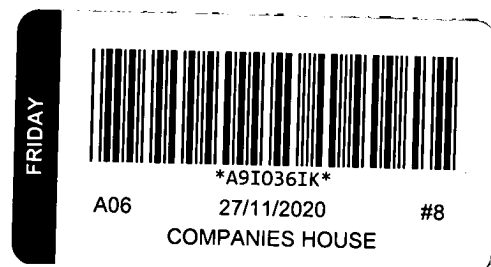


# Annual Report and Financial Statements

*Sponsio Limited*

**For the year ended 31 December 2019**



**SPONSIO LIMITED**

**DIRECTORS AND ADVISORS**

**DIRECTORS**

A B Greenblatt

M A Fowler

R M Sandbach

**COMPANY SECRETARY**

Ladbrokes Coral Corporate Secretaries Limited

**INDEPENDENT AUDITOR**

KPMG LLP

Chartered Accountants and Statutory Auditor

15 Canada Square

London

E14 5GL

**REGISTERED OFFICE**

3<sup>rd</sup> Floor

One New Change

London

EC4M 9AF

## **SPONSIO LIMITED**

### **STRATEGIC REPORT – FOR THE YEAR ENDED 31 DECEMBER 2019**

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

#### **Principal activities and review of the business**

The Company was a service provider for the Group's Digital operations but now functions as a holding company for the group's retail operation in Northern Ireland.

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

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Profit for the financial year	<b>267</b>	1,420
Amounts owed by group undertakings	<b>11,458</b>	11,161
Amounts owed to group undertakings	<b>(182)</b>	(192)

Due to the limited activities undertaken by the Company no other key performance indicators are relevant.

#### **Principal risk and uncertainties**

GVC Holdings PLC reviews and evaluates 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's risks arise from the changes in interest rates, which affect the balances with other group companies and the interest due on those balances, and the valuation of its investments in other companies.

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 relating to 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.

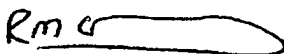
The Company has no employees or direct customers.

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>

#### **FINANCIAL POSITION**

As at 31 December 2019 the company had net assets of £11,284,000 (2018: £11,017,000).

On behalf of the Board



R M Sandbach  
Director

Date: 30 October 2020

## **SPONSIO LIMITED**

### **DIRECTORS' REPORT – FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their Directors' Report and the Company's audited financial statements for the year ended 31 December 2019. Comparative information is presented for the year ended 31 December 2018.

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

Directors:	A B Greenblatt M A Fowler R M Sandbach
Secretary :	Ladbroke's Coral Corporate Secretaries Limited
Registered Office :	3 <sup>rd</sup> Floor, One New Change, London. EC4M 9AF
Company Number:	04168242

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### **RESULTS AND DIVIDENDS**

The financial statements for the year show a profit for financial year of £267,000 (2018: £1,420,000).

Dividends paid to the parent company Ladbroke's Investments Holdings Limited during the year amounted to £nil (2018: £250,000,000). The directors do not recommend the payment of any further dividends (2018: £nil).

### **SUBSEQUENT EVENTS**

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.

### **FINANCIAL RISK MANAGEMENT**

The Company's exposure to financial risk management is 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.

Should further support be required 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.

Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

### **FUTURE DEVELOPMENTS**

The Company plans to continue its existing activities for the forthcoming year.

### **DIRECTORS' AND OFFICERS' LIABILITY 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 period 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.

### **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/>.

### **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.

## **SPONSIO 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.

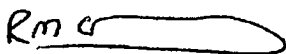
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure 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.

On behalf of the Board



R M Sandbach

Director

Date: 30 October 2020

## **SPONSIO LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPONSIO LIMITED (continued)**

#### **Opinion**

We have audited the financial statements of Sponsio 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 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:

#### **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.

## **SPONSIO LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPONSIO LIMITED (continued)**

#### **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](http://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

**SPONSIO LIMITED****INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Note</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
Operating expenses		<b>14</b>	-
<b>Loss before taxation and finance expense</b>	<b>5</b>	<b>14</b>	-
Interest receivable from group undertakings		<b>253</b>	1,420
<b>Profit before taxation</b>		<b>267</b>	1,420
Income tax expense	<b>7</b>	-	-
<b>Profit for the financial year and total comprehensive income for the year</b>		<b>267</b>	1,420

All items dealt with in arriving at the profit on ordinary activities before taxation relate to continuing operations.

There are no items of other comprehensive income in the current and prior year presented. Therefore, no separate statement of comprehensive income has been prepared.

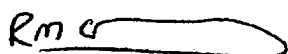
The notes on pages 10 to 16 form an integral part of these financial statements.



**BALANCE SHEET AS AT 31 DECEMBER 2019**

	<u>Note</u>	<u>2019</u> £'000	<u>2018</u> £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	8	-	44
		-	44
<b>Current assets</b>			
Trade and other receivables	9	11,458	11,161
Cash at bank and in hand		8	4
		11,466	11,165
<b>Total assets</b>		11,466	11,209
<b>Current liabilities</b>			
Trade and other payables	10	(182)	(192)
<b>Total liabilities</b>		(182)	(192)
<b>Net assets</b>		11,284	11,017
<b>Capital and reserves</b>			
Called up share capital	11	102	102
Share premium account		1,035	1,035
Retained earnings		10,147	9,880
<b>Total shareholders' funds</b>		11,284	11,017

The financial statements on pages 7 to 16 were approved by the board of directors on 30 October 2020 and were signed on its behalf by:



R M Sandbach  
Director

Date: 30 October 2020

**SPONSIO LIMITED****STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019**

	Issued share capital £'000	Share premium account £'000	Retained earnings £'000	Total shareholders' funds £'000
<b>As at 1 January 2018</b>	102	1,035	258,460	259,597
Profit for the financial year and total comprehensive income	-	-	1,420	1,420
Dividend paid to parent	-	-	(250,000)	(250,000)
<b>At 31 December 2018</b>	102	1,035	9,880	11,017
Profit for the financial year and total comprehensive income	-	-	267	267
<b>At 31 December 2019</b>	102	1,035	10,147	11,284

The notes on pages 10 to 16 form an integral part of these financial statements.

## **SPONSIO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **1. Corporate information**

Sponsio Limited ('the Company') is a private company limited by share capital, 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 to issue in accordance with a resolution of the directors.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The financial statements are prepared under the historical cost convention.

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

The Company's financial statements are presented in Sterling, which is also the Company's functional currency, and all values are rounded to the nearest thousand pounds (£'000) 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 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 accounting policies which follow in note 4 set out those policies which apply in preparing the financial statements for the year ended 31 December 2019. These accounting policies have been applied consistently other than where new policies have been adopted in the year.

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

- 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. Key judgements and sources of estimation uncertainty**

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.

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. The following estimates are dependent upon assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised at the balance sheet date:

**NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)**

**3. Key judgements and sources of estimation uncertainty (continued)**

**Impairment of investment in subsidiaries**

Investment in subsidiaries are reviewed for impairment when an indicator for impairment is identified, using a value in use calculation where the investment is considered a single cash generating unit. In determining value in use for the investment, future discounted cash flows from both possible and expected dividends are considered.

**4. Summary of significant accounting policies**

**4.1 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. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

**4.2 Investments in subsidiaries**

Investments in subsidiaries are held at historical cost less any provision for impairment.

An undertaking is regarded as a subsidiary undertaking if the Company has control when it is exposed, or has rights, to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company.

**4.3 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.

**4.4 Foreign currency translation**

The Company's financial statements are presented in Sterling, which is also the Company's functional currency. Transactions in foreign currencies are initially recorded in Sterling at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement and are reported as part of the operating profit for the year.

**NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)**

**4. Summary of significant accounting policies (continued)**

**4.5 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 available-for-sale financial assets. At 31 December 2018, the Company had only financial assets classified as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. On initial recognition, loans and receivables are measured at fair value plus directly attributable transaction costs. Subsequently, such assets are measured at amortised cost, using the effective interest rate (EIR) 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 EIR. The EIR amortisation is included in interest receivable in the income statement. Losses arising from impairment are recognised in the income statement in operating expenses before amortisation.

*Impairment of financial assets*

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. For receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account.

When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the income statement.

**4.6 Financial liabilities**

Financial liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified as financial guarantee contracts or loans and borrowings. The Company determines the classification of financial liabilities at initial recognition. Financial liabilities comprise other payables and interest-bearing loans, both classified as loans and borrowings.

*Loans and borrowings*

On initial recognition, loans and borrowings are measured at fair value plus transaction costs.

Other payables are held at amortised cost and include amounts owed to group undertakings.

After initial recognition, interest-bearing loans are measured at amortised cost using the effective interest rate (EIR) method.

**4.7 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)****4.8 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 EIR 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.

**4.9 Revenue**

In the prior year the Company earned management fees from the provision of digital operations services to GVC Holdings PLC and its subsidiary companies, for 2019 this is no longer the case.

Dividend income is recognised when the Company has the right to receive the dividend.

**5. Loss before tax and finance expense**

Audit fees for the audit of the financial statements of £2,050 have been borne by another group company (2018: £2,050).

**6. Directors and employees**

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 (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.

**7. Income tax expense****a) Tax charged in the Income Statement**

There is no tax charge or credit on the result for the year (2018: £nil).

**b) Reconciliation of total tax charge**

A reconciliation of income tax expense applicable to profit before taxation at the UK statutory income rate to the income tax expense for the year ended 31 December 2018 and 31 December 2017 as follows:

	<b>2018</b>	2018
	<b>£'000</b>	£'000
Profit before taxation	<b>267</b>	1,420
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	51	270
Non deductible expenses	-	-
Group relief claimed for nil consideration	(51)	(270)
Total tax reported in the income statement	<u>-</u>	<u>-</u>

**c) Changes in corporation tax**

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

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

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.

**SPONSIO LIMITED****NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)****7. Income tax expense (continued)****d) Deferred tax**

There are no unrecognised deferred tax assets or liabilities.

**8. Investments**

	Investment in subsidiary companies £'000	Investment in other group companies £'000	Total £'000
<b>Cost:</b>			
<b>At 1 January 2019</b>	187	44	231
Disposal in the year	-	(44)	(44)
<b>At 31 December 2019</b>	<b>187</b>	<b>-</b>	<b>187</b>
<b>Provision for impairment:</b>			
At 1 January 2019	187	-	187
Provided in the year	-	-	-
<b>At 31 December 2019</b>	<b>187</b>	<b>-</b>	<b>187</b>
<b>Net Book Value</b>			
<b>At 31 December 2019</b>	-	-	-
At 31 December 2018	-	44	44

During the year the company sold its 0.25% investment in Ladbroke Group International.

The remaining amount represents the Company's investment in the following companies.

Name of company	Country of incorporation	Holding	% of shares held	Registered Office	Nature of business
Ladbrokes (Northern Ireland) (Holdings) Limited	Northern Ireland	Ordinary shares	100.0	7a Andersonstown Road, Belfast, Northern Ireland, BT11 9AH	Investment Holding company

**Related Undertakings – (Indirect)**

Name of company	Country of incorporation	Holding	% of shares held	Registered Address	Nature of business
North West Bookmakers Limited	Northern Ireland	Ordinary shares	100.0	7a Andersonstown Road, Belfast, Northern Ireland, BT11 9AH	Bookmaking
Ladbrokes (Northern Ireland) Limited	Northern Ireland	Ordinary shares	100.0	7a Andersonstown Road, Belfast, Northern Ireland, BT11 9AH	Dormant

**SPONSIO LIMITED****NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)****9. Trade and other receivables**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Amounts owed by group undertakings	<b>11,458</b>	11,161
	<b>11,458</b>	11,161

Amounts owed by other group undertakings 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. Amounts owed by group companies bear interest at a rate linked to the group's borrowing costs.

**10. Trade and other payables**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Amounts owed to group undertakings	<b>182</b>	192
	<b>182</b>	192

Amounts owed to group undertakings are included under amounts falling due within one year where they are subject to cancellation at any time by either the Lender or the Borrower giving written notice to the other. Amounts owed to group companies bear interest at a rate linked to the group's borrowing costs.

**11. Called up share capital**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Issued, called up and fully paid:		
101,901 (2018: 101,901) ordinary shares of £1 each	<b>102</b>	102

**12. Related party transactions**

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly-owned subsidiaries.

There are no other related party transactions.

**13. Immediate and ultimate parent undertaking**

The immediate parent undertaking of Sponsio Limited is Ladbrokes Investments Holdings 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 largest and smallest group preparing consolidated 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 registered office of the company at 3rd Floor, One New Change, London, EC4M 9AF.



**NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)**

**14. 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.