



SystemDay

Gibraltar Company Credit Report

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Report On Coral Interactive Gibraltar Limited
Registered Office 57/63 LINE WALL ROAD, GIBRALTAR
Website <http://www.coral.co.uk>

Part of the Gala Coral Group, Coral Interactive is a focused online sports-betting business with coral.co.uk as its main brand.

Coral.co.uk is operated by Gala Interactive (Gibraltar) Ltd (company number 106322) & its subsidiary Coral Interactive (Gibraltar) Ltd (RGL 059 & 060). Both companies are licensed by the Government of Gibraltar & regulated by the Gibraltar Gambling Commissioner. The licensed address for both companies is 2nd Floor, Regal House, Queensway, Gibraltar.

Gambling Licence Gibraltar

Remote Gambling from Gibraltar

All gambling operations in Gibraltar require licensing under the Gambling Act 2005 ("the Act"). Remote Gambling licences, including for telephone and internet betting, are issued by the Licensing Authority.

The Gambling Commissioner is appointed under the provisions of the Act. The Act grants the Gambling Commissioner powers to ensure that licensees conduct their operations in accordance with their licenses and in such a manner as to maintain the good reputation of Gibraltar.

General

The Licensing Authority will only consider licensing blue chip companies with a proven track record in gambling, licensed in a reputable jurisdiction, of good financial standing and with a realistic business plan. Licences are generally difficult to obtain



Government of Gibraltar

21	Gala Interactive (Gibraltar) Ltd Coral Interactive (Gibraltar) Ltd Approved Brands	Casino Fixed-odds	RGL No. 059 RGL No. 060
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Solvency Index: N/A

Status Active

Company Type PRIVATE COMPANY LIMITED BY SHARES

Incorporation date August 3, 2011

Previous Names -

Registered Number 106323

VAT Registered No N/A

Principle Shareholders GALA INTERACTIVE (GIBRALTAR) LIMITED
57/63 LINE WALL ROAD
GIBRALTAR

Issued Share Capital GBP 2,000.00

Current Directors

Name	JOHN PATRICK O'REILLY
Address	THE MANOR HOUSE WEST STREET WELFORD NN6 6HS NORTHANTS ENGLAND
Nationality	BRITISH
Appointed	16/08/2011
Occupation	COMPANY EXECUTIVE
Name	MICHAEL BOYLAN
Address	24 THE SAILS QUEENSWAY QUAY GIBRALTAR
Nationality	BRITISH
Appointed	17/02/2012
Occupation	IT DIRECTOR



Name	CAROLINE ELIZABETH ANN ACKROYD
Address	1 THE SAILS QUEENSWAY QUAY GIBRALTAR
Nationality	BRITISH
Appointed	12/07/2012
Occupation	FINANCE DIRECTOR

Company Secretary

Name	LINE SECRETARIES LIMITED
Address	57/63 LINE WALL ROAD GIBRALTAR
Nationality	
Appointed	03/08/2011
Occupation	CORPORATION

Date of Latest Accounts September 30, 2012

Date of Latest Returns August 15, 2013

Mortgage Charges

Charges

No.	Serial No.	Mortgage, Charge, or	Amount Secured	Registered	Satisfied
1	18268	DEBENTURE	AN UNLIMITED AMOUNT	05/01/2012	

Analyst's Comments:

Whilst Coral Interactive (Gibraltar) Limited is a subsidiary of Gala Interactive (Gibraltar) Limited they are both them subsidiaries of Gala Coral Interactive (Gibraltar) Limited

In view of the close relationship of the two target companies we have analysed them together.

Both companies have filed unqualified accounts for the 13 month period ending 30-Sep-2012

Both sets of accounts were filed in July 2013 – 7 months after the year end

The accounts to Sep-13 are due for filing by October 2014

In Summary:

Coral Interactive (Gibraltar) Limited

The loss for the year was £10,416,000

Principal Activity: is the provision of internet betting and gaming services.

The company did not trade during the year

Costs during the year represent the launch of coral.co.uk



The directors clearly state that the groups risks are managed at a consolidated level and further state that both companies are operationally and financially robust and will generate sufficient cash to meet there on-going requirements until June 2014

Without site of the Sep-2013 accounts we are unable to draw a firm credit opinion

Both companies have used FRS 20. It requires share-based payments to be recognised in the financial statements at fair value, based on the value of the entity's shares or the value of the goods and services received.

The scope of FRS 20 includes employee share options, transactions in which shares or other equity instruments are issued in return for goods and services, and transactions where the payment amount is based the on the price of the entity's shares.

The sums involved are substantial ie:

Coral Interactive (Gibraltar) Limited
The loss for the year was **£10,416,000**
FRS 20 Share based payment **£5,934,000**
Reserves **£4,482,000**

The directors clearly state that the groups risks are managed at a consolidated level and further state that both companies are operationally and financially robust and will generate sufficient cash to meet there on-going requirements until June 2014

Without site of the Sep-2013 accounts we are unable to draw a firm credit opinion

Credit Rating N/A



Coral Interactive (Gibraltar) Limited

PROFIT AND LOSS ACCOUNT

for the period from the date of incorporation on 3 August 2011 to 30 September 2012

	Notes	2012 £000
TURNOVER	3	-
Cost of sales		-
		<hr/>
GROSS PROFIT(LOSS)		-
Administrative expenses		(10,424)
		<hr/>
Operating loss before exceptional administrative items	5	(4,490)
Exceptional items	4	(5,934)
		<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		(10,424)
Interest receivable and similar income	7	8
		<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(10,416)
Tax on loss on ordinary activities	8	-
		<hr/>
LOSS FOR THE FINANCIAL PERIOD	13	(10,416)
		<hr/> <hr/>

All operations of the company are continuing.

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £10,416,000 in the period ended 30 September 2012, and therefore no separate statement of recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the loss for the financial period stated above, and their historical cost equivalents.



Coral Interactive (Gibraltar) Limited

BALANCE SHEET
 as at 30 September 2012

	Notes	£000
FIXED ASSETS		
Tangible assets	9	808
		<u>808</u>
CURRENT ASSETS		
Debtors	10	201
Cash at bank and in hand		67
		<u>268</u>
Creditors: amounts falling due within one year	11	(5,556)
		<u>(5,288)</u>
NET CURRENT LIABILITIES		<u>(5,288)</u>
NET LIABILITIES		<u>(4,480)</u>
CAPITAL AND RESERVES		
Called up share capital	12	2
Profit and loss account	13	(4,482)
		<u>(4,480)</u>
TOTAL SHAREHOLDER'S DEFECIT		<u>(4,480)</u>

The financial statements on pages 7 to 15 were approved by the Board of Directors on 26th June 2013 and are signed on its behalf by:

C Ackroyd
 Finance Director

J O'Reilly
 Managing Director



Coral Interactive (Gibraltar) Limited

RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS/ DEFECIT for the period from the date of incorporation on 3 August 2011 to 30 September 2012

	2012 £000
Issue of Share Capital	2
Loss for the financial year	(10,416)
GFRS 20 'Share Based Payment Charge'	5,934
CLOSING SHAREHOLDER'S DEFICIT	(4,480)



Coral Interactive (Gibraltar) Limited

NOTES TO THE ACCOUNTS

for the period from the date of incorporation on 3 August 2011 to 30 September 2012

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared under the historical cost convention, applying the accounting policies set out below, applicable legislation and in accordance with Gibraltar Accounting Standards, which have been applied consistently.

Consolidation, cash flow statement and related party disclosures

The company is exempt under Section 8 of the Companies (Consolidated Accounts) Act from the requirement to prepare consolidated financial statements as the company is included in the consolidated financial statements of Gala Coral Group Limited, which are publicly available and accordingly the financial statements present information about the company as an individual undertaking only. The company also has taken advantage of the exemption from preparing a cash flow statement under the terms of GFRS 1 (revised 1996) 'Cash Flow Statements'.

The company is also exempt under the terms of GFRS 8 'Related Party Disclosures' from disclosing related party transactions with wholly owned entities that are part of the Gala Coral Group.

Going concern

The directors have reviewed the Company's cash flow forecasts and trading budgets and after making appropriate enquiries, have formed the view that the Company is operationally and financially robust and will generate sufficient cash to meet its ongoing requirements for at least the next 12 months. As such they continue to adopt the going concern basis of accounting in preparing the annual financial statements. Gala Coral Group Limited also confirmed its intention to provide financial support for the operations of the company so as to enable the company to meet its liabilities as they fall due and to carry on the business as required in the 12 months from the date of approval of the financial statements.

Turnover

Revenue results from the operation of on-line sports betting, casino, poker and bingo games adjusted for any free bets. Revenue is net win, which is calculated as bets placed less amounts won by customers. Revenue is stated before the deduction of gaming duty.

Cost of sales

Cost of sales primarily comprises the costs of gaming duty and royalties and commissions due to third parties for introduction of customers to the company's on-line operations.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	-	shorter of 50 years or unexpired term of lease
Fixtures, fittings and computer equipment	-	over 3 to 10 years

Accelerated depreciation may be charged where the directors consider there to have been a reduction in the useful economic life of an asset or an impairment in the underlying value of an asset.



Coral Interactive (Gibraltar) Limited

NOTES TO THE ACCOUNTS

for the period from the date of incorporation on 3 August 2011 to 30 September 2012

1. ACCOUNTING POLICIES (continued)

Impairment of fixed assets

The need for any impairment provision is assessed if events or changes in circumstances indicate that the carrying value of an income generating unit, is lower than the higher of the net realisable value or value in use. The value in use is determined from the estimated discounted future cash flows of the income generating unit. The future cash flows are based on the forecasts and budgets of the income generating unit.

Taxation including deferred taxation

Gibraltar corporation tax is provided at the rate of 10% based on the results of the year, as adjusted for tax purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date which will result in an obligation to pay more, or a right to pay less or to receive more, tax with the following exceptions:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and
- deferred tax assets are recognised only to the extent that the directors consider it is more likely than not that there will be sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pensions

The company provides a pension scheme through the Gibraltar Provident Trust (No 3) Pension Scheme, which is a defined contribution occupational pension scheme receiving full approval under the Income Tax Act on 2nd September 2005 and was formally launched by the Gibraltar Development Corporation on 10th October 2005. The scheme is administered by the Accountant General of the Government of Gibraltar.

The defined contribution pension scheme is for certain employees and directors. The amounts charged to the profit and loss account in respect of pension costs and other post-retirement benefits, represents the contributions payable in the period as per the payment certificates. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments.



Coral Interactive (Gibraltar) Limited

NOTES TO THE ACCOUNTS

for the period from the date of incorporation on 3 August 2011 to 30 September 2012

1. ACCOUNTING POLICIES (continued)

Share based payments

The Gala Coral Group operates an equity-settled share based payment plan under which the company receives services from employees as consideration for the ability to participate in the purchase of equity instruments from the group's parent company. The fair value of the services received in exchange for the equity instrument is recognised as an expense. The total amount expensed is determined by reference to the fair value of the instruments granted:

- including any market performance conditions
- excluding the impact of any service and non-performance vesting conditions

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied.

During the period the Company was charged an amount of £5,934,000 from Gala Coral Group Limited in respect of the FRS 20 "Share Based Payment" charge for services rendered to the Company. This has been recorded within exceptional costs.

Foreign Currencies

Transactions denominated in foreign currencies are translated into sterling at the prevailing rate of exchange on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at period end rates of exchange. Exchange differences are taken to the profit and loss account.

2. DIRECTORS' REMUNERATION

	2012
	£000
Aggregate emoluments (excluding pension contributions)	1,089
Company contributions to private pension schemes	86
	1,175
	1,175

No directors accrue benefits under a defined benefit pension scheme.

Emoluments of the highest paid director are as follows:

	2012
	£000
Aggregate emoluments (excluding pension contributions)	663
Company contributions to private pension schemes	41
	704
	704

No director exercised any share options during the year.



Coral Interactive (Gibraltar) Limited

NOTES TO THE ACCOUNTS

for the period from the date of incorporation on 3 August 2011 to 30 September 2012

3. TURNOVER

There was no turnover in the period as trading commenced in October 2012.

4. EXCEPTIONAL ITEMS

	2012
	£000
GFRS 20 'Share Based Payment Charge'	5,934

This charge is an accounting charge only and does not represent a cash commitment on the UK Group or any of its subsidiaries, either now or in the future. The ultimate obligation lies with the Group's parent company, GCG Manager S.A Luxco S.C.A and only in an exit event.

5. OPERATING LOSS

Operating loss is stated after charging:

	2012
	£000
Depreciation of tangible fixed assets	46
GFRS 20 'Share Based Payment Charge'	5,934
	<u>5,980</u>

6. STAFF COSTS

	2012
	£000
Wages and salaries	2,538
Social security cost	294
Pension cost	120
GFRS 20 'Share Based Payment Charge'	5,934
	<u>8,886</u>

The average number of employees during the period ended 30 September 2012 was 21

7. INTEREST PAYABLE AND RECEIVABLE

	2012
	£000
Interest receivable from group companies	8



Coral Interactive (Gibraltar) Limited

NOTES TO THE ACCOUNTS

for the period from the date of incorporation on 3 August 2011 to 30 September 2012

8. TAX ON LOSS ON ORDINARY ACTIVITIES

There is no charge or credit for current tax or deferred tax.

9. TANGIBLE ASSETS

	Leasehold land and buildings £000	Fixtures, fitting and computer equipment £000	Total £000
Additions:			
At 30 September 2012	388	466	854
Depreciation:			
Provided during the period	(10)	(36)	(46)
At 30 September 2012	(10)	(36)	(46)
Net book value:			
At 30 September 2012	378	430	808

10. DEBTORS

	2012 £000
Prepayments and accrued income	201
	<u>201</u>

11. CREDITORS: amounts falling due within one year

	2012 £000
Amounts owed to group companies	4,142
Trade creditors	283
Accruals and deferred income	1,131
	<u>5,556</u>



Coral Interactive (Gibraltar) Limited

NOTES TO THE ACCOUNTS

for the period from the date of incorporation on 3 August 2011 to 30 September 2012

11. CREDITORS: amounts falling due within one year (continued)

Amounts owed to group companies are unsecured, have no fixed date of repayment and the directors have received confirmation that the counterparties do not intend to request repayment within the next year. Creditor balances with Gala Coral Interactive (Gibraltar) Limited are subject to interest at Libor +5.5%.

12. CALLED UP SHARE CAPITAL

	Ordinary shares of £1 each	
	Number	£000
Allotted and fully paid		
At 30 September 2012	2,000	2
	<u>2,000</u>	<u>2</u>

13. RESERVES

	Profit and loss account £000
On incorporation	-
Loss for the financial period	(10,416)
GFRS 20 Share Based Payment charge	5,934
At 30 September 2012	<u>(4,482)</u>

14. GUARANTEES

The borrowings of the Gala Coral Group are secured on the assets of the Company and are guaranteed by fellow members of the Group.

15. PARENT COMPANY AND CONTROLLING PARTY

The Company is a subsidiary of Gala Interactive (Gibraltar) Limited, a company incorporated in Gibraltar which in turn is incorporated within Gala Coral Interactive (Gibraltar) Limited.

The smallest and largest group in which the results of Coral Interactive (Gibraltar) Limited are consolidated is that headed by Gala Coral Group Limited, a company incorporated in England and Wales. Consolidated financial statements are available to the public and may be obtained from Gala Coral Group Limited, 71 Queensway, London, W2 4QH.

As at 30 September 2012 the ultimate parent company of the Group was GCG Manager S.A Luxco S.C.A a "société en commandité par actions" established under the laws of Luxembourg.

****END OF REPORT****