

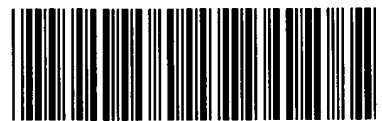
# **TSE Global Limited**

## **Annual Report and Accounts**

**Registered number 05741254**

**For the period ended 31 December 2016**

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## Directors' Report

The Directors present their Directors' Report together with the audited Financial Statements for the period ended 31 December 2016.

### Principal activities and future developments

The principal activity of TSE Global Limited (the 'Company') in the current period and prior year is to provide support services to other Paddy Power Betfair plc group (comprising Paddy Power Betfair plc and its subsidiaries) (the 'PPB Group' or 'Group') undertakings. The Directors do not expect this to change in the foreseeable future.

The Company changed its accounting reference date from 30 April to 31 December so as to be coterminous with the year end of its ultimate parent company. Accordingly, the current Financial Statements are prepared for 8 months from 1 May 2016 to 31 December 2016 ('period') and as a result, the comparative figures ('30 April 2016') in the Profit and loss account and other comprehensive income and the related notes are not directly comparable, as these were prepared for a 12-month period ('year').

### Review of the business

The Company is part of the PPB Group (previously the Betfair Group) which reported a consolidated turnover from continuing operations for the period of £1,500.8m (30 April 2016: £563.9m), profit before tax of £11.9m (30 April 2016: £89.0m) and has consolidated net assets of £4,316.6m (30 April 2016: £91.2m). On 2 February 2016 the Company's previous ultimate parent, Betfair Group plc, completed an all share merger with Paddy Power plc (the 'Merger') resulting in Paddy Power plc shareholders owning 52% and Betfair Group plc shareholders owning 48% of Paddy Power Betfair plc ('PPB'). The results of the Group and further details of the Merger are discussed in detail in the Paddy Power Betfair plc Annual Report & Accounts 2016.

The Company has met the requirements of Section 414B of the Companies Act 2006 to obtain the exemption provided from the presentation of a Strategic Report on the basis of its size.

### Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. The key business risks and uncertainties affecting the Group are considered to relate to regulation, licensing and regulatory compliance, data management and cyber security, technology infrastructure, systems stability and availability, business continuity planning and disaster recovery, financial exposure and financial reporting, competition and brand, reliance on third parties and key supplier relationships, health and safety and key employees recruitment and retention. Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided on pages 56 to 59 of the Paddy Power Betfair plc Annual Report & Accounts 2016 which does not form part of this report. A copy of the Paddy Power Betfair plc Annual Report & Accounts 2016 can be found on its website, [www.paddypowerbetfair.com/investor-relations](http://www.paddypowerbetfair.com/investor-relations), and can be obtained from the following address:

The Company Secretary  
Paddy Power Betfair plc  
Power Tower  
Belfield Office Park  
Beech Hill Road  
Clonskeagh  
Dublin 4

Risks are formally reviewed by the PPB Board and appropriate processes are put in place to mitigate them. It is possible that the overall effect of such events would result in adverse implications for the Company.

### Going concern

After making enquiries, the Directors have a reasonable expectation that the Company will have access to adequate resources to continue in operational existence for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the Financial Statements.

## **Directors' Report** (continued)

### **Financial risk management**

The Group, which applies to the Company where applicable, continues to have a prudent treasury management policy in place.

The Group's operations expose it to a variety of other financial risks, including interest rate and foreign exchange movements. Management continues to monitor closely the Group's financial risks and mitigate its exposure where appropriate.

### **Dividends**

During the period, the Company paid no dividends and the Directors do not recommend the payment of a final dividend for the period ended 31 December 2016 (30 April 2016: £nil).

### **Political contributions**

The Company made no political contributions during the period (30 April 2016: £nil).

### **Directors**

The Directors who held office during the period, and up to the date of this report, are as follows:

Recep Ozcan  
Paul Rushton  
Kevin Smith

All Directors benefited from qualifying third-party indemnity provisions in place during the financial period and at the date of this report.

### **Company Secretary**

Pritti Patel

### **Disclosure of information to auditor**

Each of the Directors who held office at the date of approval of the Directors' Report confirms that:

- so far as they are aware, there is no relevant audit information of which the external auditor is unaware; and
- that they have taken all steps that they ought to have taken as a Director to make them aware of any relevant audit information and to establish that the external auditor is aware of that information.

### **Auditor**

Pursuant to section 485 of the Companies Act 2006, the auditor, KPMG LLP, will be reappointed and will continue in office.

The Directors' Report is approved by the Board and signed on its behalf by:

**Paul Rushton**  
Director



**Registered office**  
Waterfront  
Hammersmith Embankment  
Chancellors Road  
London  
W6 9HP  
24 July 2017

## **Statement of Directors' responsibilities in respect of the Directors' Report and the Financial Statements**

The Directors are responsible for preparing 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 period. 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 its profit or loss for that period. In preparing the Company Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 its Financial Statements comply with the Companies Act 2006. They 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.



## **Independent auditor's report to the members of TSE Global Limited**

We have audited the Financial Statements of TSE Global Limited for the period ended 31 December 2016 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement set out on page 3, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the Financial Statements**

A description of the scope of an audit of Financial Statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on Financial Statements**

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period is consistent with the Financial Statements.

Based solely on the work required to be undertaken in the course of the audit of the Financial Statements and from reading the Strategic Report and the Directors' Report :

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

*Michael Harper*

**Michael Harper** (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL

24 July 2017

## Profit and loss account and other comprehensive income

For the period ended 31 December 2016

	Note	December 2016 £	April 2016 £
<b>Turnover</b>	2	<b>151,636</b>	197,539
Administrative expenses		(101,443)	(117,211)
Separately disclosed items		(43,864)	-
<b>Operating profit</b>		<b>6,329</b>	80,328
Interest payable and similar charges	4	(73,615)	(44,872)
<b>(Loss)/profit before tax</b>	3	<b>(67,286)</b>	35,456
Tax on (loss)/profit	5	-	-
<b>(Loss)/profit and total comprehensive (loss)/income for the financial period/year</b>		<b>(67,286)</b>	35,456

All activities relate to continuing operations in the current and prior period/year.

The notes on pages 8 to 11 form an integral part of these Financial Statements.

## Balance sheet

As at 31 December 2016

		December 2016		April 2016	
	Note	£	£	£	£
<b>Current assets</b>					
Debtors	6	343,678		409,442	
Cash at bank and in hand		2,985		1,805	
		<u>346,663</u>		<u>411,247</u>	
<b>Creditors: amounts falling due within one year</b>	7	(166,910)		(164,208)	
<b>Net current assets</b>		<u>179,753</u>		<u>247,039</u>	
<b>Total assets less current liabilities</b>		<u>179,753</u>		<u>247,039</u>	
<b>Net assets</b>		<u>179,753</u>		<u>247,039</u>	
<b>Capital and reserves</b>					
Called up share capital	8	1,000		1,000	
Profit and loss account	9	178,753		246,039	
<b>Shareholders' funds</b>	10	<u>179,753</u>		<u>247,039</u>	

The notes on pages 8 to 11 form an integral part of these Financial Statements.

The Financial Statements were approved by the Board on <sup>24</sup>July 2017 and were signed on its behalf by:

**Paul Rushton**  
Director





## Statement of changes in equity

For the period ended 31 December 2016

	Called up share capital £	Profit and loss account £
<b>At 1 May 2015</b>	<b>1,000</b>	<b>210,583</b>
<b>Comprehensive income for the year</b>		
Profit for the year	-	35,456
<b>At 30 April 2016</b>	<b>1,000</b>	<b>246,039</b>
<b>Comprehensive loss for the period</b>		
Loss for the period	-	(67,286)
<b>At 31 December 2016</b>	<b>1,000</b>	<b>178,753</b>

The notes on pages 8 to 11 form an integral part of these Financial Statements.

## Notes

(forming part of the Financial Statements)

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's Financial Statements.

#### Basis of preparation

The Financial Statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules in accordance with applicable UK accounting standards, including FRS 101 'Reduced Disclosure Framework' ('FRS 101'), and comply with the requirements of the United Kingdom Companies Act 2006. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied. In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRSs'), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these Financial Statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosure:

- Cash flow statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the reclassification of items in the Financial Statements; and,
- Disclosures in respect of the compensation of key management personnel.

As the consolidated Financial Statements of the PPB Group include the equivalent disclosures, the Company has also taken advantage of the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 'Fair Value Measurement' and the disclosures required by IFRS 7 'Financial Instrument Disclosures'.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next Financial Statements.

#### Turnover

Turnover represents income charged for support services to Group undertakings. Turnover is recognised as services are provided.

#### Tax

The charge for tax is based on the result for the period and takes into account tax deferred because of timing differences between the treatment of certain items for tax and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for tax and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by IAS 12 'Income taxes'.

## Notes (continued)

### Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

### Judgements and estimates

The preparation of Financial Statements in conformity with IAS 1 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, the reported amounts of revenues and expenses. Actual results may differ from those estimates.

## 2 Turnover

	December 2016 £	April 2016 £
Turnover from Group undertakings for support services	151,636	197,539

## 3 (Loss)/profit before tax

None of the Directors received remuneration for services to the Company during the period (30 April 2016: none). The Directors' duties, as Directors of the Company, are incidental to their employment with Paddy Power Betfair Plc, the ultimate parent company.

The Company had no employees during the current period and prior year.

Audit fees have been borne by a fellow Group undertaking in the current and prior period. The audit fee payable to the Company's auditor in respect of the audit of these Financial Statements was £5,000 (30 April 2016: £5,000).

## 4 Interest payable and similar charges

	December 2016 £	April 2016 £
Intercompany interest payable	1,605	2,544
Net foreign exchange loss	72,010	43,328
	<u>73,615</u>	<u>44,872</u>

## 5 Tax on (loss)/profit

Analysis of tax charge for the period/year

	December 2016 £	April 2016 £
Total current tax	-	-

## Notes (continued)

### 5 Tax on (loss)/profit (continued)

The tax for the period is different from the standard rate of corporation tax in the UK of 20% (30 April 2016: 20%). The differences are explained below.

	December 2016 £	April 2016 £
(Loss)/profit before tax	(67,286)	35,456
Tax using the UK corporation tax rate of 20% (30 April 2016: 20%)	(13,457)	7,091
Effects of:		
Group relief surrendered/(received) for nil payment	13,457	(7,091)
Current tax	-	-

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. Any UK deferred tax assets and liabilities at 30 April 2016 have been calculated at 19%.

The UK corporation tax rate was further reduced to 17% (effective from 1 April 2020) as part of the Finance Bill 2016. This received Royal Assent on 15 September 2016. This will reduce the Company's future current tax charge accordingly.

### 6 Debtors

	December 2016 £	April 2016 £
Amounts receivable from Group undertakings	343,678	409,442

Amounts receivable from Group undertakings are unsecured, interest free and repayable on demand.

### 7 Creditors: amounts falling due within one year

	December 2016 £	April 2016 £
Accruals	192	123
Amounts payable to Group undertakings	166,718	164,085
	166,910	164,208

Amounts payable to Group undertakings are unsecured, interest bearing and repayable on demand.

**Notes** (continued)

**8 Called up share capital**

	<b>December 2016 £</b>	<b>April 2016 £</b>
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary share of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

**9 Profit and loss account**

	<b>Profit and loss account £</b>
As at 1 May 2016	246,039
Loss for the financial period	(67,286)
<b>As at 31 December 2016</b>	<u><b>178,753</b></u>

**10 Reconciliation of movements in shareholders' funds**

	<b>December 2016 £</b>	<b>April 2016 £</b>
Shareholders' funds as at 1 May	247,039	211,583
(Loss/profit) for the period/year	(67,286)	35,456
<b>Shareholders' funds as at 31 December/30 April</b>	<u><b>179,753</b></u>	<u><b>247,039</b></u>

**11 Immediate and ultimate parent company**

The immediate parent company is The Sporting Exchange Limited, a company incorporated in England and Wales.

Paddy Power Betfair plc is the ultimate parent company and is incorporated in the Republic of Ireland. Copies of the Group's Annual Report and Accounts 2016 can be obtained from:

Paddy Power Betfair plc  
Power Tower  
Belfield Office Park  
Beech Hill Road  
Clonskeagh  
Dublin 4