated as separately disclosed include:

- corporate transaction and restructuring costs.

Any other non-recurring items are considered individually for classification as separately disclosed or exceptional by virtue of their nature or size.

The separate disclosure of these items allows a clearer understanding of the trading performance on a consistent comparable basis, together with an understanding of the effect of non-recurring or large individual transactions upon the overall profitability of the Company. Further details are given in note 5(b).

5a. Profit before tax, finance expense and separately disclosed items

	2019 £m	2018 £m
Profit before tax, finance expense and separately disclosed items is stated after charging:		
Foreign exchange (loss)/gain	(0.5)	0.2

5b. Separately disclosed items

	2019 £m	2018 £m
Corporate transaction cost ^(a)	0.9	17.3
Pension related costs	0.8	1.8
Release of intercompany provision ^(b)	(102.9)	-
	(101.2)	19.1

(a) The company incurred £900,000 (2018: £17,300,000) of corporate transaction costs in relation to the merger between the Ladbrokes Coral Group Limited and GVC Holdings PLC.

(b) Following a review of intercompany balances, it was noted that a balance due from another group Company that had previously been provided in full was deemed recoverable.

6. Net finance income/(expenses)

	2019 £m	2018 £m
Finance income		
Interest receivable from fellow subsidiary companies	4.0	4.2
Total finance income	4.0	4.2
Finance expenses		
Other interest payable	-	(0.1)
Total finance expenses	-	(0.1)
Net finance income	4.0	4.1

Notes to the financial statements
for the year ended 31 December 2019 (continued)

7. Staff costs and directors' remuneration

The directors who have served during the year 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.

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.

8. Dividend paid

	2019	2018
	pence	pence
Pence per share		
Dividend paid	5.0	4.0

9. Income tax expense

(a) Tax charged in the income statement

	2019	2018
	£m	£m
Current tax		
Adjustments in respect of current year	0.4	-
Tax charge in the income statement	<u>0.4</u>	<u>-</u>
	2019	2018
	£m	£m
Deferred tax		
Adjustments in respect of prior periods	-	2.7
Origination and reversal of timing differences	0.4	1.7
Tax charge in the income statement	<u>0.4</u>	<u>4.4</u>
Total tax charge in the income statement	<u><u>0.8</u></u>	<u><u>4.4</u></u>

(b) Reconciliation of the total tax charge

A reconciliation of income tax charge to profit/ before taxation at the UK statutory income tax rate to the income tax charge for the years ended 31 December 2019 and 31 December 2018 is as follows:

	2019	2018
	£m	£m
Profit/(loss) before taxation	<u><u>116.4</u></u>	<u><u>(202.2)</u></u>
Corporation tax charge/(credit) thereon at 19.00% (2018: 19.00%)	22.1	(38.4)
Adjusted for the effects of:		
Non-deductible expenses	-	3.3
Utilisation of unrecognised tax losses	(1.3)	(0.4)
Transfer pricing adjustments	0.6	0.8
Non-taxable income	(1.2)	(16.5)
Impairment of investments	(19.1)	52.8
Differences in tax rates related to deferred tax	(0.2)	0.1
Impact of tax rate changes	(0.1)	
Adjustment in respect of prior year – deferred tax	-	2.7
Total tax charge reported in the income statement	<u><u>0.8</u></u>	<u><u>4.4</u></u>

Notes to the financial statements
for the year ended 31 December 2019 (continued)

9. Income tax expense (continued)

(c) Change in corporation tax rate

In the budget on 16 March 2017, 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 2017.

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.

(d) Deferred tax liability

The deferred tax liability included in the Company balance sheet is as follows:

	2019	2018
	£m	£m
Deferred tax liabilities		
Retirement benefit asset	2.3	38.2
Deferred tax liabilities	2.3	38.2
Deferred tax assets		
Share-based payments	-	-
Carried forward tax losses	-	-
Deferred tax assets	-	-
Net deferred tax liability	2.3	38.2
Analysis of movements in deferred tax		
At 1 January	(38.2)	(37.2)
Amounts (credited)/charged to the profit and loss account for the year	(0.4)	(4.4)
Deferred tax credited directly to other comprehensive income	36.3	3.4
At 31 December	(2.3)	(38.2)

Deferred tax assets have not been recognised in respect of the carried forward tax losses of £16.8m (2018: £14.0m) because it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

10. Investments

	Shares in subsidiaries £m	Associate investments £m	Total £m
Cost			
At 1 January and 31 December 2019	2,347.3	10.2	2,357.5
Impairment provision			
At 1 January 2019	(370.1)	(3.4)	(373.5)
Provided in the year	(2.1)	-	(2.1)
At 31 December 2019	(372.2)	(3.4)	(375.6)
Net book value			
At 1 January 2019	1,977.2	6.8	1,984.0
At 31 December 2019	1,975.1	6.8	1,981.9

During the year the Company received dividends from its investment in Ladbroke Belgium S.A. for £5,300,000 and in addition a dividend of £1,200,000 from one of its associate investment.

Notes to the financial statements
for the year ended 31 December 2019 (continued)

10. Investments (continued)

Subsidiaries based in the United Kingdom

Registered address	Company	% equity interest	
		2019	2018
3rd Floor	Bartletts Limited	100.0	100.0
One New Change, London, United Kingdom, EC4M 9AF	Chequered Racing Limited	100.0	100.0
	E.F. Politt & Son Limited	100.0	100.0
	Ganton House Investments Limited	100.0	100.0
	Greatmark Limited	100.0	100.0
	Jack Brown (Bookmaker) Limited	100.0	100.0
	Krullind Limited	100.0	100.0
	Ladbroke & Co., Limited	100.0	100.0
	Ladbroke (Course) Limited	100.0	100.0
	Ladbroke City & County Land Company Limited	100.0	100.0
	Ladbroke Group	100.0	100.0
	Ladbroke Group International	100.0	100.0
	Ladbrokes Group Holdings Limited	100.0	100.0
	Ladbrokes Investment Holdings Limited	100.0	100.0
	Ladbroke Leasing (South East) Limited	100.0	100.0
	Ladbroke Racing (Reading) Limited	100.0	100.0
	Ladbroke Racing (South East) Limited	100.0	100.0
	Ladbroke US Investments Limited	100.0	100.0
	Ladbrokes (CLJEA) Limited	100.0	100.0
	Ladbrokes (CLJHC) Limited	100.0	100.0
	Ladbrokes (CLJSW) Limited	100.0	100.0
	Ladbrokes Betting & Gaming Limited	100.0	100.0
	Ladbrokes Contact Centre Limited	100.0	100.0
	Ladbrokes CPCB Limited	100.0	100.0
	Ladbrokes PT Limited	100.0	100.0
	Maple Court Investments Limited	100.0	100.0
	Margolis and Ridley Limited	100.0	100.0
	Sabrinet Limited	100.0	100.0
	Sponsio Limited	100.0	100.0
	Travel Document Service	100.0	100.0
	Ventnear Limited	100.0	100.0
	Arthur Prince (Turf Accountants) Limited	100.0	100.0
	Bloxhams Bookmakers Limited	100.0	100.0
	Brickagent Limited	100.0	100.0
	CE Acquisition 1 Limited	100.0	100.0
	Chas Kendall (Turf Accountant) Limited	100.0	100.0
	Choicebet Limited	100.0	100.0
	C L Jennings (1995) Limited	100.0	100.0
	Coral (Holdings) Limited	100.0	100.0
	Coral (Stoke) Limited	100.0	100.0
	Coral Estates Limited	100.0	100.0
	Coral Eurobet Limited	100.0	100.0
	Coral Eurobet Holdings Limited	100.0	100.0
	Coral Group Limited	100.0	100.0
	Coral Group Trading Limited	100.0	100.0
	Coral Limited	100.0	100.0
	Coral Racing Limited	100.0	100.0
	Coral Stadia Limited	100.0	100.0
	Forster's (Bookmakers) Limited	100.0	100.0
	Gala Coral Nominees Limited	100.0	100.0
	Gala Coral Pension Trustee Limited	100.0	100.0
	Gala Coral Properties Limited	100.0	100.0
	J G Leisure Limited	100.0	100.0
	Joe Jennings (1995) Limited	100.0	100.0
	Joe Jennings Limited	100.0	100.0
	Lightworld Limited	100.0	100.0
	Reg.Boyle Limited	100.0	100.0
	Reuben Page Limited	100.0	100.0
	Romford Stadium Limited	100.0	100.0
	Sports (Bookmakers) Limited	100.0	100.0
	Vegas Betting Limited	100.0	100.0
	Birchgree Limited	100.0	100.0

Notes to the financial statements
for the year ended 31 December 2019 (continued)

10. Investments (continued)

Subsidiaries based overseas

Registered address	Company	% equity interest	
		2019	2018
77A Andersonstown Road Belfast	Ladbrokes (Northern Ireland) (Holdings) Limited	100.0	100.0
	Ladbrokes (Northern Ireland) Limited	100.0	100.0
BT11 9AH	North West Bookmakers Limited	100.0	100.0
28 la Porte Precinct Grangemouth FK3 8BG	Moffat Lodge Motor Inn Limited	100.0	100.0
461-473 Lutwyche Road Lutwyche Queensland QLD 4030 Australia	Gaming Investments Pty Limited	100.0	100.0
	Ladbrokes Digital Australia Pty Limited	100.0	100.0
	Ladbrokes Operations Australia Pty Limited	100.0	100.0
	LB Australia Holdings Pty Limited	100.0	100.0
	Panda Gaming Pty Limited	100.0	100.0
Chaussée de Wavre 1100/3 1160 Auderghem Belgium	Ladbroke Belgium S.A.	100.0	100.0
	Pari Mutuel Management Services S.A.	100.0	100.0
	S.A. Derby N.V.	100.0	100.0
	Tierce Ladbroke S.A.	100.0	100.0
Belmont Chambers Road Town Tortola	Creative Trend Limited	100.0	100.0
	CTL Holdings International Limited	100.0	100.0
	SRL Holdings International Limited	100.0	100.0
British Virgin Islands	Sunrise Resources Limited	100.0	100.0
Ugland House Grand Cayman, KY1-1104 Cayman Islands	Cayman Investments Number 1 International Finance Investment	100.0	100.0
13/F, Gloucester Tower The Landmark 15 Queen's Road Central Hong Kong China	GVC Technology Consulting (Asia) Limited	100.0	100.0
57/63 Line Wall Road Gibraltar	Balltree (International) Limited	100.0	100.0
	Bingo Marketing Limited	100.0	100.0
	Coral Interactive (Gibraltar) Limited	100.0	100.0
	Gala Coral Interactive (Gibraltar) Limited	100.0	100.0
	Gala Interactive (Gibraltar) Limited	100.0	100.0
	LC International Limited	100.0	100.0
	Ladbrokes Sportsbook Limited Partnership	100.0	100.0
Inchalla, Alderney GY9 3UL, Guernsey	Exchange Platform Solutions Limited	100.0	100.0
1 st Floor, Otter House Naas Road Dublin 22 Ireland	Ace Racing Limited	100.0	100.0
	Dara Properties Limited	100.0	100.0
	Gossamer Limited	100.0	100.0
	Harney Bookmakers Limited	100.0	100.0
	Keenan Sport & Leisure Limited	100.0	100.0
	Ladbroke (Ireland) Limited	100.0	100.0
	Ladbroke Leisure (Ireland) Limited	100.0	100.0
	Ladbrokes Payments (Ireland) Limited	100.0	100.0
	M D Betting Limited	100.0	100.0
Arthur Cox Building Earlsfort Terrace Dublin 2, Ireland	Gala Coral Interactive (Ireland) Limited	100.0	100.0
4 th Floor, IFSC House Custom House Quay Dublin 1, Ireland	Ladbroke Services (Ireland) Limited	100.0	100.0
Menahem Begin 125 Tel Aviv, Israel	Gala Interactive (Services) Limited	100.0	100.0
5 Hacilazon Street Ramat Gan, 5252269 Tel Aviv, Israel	Ladbrokes Israel Limited	100.0	100.0
Via Alessandro Marchetti No.105 Rome 00148 Italy	Eurobet Holding SRL Eurobet Italia SRL	100.0	100.0
		100.0	100.0

**Notes to the financial statements
for the year ended 31 December 2019 (continued)**

10. Investments (continued)

Subsidiaries based overseas (continued)

1 st Floor, Liberation House Castle Street, St. Helier 1 1GL, Jersey	IHF (Jersey) Limited	100.0	100.0
13 Castle Street, St Helier JE4 5UT, Jersey	Ladbroke (Channel Islands) Limited	100.0	100.0
13 Castle Street, St Helier JE4 5UT, Jersey	Maple Court Investments (Jersey) Limited	100.0	100.0
Cagayan Economic Zone Sta. Ana, Cagayan Philippines	NCH Customer Support Services, Inc	100.0	100.0
24A 18 th Street Menlo Park, Pretoria 0081, South Africa	Ladbrokes (SA) (Pty) Limited	60.0	60.0
Castello 82 4 IZQ, 28006 Madrid, Spain	Ladbrokes Betting and Gaming Spain, S.A.	100.0	100.0
2711 Centreville Road, Suite 400, City of Wilmington County of New Castle, De, 19808, United States	Ladbrokes Holdco, Inc. ⁽¹⁾⁽⁴⁾	100.0	100.0
608 Lander Street Reno NV 89509 United States	Stadium Technology Group, LLC ⁽³⁾	100.0	79.0

11. Trade and other receivables

	2019	2018
	£m	£m
Amounts falling due within one year		
Amounts owed by group companies	283.7	285.7
Other debtors	1.8	0.1
	285.5	285.8

Amounts owed by group companies are included under amounts falling due within one year where they are subject to repayment at any time by either the lender or the borrower giving written notice to the other.

12. Trade and other payables

	2019	2018
	£m	£m
Current		
Amounts owed to group undertakings	34.8	29.6
Accruals and deferred income	6.0	0.5
Corporation tax	0.4	-
Other payables	3.3	2.3
	44.5	32.4
Non-current		
Other payables	2.9	37.9

Amounts owed to group undertakings are classified as current where they are subject to repayment at any time by either the Lender or the Borrower giving written notice to the other.

13. Retirement benefit schemes

Defined benefit plans

The Company has one final salary pension plan for UK employees. The scheme is closed to new employees and future accrual.

At retirement each member's pension is related to their final pensionable salary. The weighted average duration of the expected benefit payments from the Plan is around 17 years.

Notes to the financial statements for the year ended 31 December 2019 (continued)

13. Retirement benefit schemes (continued)

The Plans' assets are held separately from those of the Company. The Plan is approved by HMRC for tax purposes, and is managed by an independent set of Trustees. The Plan is subject to UK regulations, which require the Company and Trustees to agree a funding strategy and contribution schedule at least every three years. Under the current contribution schedule in place, the Company pays contributions of £0.75m each year to cover the expenses of running the Plan.

There is a risk to the Company that adverse circumstances could lead to a requirement for the Company to make additional contributions to recover any deficit that arises. As at the date of signing the financial statements no such event has arisen.

The results of the formal actuarial valuation as at 30 June 2018 were updated to 31 December 2019 by an independent qualified actuary in accordance with IAS 19 (Revised) Employee Benefits. The value of the defined benefit obligation and current service cost have been measured using the projected unit credit method, as required by IAS 19 (Revised). Actuarial gains and losses are recognised immediately through other comprehensive income.

During the year, the Company undertook a pension buy-in on the pension scheme with the assets of the scheme replaced with an insurance policy against the payment of future liabilities. As a result of the buy-in, the Company recorded an actuarial loss of £81,300,000 which has been recognised within the Statement of Comprehensive Income. An associated deferred tax credit of £28,500,000 has also been recognised in the Statement of Other Comprehensive Income.

The amounts recognised in the balance sheet are as follows

	2019 £m	2018 £m
Present value of funded obligations	(357.5)	(316.6)
Fair value of plan assets	364.2	425.6
Net asset	6.7	109.0
Disclosed in the balance sheet as: Retirement benefit asset	6.7	109.0

The Group has considered the appropriate accounting treatment in respect of the pension plan surplus, taking into account the current agreement with the Trustees and concluded the recognition of the surplus is appropriate.

The amounts recognised in the income statement are as follows:

	2019 £m	2018 £m
Analysis of amounts charged to staff costs		
Separately disclosed items	0.8	1.8
Net interest on net asset	(2.9)	(2.9)
Administrative expenses	0.8	-
Total (credit)/cost recognised in the income statement in staff costs	(1.3)	1.1

The actual return on plan assets over the year was a loss of £45,100,000 (2018: £10,800,000).

The amounts recognised in the statement of comprehensive income are as follows:

	2019 £m	2018 £m
Actual return on assets less interest on plan assets	(56.4)	(21.5)
Actuarial gains on defined benefit obligation due to changes in demographic assumptions	(4.1)	-
Actuarial (losses) on defined benefit obligation due to changes in financial assumptions	(35.9)	-
Experience adjustments on benefit obligation	(7.2)	12.0
Actuarial losses recognised in the statement of comprehensive income	(103.6)	(9.5)

Notes to the financial statements
for the year ended 31 December 2019 (continued)

13. Retirement benefit schemes (continued)

Changes in the present value of the defined benefit obligation are as follows:

	2019 £m	2018 £m
At 1 January	(316.6)	(333.5)
Interest on obligation	(8.4)	(7.8)
Actuarial losses due to changes in demographic assumptions	(4.1)	-
Actuarial losses due to changes in financial assumptions	(35.9)	-
Experience adjustments on obligations	(7.2)	12.0
Past service costs	-	(1.6)
Benefits paid	14.7	14.3
At 31 December	(357.5)	(316.6)

Changes in the fair value of plan assets are as follows:

	2019 £m	2018 £m
At 1 January	425.6	450.9
Interest on plan assets	11.3	10.7
Administration expenses	(1.6)	-
Actual return less interest on plan assets	(56.4)	(21.5)
Buyin project costs	-	(0.2)
Benefits paid	(14.7)	(14.3)
At 31 December	364.2	425.6

The Company does not expect to contribute in 2019 but will continue to meet the administrative expenses.

The major categories of plan assets as a percentage of total plan assets are as follows:

	2019 %	2018 %
Equities and Diversified Growth Funds	-	20
Insurance policy	98	-
Liability Driven Investment (%)	1	24
Cash	1	56
	100	100

The Plan assets are held exclusively within instruments with quoted market prices in an active market with the exception of the holdings in an insurance policy.

The Plan does not invest directly in property occupied by the Company or in financial securities issued by the Company. Although, as the Plan holds pooled investment vehicles, there may at times be indirect employer related investment. At 31 December 2019 these represented less than 0.1% of the Plan's total assets.

The investment strategy is set by the Trustees of the Plans in consultation with the Company. The current long-term strategy is to invest in a matching portfolio sufficient to meet the next 15 years of cash flows with the remaining assets invested in return seeking funds

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages where appropriate):

	2019 % p.a.	2018 % p.a.
Discount rate	2.0	2.7
Price inflation (CPI/RPI)	2.1/2.9	2.2/3.2
Future pension increases – LPI 5% (CPI)	2.8	3.1
– LPI 3% (RPI)	2.3	2.4
– LPI 2.5% (CPI)	2.5	2.1

Notes to the financial statements for the year ended 31 December 2019 (continued)

13. Retirement benefit schemes (continued)

The post-retirement mortality assumed for most members is based on the standard SAPS mortality table with the CMI 2016 projections, which takes into account future improvements, adjusted to reflect plan specific experience.

The assumption used implies that the expected lifetime of members aged 65 in 2019 is 86.7 (2018: 86.6) years for males and 88.7 (2018: 88.5) years for females.

Changes to the assumptions will impact the amounts recognised in the consolidated balance sheet and the consolidated income statement in respect of the Plan. For the significant assumptions, the following sensitivity analysis provides an indication of the impact on the defined benefit obligation for the year ended 31 December 2019:

	2019	2018
	%	%
– 0.5% p.a. decrease in the discount rate	8.8	7.9
– 0.5% p.a. increase in price inflation	5.2	4.5
– One year increase in life expectancy	3.6	3.6

These sensitivities have been calculated to show the movement in the defined benefit obligation in isolation, and assuming no other changes in market conditions at the accounting date. Due to the Insurance Policy taken out in the year, the changes in the fair value of pension assets will closely match the changes in defined benefit obligations.

14. Issued share capital

	2019	2018
	£m	£m
Allotted, called up and fully paid:		
1,927,868,968 (2018:1,948,159,534) ordinary shares of 28½p each	546.3	552.0
	2019	2018
	number	number
28 1/3p shares issued at 31 December	1,927,868,968	1,948,159,534
Treasury shares	-	(20,290,566)
28 1/3p shares issued at 31 December excluding treasury shares	1,927,868,968	1,927,868,968

On 25 February 2019 the Company cancelled its remaining treasury shares. As a consequence the issued share capital was reduced by £5,800,000. A transfer of the same amount has been made from Retained Earnings to a Capital redemption Reserve in accordance with section 733 of the Companies Act 2006.

16. Related party transactions

The Company is exempt under paragraph 8(k) of the disclosure exemptions from EU-adopted IFRS included in FRS 101 for qualifying entities from disclosing related party transactions with fellow wholly owned group companies.

There are no other related party transactions.

17. Immediate and ultimate parent company

The immediate parent undertaking of the Company is GVC Holdings (UK) Limited, a Company registered in England and Wales, and the ultimate parent undertaking is GVC Holdings PLC, a company registered in The Isle of Man. The only group preparing consolidated group financial statements which include the Company is GVC Holdings PLC for the year ended 31 December 2019.

Copies of the Annual Report and Financial Statements for GVC Holdings PLC can be obtained from the website www.gvc-plc.com/investor-relations/financial-reports/

**Notes to the financial statements
for the year ended 31 December 2019** (continued)**18. 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 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.