

COMPANY REGISTRATION NUMBER 234834

FOOTBALL POOLS 1923 LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2014

Registered Office:-
Walton House
55 Charnock Road
Liverpool
L67 1AA

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FOOTBALL POOLS 1923 LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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FOOTBALL POOLS 1923 LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2014

The Directors present their Strategic and Directors' report and the audited financial statements of the Company for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company continued to be the hiring out of plant and machinery and renting out of property.

REVIEW OF BUSINESS

The Directors consider the results for the year to be satisfactory. Future prospects are considered reasonable. There are no plans to diversify into any other activity.

The profit for the financial year, amounted to £231,000 (2013: £178,000). The Directors have not recommended a dividend (2013: £nil).

The increase in profit accounts for the increase in net assets which rose from £1,769,000 to £2,000,000 during the financial year.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Company's strategy are subject to a number of risks. These include current asset values with technological advances rendering existing assets obsolete. This risk is mitigated through ongoing review of asset condition and the likely future economic benefit that the Company will generate from their use.

The other principal risk is the continuing attrition of customers in the football pools market (which is the principal business of the immediate parent Company (The Football Pools Limited), the sole purchaser of the Company's services). The Directors are continually focused on improvements to the products offered to the market and their underlying technologies, with significant progress having been made in 2014 and further progress anticipated in 2015.

KEY PERFORMANCE INDICATORS

The Group's operations are managed on a divisional basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of Sportech PLC, which includes the Company, is discussed in the Operational and Financial Review sections of the Group's Annual Report for the year ended 31 December 2014 which does not form part of this report.

Signed on behalf of the Directors



Mr. C. W. Lynn
Director

Approved by the Directors on 18 June 2015

FOOTBALL POOLS 1923 LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2014

RESULTS AND DIVIDENDS

The profit for the financial year amounted to £231,000 (2013: £178,000). The Directors have not recommended a dividend (2013: £nil).

DIRECTORS

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

Mr. I. R. Penrose
Mr. I. C. Hogg
Mr. J. C. Baty
Mr. C. W. Lynn
Mr. C. S. Byrne

Mr. C. W. Lynn was appointed as a Director on 20 November 2014.

Mr. C. S. Byrne was appointed as a Director on 20 November 2014.

Mr. I. R. Penrose resigned as a Director on 17 October 2014.

Mr. I. C. Hogg resigned as a Director on 17 October 2014.

During the year and up to the date of the approval of the financial statements, the Directors had no interest in the share capital of the Company.

DIRECTORS' THIRD-PARTY INDEMNITY PROVISIONS

During the year, qualifying indemnity insurance was provided to the Directors. Such insurance remained in force through the year up to the date of signing the financial statements. No claim was made under this provision.

FIXED ASSETS

The changes in tangible fixed assets are set out in note 7 to the financial statements.

All these assets are held for use by other group businesses via hire charges.

GOING CONCERN

The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The Company is profitable and generates positive cash flows from its trade such that it is able to meet its working capital requirements as they fall due. However, given the Company has current liabilities at year end of £6,384,000, the Company has obtained confirmation of support from its ultimate parent for at least 12 months from the date of the financial statements such that the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

FOOTBALL POOLS 1923 LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2014

FINANCIAL RISK MANAGEMENT

The Directors manage financial risk at a Group level across the whole business. The financial risk management policies and objectives of Sportech PLC, which includes the Company, are discussed in note 24 of the Group's Annual Report for the year ended 31 December 2014 which does not form part of this report.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In so far as each Director is aware:

- there is no relevant audit information of which the Company's Auditors is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, 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 the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting 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 the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FOOTBALL POOLS 1923 LIMITED

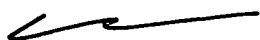
DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2014

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP have been reappointed as Auditor for the ensuing year in accordance with section 485 of the Companies Act 2006.

Signed on behalf of the Directors



Mr. C. W. Lynn
Director

Approved by the Directors on 18 June 2015

FOOTBALL POOLS 1923 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FOOTBALL POOLS 1923 LIMITED

YEAR ENDED 31 DECEMBER 2014

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of the report.

What we have audited

The financial statements, which are prepared by Football Pools 1923 Limited, comprise:

- the Balance sheet as at 31 December 2014;
- the Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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 year for which the financial statements are prepared is consistent with the financial statements.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

FOOTBALL POOLS 1923 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FOOTBALL POOLS 1923 LIMITED (continued)

YEAR ENDED 31 DECEMBER 2014

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Nigel Reynolds (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

18 June 2015

FOOTBALL POOLS 1923 LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2014

	Note	2014 £000	2013 £000
TURNOVER	2	1,706	1,525
Cost of sales		(1,487)	(1,316)
GROSS PROFIT		219	209
Administrative expenses		(3)	(3)
OPERATING PROFIT	3	216	206
Profit on disposal of fixed assets	5	56	—
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		272	206
Tax on profit on ordinary activities	6	(41)	(28)
PROFIT FOR THE FINANCIAL YEAR	12	231	178

The Company has no recognised gains or losses other than the results for the years as set out above.

All of the activities of the Company are classed as continuing.

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

The notes on pages 9 to 14 form part of these financial statements.


FOOTBALL POOLS 1923 LIMITED

BALANCE SHEET

31 DECEMBER 2014

	Note	2014 £000	2013 £000
FIXED ASSETS			
Tangible assets	7	<u>8,502</u>	<u>6,359</u>
CURRENT ASSETS			
Debtors	8	265	908
Cash at bank and in hand		—	200
		<u>265</u>	<u>1,108</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(6,384)</u>	<u>(5,574)</u>
NET CURRENT LIABILITIES		<u>(6,119)</u>	<u>(4,466)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,383</u>	<u>1,893</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	10	<u>(383)</u>	<u>(124)</u>
NET ASSETS		<u>2,000</u>	<u>1,769</u>
CAPITAL AND RESERVES			
Called up share capital	11	2,000	2,000
Profit and loss account	12	—	(231)
TOTAL SHAREHOLDER'S FUNDS	13	<u>2,000</u>	<u>1,769</u>

These financial statements on pages 7 to 14 were approved by the Directors and authorised for issue on 18 June 2015, and are signed on their behalf by:



Mr. C. W. Lynn
Director

Company Registration Number: 234834

The notes on pages 9 to 14 form part of these financial statements.

FOOTBALL POOLS 1923 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared on the going concern basis in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. A summary of the more important group accounting policies, which have been applied consistently, are set out below.

GOING CONCERN

The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The Company is profitable and generates positive cash flows from its trade such that it is able to meet its working capital requirements as they fall due. However, given the Company has current liabilities at year end of £6,384,000, the Company has obtained confirmation of support from its ultimate parent for at least 12 months from the date of the financial statements such that the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

BASIS OF ACCOUNTING

The financial statements are prepared on the historical cost basis of accounting. The Company's account reference date is 31 December. Consistent with the normal monthly reporting process, the actual date to which the balance sheet has been drawn up is to 4 January 2015 (2013: 5 January 2014). For ease of reference in these financial statements all references to the results for the year are to 31 December 2014 and the financial position at 31 December 2014.

CASH FLOW STATEMENT

The Company is a wholly owned subsidiary of Sportech PLC, a Company registered in the UK, and the cash flows of the Company are included in the publicly available consolidated cash flow statement of that Company. Consequently, the Company is exempt under the terms of FRS 1 "Cash Flow Statements (revised 1996)" from publishing a cash flow statement.

TURNOVER

The Company purchases assets on behalf of the Group and hires them out over their useful lives. The hire charge value is the depreciation charge for the financial year with a market value mark-up. This is recognised as income by the Company over the term of the charge. Once the asset has fully depreciated it is retained by the Company. No turnover is earned by the Company in hiring out fully depreciated assets.

FIXED ASSETS

All fixed assets are initially recorded at cost, and depreciation is charged from the date the asset comes into use.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

FOOTBALL POOLS 1923 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES *(continued)*

Land	- not depreciated
Buildings	- 10.0%
Assets in the course of construction	- not depreciated
Fixtures, Fittings and Equipment	- 10.0% - 33.3%

ASSETS IN THE COURSE OF CONSTRUCTION

Depreciation charges are only applied when an asset has come into use. Assets in the course of construction, therefore, are not depreciated.

IMPAIRMENT OF FIXED ASSETS

Fixed assets are subject to review for impairment in accordance with FRS11, "Impairment of Fixed Assets and Goodwill". Any impairment would be recognised in the profit and loss account in the year in which it occurs.

CURRENT AND DEFERRED TAXATION

Corporation tax payable is provided on taxable profits at the applicable weighted average rate during the year (21.5%).

Deferred tax is provided in full on all timing differences, which result in either an obligation at the balance sheet date to pay more tax or a right to pay less tax. Deferred tax assets are only recognised to the extent that it is more likely than not they will crystallise, and are not discounted.

INTER COMPANY DEBTORS & CREDITORS

Intercompany balances are unsecured. Amounts owed by/owed to Group undertakings are non-interest bearing, unsecured and do not have a fixed repayment date although they are payable on demand.

RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Sportech PLC, whose financial statements are publicly available. Accordingly no transactions with other Sportech group members are disclosed. There were no other related party transactions in the year.

FOOTBALL POOLS 1923 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the Company.
An analysis of turnover is given below:

	2014	2013
	£000	£000
United Kingdom	<u>1,706</u>	<u>1,525</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2014	2013
	£000	£000
Depreciation of owned fixed assets	1,487	1,303
Depreciation of assets held under hire purchase agreements	—	13
Auditors' remuneration		
- as auditor	<u>3</u>	<u>3</u>

4. PARTICULARS OF EMPLOYEES

The company has no employees (2013: nil). The Directors' remuneration is borne by Group companies and no recharges of remuneration have been borne by the Company.

5. PROFIT ON DISPOSAL OF FIXED ASSETS

	2014	2013
	£000	£000
Profit on disposal of fixed assets	<u>56</u>	<u>—</u>

FOOTBALL POOLS 1923 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014 £000	2013 £000
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	(448)	(231)
Adjustments in respect of prior years	230	(5)
Total current tax credit	(218)	(236)
Deferred tax:		
Origination and reversal of timing differences (note 10)		
Capital allowances	471	247
Effect of changed tax rate on opening balance	-	17
Adjustments in respect of prior years	(212)	-
Total deferred tax (note 10)	259	264
Tax on profit on ordinary activities	41	28

(b) Factors affecting current tax credit

The tax assessed on the profit on ordinary activities for the year is lower than (2013: lower than) the standard rate of corporation tax in the UK of 21.50% (2013 - 23.25%).

	2014 £000	2013 £000
Profit on ordinary activities before taxation	272	206
Profit on ordinary activities by rate of tax	58	48
Expenses not deductible for tax purposes	-	(1)
Adjustments in respect of prior years	230	(5)
Origination and reversal of timing differences	(506)	(278)
Total current tax credit (note 6(a))	(218)	(236)

(c) Factors that may affect future tax charges

As the Company's year end is after the substantive enactment date (2 July 2013) of the Finance Act 2013 and after the substantive enactment date of the March 2013 UK Budget Statement changes, these financial statements account for the change in UK corporation tax rate from 23% to 21% with effect from 1 April 2014 and the change in tax rate from 21% to 20% with effect from 1 April 2015. Therefore the rate at which deferred tax is calculated has changed. Deferred tax in the UK is provided at a blended rate of 20.25% or at 20%, depending on when the deferred tax is expected to unwind.

These rate changes will reduce the Company's future current and deferred tax charge accordingly.

FOOTBALL POOLS 1923 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

7. TANGIBLE FIXED ASSETS

	Land and buildings £000	Assets in the course of construction £000	Fixtures, fittings and equipment £000	Total £000
COST				
At 1 January 2014	2,474	464	19,440	22,378
Additions	—	3,630	—	3,630
Disposals	—	—	(793)	(793)
Transfers	—	(2,363)	2,363	—
At 31 December 2014	2,474	1,731	21,010	25,215
DEPRECIATION				
At 1 January 2014	1,989	—	14,030	16,019
Charge for the year	84	—	1,403	1,487
On disposals	—	—	(793)	(793)
At 31 December 2014	2,073	—	14,640	16,713
NET BOOK VALUE				
At 31 December 2014	401	1,731	6,370	8,502
At 31 December 2013	485	464	5,410	6,359

Amounts included within tangible fixed assets which are held under finance lease at year end is £nil (2013: £13,000).

8. DEBTORS

	2014 £000	2013 £000
Trade debtors	12	—
Amounts owed by Group undertakings	249	895
VAT recoverable	4	13
	265	908

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £000	2013 £000
Bank loans and overdrafts	164	—
Trade creditors	445	394
Amounts owed to group undertakings	5,408	5,029
Accruals and deferred income	367	151
	6,384	5,574

FOOTBALL POOLS 1923 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

10. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2014	2013
	£000	£000
Provision brought forward	124	(140)
Profit and loss account movement arising during the year	259	264
Provision carried forward	<u>383</u>	<u>124</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2014	2013
	£000	£000
Excess of taxation allowances over depreciation on fixed assets	383	124
	<u>383</u>	<u>124</u>

11. CALLED UP SHARE CAPITAL

Allotted, called up and fully paid:

	2014	2013
	£	£
2,000,000 (2013: 2,000,000) ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>

12. PROFIT AND LOSS ACCOUNT

	2014	2013
	£000	£000
Balance brought forward	(231)	(409)
Profit for the financial year	231	178
Balance carried forward	<u>—</u>	<u>(231)</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2014	2013
	£000	£000
Profit for the financial year	231	178
Opening shareholder's funds	<u>1,769</u>	<u>1,591</u>
Closing shareholder's funds	<u>2,000</u>	<u>1,769</u>

14. ULTIMATE PARENT COMPANY

The immediate parent undertaking is The Football Pools Limited, incorporated in Great Britain.

The ultimate parent undertaking and controlling party is Sportech PLC, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. The Directors regard Sportech PLC as the ultimate controlling party. Copies of Sportech PLC consolidated financial statements can be obtained from the Company's Secretary at Walton House, Charnock Road, Liverpool, L67 1AA.