

Company Number 02822300

# **Camelot Global Services Limited**

**Company Annual Report and financial statements for  
the year ended  
31 March 2016**

THURSDAY



\*L5H24JJ7\*

LD4

06/10/2016

#37

COMPANIES HOUSE

# **Camelot Global Services Limited**

## **Contents**

Strategic Report	3
Directors' Report	5
Independent auditors' report to the members of Camelot Global Services Limited	8
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14

## **Camelot Global Services Limited**

# **Strategic Report**

The directors present the Strategic Report of Camelot Global Services Limited (the "Company" or CGSL) for the year ended 31 March 2016. The Group companies are comprised of Premier Lotteries Investment UK Limited ('PLIUK'), Premier Lotteries Capital UK Limited ('PLCUK'), Premier Lotteries UK Limited ('PLUK'), Camelot UK Lotteries Limited (Camelot), Camelot Global Services Limited ('CGSL'), Camelot Global Lottery Solutions Limited ('CGLSL') (formerly Camelot Strategic Solutions Limited), Camelot Commercial Services Limited ('CCSL') and Camelot Business Solutions Limited ('CBSL'). The Company has the following subsidiaries, Camelot Global Services (North America) ('CGSNA'), CISL SA (Proprietary) Limited ('CISL SA'), and Wholesale Commercial Collections Limited ('WCCL'). The Company's immediate parent CGLSL and the other Group Companies are subsidiaries of Ontario Teachers' Pension Plan ('Teachers').

On 31 March 2016 the entire share capital of CGSL was transferred from PLUK to CGLSL as part of a Group restructure.

### **Principal activities**

The Company is principally focused on targeting international opportunities within the lottery industry such as bids to operate, or the provision of consultancy or operational support services. The Company expects to continue these activities for the foreseeable future.

### **Business review**

The Company's principal focus is to secure overseas lottery management or technology contracts. The Company also provides lottery operational support services and interactive technology services to Premier Lotteries Ireland Limited ('PLIL'), a related party that has a twenty year licence to operate the Irish Lottery, via its branch operation in Ireland, Camelot Global Services Ireland Limited.

### **Results and Dividends**

The loss for the financial year amounted to £1,400,000 (2015: £1,412,000). No final dividend has been proposed for the year ended 31 March 2016 (2015: £nil).

### **Financial position at the year end**

The Balance Sheet reflects the continued investment in securing overseas contracts. Total assets at 31 March 2016 were £8,155,000 (2015: £4,581,000). The total liabilities at 31 March 2016 were £22,856,000 (2015: £17,894,000).

### **Future developments**

The Company will continue to seek international opportunities within the lottery industry and a number of prospects are being actively pursued.

### **Key performance indicators**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development or performance of the business during the year just ended.

The Company's performance is reviewed by the Global operating board, with the results monitored through monthly management accounts and daily cash flow management practices.

### **Principal risks and uncertainties**

The principal risks are the uncertainties as to success in securing overseas lottery contracts and the timing of bid processes and decision points. The directors review opportunities, prioritise and adjust resource levels to meet fluctuations in workload.

**Camelot Global Services Limited**

## **Strategic Report continued**

The Strategic Report was approved by the Board of Directors on 22 June 2016 and was signed on its behalf by

A handwritten signature in black ink, appearing to read 'Nigel Railton', written over a horizontal line.

**Nigel Railton**  
Director  
Camelot Global Services Limited

## Camelot Global Services Limited

# Directors' Report

The directors present their report together with the audited financial statements of the Company for the year ended 31 March 2016

### Share capital

The authorised share capital is 96,663,000 (2015 96,663,000) shares of £1 each, of which 1,663,010 (2015 1,663,010) shares are allotted, issued and fully paid

### Shareholdings

On 31 March 2016 PLUK Limited conducted a share swap with CGLSL, who acquired the entire share capital of CGSL. The following share structure was in place at 31 March 2016

	Number of Ordinary shares	Number of 'B' preference shares	Total % holding of shares
Camelot Global Lottery Solutions Limited	1,663,000	3	99.9996%
Fourmoront Corporation	-	7	0.0004%

Further details of the rights and obligations of each class of share are given in note 16 to the financial statements

### Directors and their interests

The names of the directors who were in office during the year and up to the date of signing the Financial statements were

#### Chairman

Lee Sienna – resigned as Chairman 22 June 2016

Bogdan Cenanovic – appointed 22 June 2016

#### Director

Nigel Railton

Ilya Kachko – appointed 22 June 2016

#### Non-executive directors

Sir Gerald Acher CBE LVO resigned 31 August 2015

Sir Patrick Brown KCB

Tony Illsley

David Kelly

Robert Rowley appointed 8 September 2015

#### Company Secretary

John Dillon served as Company Secretary during the year

### Insurance for directors and officers

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

### Going concern

Management has prepared detailed budgets and cash flow forecasts which support the appropriateness of the going concern assumption.

## **Directors' Report continued**

The wider economic climate impacts the credit and financial liquidity risk on the Group. However, management continually assess the controls in place to minimise the Company's exposure to this risk.

The directors believe that preparing the financial statements on the going concern basis is appropriate, although in a net liability position, due to the financial support provided by a group company, PLUK.

The directors have received confirmation that PLUK will support the Company for at least one year after these financial statements are signed.

### **Financial risk management**

The Company is exposed to certain levels of credit, interest rate, currency, liquidity and capital risks that arise in the normal course of business. Details of these risks are disclosed in note 13.

### **Related party transactions**

During the current financial year, the Company has had transactions of significance with its fellow UK group subsidiaries, its own subsidiary, CGSNA and with Premier Lotteries Ireland Holdings Limited ("PLIH") directly. In addition, via its established branch, Camelot Global Services Ireland Limited the Company has transactions with PLIL, subsidiaries of Teachers' but not part of the Group. Details of related party transactions are given in note 20 to the financial statements.

### **Suppliers**

The Company's policy is to pay suppliers 30 days after the end of the month in which their invoice is received or within such other credit period as agreed between the parties, providing the obligations of those suppliers are met. These terms are stated on all purchase orders issued by the Company.

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

### **Statement of Disclosures of Information to Auditors**

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.

## **Directors' Report continued**

Each of the directors in office at the date on which the financial statements were approved, whose names and functions are listed on page 5, confirm that, to the best of their knowledge

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company and Group, together with a description of the principal risks and uncertainties that it faces

### **Independent auditors**

The independent auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office

On behalf of the Board



**Nigel Railton**  
Director  
Camelot Global Services Limited  
22 June 2016

# **Independent auditors' report to the members of Camelot Global Services Limited**

## **Report on the financial statements**

---

### **Our opinion**

In our opinion, Camelot Global Services Limited's financial statements (the "financial statements")

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its loss and cash flows for the year then ended,
  - have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union, and
  - have been prepared in accordance with the requirements of the Companies Act 2006
- 

### **What we have audited**

The financial statements included within the Annual report and financial statements (the "Annual Report") comprise -

- the Balance Sheet as at 31 March 2016,
- the Statement of Comprehensive Income for the year then ended,
- the Statement of Cash Flows for the year then ended,
- the Statement of Changes in Equity for the year then ended,
- the accounting policies, and
- the notes to the financial statements, which include other explanatory information

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union

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

---

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

---

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

---

## **Other matters on which we are required to report by exception**

---

### **Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit, or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility.

---

### **Directors' remuneration**

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



# Independent auditors' report to the members of Camelot Global Services Limited

---

## Responsibilities for the financial statements and the audit

---

### Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

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

---

## What an audit of financial statements involves

---

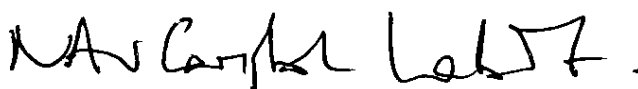
We conducted our audit in accordance with ISAs (UK & Ireland) An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error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

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

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

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

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



Nicholas Campbell-Lambert (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

22 June 2016

**Camelot Global Services Limited**

**Statement of Comprehensive Income**

for the year ended 31 March 2016

	Notes	2016 £000	2015 £000
<b>Revenue</b>	3	<b>7,442</b>	<b>7,122</b>
Cost of sales		(4,044)	(4,182)
<b>Gross profit</b>		<b>3,398</b>	<b>2,940</b>
Administrative expenses	4	(5,303)	(4,911)
<b>Operating loss</b>	4	<b>(1,905)</b>	<b>(1,971)</b>
Finance income	6	86	-
<b>Loss before income tax</b>		<b>(1,819)</b>	<b>(1,971)</b>
Income tax	7	419	559
<b>Loss for the financial year</b>		<b>(1,400)</b>	<b>(1,412)</b>
<b>Other comprehensive losses:</b>			
Foreign exchange gains/ (losses)		12	(59)
<b>Other comprehensive losses for year</b>		-	(59)
<b>Total comprehensive loss for the year</b>		<b>(1,388)</b>	<b>(1,471)</b>

The notes on pages 14 to 28 are an integral part of these financial statements

**Camelot Global Services Limited**

**Balance Sheet**

as at 31 March 2016

	Notes	2016 £000	2015 £000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Trade and other receivables	11	2,469	-
Intangible assets	8	54	64
Property, plant and equipment	9	94	-
Deferred income tax assets	7	20	2
		<b>2,637</b>	<b>66</b>
<b>Current assets</b>			
Trade and other receivables	11	5,072	3,911
Cash and cash equivalents	12	446	604
		<b>5,518</b>	<b>4,515</b>
<b>Total assets</b>		<b>8,155</b>	<b>4,581</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred taxation	7	4	2
Provisions for liabilities and other charges	15	11	8
		<b>15</b>	<b>10</b>
<b>Current liabilities</b>			
Trade and other payables	14	22,529	17,717
Current tax payable		2	36
Provisions for liabilities and other charges	15	310	131
		<b>22,841</b>	<b>17,884</b>
<b>Total liabilities</b>		<b>22,856</b>	<b>17,894</b>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	16	1,663	1,663
Exchange reserve		(47)	(59)
Retained earnings	17	(16,317)	(14,917)
<b>Total equity</b>		<b>(14,701)</b>	<b>(13,313)</b>
<b>Total equity and liabilities</b>		<b>8,155</b>	<b>4,581</b>

The notes on pages 14 to 28 are an integral part of these financial statements

The financial statements including the accompanying notes were approved by the Board of Directors on 22 June 2016 and were signed on its behalf by



**Nigel Railton**  
Director

**Camelot Global Services Limited**  
Registered Number: 02822300

**Camelot Global Services Limited**

**Statement of Changes in Equity**

for the year ended 31 March 2016

	Share capital £000	Retained earnings £000	Exchange reserve £000	Total Equity £000
<b>Balance as at 01 April 2014</b>	1,663	(13,505)	-	(11,842)
<b>Comprehensive loss</b>				
Loss for the financial year	-	(1,412)	(59)	(1,471)
<b>Total comprehensive loss</b>	-	(1,412)	(59)	(1,471)
<b>Balance as at 31 March 2015</b>	1,663	(14,917)	(59)	(13,313)
<b>Comprehensive loss</b>				
Loss for the financial year	-	(1,400)	12	(1,388)
<b>Total comprehensive loss</b>	-	(1,400)	12	(1,388)
<b>Balance as at 31 March 2016</b>	1,663	(16,317)	(47)	(14,701)

The notes on pages 14 to 28 are an integral part of these financial statements

**Camelot Global Services Limited**  
**Statement of Cash Flows**  
for the year ended 31 March 2016

	Note	2016 £000	2015 £000
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations	18	(735)	(434)
Interest received		-	-
Income tax paid		(88)	-
Group relief received		671	886
<b>Net cash generated from operating activities</b>		<b>(152)</b>	<b>452</b>
<b>Cash flows from investing activities</b>			
(Expenditure)/Income on intangible assets		(6)	9
<b>Net cash generated from investing activities</b>		<b>(6)</b>	<b>9</b>
<b>Net (decrease)/increase in cash, cash equivalents and bank overdrafts</b>		<b>(158)</b>	<b>461</b>
Cash, cash equivalents and bank overdrafts at the beginning of the year		604	143
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	12	<b>446</b>	<b>604</b>

The notes on pages 14 to 28 are an integral part of these financial statements

# **Camelot Global Services Limited**

## **Notes to the Financial Statements**

### **1. General information**

The Company is a private limited company incorporated and domiciled in the United Kingdom. The address of its registered office is Camelot Global Services Limited, Magdalen House, Tolpits Lane, Watford, Hertfordshire, WD18 9RN, United Kingdom.

### **2. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements for the year ended 31 March 2016 are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

#### **a) Basis of Preparation**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRS IC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The Company's accounting policies were selected by management considering all applicable IFRS issued by the International Accounting Standards Board (IASB) by 31 March 2016.

##### **i) New IFRS accounting standards and interpretations adopted in 2015/16**

During the year ended 31 March 2016, the Company adopted the following International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) or amendments, and interpretations by the IFRS Interpretations Committee. None of the pronouncements had a material impact on the Company's consolidated results or assets and liabilities.

- Annual improvements 2010-2012
  - IAS 16 and IAS 38
  - IFRS 9 and IAS 37
- Annual improvements 2011-2013

##### **ii) New IFRS accounting standards and interpretations not yet adopted**

The standards, amendments and interpretations listed below were not effective for the year ended 31 March 2016.

With the exception of IFRS 15 Revenue of contracts with customers, and IFRS 16 Leases, none of the standards and interpretations listed below are expected to have a material impact on the Company's results or assets and liabilities.

- Amendments to IAS 16 and 41 on bearer plants
- IFRS 15 Revenue from contracts with customers
- IFRS 16 Leases

#### **b) Basis of consolidation**

The Company is a subsidiary of CGLSL which is incorporated in the UK. It is included in the consolidated financial statements of PLUK, which are prepared in accordance with IFRS and are publicly available at Magdalen House, Tolpits Lane, Watford, Hertfordshire, WD18 9RN, United Kingdom. Consequently the Company has taken advantage of the exemption from preparing consolidated group financial statements under the terms of the Companies Act 2006 Sec 400 (1) (a) as well as IAS 27.

#### **c) Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of recoverable value added tax, returns, rebates and discounts.

## **Camelot Global Services Limited**

### **Notes to the Financial Statements**

#### **c) Revenue recognition continued**

Revenue is recognised when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company

Dividend income is recognised at the same time as the paying company recognises the liability to pay a dividend. Where these are fixed cumulative preference dividends, the dividend is accrued in the period the dividend is earned. Where the underlying investment is held in a company that operates in the lottery industry and to which the Company provides additional consultancy or operational support, dividend income is included within Revenue in the Income Statement, otherwise it is included within other operating income in the Income Statement.

#### **d) Investments**

Investments are accounted for at cost less impairment.

#### **e) Intangible assets**

All intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses.

##### *Separately acquired intangibles*

Intangible assets purchased separately, such as software licences that do not form an integral part of related hardware, are capitalised as intangible assets at cost and amortised over their useful economic life. Costs associated with maintaining software are charged to the profit or loss as incurred.

Amortisation is provided on all intangible assets at such rates as to write off the cost of these assets in equal instalments, over their expected useful lives. Amortisation is included in administrative expenses in the Statement of Comprehensive Income.

##### *Impairment of intangible assets*

The Company uses forecast cash flow information and estimates of future earnings to assess whether intangible assets are impaired and to assess useful economic lives. If the results of operations in future periods are less than those used in impairment testing, an impairment may be triggered, or the useful economic life of an asset may be reduced.

#### **f) Property, plant and equipment**

Property, plant and equipment is stated at cost less depreciation. Depreciation is provided on all property, plant and equipment on a straight line basis to write off the cost of these assets in equal instalments over their expected useful lives.

#### **g) Operating leases**

The only operating leases held by the Company are short term leases on office accommodation and costs are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

#### **h) Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade and other receivables are recognised at original invoice amount, less an estimate made for doubtful receivables based on a review of all outstanding amounts at the period end. A provision for impairment of receivables is established when there is objective evidence

that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of a doubtful debtor account, and the amount of the loss is recognised in the statement of comprehensive income within administrative expenses. When a trade receivable subsequently becomes uncollectible, it is written off against the doubtful debt provision, in the period in which the bad debt is identified. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the statement of Comprehensive Income. If collection is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

## **Camelot Global Services Limited**

### **Notes to the Financial Statements**

#### **i) Trade and other payables**

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

#### **j) Financial instruments**

Exposure to credit, interest rate, currency and liquidity risks that arise in the normal course of the Company's business are minimised by the Company's policies and controls, as disclosed in note 13.

#### **k) Cash and cash equivalents**

For the purpose of preparation of the Statement of Cash Flows, cash and cash equivalents includes cash at bank and in hand, short-term deposits with an original maturity period of three months or less and certain amounts classified as borrowings, as detailed below.

Bank overdrafts that are an integral part of the Company's cash management are included in cash and cash equivalents where they have a legal right of set-off against positive cash balances. If the cash position after the set-off of the overdrafts amounts to a net overdraft, these amounts are classified as borrowings, but are still classified as cash and cash equivalents for the purposes of the Statement of Cash Flows.

#### **l) Borrowings**

Borrowings comprise amounts drawn down against the Company's bank facilities and any bank overdrafts as defined above. They are recognised at fair value, net of transactions costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

#### **m) Provisions**

Provisions are recognised when the Company has legal or constructive present obligations as a result of past events, that will probably require an outflow of resources to settle, and this outflow can be reliably measured.

Provisions are discounted when the time value of money is material.

The dilapidation provision is the current best estimate of the cost of bringing certain premises, for which the rental is recharged from fellow subsidiaries, back to their original state as required by the head lease agreement.

Provisions for restructuring costs are recognised where it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be readily estimated. Provisions are not recognised for future operating losses.

#### **n) Pensions**

The Company participates in a Group Personal Pension Plan, a defined contribution scheme operated by the Group. The cost of contributions is charged to the Statement of Comprehensive Income in the year to which it relates. In addition, the Company operates a defined contribution pension scheme for employees in Ireland, and makes employer contributions to this scheme on behalf of those employees.

#### **o) Current and deferred income tax**

Current income tax is recognised based on the amounts expected to be paid or recovered under the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred income tax is provided in full, using the liability method, on temporary differences that arise between the carrying amounts of assets and liabilities for financial reporting purposes and their corresponding tax base. A temporary difference is a taxable temporary difference if it will give rise to taxable amounts in the future when the asset or liability is settled. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.



# Camelot Global Services Limited

## Notes to the Financial Statements

### n) Current and deferred income tax continued

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the asset can be offset. Deferred tax assets and liabilities recognised are not discounted. Current tax assets and liabilities are shown separately on the face of the balance sheet. Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset taxation assets with current taxation liabilities.

The Company is subject to corporation tax in both the UK and Republic of Ireland. Judgement and estimates of future profitability are required to determine the deferred tax position of the Company and the Group to which it belongs. If the final tax position is different to that originally assumed, any resulting changes are reflected in the Statement of Comprehensive Income.

### o) Value added tax

All costs include the attributable value added tax to the extent that it is not recoverable.

### p) Foreign currency translation

#### *Functional and presentational currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). These financial statements are presented in UK pounds sterling (£), which is the Company's functional and presentational currency. Transactions arising in the Irish branch are denominated in Euros, but translated into the Company's presentational currency of GBP in accordance with IAS21.

#### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income in administrative expenses.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets are included in the foreign exchange reserve in equity.

## 3. Revenue

Revenue for the current financial year is derived from the provision of consultancy and operational support services to organisations involved in foreign lottery markets.

<b>Geographical analysis</b>	<b>2016 £000</b>	<b>2015 £000</b>
Europe	6,631	6,581
North America	811	537
Africa	-	4
	<b>7,442</b>	<b>7,122</b>

# Camelot Global Services Limited

## Notes to the Financial Statements

### 4. Operating loss

	2016 £000	2015 £000
<b>Operating loss is stated after charging:</b>		
Net exchange (gains)/losses	(454)	357
Employee benefit expenses	5,537	2,359
Lottery bid costs	345	978
Recharge rentals payable to Group companies	93	68
Auditors' remuneration	57	35
Intangible amortisation	16	-
Property, plant and equipment depreciation	2	-

### 5. Employee expenses and numbers

The Company had 55 (2015 25) employees during the year (not including those on secondment from other Group companies)

	2016 £000	2015 £000
Wages and salaries	4,686	1,975
Social security costs	551	236
Other pension costs	300	148
	<b>5,537</b>	<b>2,359</b>

The Company participates in a Group Personal Pension Plan, a defined contribution scheme operated by the Group. The cost of contributions is charged to the Statement of Comprehensive Income in the year to which it relates. In addition, the Company operates a defined contribution pension scheme for employees in Ireland and makes employer contributions to this scheme on behalf of those employees.

#### Key management personnel compensation

	2016 £000	2015 £000
Short term employee benefits	2,079	967
Other long term benefits	937	630
Post employment benefits	182	121
	<b>3,198</b>	<b>1,718</b>

Key management is considered to be those members of the Global Operating Board who make key operating decisions in respect of the Company. Six individuals considered to be key management personnel are employed and paid by CGSL and disclosed above. The other members of the Global Operating Board are remunerated by fellow Group companies.

Included in the short term employee benefits are termination payments in respect of one individual.

	2016 £000	2015 £000
<b>Directors' emoluments</b>		
Salaries and short term employee benefits	561	185
Long term incentive plans	816	560
Other pension costs	87	37
<b>Aggregate emoluments</b>	<b>1,464</b>	<b>782</b>

**Camelot Global Services Limited**  
**Notes to the Financial Statements**

**5. Employee expenses and numbers continued**

	2016	2015
	£000	£000
<b>Highest paid director's emoluments</b>		
Salaries and short term employee benefits	561	185
Long term incentive plans	816	560
Other pension costs	87	37
<b>Aggregate emoluments</b>	<b>1,464</b>	<b>782</b>

**Directors' emoluments**

The highest paid director is Nigel Railton. Amounts due under Long term incentive plans are paid by another group company and are disclosed above in his capacity as director of CGSL.

All other directors of the Company were remunerated by Camelot and details of their emoluments and pension payments are available in the financial statements of that company as they were directors of that company.

**6. Finance income**

	2016	2015
	£000	£000
Interest receivable from Group companies	86	-
<b>Net finance income</b>	<b>86</b>	<b>-</b>

**7. Income tax**

**a) Corporation tax**

	2016	2015
	£000	£000
Current UK income tax credit for the year	(445)	(555)
Current overseas Irish tax charge for the year	40	36
Prior period adjustments	2	(56)
<b>Total current tax</b>	<b>(403)</b>	<b>(575)</b>
Deferred income tax (credit)/charge for the year	(16)	20
Prior period adjustments	-	(4)
<b>Total deferred tax</b>	<b>(16)</b>	<b>16</b>
<b>Income tax credit</b>	<b>(419)</b>	<b>(559)</b>

The income tax credit is based on a corporation tax rate of 20% for the year ended 31 March 2016 (2015: 21%). All taxable temporary differences have been recognised and are reflected in the deferred taxation balance.

A reduction in the UK Corporation Tax Rate to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantially enacted on 26 October 2015. These changes will reduce the company's current tax charge accordingly. The deferred tax asset has been calculated based on the rate of 18% substantially enacted at the balance sheet date.

The March 2016 budget announced that the rate will further reduce to 17% by 2020 in addition to the planned reductions detailed above.

## Notes to the Financial Statements

## 7. Income Tax continued

These further changes have not been substantially enacted at the reporting date and therefore, are not included in these financial statements. The changes are not expected to materially impact the financial statements.

As at 31 March 2016, there was an unrecognised deferred tax asset in relation to pre-acquisition losses of £386,000 (2015 £441,000)

The deferred tax asset in relation to losses has not been recognised in accordance with IAS 12 'Income Taxes'

## b) Reconciliation of tax credit

	2016 £000	2015 £000
Loss before taxation	(1,819)	(1,971)
Tax credit on loss on ordinary activities at the UK standard rate 20% (2015 21%)	(364)	(414)
Factors affecting charge		
Permanent adjustments	(99)	(120)
Overseas tax suffered	40	36
Prior period adjustments	2	(60)
Effect of changes in the rate of taxation	2	(1)
<b>Income tax credit</b>	<b>(419)</b>	<b>(559)</b>

## c) Deferred taxation

	2016 £000	2015 £000
Deferred tax assets		
To be recovered after more than 12 months	2	-
To be recovered within 12 months	18	2
<b>Deferred tax assets</b>	<b>20</b>	<b>2</b>
Deferred tax liabilities		
To be recovered after more than 12 months	4	2
To be recovered within 12 months	-	-
<b>Deferred tax liabilities</b>	<b>4</b>	<b>2</b>

The treatment of deferred tax as an asset is based on the expectation that in periods ahead the Company will be able to utilise it against taxable profit from budgeted opportunities in the lottery industry

# Notes to the Financial Statements

## 8. Intangible assets

	Total £000
<b>Cost</b>	
At 1 April 2014	-
Additions	64
At 31 March 2015	64
<b>Accumulated amortisation</b>	
At 1 April 2014	-
Charge for the year	-
At 31 March 2015	-
<b>Net book value</b>	
At 31 March 2015	64
	Total £000
<b>Cost</b>	
At 1 April 2015	64
Additions	6
At 31 March 2016	70
<b>Accumulated amortisation</b>	
At 1 April 2015	-
Charge for the year	(16)
At 31 March 2016	(16)
<b>Net book value</b>	
At 31 March 2016	54

All intangible assets were separately acquired

# Camelot Global Services Limited

## Notes to the Financial Statements

### 9. Property, plant and equipment

	Fixtures and Fittings £000	Total £000
<b>Cost</b>		
At 1 April 2015	-	-
Additions	96	96
At 31 March 2016	96	96
<b>Accumulated depreciation</b>		
At 1 April 2015	-	-
Charge for the year	(2)	(2)
At 31 March 2016	(2)	(2)
<b>Net book value</b>		
At 31 March 2016	94	94

### 10. Investments

Name	Country of Incorporation	% Shareholding	2016 £000	2015 £000
Camelot Global Services (North America) Inc	U S A	100%	0	0
CISL SA Limited	South Africa	100%	0	0
Wholesale Commercial Collections Limited	U K	100%	0	0
Premier Lotteries Ireland Holdings Limited	Ireland	50%	0	0

The Company holds a 100% investment in the ordinary share capital of Camelot Global Services (North America) Inc, a company incorporated in the US, at a carrying value of US\$100

The Company holds a 100% investment in the ordinary share capital of CISL SA, a company incorporated in South Africa, at a carrying value of Rand 1

The Company holds a 100% holding in the ordinary share capital of WCCL, a dormant company incorporated in the United Kingdom, at a carrying value of £1

The Company also holds a 50% holding of C Preference shares in Premier Lotteries Ireland Holdings Limited A Company incorporated in the Republic of Ireland at a carrying value of €25 The shares do not attract voting rights

## Camelot Global Services Limited

### Notes to the Financial Statements

#### 11. Trade and other receivables

##### a) Non-current assets

	2016 £000	2015 £000
Amounts due from other related parties	2,469	-
	2,469	-

##### b) Current

	2016 £000	2015 £000
Loan due from subsidiary undertakings	2,239	1,629
Amounts due from subsidiary undertakings	232	93
Amounts due from fellow subsidiary undertakings	619	68
Amounts due from other related parties	1,173	1,074
VAT receivable	82	17
Group relief receivable	167	382
Prepayments and accrued income	560	648
	5,072	3,911

Amounts and the loans due from fellow subsidiary and subsidiary undertakings are unsecured, and repayable on demand. Loans due from subsidiary undertakings are subject to interest.

#### 12. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the Statement of Cash Flows

	2016 £000	2015 £000
Cash and cash equivalents	446	604
<b>Cash and cash equivalents</b>	<b>446</b>	<b>604</b>

#### 13. Financial risk management

Exposure to credit, interest rate, foreign exchange, liquidity and capital risks arise in the normal course of the Company's business.

##### a) Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers at the point at which the Company starts to trade with them.

The Company has reviewed its established credit policy and debt collection processes to ensure they are appropriate and address the exposures to risk in the economic climate. Management is confident that the current arrangements minimise the Company's exposure in this area, however this continues to be closely monitored, particularly in light of the contract with PLIL.

In the financial year, the Company traded predominantly with other Group Companies and PLIL. Management continues to pursue opportunities to increase the number of trading partners.

## Notes to the Financial Statements

### 13. Financial risk management continued

The maximum exposure to credit risk is represented by the carrying amount of each class of financial asset in the balance sheet. The carrying value of financial assets approximates to their fair value.

#### b) Interest rate risk

The Company is no longer a member of a cash pool alongside its fellow UK subsidiary companies (excluding Camelot) under which all members were provided with cross guarantees in respect of each other's liabilities (where applicable).

#### c) Foreign exchange risk

The Group is exposed to foreign exchange risk on purchases that are denominated in a currency other than UK pounds sterling (£). The currencies giving rise to this risk are primarily U.S. dollars (\$) and Euros (€). During the year, the Company did not participate in any derivative or hedging contracts. Transactions denominated in foreign currencies are accounted for in line with our accounting policy detailed in note 2.

Included within administrative expenses in the Statement of Comprehensive Income is £454,000 net foreign exchange gain (2015: £357,000 net foreign exchange loss). This has been impacted by the valuation of the Euro during the year.

#### d) Liquidity risk

The Company is no longer a member of a cash pool alongside its fellow UK subsidiary companies (excluding Camelot) under which all members were provided with cross guarantees in respect of each other's liabilities (where applicable).

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Cash flow forecasts are produced up to one year in advance and revised regularly.

#### e) Capital risk

The directors have received confirmation that the group company, PLUK, will continue to support the Company for at least one year after these financial statements are signed.

### 14. Trade and other payables

	2016 £000	2015 £000
Trade creditors	928	192
Amounts due to fellow subsidiary undertakings	21,004	16,691
Amounts due to subsidiary undertakings	16	124
Amounts due to related parties	93	74
Accruals and deferred income	488	636
	<b>22,529</b>	<b>17,717</b>

Amounts due to the fellow subsidiary and subsidiary undertakings are unsecured, interest free and repayable on demand.



**Camelot Global Services Limited**  
**Notes to the Financial Statements**

**15. Provisions for liabilities and other charges**

	<b>Restructuring £000</b>	<b>Property £000</b>	<b>Total £000</b>
At 1 April 2014	-	6	6
Charge to Statement of Comprehensive Income	131	2	133
<b>At 31 March 2015</b>	<b>131</b>	<b>8</b>	<b>139</b>
	<b>Restructuring £000</b>	<b>Property £000</b>	<b>Total £000</b>
At 1 April 2015	131	8	139
Utilised during the year	(131)	-	(131)
Charge to Statement of Comprehensive Income	310	3	313
<b>At 31 March 2016</b>	<b>310</b>	<b>11</b>	<b>321</b>

Provisions have been classified between current and non-current as follows

	<b>2016 £000</b>	<b>2015 £000</b>
Current	310	131
Non-current	11	8
<b>Total</b>	<b>321</b>	<b>139</b>

All non-current provisions relate to property dilapidation costs. These are based upon the current best estimate of the cost of bringing certain premises, held under operating leases, back to their original state as required by the lease agreements. These provisions will be utilised as these lease agreements terminate. All current provisions relate to restructuring costs based upon re-organisation plans and are expected to be utilised within 12 months.

**16. Share capital**

**Authorised and allotted share capital as at 31 March 2015 and 31 March 2016**

	<b>2016 £000</b>	<b>2015 £000</b>
<b>Authorised</b>		
96,663,000 ordinary (2015 96,663,000) shares of £1 each	96,663	96,663
10 (2015 10) preference 'B' preference shares of £1 each	0	0
<b>As at 31 March</b>	<b>96,663</b>	<b>96,663</b>
	<b>2016 £000</b>	<b>2015 £000</b>
<b>Allotted, issued and fully paid</b>		
1,663,000 (2015 1,663,000) ordinary 'A' shares of £1 each	1,663	1,663
10 (2015 10) preference 'B' preference shares of £1 each	0	0
<b>As at 31 March</b>	<b>1,663</b>	<b>1,663</b>

## Camelot Global Services Limited

### Notes to the Financial Statements

#### 16. Share capital continued

On 31 March 2016 the entire share capital of CGSL was transferred from PLUK to CGLSL (Camelot Global Lottery Solutions Limited), as part of a Group restructure

1,663,000 'A' ordinary shares and three 'B' preference shares are allotted to CGLSL and seven 'B' preference shares are allotted to Fourmoront Corporation

Full income rights are accorded to the 'A' ordinary shares, 'B' preference shares have no distribution rights 'B' preference shares have priority to full repayment of capital in any return of assets on liquidation, reduction of capital or otherwise 'A' ordinary shareholders are entitled to vote and participate in all general meetings of the Company with the exception of any part of a meeting relating to the election of directors 'B' preference shareholders are entitled to participate, but not vote, at all general meetings of the Company with the exception of any vote relating to the election of directors, in which case each 'B' preference share shall be entitled to one vote

#### 17. Retained earnings

	2016 £000	2015 £000
At 1 April	(14,917)	(13,505)
Loss for the financial year	(1,400)	(1,412)
<b>At 31 March</b>	<b>(16,317)</b>	<b>(14,917)</b>

#### 18. Cash generated from/(used in) in operations

	2016 £000	2015 £000
Loss for the financial year	(1,400)	(1,412)
Adjustments for		
- Income tax	(419)	(559)
- Depreciation and amortisation	18	-
- Interest income	(86)	-
	(1,887)	(1,971)
Changes in working capital		
- Trade and other receivables	(3,844)	(1,627)
- Trade and other payables	4,813	3,162
- Provisions for other liabilities and charges	183	2
	1,152	1,535
<b>Cash generated from operations</b>	<b>(735)</b>	<b>(434)</b>

# Camelot Global Services Limited

## Notes to the Financial Statements

### 19. Financial commitments and contingent liabilities

At the year-end, no capital expenditure was contracted for (2015 nil)

### 20. Related party transactions

CGSL is controlled by CGLSL (incorporated in the UK), which owns 100% of the Company's shares. The Group's ultimate UK parent is PLIUK. The Group's ultimate controlling party is the Teachers' Pension Plan Board.

The Company transacted with its fellow subsidiary related parties, (Camelot, CBSL, and CGLSL) and subsidiary (CGSNA) during the year as detailed below. CBSL provides business services to other Group companies through various departments and short term working capital funding to its fellow subsidiaries excluding Camelot. CGLSL is principally focused on providing technical expertise and products to overseas lotteries.

During the current year the Company also transacted with PLIH and with PLIL, subsidiaries of Teachers' but not part of the Group. CGSL holds 2,500 preference shares in PLIH, each share having a par value of €0.01.

In addition £717,000 (2015 £889,000) was received from Camelot and £46,000 (2015 £3,000) was paid to Camelot in respect of group taxation relief during the year. During the year no amounts were paid to CBSL (2015 nil).

All amounts due to and from related parties are unsecured in nature and bear no interest.

All related party transactions are based on normal financial terms and charged on an arm's length basis.

	2016 Sale of services £000	2016 Amounts due from related party £000	2015 Sale of services £000	2015 Amounts due to related party £000
Camelot UK Lotteries Limited	37	14	15	13
Camelot Business Solutions Limited	16	6	7	41
Camelot Global Lottery Solutions Limited	821	606	-	14
Camelot Global Services (North America) Inc	757	2,464	537	1,722
Premier Lotteries Ireland Limited	4,182	1,173	5,949	1,074
Premier Lotteries Ireland Holdings Limited	1,838	2,469	632	632
	2016 Purchases of services £000	2016 Amounts due to related party £000	2015 Purchase of services £000	2015 Amounts due to related party £000
Camelot UK Lotteries Limited	189	1,167	126	291
Camelot Business Solutions Limited	846	14,949	1,141	12,797
Camelot Global Lottery Solutions Limited	1,502	4,888	3,049	3,603
Camelot Global Services (North America) Inc	-	16	-	124
Premier Lotteries Ireland Limited	496	93	74	74

## Camelot Global Services Limited

### Notes to the Financial Statements

#### 20. Related party transactions

In addition to the Sale and Purchase of Services identified above further intercompany recharges have arisen in relation to the settlement of group-wide costs (mainly payroll related transactions)

		2016 Recharges to the Company £000	2016 Recharges from the Company £000	2015 Recharges to the Company £000	2015 Recharges from the Company £000
Camelot Limited	Business Solutions	67	4,093	38	2,287
Camelot Limited	Commercial Services	-	-	-	-
Camelot UK Lotteries Limited		1,763	223	153	275
Camelot Global Lottery Solutions Limited		33	10	13	2
Premier Lotteries UK Limited		-	-	-	-

#### 21. Ultimate and immediate parent undertakings

The Company's immediate parent undertaking is CGLSL (Camelot Global Lottery Solutions Limited). CGLSL is a subsidiary of PLUK, itself a subsidiary of PLIUK. PLUK is the parent undertaking of the smallest group to consolidate these financial statements reporting under IFRS as adopted by the EU. The financial statements of PLUK are available from Magdalen House, Tolpits Lane, Watford, Hertfordshire, WD18 9RN, United Kingdom. The largest Company in the Group to consolidate is PLIUK. The ultimate parent undertaking and controlling party is Teachers'. The financial statements of Teachers' are publicly available at [www.otpp.com](http://www.otpp.com)

### Company Addresses

#### Head Office

Magdalen House  
Tolpits Lane  
Watford WD18 9RN  
United Kingdom  
[www.camelotgroup.co.uk](http://www.camelotgroup.co.uk)  
01923 425 000

#### Registered Office

Magdalen House  
Tolpits Lane  
Watford WD18 9RN  
United Kingdom

Registered in England and Wales  
No 02822300

Incorporated and domiciled in England

#### Independent Auditors

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH  
United Kingdom

#### Bankers

The Royal Bank of Scotland Plc  
London Corporate Service Centre  
PO Box 39592  
2 ½ Devonshire Square  
London  
EC2M 4XJ  
United Kingdom