

REGISTERED NUMBER: 00234834 (England and Wales)

**FOOTBALL POOLS 1923 LIMITED**

**Strategic Report, Report of the Directors and**

**Financial Statements for the Year Ended 31 December 2021**



BDO LLP  
55 Baker Street  
London  
W1U 7EU

**FOOTBALL POOLS 1923 LIMITED**

**Contents of the Financial Statements**  
**for the Year Ended 31 December 2021**

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	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>4</b>
<b>Statement of Directors' Responsibilities</b>	<b>6</b>
<b>Independent Auditors Report</b>	<b>7</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>	<b>11</b>
<b>Statement of Financial Position</b>	<b>12</b>
<b>Statement of Changes in Equity</b>	<b>13</b>
<b>Notes to the Financial Statements</b>	<b>14</b>

**FOOTBALL POOLS 1923 LIMITED**

**Company Information**  
**for the Year Ended 31 December 2021**

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**DIRECTORS:**

Mr C W Lynn  
Mr D T Lloyd

**SECRETARY:**

Mr P Curtis

**REGISTERED OFFICE:**

Walton House  
55 Charnock Road  
Liverpool  
L67 1AA

**REGISTERED NUMBER:**

00234834 (England and Wales)

**AUDITORS:**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

**FOOTBALL POOLS 1923 LIMITED**  
**Strategic Report**  
**for the Year Ended 31 December 2021**

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The directors present their strategic report for the year ended 31 December 2021.

**PRINCIPAL ACTIVITIES**

The principal activities of the Company is the hiring out of plant and machinery and renting out of property.

**REVIEW OF BUSINESS**

The financial results for the Company reflect the operation of Football Pools 1923 Limited for the year ended 31st December 2021.

During the year the Company has continued to invest in and upgrade the technology suite within the business.

The profit for the financial year amounted to £105,000 (2020: £74,000). The directors do not propose a dividend for the financial year end December 2021 (2020: £nil). The company had cash balances of £763,000 at the end of 2021 (2020: £1,615,000).

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Board has reviewed the risks associated with its activities, and continues to do so, and ensures that appropriate systems and controls are in place to mitigate the occurrence and impact of such risks.

The most significant risks which the Company faces are:

**Cash flow interest rate risk:**

The Company has no significant interest-bearing assets. The Company's income and cash flows are substantially independent of changes in market interest rates.

**Liquidity risk:**

Cash flow forecasting is performed on a weekly basis. This weekly forecasting recognises committed short-term payables of the Company which are monitored and managed through regular discussions with suppliers. The Finance department along with the Directors monitors rolling forecasts of the Company's liquidity requirements to ensure each company has sufficient cash to meet its operational needs.

**Technology:**

The Board ensure that the risk posed by technology is mitigated where possible. It does so by continuing to invest heavily in technology within the Company. Insurance cover is obtained to mitigate the cost of business interruption.

**Maintaining financial resilience**

Due to the nature of the Group's subscriber model and the resilience and liquidity of its operations, the Company has strong cash reserves.

During the period the Group agreed with its lenders, a reset of the March 2022 covenants and also agreed to appoint a professional advisor to facilitate the refinancing of the outstanding debt, which is due when the loan matures in June 2022. Consequently, the Group appointed an advisor during the period to assist with the exit of the current lenders and the refinancing of the debt. This process completed on 26<sup>th</sup> July 2022 with the agreement of a new facility for £9,000k with Hof I Fih S.A.R.L (Hoplion Investment Partners "Hoplion"). As part of the process the shareholders injected a further £6,500k of equity into the Group,

## **FOOTBALL POOLS 1923 LIMITED**

### **Strategic Report** **for the Year Ended 31 December 2021**

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#### **Brexit:**

The UK left the EU on 31 January 2020 and operated under a transition period whilst it negotiated a trade deal with the EU, which was concluded and commenced on January 1 2021.

The Board has undertaken a review to consider the various possible outcomes of the trade negotiations and their potential impact on the Group. The review considered all areas of business such as customers, suppliers, regulation and employees and concluded that as UK based business with few overseas customers and no overseas operations, Brexit, whatever the outcome, will have a minimal impact on the Group.

#### **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 FP TopCo Limited, which includes the Company, is discussed in the Group's Annual Report for the year ended 31 December 2021 which does not form part of this report.

#### **FUTURE DEVELOPMENTS**

The Company will continue to invest in the business. The focus will be on continued Investment in the Group's IT infrastructure as well as refurbishment of the Group's Head Office.

#### **ON BEHALF OF THE BOARD:**



Mr C W Lynn - Director

Date: 28 September 2022

## **FOOTBALL POOLS 1923 LIMITED**

### **Report of the Directors** **for the Year Ended 31 December 2021**

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The Directors present their Directors' report and the audited financial statements of the Company for the financial year ended 31 December 2021.

#### **RESULTS**

The profit for the financial year amounted to £105,000 (2020: £74,000).

#### **DIVIDENDS**

The Directors do not propose a dividend for the financial year ended 31 December 2021 (2020: £nil).

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

Mr C W Lynn

Mr D T Lloyd

#### **DIRECTORS' THIRD-PARTY INDEMNITY PROVISIONS**

During the period and up to the date of approval of the financial statements, qualifying indemnity insurance was provided to the Directors of the company and also all Directors within the FP TopCo Group. No Claim was made under the provision.

#### **GOING CONCERN**

The Company is a subsidiary of FP TopCo group ("the Group"). The directors of the Group have considered the going concern position of each company within the Group and of the Group as a whole. The viability of the company cannot therefore, be considered in isolation from the Group.

The Directors have performed an assessment of going concern, including a review of the Group's current cash position and available working capital, financial forecasts for 2021 and 2022, and the ability to adhere to the covenants contained within the Group's financing agreements.

Since the balance sheet date, the Group has successfully renegotiated its debt facilities, paying down £18,158k of outstanding debt to CVC Credit Partners Investment Management Limited ("CVC") and National Westminster Bank PLC ("Nat West") and agreeing a new facility for £9,000k with Hof I Fih S.A.R.L (Hoplon Investment Partners "Hoplon"). As part of the process, the shareholders also injected a further £6,500k of equity into the Group.

The Group's forecasts demonstrate that following the new agreement the Group can comfortably operate within the level of its current facilities, meet term loan repayments as they fall due and comply with its banking covenant measures. It is on this basis that the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements. The Group is a profitable, cash generative business. EBITDA was £6,445k (2020: £7,057k and has cash balances of £5,520k (2020: £6,501k). From this ongoing trade the Group has sufficient access to cash to meet any working capital commitments as they fall due. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

## **FOOTBALL POOLS 1923 LIMITED**

### **Report of the Directors** **for the Year Ended 31 December 2021**

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#### **POST BALANCE SHEET EVENTS**

On the 26 July 2022 the Group successfully renegotiated the refinancing of its debt facilities, replacing £18,158k of debt owed to CVC and Nat West, with £9,000k of new debt with Hoplon and shareholders also injected a further £6,500k of equity into the Group.

On 1 January 2022 the Group transitioned from LIBOR to SONIA The Group risk management strategy has not changed as a result of LIBOR reform and the Group considers the impact of LIBOR reform to be immaterial to the Group's financial statements

#### **MATTERS INCLUDED IN THE STRATEGIC REPORT**

In accordance with s414(C)(11) of the Companies Act, included in the Strategic Report is information relating to financial risk management and future developments which would otherwise be required by Schedule 7 of the 'large and medium sized companies and groups (accounts and reports) regulation 2008' to be contained in a report of the directors.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **APPROVED AND AUTHORISED ON BEHALF OF THE BOARD:**



Mr C W Lynn - Director  
Date: 28 September 2022

## **FOOTBALL POOLS 1923 LIMITED**

### **Statement of Directors' Responsibilities** **for the Year Ended 31 December 2021**

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The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under company law, the directors must not approve the accounts 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 the parent company 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; 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**

### **Independent auditor's report to the members of Football Pools 1923 Limited**

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#### **Opinion on the 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 2021 and of the Company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Football Pools 1923 Limited for the year ended 31 December 2021 which comprise the company profit and loss, the company balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework".

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Independence***

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## **FOOTBALL POOLS 1923 LIMITED**

### **Independent auditor's report to the members of Football Pools 1923 Limited**

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#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' responsibilities the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **FOOTBALL POOLS 1923 LIMITED**

### **Independent auditor's report to the members of Football Pools 1923 Limited**

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#### **Auditor's responsibilities for the audit of the financial statements**

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we considered the following:

- the nature of the industry, control environment and business performance
- whether there was any instances of non-compliance with specific laws and regulations including compliance with Companies Act 2006 requirements and regulations as dictated by UK tax laws.
- the results of our enquiries of management and the board about their own identification of the risk of irregularities;
- any matters we identified through the review of the Company's documentation of their policies and procedures; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management and the directors to understand where they considered there was a susceptibility to fraud. Our audit planning identified fraud risks in relation to management override.

Our procedures included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- identification and testing journal entries, in particular focussing on unusual journal entries such as unusual account combinations, unusual journal amounts, journals posted outside of normal working hours and journals posted by unexpected users;
- enquiries with management and the board as to their compliance of any actual or suspected non-compliance with laws and regulations and fraud;
- review of minutes of Board meetings throughout the year to identify any instances of non compliance with laws and regulations or fraud;
- review of correspondence between the Company and the regulatory bodies;
- review of tax compliance and involvement of our tax experts in the audit;
- We obtained an understanding of the processes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors that processes and controls
- Challenged management on their journals raised and as a result, their assumptions and judgements in respect of significant accounting estimates and judgements, specifically in relation to the carrying value of investments in subsidiaries and amounts owed by group undertakings as highlighted as a key audit matter above

## **FOOTBALL POOLS 1923 LIMITED**

### **Independent auditor's report to the members of Football Pools 1923 Limited**

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#### **Auditor's responsibilities for the audit of the financial statements - continued**

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Parent 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 Parent 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Kieran Storan*

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Kieran Storan (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

London, UK

Date

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

28 September 2022

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**FOOTBALL POOLS 1923 LIMITED**

**Statement of Profit or Loss and Other Comprehensive Income**  
**for the Year Ended 31 December 2021**

	Notes	2021 £'000	2020 £'000
<b>TURNOVER</b>	4	1,231	1,302
Cost of sales		<u>(1,047)</u>	<u>(1,113)</u>
<b>GROSS PROFIT</b>		184	189
Administrative expenses		<u>(8)</u>	<u>(3)</u>
<b>OPERATING PROFIT</b>		176	186
Interest receivable and similar income		<u>-</u>	<u>3</u>
<b>PROFIT BEFORE TAXATION</b>	6	176	189
Tax on profit	7	<u>(71)</u>	<u>(115)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		105	74
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>105</u>	<u>74</u>

All activity is derived wholly from continuing operations.

No separate statement of other comprehensive income has been presented.

The notes form part of these financial statements

**FOOTBALL POOLS 1923 LIMITED (REGISTERED NUMBER: 00234834)**

**Statement of Financial Position**  
**31 December 2021**

	Notes	2021 £'000	2020 £'000
<b>FIXED ASSETS</b>			
Intangible assets	8	2,757	3,282
Tangible assets	9	475	592
Investment property	10	<u>343</u>	<u>357</u>
		<b><u>3,575</u></b>	<b><u>4,231</u></b>
 <b>CURRENT ASSETS</b>			
Trade and other receivables	12	1,861	390
Cash and cash equivalents	13	<u>763</u>	<u>1,615</u>
		<b>2,624</b>	<b>2,005</b>
<b>CREDITORS</b>			
Amounts falling due within one year	14	<u>(165)</u>	<u>(273)</u>
<b>NET CURRENT ASSETS</b>		<b><u>2,459</u></b>	<b><u>1,732</u></b>
 <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>6,034</b>	<b>5,963</b>
 <b>DEFERRED TAX</b>	15	<u>(19)</u>	<u>(53)</u>
<b>NET ASSETS</b>		<b><u>6,015</u></b>	<b><u>5,910</u></b>
 <b>CAPITAL AND RESERVES</b>			
Called up share capital	16	2,000	2,000
Retained earnings	17	<u>4,015</u>	<u>3,910</u>
<b>SHAREHOLDERS' FUNDS</b>		<b><u>6,015</u></b>	<b><u>5,910</u></b>

The financial statements were approved by the Board of Directors and authorised for issue on 28 September 2022 and were signed on its behalf by:



Mr C W Lynn - Director

The notes form part of these financial statements

**FOOTBALL POOLS 1923 LIMITED**

**Statement of Changes in Equity**  
**for the Year Ended 31 December 2021**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 January 2020</b>	2,000	3,836	5,836
<b>Changes in equity</b>			
Total comprehensive income	-	74	74
<b>Balance at 31 December 2020</b>	2,000	3,910	5,910
<b>Changes in equity</b>			
Total comprehensive income	-	105	105
<b>Balance at 31 December 2021</b>	2,000	4,015	6,015

The following describes the nature and purpose of each reserve within equity:

Share capital represents the nominal value of equity shares issued.

Retained earnings represents cumulative profit/(loss) and any other items of other comprehensive income.

The notes form part of these financial statements

## **FOOTBALL POOLS 1923 LIMITED**

### **Notes to the Financial Statements** **for the Year Ended 31 December 2021**

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#### **1. STATUTORY INFORMATION**

Football Pools 1923 Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 3.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

#### **2. ACCOUNTING POLICIES**

##### **BASIS OF PREPARATION**

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Company's account reference date is 31 December. The actual date to which the statement of financial position has been drawn up is 2 January 2022 (2020: 3 January 2021). For ease of reference all references to the results for the year, are to 2 January 2022 (2020: 3 January 2021).

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'

##### **OTHER CHANGES**

##### **Standards adopted during the year ended 31 December 2021**

No new standards were adopted in 2021, as they cover areas that are not material and/or relevant to the Company.

## **FOOTBALL POOLS 1923 LIMITED**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2021**

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#### **2. ACCOUNTING POLICIES - continued**

##### **Standards in issue but not effective**

At the date of authorisation of the Company's financial statements, the following Standards, amendments and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

IFRS 17	Insurance contracts
Amendments to IFRS 3	Reference to the conceptual framework
Amendments to IAS 1	Disclosure of accounting policies
Amendments to IAS 1	Classification of liabilities as current or non-current
Amendments to IAS 8	Definition of accounting estimates
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction
Amendments to IAS 16	Proceeds before intended use
Amendments to IAS 37	Onerous contracts – costs of fulfilling a contract
Annual improvements to IFRS 2018-2020	

The Company is currently assessing the impact of the above changes, but they are not expected to have a material impact. The Group has not adopted any other standard, amendment or interpretation that has been issued but is not yet effective.

##### **GOING CONCERN**

The Company is a subsidiary of the FP TopCo group ("the Group"). The directors of the Group have considered the going concern position of each company within the Group and of the Group as a whole. The viability of the company cannot therefore, be considered in isolation from the Group.

The Directors have performed an assessment of going concern, including a review of the Group's current cash position and available working capital, financial forecasts for 2021 and 2022, and the ability to adhere to the covenants contained within the Group's financing agreements.

Since the balance sheet date, the Group has successfully renegotiated its debt facilities, paying down £18,158k of outstanding debt to CVC Credit Partners Investment Management Limited ("CVC") and National Westminster Bank PLC ("Nat West") and agreeing a new facility for £9,000k with Hof I Fih S.A.R.L (Hoplon Investment Partners "Hoplon"). As part of the process, the shareholders also injected a further £6,500k of equity into the Group.

The Group's forecasts demonstrate that following the new agreement the Group can comfortably operate within the level of its current facilities, meet term loan repayments as they fall due and comply with its banking covenant measures. It is on this basis that the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements. The Group is a profitable, cash generative business. EBITDA was £6,445k (2020: £7,057k and has cash balances of £5,520k (2020: £6,501k). From this ongoing trade the Group has sufficient access to cash to meet any working capital commitments as they fall due. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

## **FOOTBALL POOLS 1923 LIMITED**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2021**

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#### **2. ACCOUNTING POLICIES – continued**

##### **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.

The Company also leases out property to its parent, The Football Pools Limited, which the latter uses as its head office. Lease income is earned equally throughout the year.

##### **IMPAIRMENT OF INTANGIBLE AND TANGIBLE FIXED ASSETS**

At each balance sheet date, the Company reviews the carrying amounts of intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## **FOOTBALL POOLS 1923 LIMITED**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2021**

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#### **2. ACCOUNTING POLICIES - continued**

##### **INTANGIBLE FIXED ASSETS**

Intangible assets are amortised on a straight-line basis over their economically useful lives at the following annual rates:

Assets in the course of construction	<b>Not depreciated</b>
Software	<b>20.0% to 50.0%</b>

##### **TANGIBLE FIXED ASSETS**

Tangible fixed assets are depreciated on a straight-line basis over their economically useful lives at the following annual rates:

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

##### **INVESTMENT PROPERTY**

Investment property is stated at cost, less amounts written off where impairments have been charged to the income statement. Where impairment indicators arise, reviews are performed comparing the assets value-in-use (represented by discounted future cash flows) to its book value. Investment property consists of land and buildings and depreciation, where applied, is on a straight line basis. Investment property is depreciated at the following rates:

Land	- not depreciated
Buildings	- 10.0%

##### **TAXATION**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

The current income tax charge is calculated on the basis of UK tax law enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Tax is recognised in the Statement of Profit or Loss and Other Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## **FOOTBALL POOLS 1923 LIMITED**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2021**

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#### **2. ACCOUNTING POLICIES - continued**

##### **TAXATION - continued**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and other comprehensive income. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised

##### **RELATED PARTIES**

The Company has taken advantage of the exemption under FRS 101 in respect of transactions with related parties, on the grounds that it is a wholly owned subsidiary of a group headed by FP TopCo Limited, whose financial statements are publicly available. Accordingly no transactions with other FP TopCo Limited group members are disclosed. There were no other related party transactions in the year.

##### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents shown on the balance sheet represent cash in hand, cash in vaults and cash held in current accounts. Bank overdrafts are shown within current liabilities.

##### **TRADE PAYABLES**

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

##### **INTERCOMPANY DEBTORS & CREDITORS**

Intercompany balances are unsecured. No interest is charged on the amounts outstanding and there is no specified repayment date although they are repayable on demand.

Impairment provisions for Intercompany receivables and Intercompany loans are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised

## **FOOTBALL POOLS 1923 LIMITED**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2021**

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#### **3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. 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 if the the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

##### **Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below;

##### **Carrying value of tangible and intangible assets**

To determine the carrying value of tangible and intangible assets, management have considered the business stream which the assets relate to and their ongoing usefulness. All assets are hired out to The Football Pools Limited on an arms length basis and is based on either the assets' depreciation or amortisation charges plus and agreed mark-up.

Management reviews assets to see where indicators of impairment exist. Impairment reviews are performed with reference to the value in use of specific assets. Any shortfall between the value in use of an asset and its book value is recognised as an impairment within administrative expenses in the statement of profit or loss and other comprehensive income. Software is particularly vulnerable to impairments because of the rapid pace of change in the digital and technology sectors.

##### **Critical judgements in applying the Company's accounting policies**

No critical judgements exist for the Company.

#### **4. TURNOVER**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Equipment and leasing income	<b>1,131</b>	1,202
Property rental income	<b>100</b>	100
	<b><u>1,231</u></b>	<b><u>1,302</u></b>

All revenues are derived from the Company's primary business activities of hiring out of plant and machinery and the rental of property to other group entities.

**FOOTBALL POOLS 1923 LIMITED**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2021**

**5. EMPLOYEES AND DIRECTORS**

The company has no employees (2020: nil).

The Directors' remuneration is borne by The Football Pools Limited and is not recharged as management believe that the proportion of remuneration to be allocated to Football Pools 1923 Limited is negligible.

**6. PROFIT BEFORE TAX ON PROFIT**

The profit before tax on profit is stated after charging:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Depreciation - owned assets	188	226
Loss on disposal of tangible assets	2	-
Software amortisation	842	871
Fees payable to the Company's auditor for audit services	<u>5</u>	<u>5</u>

**7. TAX ON (LOSS)/PROFIT**

**Analysis of tax expense**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Current tax:		
Tax	73	20
Adjustments in respect of prior years	<u>32</u>	<u>20</u>
Total current tax	<u>105</u>	<u>40</u>
Deferred tax:		
Deferred tax	(34)	20
Adjustments in respect of prior years	<u>-</u>	<u>55</u>
Total deferred tax	<u>(34)</u>	<u>75</u>
Total tax expense in statement of profit or loss and other comprehensive income	<u>71</u>	<u>115</u>

**FOOTBALL POOLS 1923 LIMITED**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2021**

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**7. TAX ON (LOSS)/PROFIT - continued**

**FACTORS AFFECTING THE TAX EXPENSE**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK.  
The difference is explained below:

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Profit before income tax	<u>176</u>	<u>189</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	33	36
Effects of:		
Changes in tax rates	6	4
Adjustments in respect of prior years	<u>32</u>	<u>75</u>
Tax expense	<u>71</u>	<u>115</u>

**Factors that may affect future tax charges**

A change to the main UK corporation tax rate announced in the budget on 3 March 2021, was substantively enacted on 24 May 2021. The rate applicable from 1 April 2023 will increase from 19% to 25%.

**FOOTBALL POOLS 1923 LIMITED**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2021**

**8. INTANGIBLE ASSETS**

<b>2021</b>	<b>Assets under course of construction £'000</b>	<b>Software £'000</b>	<b>Totals £'000</b>
<b>COST</b>			
At 1 January 2021	293	22,651	22,944
Additions	317	-	317
Disposals	-	(5,677)	(5,677)
Reclassification/transfer	(309)	309	-
At 31 December 2021	<u>301</u>	<u>17,283</u>	<u>17,584</u>
<b>AMORTISATION</b>			
At 1 January 2021	-	19,662	19,662
Amortisation for year	-	842	842
Disposals	-	(5,677)	(5,677)
At 31 December 2021	<u>-</u>	<u>14,827</u>	<u>14,827</u>
<b>NET BOOK VALUE</b>			
At 31 December 2021	<u>301</u>	<u>2,456</u>	<u>2,757</u>
At 31 December 2020	<u>293</u>	<u>2,989</u>	<u>3,282</u>

**FOOTBALL POOLS 1923 LIMITED**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2021**

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**8. INTANGIBLE ASSETS - continued**

<b>2020</b>	<b>Assets under course of construction £'000</b>	<b>Software £'000</b>	<b>Totals £'000</b>
<b>COST</b>			
At 1 January 2020	473	22,281	22,754
Additions	190	-	190
Reclassification/transfer	(370)	370	-
At 31 December 2020	293	22,651	22,944
<b>AMORTISATION</b>			
At 1 January 2020	-	18,791	18,791
Amortisation for year	-	871	871
At 31 December 2020	-	19,662	19,662
<b>NET BOOK VALUE</b>			
At 31 December 2020	293	2,989	3,282
At 31 December 2019	473	3,490	3,963

Assets are reviewed for impairment where indicators of impairment exist. Impairment reviews are performed with reference to the value in use of specific assets. Any shortfall between the value in use of an asset and its book value is recognised as an impairment within administrative expenses in the income statement.

There is a fixed and floating charge over all present and future assets of Football Pools 1923 Limited.

**FOOTBALL POOLS 1923 LIMITED**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2021**

**9. TANGIBLE ASSETS**

<b>2021</b>	<b>Assets under course of construction £'000</b>	<b>Plant and machinery £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Totals £'000</b>
<b>COST</b>				
At 1 January 2021	71	1,752	285	2,108
Additions	73	-	-	73
Disposals	-	(97)	(2)	(99)
Reclassification/transfer	(136)	65	71	-
At 31 December 2021	8	1,720	354	2,082
<b>DEPRECIATION</b>				
At 1 January 2021	-	1,402	114	1,516
Charge for year	-	158	30	188
Disposals	-	(97)	-	(97)
At 31 December 2021	-	1,463	144	1,607
<b>NET BOOK VALUE</b>				
At 31 December 2021	8	257	210	475
At 31 December 2020	71	350	171	592

**FOOTBALL POOLS 1923 LIMITED**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2021**

**9. TANGIBLE ASSETS - continued**

<b>2020</b>	<b>Assets under course of construction £'000</b>	<b>Plant and machinery £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Totals £'000</b>
<b>COST</b>				
At 1 January 2020	143	1,565	259	1,967
Additions	141	-	-	141
Reclassification/transfer	<u>(213)</u>	<u>187</u>	<u>26</u>	<u>-</u>
At 31 December 2020	<u>71</u>	<u>1,752</u>	<u>285</u>	<u>2,108</u>
<b>DEPRECIATION</b>				
At 1 January 2020	-	1,203	87	1,290
Charge for year	<u>-</u>	<u>199</u>	<u>27</u>	<u>226</u>
At 31 December 2020	<u>-</u>	<u>1,402</u>	<u>114</u>	<u>1,516</u>
<b>NET BOOK VALUE</b>				
At 31 December 2020	<u>71</u>	<u>350</u>	<u>171</u>	<u>592</u>
At 31 December 2019	<u>143</u>	<u>362</u>	<u>172</u>	<u>677</u>

Assets are reviewed for impairment where indicators of impairment exist. Impairment reviews are performed with reference to the value in use of specific assets. Any shortfall between the value in use of an asset and its book value is recognised as an impairment within administrative expenses in the income statement.

There is a fixed and floating charge over all present and future assets of Football Pools 1923 Limited.

**FOOTBALL POOLS 1923 LIMITED**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2021**

**10. INVESTMENT PROPERTY**

<b>2021</b>	<b>Assets under course of construction £'000</b>	<b>Investment property £'000</b>	<b>Totals £'000</b>
<b>COST</b>			
At 1 January 2021	28	2,483	2,511
Additions	3	-	3
Reclassifications	<u>(31)</u>	<u>31</u>	<u>-</u>
At 31 December 2021	<u>-</u>	<u>2,514</u>	<u>2,514</u>
<b>AMORTISATION</b>			
At 1 January 2021	-	2,154	2,154
Amortisation for year	<u>-</u>	<u>17</u>	<u>17</u>
At 31 December 2021	<u>-</u>	<u>2,171</u>	<u>2,171</u>
<b>NET BOOK VALUE</b>			
At 31 December 2021	<u>-</u>	<u>343</u>	<u>343</u>
At 31 December 2020	<u>28</u>	<u>329</u>	<u>357</u>
 <b>2020</b>			
	<b>Assets under course of construction £'000</b>	<b>Investment property £'000</b>	<b>Totals £'000</b>
<b>COST</b>			
At 1 January 2020	29	2,483	2,512
Additions	<u>(1)</u>	<u>-</u>	<u>(1)</u>
At 31 December 2020	<u>28</u>	<u>2,483</u>	<u>2,511</u>
<b>AMORTISATION</b>			
At 1 January 2020	-	2,139	2,139
Amortisation for year	<u>-</u>	<u>15</u>	<u>15</u>
At 31 December 2020	<u>-</u>	<u>2,154</u>	<u>2,154</u>
<b>NET BOOK VALUE</b>			
At 31 December 2020	<u>28</u>	<u>329</u>	<u>357</u>
At 31 December 2019	<u>29</u>	<u>344</u>	<u>373</u>

**FOOTBALL POOLS 1923 LIMITED**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2021**

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**10. INVESTMENT PROPERTY - continued**

Investment property consists of land and office buildings. Investment property has been valued at historic cost rather than fair value. The fair value of the property is estimated to be £340,000 valuation was done in 2017 prior to a refurbishment of the building and is based on an estimation provided by independent property consultants and not a formal valuation from a qualified independent valuer. This compares to the historic cost valuation of £343,000 (2020: £357,000) disclosed above.

**11. OPERATING LEASE ARRANGEMENTS**

**The Company as lessor**

As set out in note 4, property income earned during the year was £100K. The property is expected to generate rental yields of 4.2% on an ongoing basis. The property has a committed tenant for the next 12 months. The lease does not have an option to purchase the property at the expiry of the lease period.

At the balance sheet date, the Company had contracted with tenants for the following future minimum lease payments:

	2021 £'000	2020 £'000
Within one year	<u>100</u>	<u>100</u>
	<u><u>100</u></u>	<u><u>100</u></u>

**12. DEBTORS**

	2021 £'000	2020 £'000
Amounts owed by group undertakings	<u>1,861</u>	<u>390</u>

**13. CASH AND CASH EQUIVALENTS**

	2021 £'000	2020 £'000
At 31 December	<u>763</u>	<u>1,615</u>

The fair value of cash and cash equivalents is not considered to be different from the carrying value recorded in the financial statements of the Company.

**FOOTBALL POOLS 1923 LIMITED**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	41	69
Corporation tax	-	49
VAT	73	117
Accruals and deferred income	<u>51</u>	<u>38</u>
	<u><b>165</b></u>	<u><b>273</b></u>

**15. DEFERRED TAX**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Deferred tax		
Depreciation in excess of capital allowances	<u>19</u>	<u>53</u>
	<u><b>19</b></u>	<u><b>53</b></u>

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Balance at 1 January	53	(22)
(credit)/charge to income statement during year	<u>(34)</u>	<u>75</u>
Balance at 31 December	<u><b>19</b></u>	<u><b>53</b></u>

**16. CALLED UP SHARE CAPITAL**

**Allotted, issued and fully paid:**

<b>Number:</b>	<b>Class:</b>	<b>Nominal value:</b>	<b>2021</b>	<b>2020</b>
			<b>£'000</b>	<b>£'000</b>
2,000,000	Ordinary shares	£1	<u><b>2,000</b></u>	<u><b>2,000</b></u>

**17. RESERVES**

	<b>Retained earnings £'000</b>
At 1 January 2021	3,910
Profit for the year	<u>105</u>
At 31 December 2021	<u><b>4,015</b></u>

## **FOOTBALL POOLS 1923 LIMITED**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2021**

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#### **18. RELATED PARTY DISCLOSURES**

The Company has taken advantage of the exemption under FRS 101 in respect of transactions with related parties, on the grounds that it is a wholly owned subsidiary of a group headed by FP TopCo Limited, whose financial statements are publicly available. All transactions of related parties were with entities which are wholly owned subsidiaries of the Group, which is headed by FP TopCo Limited. Accordingly no transactions with other FP TopCo Limited group members are disclosed. There were no other related party transactions in the period.

#### **19. ULTIMATE CONTROLLING PARTY**

The controlling party is The Football Pools Limited.

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

The ultimate parent undertaking and controlling party is FP TopCo Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. These financial statements are available from the Company Secretary, registered office address details are provided on the Company information page.

The ultimate controlling party is OpCapita LLP.

#### **20. POST BALANCE SHEET EVENTS**

On the 26 July 2022 the Group successfully renegotiated the refinancing of its debt facilities, replacing £18,158k of debt owed to CVC and Nat West, with £9,000k of new debt with Hoplon and shareholders also injected a further £6,500k of equity into the Group.

On 1 January 2022 the Group transitioned from LIBOR to SONIA. The Group's risk management strategy has not changed as a result of LIBOR reform and the Group considers the impact of LIBOR reform to be immaterial to the Group's financial statements.