

REGISTERED NUMBER: 02122895 (England and Wales)

TFPL FINANCIAL SERVICES 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

TFPL FINANCIAL SERVICES LIMITED

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for the Year Ended 31 December 2021**

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TFPL FINANCIAL SERVICES LIMITED

Company Information
for the Year Ended 31 December 2021

DIRECTORS: C W Lynn
D T Lloyd

SECRETARY: P Curtis

REGISTERED OFFICE: Walton House
55 Charnock Road
Liverpool
L67 1AA

REGISTERED NUMBER: 02122895 (England and Wales)

AUDITORS: BDO LLP
55 Baker Street
London
W1U 7EU

TFPL FINANCIAL SERVICES LIMITED

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

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

PRINCIPAL ACTIVITIES

The principal activities of the Company is income from commission earned on historic financial services policies sold to customers of The Football Pools Ltd.

REVIEW OF BUSINESS

The financial results for the Company reflect the ownership and operation of TFPL Financial Services business for the whole 12 months of operation up to 31st December 2021. The Directors are pleased with the performance of the business.

The profit before tax for the financial year amounted to £1,000 (2020: £3,000). No Dividends will be distributed for the year ended 31 December 2021 (2020: nil).

Maintaining financial resilience

Due to the nature of the Group's subscriber model and the resilience and liquidity of its operations, the Company has access to 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 26th 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.

TFPL FINANCIAL SERVICES LIMITED

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

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.

As part of a Group of companies, the Company is affected by those risks which impact the Group as a whole, particularly those of its principal parent; The Football Pools Limited, which is also the principal trading company in the Group. The most significant risks which the Company faces are:

Regulatory:

The Group's regulatory environment and compliance is managed by FP Top Co Limited and its principal subsidiary, The Football Pools Limited, which is also the immediate parent company of the Company. Any changes in the regulatory framework in which the Group operates, will necessarily affect the Company also. The Group considers the impact on all companies within the Group, of any changes in the regulatory regime.

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 1st 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.

Cash flow interest rate risk:

The Company's main exposure to interest rate risk arises from a loan receivable from its parent, The Football Pools Limited. Interest accrues on the outstanding loan balance at *libor* plus 3%. The fixed element of the interest rate minimises the Company's exposure to interest rate risk.

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 monitor rolling forecasts of the Company's liquidity requirements to ensure each company has sufficient cash to meet its operational needs.

Credit risk:

The Company's operations are UK based and have limited exposure to credit risk. Income within TFPL Financial Services is only recognised when the cash has been received.

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 Strategic Review of the Group's Annual Report for the year ended 31 December 2021 which does not form part of this report.

TFPL FINANCIAL SERVICES LIMITED

Strategic Report
for the Year Ended 31 December 2021

FUTURE DEVELOPMENTS

The Board do not envisage any change in either the scale and operations of the Company in the near future.

APPROVED AND AUTHORISED ON BEHALF OF THE BOARD:



C W Lynn - Director

Date: 28 September 2022

TFPL FINANCIAL SERVICES LIMITED

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

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

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.

RESULTS

The profit before tax for the financial year amounted to £1,000 (2020: £3,000).

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.

C W Lynn
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 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 of the Group have provided a letter of support to the Company outlining its intention to support the Company for the next 12 months.

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.

TFPL FINANCIAL SERVICES LIMITED

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

GOING CONCERN - continued

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. Group 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

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 Directors' Report.

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:



C W Lynn - Director

Date: 28 September 2022

TFPL FINANCIAL SERVICES LIMITED

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

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 and other comprehensive income 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.

TFPL FINANCIAL SERVICES LIMITED

Independent auditor's report to the members of TFPL Financial Services Limited

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 TFPL Financial Services 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.

TFPL FINANCIAL SERVICES LIMITED

Independent auditor's report to the members of TFPL Financial Services Limited

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

TFPL FINANCIAL SERVICES LIMITED

Independent auditor's report to the members of TFPL Financial Services Limited

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

TFPL FINANCIAL SERVICES LIMITED

Independent auditor's report to the members of TFPL Financial Services Limited

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. 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 28 September 2022

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

TFPL FINANCIAL SERVICES LIMITED

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

	Notes	2021 £'000	2020 £'000
TURNOVER	4	6	7
Administrative expenses		<u>(7)</u>	<u>(6)</u>
OPERATING (LOSS)/PROFIT		(1)	1
Interest receivable and similar income		<u>2</u>	<u>2</u>
PROFIT BEFORE TAXATION	6	1	3
Tax on profit	7	<u>-</u>	<u>(1)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1</u>	<u>2</u>

All activity is derived wholly from continuing operations.

No statement of other comprehensive income has been presented.

The notes form part of these financial statements

TFPL FINANCIAL SERVICES LIMITED (REGISTERED NUMBER: 02122895)

Statement of Financial Position
31 December 2021

	Notes	2021 £'000	2020 £'000
CURRENT ASSETS			
Trade and other receivables	8	109	57
Cash and cash equivalents	9	<u>18</u>	<u>68</u>
		127	125
CREDITORS			
Amounts falling due within one year	10	<u>(16)</u>	<u>(15)</u>
NET CURRENT ASSETS		<u>111</u>	<u>110</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>111</u>	<u>110</u>
CAPITAL AND RESERVES			
Called up share capital	11	-	-
Retained earnings	12	<u>111</u>	<u>110</u>
SHAREHOLDERS' FUNDS		<u>111</u>	<u>110</u>

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



C W Lynn - Director

The notes form part of these financial statements

TFPL FINANCIAL SERVICES LIMITED

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

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2020	-	108	108
Changes in equity			
Total comprehensive income	-	2	2
Balance at 31 December 2020	-	110	110
Changes in equity			
Total comprehensive income	-	1	1
Balance at 31 December 2021	-	111	111

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 and any other items of other comprehensive income.

The notes form part of these financial statements

TFPL FINANCIAL SERVICES LIMITED

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

1. STATUTORY INFORMATION

TFPL Financial Services 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.

2. ACCOUNTING POLICIES

BASIS OF PREPARATION

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'.

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).

CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

Standards adopted during the Year ended 31 December 2021

The following accounting amendments were adopted during the year and had no significant impact on the Group:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest rate benchmark reform – phase 1
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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.

TFPL FINANCIAL SERVICES LIMITED

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

2. ACCOUNTING POLICIES - continued

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group accounts of FP Top Co Limited.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties, financial instruments and investment property that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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 of the Group have provided a letter of support to the Company outlining its intention to support the Company for the next 12 months.

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 (Hoplion Investment Partners "Hoplion"). 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. Group 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.

TFPL FINANCIAL SERVICES LIMITED

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

2. ACCOUNTING POLICIES - continued

TURNOVER

Turnover represents commission earned from the marketing of financial service products, and is recognised at the point the relative marketing activities are performed on behalf of customers.

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 and 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.

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 and loss. 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 Top Co Limited, whose financial statements are publicly available. Accordingly no transactions with other FP Top Co Limited group members are disclosed. There were no other related party transactions in the year.

TFPL FINANCIAL SERVICES LIMITED

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

2. ACCOUNTING POLICIES - continued

INTER COMPANY DEBTORS & CREDITORS

Current 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.

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.

INTEREST RECEIVABLE AND SIMILAR INCOME

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCER

In the opinion of the directors there are no critical judgements or assumptions to be applied in the financial statements that have a material impact on the financial statements.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the Company.

An analysis of turnover is given below:

	2021	2020
	£000	£000
Commission earned on financial services products sold by third parties to customers of The Football Pools Ltd	<u>6</u>	<u>7</u>

TFPL FINANCIAL SERVICES 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 TFPL Financial Services Limited.

6. PROFIT BEFORE TAX ON PROFIT

Fees payable in respect of the audit of these financial statements amounts to £5,000 (2020: £5,000).

7. TAX ON PROFIT

Analysis of tax expense

	2021 £'000	2020 £'000
Current tax:		
Tax	<u>-</u>	<u>1</u>
Total tax expense in statement of profit or loss and other comprehensive income	<u>-</u>	<u>1</u>

FACTORS AFFECTING THE TAX EXPENSE

The tax assessed for the year is the same as (2020 - higher) the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £'000	2020 £'000
Profit before income tax	<u>1</u>	<u>3</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	-	1
Effects of: years	<u>-</u>	<u>-</u>
Tax expense	<u>-</u>	<u>1</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%.

TFPL FINANCIAL SERVICES LIMITED

Notes to the Financial Statements - continued
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8. TRADE AND OTHER RECEIVABLES

	2021	2020
	£'000	£'000
Amounts owed by group undertakings	107	55
Corporation tax receivable	2	2
	<u>109</u>	<u>57</u>

The unsecured loan payable by fellow group undertakings is subject to interest charged on an annual basis at an annual average of 3.0689% (2020: 3.3874%), which represents GBP LIBOR plus a margin of 3.0%.

9. CASH AND CASH EQUIVALENTS

	2021	2020
	£'000	£'000
At 31 December	<u>18</u>	<u>68</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.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Amounts owed to group undertakings	8	7
Accruals	8	8
	<u>16</u>	<u>15</u>

Amounts owed to group undertakings are in respect of group relief claimed. Interest is not charged on these amounts.

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£	£
2	Ordinary shares	£2	<u>2</u>	<u>2</u>

TFPL FINANCIAL SERVICES LIMITED

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12. RETAINED EARNINGS

	Retained earnings £'000
At 1 January 2021	110
Profit for the year	<u>1</u>
At 31 December 2021	<u><u>111</u></u>

13. 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.

14. ULTIMATE PARENT COMPANY

The controlling party is The Football Pools.

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

The ultimate parent undertaking is FP Top Co 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.

15. 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 £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.