

REGISTERED NUMBER: 00545018 (England and Wales, United Kingdom)

SPORTECH POOLS LIMITED

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 December 2021



SPORTECH POOLS LIMITED

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for the Year Ended 31 December 2021

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SPORTECH POOLS LIMITED

Company Information
for the Year Ended 31 December 2021

DIRECTOR:

N Rowlands

REGISTERED OFFICE:

3a Cestrian Court
Lightfoot Street
Chester
Cheshire
United Kingdom
CH2 3AD

REGISTERED NUMBER:

00545018 (England and Wales, United Kingdom)

INDEPENDENT AUDITORS:

BDO LLP
55 Baker Street
Marylebone
London
W1U 7EU

SPORTECH POOLS LIMITED
Strategic Report
for the Year Ended 31 December 2021

The Director presents the Strategic report of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company was predominantly non-trading subsequent to the disposal of the Football Pools business in 2017. The Company continues to hold intercompany loan balances with other members of the Sportech Group.

REVIEW OF BUSINESS

The Company's profit for the financial year was £10,565,000 (2020: profit of £2,193,000).

Dividends paid during the year totalled £nil (2020: £nil). Dividend income of £nil was received in the year from Sportech Pools Games Limited (2020: £376,000).

The Company has no external loan facilities or other long-term financial instruments as at 31 December 2021 (2020: none).

Shareholders' liabilities at 31 December 2021 were £7,000 (2020: funds of £10,558,000).

FUTURE DEVELOPMENTS

There are no current plans to diversify into any other activity either by the Company or its subsidiaries.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board regularly review the risks associated with the Company's activities and ensures that appropriate systems and controls are in place to mitigate the occurrence and impact of such risks.

The most significant risk which the Company faces is an inherent tax judgement that has been made on the corporate tax treatment of the Spot the Ball claim VAT repayment in 2016. This is managed through consultation with HMRC and the Group's external financial advisors.

Given the quantum of the amounts due from Group undertakings, the recoverability of this is also a principal risk. Its recoverability is managed through review of divisional results by the Sportech board and any necessary revisions to Group strategy in driving overall Group profitability.

KEY PERFORMANCE INDICATORS

The Group's operations are managed on a divisional basis. For this reason, the Company's Director believes that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of Sportech PLC, which includes the Company, is discussed in the Financial Review section of the Group's Annual Report for the year ended 31 December 2021 which does not form part of this report.

ON BEHALF OF THE BOARD:



.....
N J Rowlands
Director

Date: 27 May 2022

SPORTECH POOLS LIMITED
Report of the Directors
for the Year Ended 31 December 2021

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

DIVIDENDS

Dividends of £nil were paid during the year (2020: £nil). The Directors do not recommend the payment of a dividend for the year ended 31 December 2021.

DIRECTORS

The Directors who held office during the year and up to the date of signing the financial statements were as follows:

N Rowlands
R A McGuire (resigned 10 September 2021)
T J Hearne (resigned 10 September 2021)

FINANCIAL RISK MANAGEMENT

The Directors manage financial risk at a Group level across the whole business. The financial risk management policies and objectives of Sportech PLC, which includes the Company, are discussed in the Group's Annual Report for the year ended 31 December 2021 which does not form part of this report.

DIRECTORS' THIRD PARTY INDEMNITY PROVISIONS

During the year and up to the date of approval of the financial statements, qualifying indemnity insurance was provided to the Directors. No claim was made under the provision.

GOING CONCERN

The Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Given the loss-making position of the Company as at 31 December 2021 and its negative net asset position, the Company has also obtained assurances from its ultimate parent company, Sportech PLC, that assistance will be provided, if required, to meet the Company's short-term working capital requirements (see also note 3.1). Thus, the Directors continue to adopt the going concern basis of accounting in preparing the annual statements (see note 3).

COVID-19 IMPACT

The Company has not been impacted by the COVID-19 global pandemic, although the wider Sportech PLC Group has; customers had to close racecourses and fees due to the Group were not payable as well as retail betting venues being closed to help prevent spread of the virus. From July 2020 onwards racing commenced its slow re-opening and the Company expects the industry to recover to full strength following the easing of restrictions during 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the Director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 Director is 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.

The Director is 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.

SPORTECH POOLS LIMITED

Report of the Directors (continued)
for the Year Ended 31 December 2021

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Director is 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 herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

INDEPENDENT AUDITORS

The independent auditors, BDO LLP will be reappointed for the ensuing year in accordance with section 485 of the Companies Act 2006.

OTHER INFORMATION

An indication of likely future developments has been included in the Strategic Report.

ON BEHALF OF THE DIRECTORS:



.....
N J Rowlands
Director

Date: 27 May 2022

SPORTECH POOLS LIMITED

Independent Auditors' Report to the Members of **SPORTECH POOLS 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 its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Sportech Pools Limited ("the Company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, 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 (United Kingdom Generally Accepted Accounting Practice).

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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Strategic Report 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

SPORTECH POOLS LIMITED

Independent Auditors' Report to the Members of **SPORTECH POOLS LIMITED**

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.

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:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or including specific keywords;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

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 <https://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 Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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: 27 May 2022
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

SPORTECH POOLS LIMITED
Income Statement
for the Year Ended 31 December 2021

	Note	2021 £000	2020 £000
Other income		-	376
Administrative expenses	6	(10,583)	(13)
OPERATING (LOSS)/PROFIT	6	(10,583)	363
Interest receivable and similar income	7	25	-
(LOSS)/PROFIT BEFORE TAXATION	8	(10,558)	363
Taxation	9	(7)	1,830
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(10,565)</u>	<u>2,193</u>

There is no other comprehensive income for the year.

SPORTECH POOLS LIMITED**Balance Sheet
as at 31 December 2021**

	Note	2021 £000	2020 £000
FIXED ASSETS			
Investments	10	10	91
CURRENT ASSETS			
Debtors	11	4,590	13,765
Current tax receivable	11	-	1,442
		4,590	15,207
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	12	(4,607)	(4,740)
NET CURRENT ASSETS		(17)	10,467
NET ASSETS		(7)	10,558
CAPITAL AND RESERVES			
Called up share capital	13	41	41
(Accumulated losses)/retained earnings		(48)	10,517
TOTAL SHAREHOLDER'S (LIABILITIES)/FUNDS		(7)	10,558

These financial statements on pages 7 to 15 were approved by the Board of Directors on 27 May 2022 and were signed on its behalf by:



.....
N J Rowlands
Director

Company Registration Number: 00545018

SPORTECH POOLS LIMITED

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

	Called up share capital £000	Retained earnings £000	Total £000
At 1 January 2020	41	8,324	8,365
Changes in equity			
Total comprehensive income	-	2,193	2,193
Total changes in equity	-	2,193	2,193
Balance at 31 December 2020	41	10,517	10,558
Changes in equity			
Total comprehensive loss	-	(10,565)	(10,565)
Total changes in equity	-	(10,565)	(10,565)
Balance at 31 December 2021	41	(48)	(7)

SPORTECH POOLS LIMITED

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

1. GENERAL INFORMATION

Sportech Pools Limited (the "Company"), until the disposal of its core trade and assets on 26 June 2017, principally operated Football Pools, Spot The Ball competitions and fixed odds games. This trade was fully disposed of, and subsequent to this date the Company was predominantly non-trading. The Company from that date continued to hold interest-bearing assets (in the form of intercompany loan balances with other members of the Sportech Group) and its historic defined benefit pension liability which was not disposed of but was bought out by Just Financial Services Limited in December 2019.

The Company is a limited company and is registered, incorporated and domiciled in the UK. The address of its registered office is 3a, Cestrian Court, Lightfoot Street, Chester, Cheshire, United Kingdom, CH2 3AD.

2. STATUTORY INFORMATION

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

3. CRITICAL JUDGEMENTS AND ESTIMATES

CORPORATION TAX

The Company's activities in recent periods have resulted in material tax liabilities crystallising. The ultimate tax liability due, in all instances, is subject to a degree of management judgement. The judgements which are made are done so in good faith, with the aim of always paying the correct amount of tax at the appropriate time.

Management work diligently with the Sportech Group's external financial advisors in quantifying the anticipated accurate and fair tax liability which arises from material one-off events such as the Spot the Ball legal case and the disposal of the Football Pools. Management have an open, transparent, and constructive relationship with tax regulators, and engage positively when discussing any difference in legal interpretation between that of the Group and the regulators.

Critical judgement has been applied in respect of the tax arising on the Spot the Ball claim. It is possible that £23.0m could be used to offset the gain to reduce the tax on this exceptional gain recognised in 2016 by £4.6m. The entire tax liability, other than this £4.6m, has now been paid. The £4.6m remains provided for in current tax liabilities in the year end financial statements as an uncertain tax position.

4. ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements of Sportech Pools Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The accounting policies below have been applied consistently, other than where new policies have been adopted.

The Company is a wholly-owned subsidiary of Sportech PLC and is included in the consolidated financial statements of Sportech PLC which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 or section 401 of the Companies Act 2006.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 16, 38A, 38B, 38C, 38D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures.

SPORTECH POOLS LIMITED

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

DIVIDENDS

Final dividends to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

Dividend income is recognised when the right to receive payment is established.

GOING CONCERN

The Company's business activities, together with its' results for the period are set out in the Director's report. The Board has considered and debated a range of substantial possible scenarios on the Company's operations, financial position and forecasts covering a period of at least the next 12 months to 27 May 2023. These take into account sensitivity analysis and stress testing performed on the forecasts to assess the impact of COVID-19 on the business and the resulting impact on cash flows together with mitigating actions such as implementing cost reductions and utilising government assistance programmes.

The primary purpose of these scenarios was to demonstrate mitigating cost reduction actions could be enacted to offset the shortfall in meeting short-term financial commitment in the ordinary course of business. The Directors' highlight, as at the date of approval of these financial statements, there has been no significant adverse movement in cash flows due to factors arising from COVID-19 since the balance sheet date. The Company continually monitors its financial results and utilises financial models, which have indicated there is no significant doubt about the Company's ability to meet its liabilities over the ensuing 12 month period.

After review of the forecasts along with mitigating factors available to them, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and to satisfy any upcoming liabilities in the foreseeable future. Given the loss-making position of the Company as at 31 December 2021 and its negative net asset position, the Company has also obtained assurances from its ultimate parent company, Sportech PLC, that assistance will be provided, if required, to meet the Company's short-term working capital requirements. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

RELATED PARTIES

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

INVESTMENTS

Investments are stated at cost less amounts written-off. Any write offs are charged to the income statement in the accounting period in which it occurs.

SPORTECH POOLS LIMITED

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

4. ACCOUNTING POLICIES - continued

GOODWILL

Goodwill arising on trade and asset acquisitions made by the Company represents the excess of the fair value of consideration given over the fair value of the separately identifiable trade and assets acquired.

Goodwill with an indefinite life is subject to an annual review for impairment. The recoverable amount is the higher of the asset's fair value less costs to sell, and value-in-use. Any impairment losses are recognised in the income statement in the period in which they occur. Any impairment loss recognised on goodwill is not reversed.

CASH AND CASH EQUIVALENTS

Cash shown on the balance sheet represent cash held in current accounts. There are no bank overdrafts at the balance sheet date.

SEPARATELY DISCLOSED ITEMS

The Company defines separately disclosed items as those items which, by their nature or size, would distort the comparability of the Company's results from year to year.

TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, being the difference between the assets' carrying amounts and the present value of the estimated future cash flows, discounted at the original effective interest rate. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific customer will default or delinquency in payment will arise. Any subsequent recovery of amounts written off is credited to the income statement.

TRADE PAYABLES

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

DIVIDENDS

Dividends are recognised when a commitment has been made to pay the final agreed amount to its shareholders, which typically arises when paid. Dividend income is recognised when the right to receive a payment is established.

5. EMPLOYEES AND DIRECTORS

The Company has no employees (2020: Nil). The Directors' remuneration is borne entirely by another Group company. The emoluments of the Directors are disclosed in the Remuneration Report within the Sportech PLC Annual Report 2021 which is available on the parent company's website at www.sportechplc.com/investors/results, including for N Rowlands from the date of her appointment as a Director of Sportech PLC. N Rowland's emoluments were borne by Sportech PLC prior to her appointment as a director of the company too and not recharged to the Company. N Rowlands is not the highest paid Director.

6. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	Note	2021 £000	2020 £000
Dividend income		-	376
Impairment of investments	10	(81)	-
Intercompany balances written off (income)		81	-
Intercompany balances written off (expense)	11	<u>(10,583)</u>	<u>(13)</u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £000	2020 £000
Interest on overpaid tax	<u>25</u>	<u>-</u>

SPORTECH POOLS LIMITED

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

8. PROFIT/(LOSS) BEFORE TAXATION

Auditors' remuneration in relation to the audit of the Company's financial statements of £5,000 has been paid by Sportech PLC and no charge to the Company was made (2020: £5,000).

9. TAX ON PROFIT/(LOSS)

	2021	2020
	£000	£000
Current tax		
UK Corporation tax based on the results for the year	5	(2)
Adjustments in respect of prior year	2	(1,828)
Total tax expense/(credit)	7	(1,830)

FACTORS AFFECTING THE TAX EXPENSE

The tax assessed for the year is lower (2020: lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£000	£000
(Loss)/profit before income tax	(10,558)	363
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(2,006)	69
Effects of:		
Income not subject to tax	-	(71)
Adjustments in respect of prior years	2	(1,828)
Permanent differences	2,011	-
Total tax expense/(credit)	7	(1,830)

SPORTECH POOLS LIMITED

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

10. INVESTMENTS	2021	2020
	£000	£000
COST		
At 1 January and 31 December	2,546	2,546
PROVISIONS FOR IMPAIRMENT		
At 1 January	(2,455)	(2,455)
Impairment	(81)	-
At 31 December	(2,536)	(2,455)
NET BOOK VALUE		
At 31 December	10	91

At the reporting date the Company held 100% investments in the following subsidiary undertakings:

Name of Company	Nature of Business
C & P Promotions Limited	Dormant – dissolved post 31 December 2021
Pools Company Limited	Dormant – dissolved post 31 December 2021
Thepools.com Limited	Dormant – dissolved post 31 December 2021
Sportech Pools Competitions Limited	Dormant
Bet 247 Limited	Dormant
Pools Promotions Limited	Dormant
Sportech Pools Games Limited	Dormant
Sportech Pools Trustee Company Limited	Dormant – dissolved post 31 December 2021

The Company holds 100% of the ordinary shares of all the above companies. Sportech Pools Trustee Company Limited was dissolved on 1 March 2022, ThePools.com Limited was dissolved on 8 March 2022 as was Pools Company Limited. The impairment recognised in the year was against the full value of the investment in Pools Company Limited (£80k) and Sportech Pools Competitions Company Limited (£1k).

The Company has taken advantage of section 400(1)(a) of the Companies Act 2006 and has not prepared consolidated financial statements, as the Company is itself a wholly owned subsidiary.

All the above companies are incorporated in England & Wales, United Kingdom.

11. DEBTORS	2021	2020
	£000	£000
Amounts falling due within one year:		
Amounts owed by group undertakings	4,590	13,765

The amounts falling due within one year represent loans which are unsecured, repayable on demand and bear no interest. During the year loans due to dormant companies of £81k were waived and part of the loan due to Sportech PLC (£10,581k) was waived.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021	2020
	£000	£000
Amounts owed to group undertakings	7	140
Corporation tax	4,600	4,600
	4,607	4,740

The amounts owed to group undertakings represent loans which are unsecured, repayable on demand and bear no interest.

SPORTECH POOLS LIMITED

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

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
40,501 (2020: 40,501)	Ordinary Shares	£1	40,501	40,501

14. OTHER FINANCIAL COMMITMENTS

Financial risk management policies and objectives

The Company has little or no exposure to either interest rate risk or foreign exchange rate risk, although the Company does have some exposure to cash flow and liquidity risk. The Company does not use derivative financial instruments to hedge certain risk exposures.

The policy for each of the above risks is described in more detail below:

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 in the operating entities of the Company and is aggregated by Central Finance. This weekly forecasting recognises committed short-term payables of the Company which are monitored and managed through regular discussions with suppliers. Central Finance monitors rolling forecasts of the Company's liquidity requirements to ensure each operating entity has sufficient cash to meet its operational needs.

Credit risk

The Company's receivables are inter-company only and the Directors consider credit risk to be minimal.

Financial assets and liabilities

The Company had the following categories of outstanding financial assets and liabilities at the reporting date:

	2021 £000	2020 £000
Loans and receivables	4,590	13,765
Financial liabilities measured at amortised cost	7	140

15. 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 Sportech PLC, whose financial statements are publicly available. Accordingly, no transactions with other Sportech PLC group members are disclosed. There were no other related party transactions in the year.

16. ULTIMATE CONTROLLING PARTY

The Company's immediate parent and controlling party is Sportech Gaming Limited. The ultimate parent undertaking and controlling party is Sportech PLC, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. The Directors regard Sportech PLC as the ultimate controlling party. Copies of Sportech PLC consolidated financial statements can be obtained from the Company Secretary at 3a, Cestrian Court, Lightfoot Street, Chester, Cheshire, United Kingdom, CH2 3AD.