

Registered number: 02822300

Camelot Global Services Limited

Annual report and financial statements for the year ended 31 March 2022

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Camelot Global Services Limited

Annual report and financial statements for the year ended 31 March 2022

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Directors and advisers

Directors

I Kachko
D T Kelly
W L Pickup

Registered Office

Magdalen House
Tolpits Lane
Watford
Hertfordshire
WD18 9RN

Company Secretary

J E M Dillon

Registered Number

02822300

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Bankers

The Royal Bank of Scotland Plc London
Corporate Service Centre,
Parklands
De Havilland Way
Horwich
Bolton
BL6 4YU

Camelot Global Services Limited

Strategic report for the year ended 31 March 2022

The directors present the strategic report of Camelot Global Services Limited (the 'Company' or 'CGSL') for the year ended 31 March 2022.

The Company's immediate parent undertaking is Camelot Global Lottery Solutions Limited ('CGLSL') which together with its subsidiaries is referred to as the ('Group'). CGLSL is a subsidiary of Premier Lotteries UK Limited ('PLUK'). The Company's ultimate UK parent is Premier Lotteries Investments UK Limited ('PLIUK').

Principal activities

The Company is principally focused on the provision of consultancy and operational support services. The Company expects to continue these activities for the foreseeable future.

Business review

The Company, via its branch operation in Ireland, provides lottery operational support services and interactive technology services to Premier Lotteries Ireland DAC ('PLI'), a related party that has a twenty-year licence to operate the Irish National Lottery until 2034.

On the 31 March 2022, the Company acquired the remaining 45% of Egnite S.A., an Athens based provider of software development and technology resources.

Results and dividends

The profit for the financial year amounted to £1,992k (2021: profit of £5,897k). The decrease in year on year profit was primarily driven by a reduction in commission revenue as a result of reduced player activity through the digital channel, together with the absence of favourable non-routine transactions which occurred during 2021.

The Directors do not recommend payment of a dividend (2021: £nil).

The Company reports a positive total equity position of £45,739k (2021: £43,762k) and has adequate resources, to continue to operate as a going concern.

Camelot Global Services Limited

Strategic report for the year ended 31 March 2022 (continued)

Principal risks and uncertainties

The nature of the Company's operations means that the directors must consider its customers' business plans when managing the shape and size of the Company. The principal risks to the Company and the mitigation strategies are:

Principal risks	Mitigation strategy
Business risks	
Dependency on a small number of customer contracts	<ul style="list-style-type: none">• Ability to directly influence the strategic customer roadmap to ensure the cost base can remain fluid to manage future demand.• Active development of new products to integrate into existing platforms to deliver incremental revenue streams.
Operational risks	
Failure to hire and retain key employees	<ul style="list-style-type: none">• Regular staff communication and remuneration is regularly market tested.
Loss of intellectual property assets	<ul style="list-style-type: none">• Physical and logical security to the business systems.• Contractual protection of intellectual property.
Disaster recovery and business continuity plans	<ul style="list-style-type: none">• A business continuity plan is in place including physically separated disaster recovery infrastructure.
Cyber threat / data protection	<ul style="list-style-type: none">• Protective systems are in place including multi-tiered firewalls, intrusion prevention systems and processes to ensure GDPR compliance.• Certified under ISO27001.
Financial risks	<ul style="list-style-type: none">• Details of these risks are disclosed in note 16.

COVID-19

The financial year began with all the Group's physical offices in London, Athens, Dublin and Chicago closed due to the novel coronavirus pandemic (COVID-19).

Having harnessed the power of the Group's already established agile working practices, cutting edge technology and cloud-based systems during 2021, the business was able to continue working and delivering for our customers throughout the COVID-19 disruption.

The impact of 'lockdown' or stay-at-home orders in many jurisdictions, and the associated closure of retail outlets that sell lottery tickets, did have a short, sharp initial effect upon the global lottery industry, especially those lotteries that are still primarily operating retail sales channels. In many cases, more than ten percent of a lottery's retail sales outlets went offline completely due to the global shutdown.

However, the lottery business is an extremely resilient one. The Group's customers based in Europe and North America were able to return to uninterrupted retail trading in spring 2021 but were impacted by a return to 'lockdown' measures in late 2021 due to a second wave of the pandemic.

Camelot Global Services Limited

Strategic report for the year ended 31 March 2022 (continued)

COVID-19 (continued)

Digital lottery channels flourished throughout the pandemic as stay-at-home orders accelerated already expected player behaviour changes and players switched from physical to digital lottery tickets.

The COVID-19 pandemic will likely fundamentally alter the scope of the lottery industry, especially in markets that had previously been lagging behind global industry standards when it comes to digitalisation, such as the United States. Indeed, we have already seen many individual state jurisdictions accelerate digital gaming laws to cater to sports betting, online casino and lottery companies. This will undoubtedly present opportunities for lottery suppliers who are digital-first in both mindset and product.

The Group will continue to monitor the impact of COVID-19 on its trading performance and that of its customers, over the short and long term.

Employees

The Company is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of age, disability, gender, marriage and civil partnership, pregnancy and maternity, race, religion, sex or sexual orientation. The Company gives full and fair consideration to applications for employment for disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company. If members of staff become disabled the Company continues employment, either in the same or alternative positions, with appropriate retraining being given if necessary.

The Company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly through meetings and regular surveys, so that their views can be taken into account when making decisions that are likely to affect their interests.

Key performance indicators

The Directors monitor the performance of the Company with reference to clear targets and performance indicators. The Key Performance Indicators ('KPIs') which the Company focuses on are EBITDA, customer profit margin and profit after tax.

The Company's performance is reviewed by the Group Executive Board which comprises of the CEO and his direct reports. The Company's results are monitored through monthly management accounts.

This report was approved by the Board on 21 June 2022 and signed on its behalf by:



W L Pickup
Director
Camelot Global Services Limited
Registered number: 02822300

Camelot Global Services Limited

Directors' report for the year ended 31 March 2022

The directors present their report and audited financial statements of the Company for the year ended 31 March 2022.

Share capital

The Company has allotted and issued 3,943,641 (2021: 3,943,641) Ordinary A shares of £1.00 each and has also allotted and issued 10 (2021: 10) Preference B shares of £1.00 each.

Directors

The directors who held office during the year and up to the date of signing these financial statements, unless otherwise indicated, are:

I Kachko
D T Kelly
W L Pickup

Company Secretary

J E M Dillon served as Company Secretary during the year.

Qualifying third party indemnity provisions

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

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its liabilities as they fall due for at least 12 months from the date of signing of these financial statements.

Pursuant to the requirements of IFRS which require management to assess the Company's ability to continue as a going concern, the directors have considered the Company's going concern assessment through the going concern assessment performed for the Group (comprising Camelot Global Lottery Solutions Limited together with its subsidiaries including the Company) as whole. This assessment incorporates factors such as projected cash flows, liquidity, access to borrowing facilities and expected operational activities, including the loss of the fourth licence for Camelot UK Lotteries Limited and the expected impact of COVID-19 on the Group, for at least 12 months from the date of this statement. On the basis of the assessment performed at Group level, the Directors consider that the company has adequate resources to continue in operational existence for the foreseeable future and, for this reason, have adopted the going concern basis in preparing the accompanying financial statements.

Dividends

Refer to strategic report for results and dividends.

Employees

Refer to strategic report for employee involvement and equal opportunities and disabilities policies.

Branches

The Company has a branch which operates outside the UK.

Camelot Global Services Limited

Directors' report for the year ended 31 March 2022 (continued)

Financial risk management

The Company is exposed to certain levels of credit, foreign exchange, liquidity, and capital risks that arise in the normal course of business. Details of these risks are disclosed in note 16.

Policy and practice on payment of creditors

It is the Company's policy to agree the terms of payment with suppliers when entering into each transaction, to ensure that these suppliers are made aware of the terms of payment and to abide by the terms of payment.

Future developments

The Company continues to focus on providing technical expertise and products to lottery operators with the expectation that this will drive long term shareholder value.

Post balance sheet events

No post balance sheet events existed.

Political contributions

The Company made no political donations nor incurred any political expenditure during the current or previous financial years.

Related party transactions

During the current financial year, the Company has had transactions of significance with other companies also owned by Ontario Teachers' Pension Plan ('Teachers'), the Company's ultimate shareholder. Details of related party transactions are given in note 22 to the financial statements.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

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 UK-adopted international accounting standards.

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards 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 directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Camelot Global Services Limited

Directors' report for the year ended 31 March 2022 (continued)

Statement of directors' responsibilities in respect of the financial statements (continued)

The directors are also 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 directors are responsible for the maintenance and integrity of the Company's financial statements published on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

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

This report was approved by the Board on 21 June 2022 and signed on its behalf by:



W L Pickup
Director

Camelot Global Services Limited

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

Report on the audit of the financial statements

Opinion

In our opinion, Camelot Global Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: Statement of financial position as at 31 March 2022; Statement of comprehensive income, Statement of cash flows and Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover

Camelot Global Services Limited

Independent auditors' report to the members of Camelot Global Services Limited (continued)

Reporting on other information (continued)

the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

Camelot Global Services Limited

Independent auditors' report to the members of Camelot Global Services Limited (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

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.

. Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK Companies Act, 2006, Tax Legislations, Employment Legislations and equivalent local laws and regulations applicable to branches of the Company, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate results and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Gaining an understanding of the legal and regulatory framework applicable to the Company and considering the risk of non-compliance by the Company. We held discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation that could give rise to a material misstatement
- Challenging assumptions and judgements made by management in its significant accounting estimates, in particular in relation to recoverability of trade receivables, useful economic lives of tangible and intangible assets and impairment of investment in subsidiaries
- Addressing the risk of management override of controls through the testing of journals which met specific risk criteria, and evaluation of whether there was evidence of bias by management throughout our audit procedures
- Review of board minutes during the year and to the date of this audit opinion

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Camelot Global Services Limited

Independent auditors' report to the members of Camelot Global Services Limited (continued)

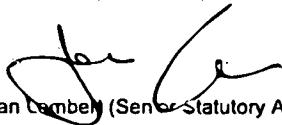
Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jonathan Comber (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
21 June 2022

Camelot Global Services Limited

Statement of comprehensive income for the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Revenue	4	9,068	10,985
Cost of sales		(5,092)	(6,161)
Gross profit		3,976	4,824
Administrative expenses		(1,338)	(1)
Impairment reversal on financial assets	13	374	2,309
Operating profit	5	3,012	7,132
Finance income	8	151	48
Finance costs	8	(137)	(137)
Profit before income tax		3,026	7,043
Income tax charge	9	(1,034)	(1,146)
Profit for the financial year		1,992	5,897
Other comprehensive expense:			
Items that may be subsequently reclassified to profit or loss			
Foreign exchange losses:	20	(15)	(366)
Other comprehensive expense for year		(15)	(366)
Total comprehensive income for the year		1,977	5,531

The notes on pages 17 to 38 are an integral part of these financial statements. All the activities of the Company relate to continuing operations.

Camelot Global Services Limited

Statement of financial position as at 31 March 2022

Registered number: 02822300

	Note	2022 £'000	2021 £'000
Assets			
Non-current assets			
Intangible assets	10	364	430
Property, plant and equipment	11	-	-
Deferred income tax assets	18	20	91
Contract assets	13	266	870
Investments	12	14,233	15,217
Trade and other receivables	14	27,532	24,191
		42,415	40,799
Current assets			
Deferred income tax assets	18	-	5
Contract assets	13	1,194	251
Trade and other receivables	14	324	638
Current income tax		89	-
Cash and cash equivalents	15	1,952	3,973
		3,559	4,867
Total assets		45,974	45,666
Liabilities			
Current liabilities			
Trade and other payables	17	235	1,904
		235	1,904
Total liabilities		235	1,904
Net assets		45,739	43,762

Camelot Global Services Limited

Statement of financial position as at 31 March 2022

Registered number: 02822300

	Note	2022 £'000	2021 £'000
Equity			
Capital and reserves			
Share capital	19	3,944	3,944
Share premium	20	50,325	50,325
Other reserves	20	(207)	(192)
Accumulated losses	20	(8,323)	(10,315)
Total equity		45,739	43,762
Total equity and liabilities		45,974	45,666

The financial statements on pages 12 to 38 were approved by the Board of Directors on 21 June 2022 and were signed on its behalf by:



W L Pickup
Director

The notes on pages 17 to 38 are an integral part of these financial statements.

Camelot Global Services Limited

Statement of changes in equity for the year ended 31 March 2022

	Note	Share capital £'000	Share premium £'000	Other reserves £'000	Accumulated losses £'000	Total equity £'000
Balance as at 1 April 2020		3,944	50,325	174	(16,212)	38,231
Other comprehensive expense	20	-	-	(366)	-	(366)
Profit for the financial year	20	-	-	-	5,897	5,897
Balance as at 31 March 2021		3,944	50,325	(192)	(10,315)	43,762
Balance as at 1 April 2021		3,944	50,325	(192)	(10,315)	43,762
Other comprehensive expense	20	-	-	(15)	-	(15)
Profit for the financial year	20	-	-	-	1,992	1,992
Balance as at 31 March 2022		3,944	50,325	(207)	(8,323)	45,739

The notes on pages 17 to 38 are an integral part of these financial statements.

Camelot Global Services Limited

Statement of cash flows for the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Cash flows from operating activities			
Cash generated from operations	21	218	1,662
Income tax payment		(365)	(584)
Group relief		(150)	-
Interest received		1	1
Net cash (used in)/from operating activities		(296)	1,079
Cash flows from investing activities			
Payment for the acquisition of Egnite S.A. to erstwhile shareholders of Egnite S.A.	12	(1,859)	(133)
Dividends received	8	150	47
Net cash used in investing activities		(1,709)	(86)
Net (decrease)/increase in cash and cash equivalents		(2,005)	993
Cash and cash equivalents at the beginning of the year		3,973	3,346
Exchange adjustments		(16)	(366)
Cash and cash equivalents at the end of the year	15	1,952	3,973

The notes on pages 17 to 38 are an integral part of these financial statements.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022

1. General information

The Company is a private limited company limited by shares, incorporated and domiciled in England, 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. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied during the years presented.

Basis of preparation

The financial statements of Camelot Global Services Limited have been prepared in accordance with UK-adopted international accounting standards.

The financial statements have been prepared under the historical cost convention.

The Company's accounting policies were selected by management, considering all UK-adopted international accounting standards, hereinafter referred to as 'IFRS'.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its liabilities as they fall due for at least 12 months from the date of signing of these financial statements.

Pursuant to the requirements of IFRS which require management to assess the Company's ability to continue as a going concern, the directors have considered the Company's going concern assessment through the going concern assessment performed for the Group (comprising Camelot Global Lottery Solutions Limited together with its subsidiaries including the Company) as whole. This assessment incorporates factors such as projected cash flows, liquidity, access to borrowing facilities and expected operational activities, including the loss of the fourth licence for Camelot UK Lotteries Limited and the expected impact of COVID-19 on the Group, for at least the 12 months from the date of this statement. On the basis of the assessment performed at Group level, the Directors consider that the company has adequate resources to continue in operational existence for the foreseeable future and, for this reason, have adopted the going concern basis in preparing the accompanying financial statements.

Consolidation

The Company is a subsidiary of Camelot Global Lottery Solutions Limited which is incorporated in the UK and is included in the consolidated financial statements of CGLSL, 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 Company financial statements under the terms of Companies Act 2006 Sec 400 (1) as well as IAS 27.

Adopted IFRS in 2022

There were no new accounting standards or amendments to accounting standards that are effective for the year ended 31 March 2022, having a material impact on the Group or the Company.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

2. Accounting policies (continued)

Revenue recognition

Revenue represents fair value of consideration received or receivable from contracts for providing goods and services, over time or at a point in time, by the Company to customers in the ordinary course of the Company's activities. Revenue is recognised net of value-added tax, returns, rebates and discounts.

Revenue for the Company comprises of the following main components; 1) professional services fees provided and 2) dividend income. Revenue is recognised as performance obligations are satisfied and control of the goods and services is transferred to the customer.

Professional services fees

The Company derives income from services provided to customers for the design and development of next generation data and digital lottery platforms. Professional services contracts are either fixed price based or are resources based.

Fixed price contracts are estimated based on costs incurred in the lifetime of the individual development projects plus contract margin consistent with the Company's pricing principles. The costs include project management, architecture, implementation and testing costs. Resources based contracts correspond directly to the value of the performance completed to date based on time and material costs.

Revenue is recognised as performance obligations are satisfied and control of the good and services is transferred to the customer. When payments are made by the Company's customers in advance of delivery, the Company classifies these payments as contract liabilities until the performance criteria has been achieved.

Dividend income

Dividend income is recognised at the same time as the paying company recognises the liability to pay a dividend and the right to receive payment is established. 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 statement of comprehensive income, otherwise it is included within finance income in the statement of comprehensive income.

Contract-related costs

When costs directly relating to a specific contract are incurred prior to recognising revenue for a related obligation, and those costs enhance the ability of the Company to deliver an obligation and are expected to be recovered, then those costs are recognised on the statement of financial position as fulfilment costs and are recognised as expenses in line with the recognition of revenue when the related obligation is delivered.

The direct and incremental costs of acquiring a contract including, for example, certain staff or agents' commissions or bonuses for acquiring the contract on behalf of the Company, are recognised as contract acquisition cost assets in the statement of financial position when the related payment obligation is recorded. Costs are recognised as an expense in line with the recognition of the related revenue that is expected to be earned by the Company; typically, this is over the contract period.

Segmental reporting

Segmental reporting has been presented in accordance with IFRS 8. The Company measures activity performance based on the geographic areas where the Company operates.

Investments

Investments are accounted for at cost less impairment. When a business combination with non-controlling interests provides for the grant of a call option to these non-controlling interests, a contingent consideration is recognised in the statement of financial position where risk and rewards in respect of underlying shares rests with the Company.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

2. Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition.

Depreciation is calculated so as to write off the cost of the tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned.

The principal annual lives for this purpose are:

Leasehold improvements	Period of lease
Plant and equipment	4 years

No depreciation is provided on assets in the course of construction.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Assets under construction

Assets under construction are stated at historic cost until they are brought into use, at which point they are depreciated or amortised at such rates as to write off the cost of these assets in equal instalments over their expected useful lives.

Inventories

Inventories represent time and material costs incurred to date in respect of ongoing contracts, where control of the underlying system being developed has yet to pass onto the end customer.

Once control has passed to the end customer these contract costs will be recognised as cost of sales within the income statement.

Leases

A lease is a contract in which the right to use an asset (the leased asset) is granted for an agreed-upon period in return for compensation.

As a lessee- operating lease (under IFRS 16)

The Company recognises for all leases except for short-term and low value leases, a right-of-use asset and a corresponding lease liability at present value for future lease payables as at the balance sheet date.

Lease liabilities include the following lease payments:

- Fixed payments, less lease incentives offered by the lessor;
- Variable payments linked to an index or interest rate;
- Expected residual payments from residual value guarantees;
- The exercise price of call options when exercise is estimated to be sufficiently likely; and
- Contractual penalties for the termination of lease if the lease term reflects the exercise of a termination option.

Lease payments are discounted at the implicit interest rate underlying the lease to the extent that this can be determined. Otherwise, discounting is at the incremental borrowing rate being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and interest cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

2. Accounting policies (continued)

Leases (continued)

Right-of-use assets are measured at cost, which comprises the following:

- Lease liability;
- Lease payments made at or prior to delivery, less lease incentives received; and
- Initial direct costs

Right-of-use assets are subsequently measured at amortised cost. They are depreciated over the term of the lease using the straight-line method. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Payments associated with short-term and low value leases are recognised on a straight-line basis as an expense in profit or loss in accordance with IFRS 16. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets that are not interrelated with other leased assets and are low value in nature.

The Company has elected to separate non-lease components and account for the lease and non-lease components as separate components.

Extension and termination options exist for a number of leases, particularly for real estate. Such contract terms offer the Company the greatest possible flexibility in doing business. In determining lease terms, all facts and circumstances offering economic incentives for exercising extension options or not exercising termination options are taken into account. Changes due to the exercise or non-exercise of such options are considered in determining the lease term only if they are sufficiently probable.

Intangible assets

All intangible assets are stated at cost, including costs incurred to acquire and bring the asset to use, less accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of the intangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets.

The useful economic lives of intangible assets are as follows:

Internally generated	4-10 years
Separately acquired	3 years

a) Internally generated intangible assets

Costs relating to the development of software are capitalised as intangible assets only when the future economic benefits expected to arise are deemed probable and the costs can be reliably measured. Development costs not meeting these criteria are expensed in the statement of comprehensive income as incurred. Capitalised development costs are amortised on a straight-line basis over the period gaining economic benefit from the expenditure once the related product is available for use. Research costs are charged to the statement of comprehensive income as incurred.

b) Separately acquired intangible assets

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 statement of comprehensive income as incurred.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

2. Accounting policies (continued)

Impairment of non-financial assets

The Company uses forecast cash flow information and estimates of future earnings to assess whether non-financial 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, impairment may be triggered, or the useful economic life of an asset may be reduced.

An impairment loss is recognised to the extent the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less any costs to sell and the value in use, the present value of the future cash flows expected to be derived from the asset.

Any impairment losses are recognised as an expense in the statement of comprehensive income.

Foreign currency translation

These financial statements are presented in UK pounds sterling, which is the Company's functional and presentational currency. All amounts in these financial statements have been rounded to the nearest thousand, unless otherwise indicated.

Transactions denominated in currencies other than the functional currency of the transacting entity are translated into the functional currency at the prevailing exchange rate when the transaction occurs. Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at the rate prevailing at the year end. Exchange differences arising on foreign exchange transactions and the retranslation of assets and liabilities into functional currencies at the rate prevailing at the year-end are included in the statement of comprehensive income.

The trading results of Company entities are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas Company entities are translated at the exchange rates prevailing at the year end. Exchange adjustments arising from the retranslation of the opening net investments, and from the translation of the profits or losses at average rates, are recognised in the statement of changes in equity under other reserves.

Financial risk management

Exposure to credit, foreign exchange, liquidity and capital 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 16.

Trade and other receivables

Trade receivables and contract assets are carried at amortised cost less provisions for lifetime estimated credit losses and impairments. The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade and other receivables. Estimated future credit losses are first recorded on the initial recognition of a receivable and are based on the ageing of the receivable balance, historical credit loss experience and forward-looking considerations. The amount of the provision is recognised in the income statement and movements on provisions for impaired trade receivables are recognised within operating expenses in the income statement.

Trade receivables are amounts due from customers for goods and services provided in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are classified as non-current assets.

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.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

2. Accounting policies (continued)

Trade 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 classified as non-current liabilities.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument.

Financial assets are derecognised when the contractual rights to the cash flows from financial asset expire or when all the risks and rewards of the financial asset are transferred. Financial liabilities are derecognised when discharged, cancelled or expired.

Financial assets

Financial assets are classified into the following categories:

- Amortised cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

The classification is determined by the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Financial assets - amortised cost

These are non-derivative financial assets held to collect contractual cash flows until maturity and the cash flows are solely payment of principal and interest. Assets measured at amortised cost include trade and other receivables, and cash and cash equivalents.

Financial assets - fair value through other comprehensive income (FVTOCI)

These are non-derivative financial assets which can be for sale with cash flows that are solely payment of principal and interest. These assets are measured at fair value and changes to market values are recognised in the other comprehensive income. The Company has no assets classified under this category.

Financial assets - fair value through profit or loss (FVTPL)

These assets are assets that cannot be classified in any of the other categories and are measured at fair value. Any changes in the fair value are recognised on the income statement.

Impairment of financial assets

In accordance with IFRS 9, the Company measures credit losses on financial assets for differences between the present value of contractual cash flows and the present value of expected future cash flows. Any cash shortfalls are recognised in the statement of comprehensive income.

Financial liabilities

All financial liabilities are measured at amortised cost using the effective interest rate method and are held at fair value. Financial liabilities held at amortised cost include trade payables and borrowings.

All interest-related charges and any changes in the financial liabilities' fair value are included within finance costs or finance income in the statement of comprehensive income.

Provisions

Provisions are recognised when the Company has legal or constructive present obligations as a result of past events, during the normal course of trade 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.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

2. Accounting policies (continued)

Provisions (continued)

Provisions for restructuring costs are recognised when there are changes to the Company's operations resulting in the likelihood that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Pensions

The Company operates a defined contribution pension scheme for employees in Ireland and makes employer contributions to this scheme on behalf of those employees. The cost of contributions is charged to the statement of comprehensive income in the year to which it relates. Any pension contributions made by the Company under salary sacrifice arrangements with employees are disclosed within pension costs in Note 7.

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.

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 statement of financial position.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset taxation assets with taxation liabilities.

The Company is subject to corporation tax in the UK and the Republic of Ireland. Judgement and estimates of future profitability are required to determine the deferred tax position of the Company. If the final tax position is different to that originally assumed, any resulting changes are reflected in the consolidated statement of comprehensive income.

Value added tax

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

Share capital

Share capital represents the value of shares that have been issued.

Any premiums received on the issue of share capital has been allocated to share premium under the equity section on the statement of financial position.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

3. Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimates

(i) *Useful economic lives of tangible and intangible assets*

The annual depreciation and amortisation charges for tangible and intangible assets respectively are sensitive to changes in the useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments and economic utilisation of the assets.

(ii) *Investments*

The Company tests its investments in subsidiary undertakings on an annual basis by comparing the carrying value of these assets with the recoverable amount of the relevant cash-generating unit (CGU). The recoverable amount has been determined by the 'value-in-use' of the relevant CGU group. The value-in-use calculations are based on projected cashflows from latest budgets and strategic plans covering defined contractual periods, in line with licences granted to its customers. Within this process, the Company makes a number of key assumptions including discount rates and forecast cashflows. These assumptions impact the recoverability of investments and the requirement for impairment charges in the income statement.

As a result of a downturn in demand for technology focused professional services together with key customer contracts coming to an end within the next two to five years; the expected cost synergies to be realised from the acquisition of Egnite S.A., within the value-in-use assessment period, have lessened. As a result of these changes in trading assumptions, management has impaired the investment relating to Egnite S.A. by £984k (2021: nil). The impairment charge has been included within 'administrative expenses' in the statement of comprehensive income.

If key customer contracts were to be extended or new contracts awarded, then there could be a possibility the impairment charge could be reversed in the future. A 1% increase in the discount rate to 9.48% would increase the impairment charge by £70k.

Judgements

(i) *Intangible assets*

The Company develops intangible assets as part of its operations, primarily in relation to software. There is judgement arising in respect of these costs, which are capitalised on the statement of financial position when they meet the recognition criteria of IAS 38. The Company tests annually whether the internally generated and separately acquired intangible assets which are subject to amortisation require impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

4. Revenue

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

All revenue is derived within Europe.

5. Operating profit

	2022 £'000	2021 £'000
Amortisation of intangibles (note 10)	66	158
Depreciation of property, plant and equipment (note 11)	-	1
Impairment loss on investments (note 12)	984	-

6. Auditors' remuneration

	2022 £'000	2021 £'000
Fees payable to the Company's auditors for the audit of the financial statements (excluding taxes)	32	30

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

7. Employee benefit expense

	2022 £'000	2021 £'000
Wages and salaries	641	698
Social security costs	84	79
Other pension costs	41	37
	766	814

The average monthly number of staff employed during the year is as follows:

	2022 Number	2021 Number
Europe	10	10
	10	10

The Company operates a defined contribution pension scheme for employees in Ireland and makes employer contributions to this scheme on behalf of those employees. The cost of contributions is charged to the statement of comprehensive income in the year to which it relates.

There were no payments to key management personnel during the 2022 or 2021 reporting periods. Key management personnel are considered to be those members of the Group Executive Board who make key operating and strategic decisions in respect of the Company.

Directors' emoluments have been borne by other companies under common Group ownership. These directors are also directors or officers of at least one other company within the Group. These director's services to the Company do not occupy a significant proportion of their time. As such, these directors do not consider that they have received any remuneration for their incidental services to the Company for the periods covered by these financial statements.

8. Finance income and finance costs

	2022 £'000	2021 £'000
Finance income		
Bank interest	1	1
Dividends received from subsidiary undertaking (note 22)	150	47
Finance income	151	48
Finance costs		
Other interest	(137)	(137)
Finance costs	(137)	(137)
Net finance income/(cost)	14	(89)

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

9. Income tax charge

	2022 £'000	2021 £'000
Current tax:		
Current UK income tax charge for the year	647	240
Current overseas Irish tax charge for the year	309	453
Prior period adjustments	2	22
Total current tax charge	958	715
Deferred tax:		
Deferred income tax charge	76	431
Total deferred tax charge (note 18)	76	431
Income tax charge	1,034	1,146

Tax on the profit before tax differs from the theoretical amount that would arise using the standard tax rate applicable in the UK to profits as follows:

	2022 £'000	2021 £'000
Profit before tax	3,026	7,043
Tax calculated at the standard rate of corporation tax in the UK of 19% (2021: 19%)	575	1,338
Tax effects of:		
Expenses not deductible for tax purposes	186	17
Imputed interest on loan to CGLSL	428	-
Difference between overseas and UK tax rates	(156)	(231)
Adjustment in respect of prior periods	2	22
Effect of change in tax rate	(1)	-
Income tax charge	1,034	1,146

Factors affecting current and future tax charges

The rate of UK corporation tax reflected in these financial statements is 19% (2021: 19%). In the Spring Budget 2021, the government announced that, from 1 April 2023, the corporation tax rate would increase to 25% (rather than the current rate of 19%, as previously enacted following the Spring Budget 2020). This new law was substantively enacted on 24 May 2021. As the proposal to increase the rate to 25% has been substantively enacted at the balance sheet date, its effects will be included in these financial statements for deferred tax purposes. We have calculated the deferred tax impact on temporary differences unwinding within 12 months at 19% and those that will unwind more than 12 months later at 25%. All taxable temporary differences have been recognised and are reflected in the deferred taxation balance.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

10. Intangible assets

	Total £'000
Cost	
At 1 April 2020	1,008
Exchange differences	(13)
At 31 March 2021	995
Accumulated amortisation	
At 1 April 2020	(419)
Charge for the year	(158)
Exchange differences	12
At 31 March 2021	(565)
Net book value	
At 31 March 2021	430
Cost	
At 1 April 2021	995
Disposals	(334)
At 31 March 2022	661
Accumulated amortisation	
At 1 April 2021	(565)
Charge for the year	(66)
Disposals	333
Exchange differences	1
At 31 March 2022	(297)
Net book value	
At 31 March 2022	364

All intangible assets were internally generated.

Amortisation charge of £66k (2021: £158k) has been charged in 'administrative expenses' in the statement of comprehensive income.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

11. Property, plant and equipment

	Total £'000
Cost	
At 1 April 2020	21
Disposal	(10)
At 31 March 2021	11
Accumulated depreciation	
At 1 April 2020	(20)
Charge for the year	(1)
Disposal	10
At 31 March 2021	(11)
Net book value	
At 31 March 2021	-
Cost	
At 1 April 2021	11
Disposal	(4)
At 31 March 2022	7
Accumulated depreciation	
At 1 April 2021	(11)
Charge for the year	-
Disposal	4
At 31 March 2022	(7)
Net book value	
At 31 March 2022	-

Depreciation charge of nil (2021: £1k) has been charged in 'administrative expenses' in the statement of comprehensive income.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

12. Investments

	2022 £'000	2021 £'000
Shares in subsidiary undertakings		
At 1 April	15,217	15,217
Impairment loss	(984)	-
As at 31 March	14,233	15,217

As at 1st April 2021 the Company held investments in Egnite S.A. and Camelot Global Services (North America) Inc. with carrying values of £3,745k and £11,472k respectively. During the year the Company exercised the call option to acquire the remaining 45% of Egnite S.A., a company incorporated in Greece, for £1,859k. This amount had already been reflected within the carrying value of Egnite S.A. as at 1st April 2021.

Management considers the recoverability of the Company's investments in subsidiary undertakings annually. Within this process, the Company makes a number of key assumptions including discount rates and forecast cashflows. These assumptions impact the calculated recoverability of investments and the requirement for impairment charges in the income statement.

As a result of a downturn in demand for technology focused professional services together with key customer contracts coming to an end within the next two to five years; the expected cost synergies to be realised from the acquisition of Egnite S.A., within the value-in-use assessment period, have lessened. As a result of these changes in trading assumptions, management has impaired the investment relating to Egnite S.A. by £984k (2021: nil). The impairment charge has been included within 'administrative expenses' in the statement of comprehensive income.

Management believes there is no diminution in the carrying value of the investment in Camelot Global Services (North America) Inc. following a review of the recoverable amounts.

Name	Percentage shareholding	Registered address	Nature of business
Camelot Global Services (North America) Inc.	100%	200 W. Jackson, Suite 1100, Chicago, Illinois, 60606 USA	Provision of lottery services to the North American market
CISL SA Limited	100%	32 Ida Street, Menlo Park, 0081 South Africa	Dormant
Wholesale Commercial Collections Limited	100%	Magdalen House, Tolpits Lane, Watford, Hertfordshire, WD18 9RN	Dormant
Premier Lotteries Ireland Holdings DAC	50% C preference shares (no voting rights)	Abbey Street Lower, Dublin, Eire	Holding company
Camelot Illinois LLC*	100%	200 W. Jackson, Suite 425, Chicago, Illinois, 60606 USA	Private manager of the Illinois State Lottery

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

12. Investments (continued)

Name	Percentage shareholding	Registered address	Nature of business
Egnite S.A.	100%	62A Ethnikis Antistaseos, 152 31 Chalandri, Athens Greece	Provision of software development and technology resources.

*Indirect holding

13. Contract Assets

	2022 £'000	2021 £'000
Non-current		
Contract assets	266	870
	266	870

The above amount of £870k in 2021 is stated net of a credit loss provision of £374k. Subsequently in 2022 the Company received amounts to settle the majority of the outstanding balance which existed as at 31 March 2021, hence the credit loss provision was reversed in 2022. No credit loss provision has been recognised in 2022.

Amounts above include contract assets with related parties (note 22).

	2022 £'000	2021 £'000
Current		
Contract assets	1,194	251
	1,194	251

Amounts above include contract assets with related parties (note 22).

14. Trade and other receivables

	2022 £'000	2021 £'000
Non-current		
Receivables from related parties (note 22)	27,532	24,191
	27,532	24,191
	2022 £'000	2022 £'000
Current		
Receivables from related parties (note 22)	321	632
Other debtors	-	2
Prepayments and accrued income	3	4
	324	638

Receivables from related parties

The receivables from related parties are unsecured, interest free and repayable on demand.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

15. Cash and cash equivalents

	2022 £'000	2021 £'000
Cash and cash equivalents	1,952	3,973
	1,952	3,973

16. Financial risk management

Exposure to credit, 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 an established credit policy to ensure that any exposures arising are mitigated.

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

b) Foreign exchange risk

The Company is exposed to transactional foreign exchange risk on sales and purchases denominated in currencies other than the functional currency of the Company. Similarly, the Company is exposed to foreign exchange risk on the retranslation of the overseas branch whose functional currency is not 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 £13k net foreign exchange gain (2021: £330k gain).

As at 31 March 2022, the Company's foreign exchange exposure of its trade receivable and payable balances, denominated in a currency other than its functional currency is considered not to be material, hence sensitivity disclosures as per IFRS 7 have not been included.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Regular reviews of cash flow forecasts, strategic plans and budgets guide the consideration of the adequacy of these facilities and determine the potential draw down of funds. 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.

The Company's financial liabilities all relate to Trade and other payables, which are considered to all mature within one year.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

17. Trade and other payables

	2022 £'000	2021 £'000
Current		
Trade payables	1	-
Payables to related parties (note 22)	71	1,744
Social security and other taxes	30	26
Accruals and deferred income	133	115
Other payables	-	19
	235	1,904

18. Deferred income tax assets

	2022 £'000	2021 £'000
Deferred tax assets		
To be recovered after more than 12 months	20	91
To be recovered within 12 months	-	5
Deferred tax assets	20	96

	Provisions, accruals and tax losses £'000	Accelerated capital allowances £'000	Net deferred tax asset £'000
At 1 April 2020	507	20	527
Income statement charge (note 9)	(436)	5	(431)
At 31 March 2021	71	25	96
Income statement charge (note 9)	(71)	(5)	(76)
At 31 March 2022	-	20	20

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

19. Share capital

	2022 £'000	2021 £'000
Allotted, issued and fully paid		
3,943,641 (2021: 3,943,641) Ordinary A shares of £1 each	3,944	3,944
10 (2021:10) Preference B shares of £1 each	0	0
As at 31 March	3,944	3,944

Share capital represents the issued and fully paid up equity share capital of the Company.

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.

20. Reserves

	Share premium £'000	Foreign currency translation reserve £'000	Accumulated losses £'000	Total £'000
At 1 April 2020	50,325	174	(16,212)	34,287
Exchange differences on translation of foreign operations	-	(366)	-	(366)
Profit for the financial year	-	-	5,897	5,897
At 31 March 2021	50,325	(192)	(10,315)	39,818
Exchange differences on translation of foreign operations	-	(15)	-	(15)
Profit for the financial year	-	-	1,992	1,992
At 31 March 2022	50,325	(207)	(8,323)	41,795

Foreign currency translation reserve

Foreign currency translation reserve represents exchange differences arising on translation of the foreign controlled branch.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

21. Cash generated from operations

	2022 £'000	2021 £'000
Profit for the financial year	1,992	5,897
Adjustments for:		
Income tax (note 9)	1,034	1,146
Amortisation (note 10)	66	158
Depreciation (note 11)	-	1
Impairment reversal on financial assets (note 13)	(374)	(2,309)
Impairment loss on investments (note 12)	984	-
Disposal of non-current asset	1	-
Net finance (income)/costs (note 8)	(14)	89
Changes in working capital:		
Decrease in contract assets	35	4,182
Decrease in inventories	-	983
Increase in trade and other receivables	(3,472)	(6,682)
Decrease in contract liabilities (net of interest expense for the year)	-	(774)
Decrease in trade and other payables	(34)	(1,029)
Cash generated from operations	218	1,662

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

22. Related party transactions

The following transactions were carried out with related parties:

a) Recharges from the Company and sales of services

	2022 £'000	2021 £'000
Premier Lotteries Ireland DAC	8,004	9,882
Premier Lotteries Ireland Holdings DAC	1,064	1,103
	9,068	10,985

b) Recharges to the Company and purchases of goods and services

	2022 £'000	2021 £'000
Premier Lotteries Ireland DAC	17	18
Camelot Global Lottery Solutions Limited	4,406	3,759
	4,423	3,777

c) Finance income received by the Company

	2022 £'000	2021 £'000
Egnite S.A.	150	47
	150	47

d) Year end balances arising from sales, recharges and purchasing of goods and services

	2022 £'000	2021 £'000
Payables to related parties		
Agile Actors P.C.	-	1,725
Camelot UK Lotteries Limited	-	19
Premier Lotteries UK Limited	71	-
Total payables to related parties	71	1,744

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Notes to the financial statements for the year ended 31 March 2022 (continued)

22. Related party transactions (continued)

d) Year end balances arising from sales, recharges and purchasing of goods and services (continued)

	2022 £'000	2021 £'000
Receivables from related parties		
Camelot Global Lottery Solutions Limited	27,532	24,191
Premier Lotteries Ireland DAC	321	632
Total receivables from related parties	27,853	24,823
Related party contract assets		
Premier Lotteries Ireland DAC	219	251
Premier Lotteries Ireland Holdings DAC*	1,241	870
Total related party contract assets	1,460	1,121

* The contract asset amount of £1,241k (£870k in 2021) is stated net of a credit loss provision of £nil (£374k in 2021). Subsequently in 2022 the Company received amounts to settle the majority of the outstanding balance which existed as at 31 March 2021, hence the credit loss provision was reversed. No credit loss provision has been recognised in 2022.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2022 (continued)

23. Financial Instruments

The following table presents the carrying amounts of each category of financial assets and liabilities:

a) Assets as per statement of financial position

	2022 £'000	2021 £'000
Financial Assets at amortised cost		
Contract assets	1,460	1,121
Trade and other receivables	27,853	24,825
Cash and cash equivalents	1,952	3,973
	31,265	29,919

b) Liabilities as per statement of financial position

	2022 £'000	2021 £'000
Financial Liabilities at amortised cost		
Trade and other payables	72	1,763
	72	1,763

24. Ultimate and immediate parent undertakings

The Company's immediate parent undertaking is Camelot Global Lotteries Solutions Limited (CGLSL). CGLSL is a subsidiary of Premier Lotteries UK Limited (PLUK). The Company's ultimate UK parent is Premier Lotteries Investments UK Limited (PLIUK).

CGLSL is the parent undertaking of the smallest group to consolidate these financial statements reporting under UK-adopted international accounting standards. PLIUK is the parent undertaking of the largest group to consolidate these financial statements, reporting in accordance with UK-adopted international accounting standards. The financial statements of CGLSL are available from Magdalen House, Tolpits Lane, Watford, Hertfordshire, WD18 9RN, United Kingdom and PLIUK from 10 Portman Square, London, England, W1H 6AZ, United Kingdom.

The ultimate parent undertaking and controlling party is Teachers'. The financial statements of Teachers' are publicly available at www.otpp.com.

25. Post balance sheet events

No post balance sheet events existed.