Registered number: 2822300

Camelot Global Services Limited

Directors' report and financial statements for the year ended 31 March 2011

Camelot Global Services Limited

Directors' report for the year ended 31 March 2011

The directors present their report together with the audited financial statements for the year ended 31 March 2011 for Camelot Global Services Limited (the "Company")

Business review and the year ahead

The Company is principally focused on targeting international opportunities within the lottery industry The Company expects to continue these activities for the foreseeable future

The Company is reporting under IFRS (as adopted by the EU) for the first time this year, the effects of the transition from UK GAAP to IFRS are discussed in Note 23 to the financial statements

On 8 July 2010, the Company was acquired by Premier Lotteries UK Limited (PLUK), a subsidiary of Ontario Teachers' Pension Plan (Teachers')

Results and dividends

The loss after taxation for the year amounted to £1,009,000 (2010 £363,000) No final dividend has been proposed for the year ended 31 March 2011 (2010 £nil)

Share capital

The authorised share capital is 96,663,000 (2010 96,663,000) shares of £1 each, of which 1,663,010 (2010 1,663,000) shares are allotted, issued and fully paid

Sale of subsidiary

On 31 March 2011 the Company sold its subsidiary, Camelot Commercial Services Limited (formerly Wholesale Commercial Services Limited), to its parent undertaking, PLUK generating a gain on disposal of £2,000,000

Going concern

Management has prepared detailed budgets and cash flow forecasts which support the appropriateness of the going concern assumption The directors believe that preparing the accounts on the going concern basis is appropriate due to the financial support provided by PLUK which includes a £7,000,000 revolving credit facility The directors have received confirmation that PLUK will support the Company for at least one year after these financial statements are signed

Policy and practice on payment of creditors

It is the Company's policy to settle the terms of payment with suppliers when agreeing the terms of each transaction and to ensure that these suppliers are made aware of the terms of the payment and to abide by the terms of payment

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, performance of the business.

Camelot Global Services Limited

Directors and their interests

The names of the directors who served during the year are

Chairman	
Lee Sienna	*(appointed 8 July 2010)*
Sir Peter Middleton GCB	*(resigned 8 July 2010)*
Executive directors	
Dianne Thompson CBE	
Sir Patrick Brown	*(appointed 8 July 2010)*
Wayne Kozun	*(appointed 8 July 2010)*
Tony Illsley	*(appointed 15 December 2010)*
Martin Pugh	*(resigned 8 July 2010)*
Nigel Railton	*(resigned 8 July 2010)*
Independent non-executive directors	
Gerry Acher CBE LVO	
Julie Baddeley	*(resigned 8 July 2010)*
Louise Botting CBE	*(resigned 8 July 2010)*
Tim Robinson	*(resigned 8 July 2010)*
Shareholder-nominated non-executive directors	
Michael Clark (nominee of Cadbury Holdings Limited)	*(resigned 8 July 2010)*
Brian Harris (nominee of Fujitsu Services Limited)	*(resigned 8 July 2010)*
John Howe CB OBE (nominee of Thales Electronics plc)	*(resigned 8 July 2010)*
James Hussey (nominee of De La Rue Holdings plc)	*(resigned 8 July 2010)*
Hugo Robson (nominee of Royal Mail Enterprises Limited)	*(appointed 27 April 2010 and resigned 8 July 2010)*
Alternates	
Under the Company's Articles of Association, each shareholder-nominated director may appoint an alternate	
Andre Mousseau (alternate to Lee Sienna and Wayne Kozun)	*(appointed 23 September 2010)*
Dominic Blakemore (alternate to Michael Clark, Cadbury Holdings Limited)	*(resigned 8 July 2010)*
Stephen Clayton (alternate to Brian Harris of Fujitsu Services Limited)	*(resigned 8 July 2010)*
Christine Louise Fluker (alternate to James Hussey, De La Rue Holdings plc)	*(resigned 8 July 2010)*
Antoine Lagomarsino (alternate to John Howe, Thales Electronics plc)	*(resigned 8 July 2010)*
Mark Thomson (alternate to Adam Crozier, Royal Mail Enterprises Limited)	*(resigned 8 July 2010)*

None of the directors has a beneficial interest in, or options to acquire, shares in the Company or its subsidiaries

Company secretary

The names of the company secretaries who served during the year are

John Dillon	*(appointed 30 July 2010)*
Gill Marcus	*(resigned 30 July 2010)*

Camelot Global Services Limited

Statement of directors' responsibilities

The directors are responsible for preparing the 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 elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union In preparing these financial statements, the directors have also elected to comply with IFRS, issued by the International Accounting Standards Board (IASB) 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 year 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 IFRS as adopted by the European Union and IFRS issued by the IASB 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

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

Each person who is a director at the date the directors' report is approved confirms that

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

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting

This report was approved by the board and signed on its behalf by

D. Thompson

Dianne Thompson CBE
Director

11 July 2011

Independent Auditors' Report to the Members of Camelot Global Services Limited

We have audited the financial statements of Camelot Global Services Limited for the year ended 31 March 2011 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in shareholder's equity, the Statement of cash flow and the related notes The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

Respective responsibilities of directors and auditors
As explained more fully in the Statement of directors' responsibilities on page 3, 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) 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

Scope of the audit of the financial statements
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 In addition, we read all the financial and non-financial information in the Company's Directors' Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2011 and of its loss and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- 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
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

N A Campbell Lambert

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

13 July 2011

Camelot Global Services Limited

Statement of comprehensive income for the year ended 31 March 2011

	Note	2011 £000	2010 £000
Revenue	3	**1,260**	1,316
Cost of sales		**(1,206)**	(1,215)
Gross profit		**54**	101
Administrative expenses		**(3,734)**	(457)
Operating loss	4	**(3,680)**	(356)
Profit on disposal of subsidiary	5	**2,000**	-
Loss before interest and taxation		**(1,680)**	(356)
Finance income	8	**103**	4
Finance expense	9	**(187)**	(11)
Loss before taxation		**(1,764)**	(363)
Taxation	10	**755**	-
Loss for the financial year and total comprehensive loss for the year attributable to equity shareholders		**(1,009)**	(363)

There is no difference between the loss before taxation and the loss for the financial year stated above and their historical cost equivalents

The notes on pages 9 to 22 are an integral part of these financial statements

Camelot Global Services Limited

Statement of financial position as at 31 March 2011

	Note	**2011 £000**	2010 £000	2009 £000
ASSETS				
Non-current assets				
Intangible assets	11	**509**	768	-
Investments in subsidiaries	12	**-**	-	-
		509	768	-
Current assets				
Trade and other receivables	13	**6,019**	1,945	86
Cash and cash equivalents		**1,231**	2,012	1,717
		7,250	3,957	1,803
Total assets		**7,759**	4,725	1,803
LIABILITIES				
Current liabilities				
Financial liabilities - borrowings	14	**5,800**	-	-
Trade and other payables	15	**1,768**	3,525	240
Total liabilities		**7,568**	3,525	240
EQUITY				
Capital and reserves				
Called up share capital	17	**1,663**	1,663	1,663
Profit and loss reserve	18	**(1,472)**	(463)	(100)
Total equity		**191**	1,200	1,563
Total equity and liabilities		**7,759**	4,725	1,803

The notes on pages 9 to 22 are an integral part of these financial statements

The financial statements on pages 5 to 22 were approved and authorised for issue by the Board and were signed on its behalf by

D. Thompson

Dianne Thompson CBE
Director
11 July 2011

Camelot Global Services Limited
Registered number 2822300

Camelot Global Services Limited

Statement of changes in shareholders' equity

	Share capital £000	Profit and loss reserve £000	Total equity £000
At 1 April 2009	1,663	(100)	1,563
Comprehensive loss			
Loss for the financial year	-	(363)	(363)
Total comprehensive loss	-	(363)	(363)
At 31 March 2010	1,663	(463)	1,200
Comprehensive loss			
Loss for the financial year	-	(1,009)	(1,009)
Total comprehensive loss	**-**	**(1,009)**	**(1,009)**
At 31 March 2011	**1,663**	**(1,472)**	**191**

The notes on pages 9 to 22 are an integral part of these financial statements

Camelot Global Services Limited

Statement of cash flow

	Note	2011 £000	2010 £000
Cash flows used in operating activities			
Cash used in operations	19	**(2,103)**	(1,458)
Bank interest received		**103**	5
Interest paid		**(70)**	-
Proceeds from surrender of tax losses		**443**	-
Net cash used in operating activities		**(1,627)**	(1,453)
Cash used in investing activities			
Purchase of intangible assets		**(571)**	(768)
Proceeds from disposal of intangible assets		**830**	-
Outflow of loans to fellow subsidiary undertakings		**(3,402)**	(363)
Outflow of loans to subsidiary undertakings		**(1,811)**	(121)
Net cash used in investing activities		**(4,954)**	(1,252)
Cash flows from financing activities			
Borrowings under the revolving credit facility		**5,800**	-
Inflow of loans from parent undertaking		**-**	3,000
Net cash from financing activities		**5,800**	3,000
Net (decrease)/increase in cash and cash equivalents		**(781)**	295
Cash and cash equivalents at the beginning of the year		**2,012**	1,717
Cash and cash equivalents at the end of the year		**1,231**	2,012

On 31 March 2011 the Company sold its subsidiary, Camelot Commercial Servicers Limited (formerly Wholesale Commercial Services Limited), to its parent undertaking, PLUK for £2,000,000 The consideration due from the parent undertaking was settled by offsetting the amount against the loan due from the parent undertaking

The notes on pages 9 to 22 are an integral part of these financial statements

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2011

1 General information

The Company is a private limited company incorporated and domiciled in the UK The address of its registered office is Camelot Global Services Limited, Tolpits Lane, Watford, Herts,WD18 9RN

2 Accounting policies

a) Basis of preparation

The financial statements of Camelot Global Services Limited have, for the first time this year, been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 and applicable to companies reporting under IFRS The impact of the first-time adoption of IFRS on the financial statements is summarised in Note 23

These separate financial statements contain information about Camelot Global Services Limited as an individual company and do not contain consolidated financial information as the parent of a group The Company has taken advantage of the exemption from the requirement to prepare consolidated financial statements in IAS 27, 'Consolidated and separate financial statements', as it and its subsidiaries are included by full consolidation in the consolidated financial statements of Premier Lotteries Capital UK Limited which is incorporated in the UK and whose consolidated financial statements are publicly available

The principal accounting policies applied in the preparation of these accounts for the year ended 31 March 2011 are set out below These policies have been consistently applied to all years presented, unless otherwise stated

The financial statements have been prepared under the historical cost convention

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future Management has prepared detailed budgets and cash flow forecasts which support the appropriateness of the going concern assumption The directors believe that preparing the accounts on the going concern basis is appropriate due to the financial support provided by PLUK which includes a £7,000,000 revolving credit facility The directors have received confirmation that PLUK will support the Company for at least one year after these financial statements are signed

The applied IFRS accounting policies were selected by management considering all applicable IFRS issued by the International Accounting Standards Board (IASB) by 31 March 2011

i) Standards, interpretations, and amendments to existing standards that are effective but are not relevant for the Company's operations or do not have a material impact on the Company's financial statements or presentation of financial information

The following standards, interpretations and amendments to existing standards have been published and are mandatory for the Company's financial year ended 31 March 2011, however management does not consider them to be relevant or to have a material impact on the Company's financial statements or presentation of financial information

- IFRS 1 (revised), 'First-time adoption' (effective 1 July 2009), does not contain any technical changes, as it only improves the structure, which had become complex due to the numerous amendments in recent years
- IFRS 3 (revised), 'Business combinations' (effective 1 July 2009) establishes principles for how an acquirer recognises and measures the identifiable assets acquired, liabilities assumed and non-controlling interests, recognises and measures goodwill acquired in a business combination or a gain from a bargain purchase, and determines what information to disclose to enable users of the financial

statements to evaluate the nature and financial effects of the business combination The Company has not had any business combinations and the standard is not relevant for the Company's operations

- IAS 27 (revised), 'Consolidated and separate financial statements' (effective 1 July 2009) sets out the requirements for preparing and presenting consolidated financial statements for a group of entities under the control of a parent It also deals with the accounting for investments in subsidiaries, jointly controlled entities and associates when an entity elects, or is required by local regulations, to present separate financial statements The Company is not required to prepare consolidated financial statements and there has been no change to the way the Company accounts for its investments in subsidiaries
- Amendments to IFRS 2, 'Share based payment', IFRS 5, 'Non current assets held for sale and discontinued operations', IFRS 8, 'Operating segments', IAS 1, 'Presentation of financial statements', IAS 7, 'Statement of cash flows', IAS 17, 'Leases', IAS 18, 'Revenue', IAS 36, 'Impairment of assets', IAS 38, 'Intangible assets', IAS 39, 'Financial instruments Recognition and measurement', IFRIC 9, 'Reassessment of embedded derivatives', and IFRIC 16, 'Hedges of a net investment in foreign operation'
- IFRIC 15, 'Agreements for construction of real estate', IFRIC 16, 'Hedges of a net investment in a foreign operation' and IFRIC 17, 'Distributions of non-cash assets to owners'

ii) Certain new standards, interpretations, and amendments to existing standards that have been published but are not effective for the Company's financial year ended 31 March 2011 and have not been adopted early

- Amendment to IFRS 1, 'First time adoption' – financial instrument disclosures
- Amendment to IAS 24, 'Related party disclosures'
- Amendments to IFRS 7, 'Financial instruments Disclosures' on derecognition
- Amendment to IFRS 1, 'First time adoption', on fixed dates and hyperinflation
- Amendment to IAS 12, 'Income taxes' on deferred tax
- IFRS 9, 'Financial instruments' – classification and measurement'
- Annual improvements 2010 which amended IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 3 Business Combinations, IFRS 7 Financial Instruments Disclosures, IAS 1 Presentation of Financial Statements, IAS 27 Consolidated and Separate Financial Statements, IAS 34 Interim Financial Reporting and IFRIC 13 Customer Loyalty Programmes
- IFRIC 19, 'Extinguishing financial liabilities with equity instruments'
- Amendment to IFRIC 14, 'Prepayments of a minimum funding requirement'

None of the above new standards, interpretations, or amendments to existing standards would have had any impact on the results presented herein if they had been adopted early

An analysis of the impact of the first time adoption of IFRS is included in note 23

b) 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

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

c) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2011 (Continued)

d) Intangible assets

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

Internally generated intangibles

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 profit or loss 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 administrative expenses as incurred

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

e) Assets under construction

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

f) 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

g) Trade and other payables

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

h) Taxation

Current 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 balance sheet 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 substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled

Deferred 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 Deferred tax liabilities and assets are classified as non-current irrespective of the expected timing of the reversal of the underlying taxable temporary difference Current tax assets and liabilities are shown separately on the face of the balance sheet

i) 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 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 within 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 such as equities classified as available-for-sale are included in the available-for-sale reserve in equity

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 16

Notes to the financial statements for the year ended 31 March 2011 (Continued)

3 Revenue

Revenue for the current financial year is derived from one activity, the provision of consultancy services to organisations involved in foreign lottery markets

	2011 £000	2010 £000
Geographical analysis		
China	-	42
USA	1,260	1,274
	1,260	1,316

4 Operating loss

	Note	2011 £000	2010 £000
Operating loss is stated after charging			
Exchange losses		2	2
Employee benefits expense	6	281	-
Lottery licence bid costs		2,201	-
Auditors' remuneration - audit services		15	19
- non-audit services		13	24

5 Profit on disposal of subsidiary

On 31 March 2011 the Company sold its 100% ordinary equity shareholding in Camelot Commercial Services Limited (formerly Wholesale Commercial Services Limited) to its immediate parent undertaking, PLUK The investment had been held at a carrying value of £1 The consideration of £2,000,000 was set against the outstanding balance on the loan due from PLUK to the Company

6 Employee information

The Company had eight (2010 nil) employees during the year One joined the Company in August 2010 and the others joined in January 2011 None of these employees are considered key management personnel, they are employed on non-core technology projects

	2011 £000	2010 £000
Wages and salaries	246	-
Social security costs	30	-
Pension costs	5	-
	281	-

The Company does not operate a pension scheme, the employees are members of a fellow subsidiary company's scheme, the Camelot UK Lotteries Limited defined contribution pension scheme and the Company has made employer's contributions to this scheme

Notes to the financial statements for the year ended 31 March 2011 (Continued)

7 Directors' emoluments

None of the directors received any emoluments in the current or preceding year in respect of qualifying services to the Company The directors are remunerated by Camelot UK Lotteries Limited (formerly Camelot Group plc) and details of their emoluments and pension payments are available in the financial statements of that company

The Company made no contributions to a defined contribution pension scheme for any director in the current or preceding year

None of the directors held any beneficial interest in the Company, nor were any share options granted in the year

8 Finance income

	2011	2010
	£000	£000
Bank interest receivable	**-**	4
Interest receivable from fellow subsidiary undertaking	**65**	-
Interest receivable from subsidiary undertaking	**38**	-
	103	4

9 Finance expense

	2011	2010
	£000	£000
Interest payable on facility borrowings	**66**	-
Interest payable on loan due to immediate parent company	**117**	11
Interest payable to fellow subsidiary undertaking	**4**	-
	187	11

10 Taxation

a) Tax on loss on ordinary activities

The Company did not generate a profit chargeable to UK corporation tax in the year As at 31 March 2011, there was an unrecognised deferred tax asset in relation to tax losses of £570,000 (2010 £632,000) This amount has been calculated at a corporation tax rate of 26% following a resolution passed by Parliament on 29 March 2011 (substantively enacted at the balance sheet date) which reduced the main rate of UK corporation tax from 28% to 26% from 1 April 2011

Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 is expected to be included in the Finance Act 2011 Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014 These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

The deferred tax asset has not been recognised in accordance with IAS 12 'Income taxes'

Notes to the financial statements for the year ended 31 March 2011 (Continued)

b) Reconciliation of current tax charge

	2011 £000	2010 £000
Loss on ordinary activities before taxation	**(1,764)**	(363)
Tax credit on loss on ordinary activities at the UK standard rate 28% (2010 28%)	**494**	102
Factors affecting charge		
Expenses not deductible for tax purposes	**(24)**	(10)
Profit on disposal of subsidiary, not subject to tax	**560**	-
Current year tax losses not recognised	**(275)**	(92)
Total current tax credit	**755**	-

The total current tax credit relates to tax losses surrendered to a fellow subsidiary undertaking

11 Intangible assets

	2011 £000	2010 £000	2009 £000
Cost			
At the beginning of the year	**768**	-	-
Additions	**571**	768	-
Disposals	**(830)**	-	-
At the end of the year	**509**	768	-
Accumulated amortisation			
At the beginning of the year	**-**	-	-
Charge for the year	**-**	-	-
Disposals	**-**	-	-
At the end of the year	**-**	-	-
Net book value			
At the end of the year	**509**	768	-
At the beginning of the year	**768**	-	-

All intangible assets are software assets under construction relating to the development of the technology to enable the Company to continue to target international opportunities within the lottery industry The net book value of intangible assets includes £74,000 (2010 nil, 2009 nil) of internal staff costs incurred in generating computer software

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2011 (Continued)

12 Investments in subsidiaries

			Carrying value		
	Country of	%	2011	2010	2009
Name	incorporation	shareholding	£000	£000	£000
Camelot Global Services (North America) Inc	U S A	100%	-	-	-
CISL SA (Pty) Limited	South Africa	100%	-	-	-
Wholesale Commercial Collections Limited	UK	100%	-	-	-
			-	-	-

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 USD100

The Company holds a 100% investment in the ordinary share capital of CISL SA (Pty) Ltd, 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 Wholesale Commercial Collections Limited, a dormant company incorporated in the UK, at a carrying value of £1

On 31 March 2011, the Company sold its 100% investment in the ordinary share capital of Camelot Commercial Services Limited (formerly Wholesale Commercial Services Limited), a company incorporated in the UK and held at a carrying value of £1, to its immediate parent undertaking, PLUK, for proceeds of £2,000,000

13 Trade and other receivables

	2011	2010	2009
	£000	£000	£000
Trade receivables	-	-	39
Loan due from subsidiary undertakings	1,932	121	-
Loan due from fellow subsidiary undertakings	3,765	363	-
Amounts due from subsidiary undertakings	104	761	-
Amounts due from fellow subsidiary undertakings	97	465	-
VAT receivable	87	122	16
Prepayments and accrued income	34	113	31
	6,019	1,945	

The loans due from subsidiary and fellow subsidiary undertakings are interest bearing at a rate of 4 5%, unsecured and repayable on demand

Amounts due from subsidiary and fellow subsidiary undertakings are unsecured, interest free and repayable on demand

14 Financial liabilities - borrowings

	2011 £000	2010 £000	2009 £000
Financial liabilities - borrowings	**5,800**	-	-

During the year the Company's immediate parent undertaking, PLUK entered into a £7,000,000 syndicated revolving credit facility agreement with Royal Bank of Canada as part of a wider financing arrangement for the Premier Lotteries group in the UK The Company is entitled to borrow funds under this revolving credit facility Interest is payable on borrowings under the revolving credit facility at LIBOR plus 4 5% In addition, a commitment fee of 1 8% is payable on the unutilised portion of the facility As at 31 March 2011, £5,800,000 (2010 £nil, 2009 £nil) was outstanding under this facility with a maturity date of 21 April 2011 The revolving credit facility is available to the Company until 8 July 2016 The fair value of the borrowing equals its carrying value

15 Trade and other payables

	2011 £000	2010 £000	2009 £000
Loan due to immediate parent undertaking	**1,000**	3,000	-
Trade creditors	**449**	-	1
Amounts due to immediate parent undertaking	**128**	-	-
Amounts due to fellow subsidiary undertakings	**-**	482	77
Accruals and deferred income	**191**	43	162
	1,768	3,525	240

On 26 March 2010 the Company's previous shareholders provided a loan of £3,000,000 to the Company Interest was charged on the loan at LIBOR plus 3% and the loan was repaid when the ownership of the Company changed hands on 8 July 2010 The loan was replaced by a loan of the same amount, at the same interest rate, from the Company's new shareholder, PLUK On 31 March 2011, when the Company's subsidiary, Camelot Commercial Services Limited (formerly Wholesale Commercial Services Limited) was sold to PLUK, the proceeds of £2,000,000 were utilised as a partial repayment of the loan

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

16 Financial risk management

Exposure to credit, interest rate, currency, 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 additional exposures to increased credit risk the current economic climate brings Management is confident that the current arrangements minimise the Company's exposure in this area, however this continues to be closely monitored

Notes to the financial statements for the year ended 31 March 2011 (Continued)

Currently the Company is trading with a single customer so there is a significant concentration of credit risk, however at the balance sheet date all outstanding invoiced amounts had been collected Management continues to pursue other opportunities to increase the number of trading partners

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 entitled to borrow funds under the revolving credit facility described in note 15 Interest is payable on borrowings under the revolving credit facility at LIBOR plus 4 5%, exposing the Company to interest rate risk The fair value of the borrowing equals its carrying value

c) Foreign exchange risk

The Company is exposed to foreign exchange risk on purchases and sales that are denominated in a currency other than Sterling The currency giving rise to this risk is primarily US dollars During the year, the Company did not participate in any derivative or hedging contracts due to the minimal volume and value of foreign transactions Transactions denominated in foreign currencies are accounted for in line with our accounting policy detailed in note 1 (i)

Included within administrative expenses in the Statement of comprehensive income are £2,000 (2010 £2,000) net foreign exchange losses

d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities The Company currently borrows funds under the revolving credit facility described in note 15 Regular review of cash flow forecasts, strategic plans and budgets guide the consideration of the adequacy of this facility 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

All of the Company's financial liabilities at 31 March 2011 mature in less than one year

e) Capital risk

The Company has had significant borrowing requirements during the year At 31 March 2011, the balance outstanding on the revolving credit facility was £5,800,000 (2010 £nil) The Company also has a loan of £1,000,000 (2010 £3,000,000) due to its immediate parent undertaking, PLUK The directors have received confirmation that the immediate parent company, PLUK will continue to support the Company for at least one year after these financial statements are signed

Notes to the financial statements for the year ended 31 March 2011 (Continued)

17 Share capital

	2011 £000	2010 £000	2009 £000
Authorised			
96,663,000 (2010 96,663,000) ordinary shares of £1 each	**96,663**	96,663	96,663
Allotted and issued and fully paid			
Nil (2010 1,663,000) ordinary shares of £1 each	-	1,663	1,663
1,663,000 (2010 nil) 'A' ordinary shares of £1 each	**1,663**	-	-
10 (2010 nil) 'B' preference shares of £1 each	-	-	-

On 8 July 2010 the Company was sold to PLUK, a subsidiary of Ontario Teachers' Pension Plan (Teachers') On the same date, the share capital of 1,663,000 ordinary shares was redesignated 'A' ordinary shares and the Company allotted and issued three 'B' preference shares to Premier Lotteries UK Limited and seven 'B' preference shares to Fourmorant 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

18 Profit and loss reserve

	2011 £000	2010 £000	2009 £000
At the beginning of the year	**(463)**	(100)	166
Loss for the financial year	**(1,009)**	(363)	(266)
At the end of the year	**(1,472)**	(463)	(100)

19 Cash used in operations

	2011 £000	2010 £000
Operating loss	**(3,680)**	(356)
Changes in working capital		
- trade and other payables	**115**	274
- trade and other receivables	**1,451**	(1,376)
Cash used in operations	**(2,114)**	(1,458)

20 Financial commitments

At the balance sheet date the Company had no financial commitments (2010 nil)

Notes to the financial statements for the year ended 31 March 2011 (Continued)

21 Related party transactions

The Company transacted with its fellow subsidiary undertakings, Camelot UK Lotteries Limited and Camelot Commercial Services Limited (formerly Wholesale Commercial Services Limited), with its subsidiary undertakings, Camelot Global Services (North America) Inc , and CISL SA (Pty) Limited, and with its parent undertaking, Premier Lotteries UK Limited, during the year

	2011 £000	2010 £000
Camelot UK Lotteries Limited		
Purchases and recharges of expenses to the Company	**2,750**	2,397
Amount due at end of year included in trade and other receivables	**41**	-
Amount due at end of year included in trade and other payables	**-**	482
Camelot Commercial Services Limited		
Sales and recharges of expenses from the Company	**3,076**	828
Purchases and recharges of expenses from to Company	**82**	-
Amount due at end of year included in trade and other receivables	**56**	465
Amount due at end of year - loan balance included in trade and other receivables	**3,765**	363
Camelot Global Services (North America) Inc		
Sales and recharges of expenses from the Company	**2,521**	-
Purchases and recharges of expenses to the Company	**1,370**	-
Amount due at end of year included in trade and other receivables	**101**	758
Amount due at end of year - loan balance included in trade and other receivables	**1,932**	121
CISL SA (Pty) Limited		
Amount due at end of year included in trade and other receivables	**3**	3
Premier Lotteries UK Limited		
Purchases and recharges of expenses to the Company	**85**	-
Amount due at end of year - loan balance included in trade and other payables (a)	**1,000**	3,000

Note (a) In 2010 this loan was not due to Premier Lotteries UK Limited but from the Company's previous shareholders

22 Ultimate and immediate parent undertakings

On 8 July 2010 the Company was sold to PLUK, subsequently its immediate parent undertaking PLUK is a subsidiary of Premier Lotteries Capital UK Limited, itself a subsidiary of Premier Lotteries Investments UK Limited Premier Lotteries Investments UK Limited is the parent undertaking of the smallest and largest group to consolidate these financial statements reporting under IFRS as adopted by the EU The financial statements of Premier Lotteries Investments UK Limited are available from Magdalen House, Tolpits Lane, Watford, Herts WD18 9RN

The ultimate parent undertaking and controlling party is Ontario Teachers' Pension Plan (Teachers') The financial statements of Teachers' are publicly available at www otpp com

23 First-time adoption of IFRS

Transition to IFRS
These are the Company's first financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2011, the comparative information presented in these financial statements for the year ended 31 March 2010 and in the preparation of an opening IFRS balance sheet at 1 April 2009 (the Company's date of transition)

In preparing its opening IFRS balance sheet, the Company has adjusted amounts reported previously in financial statements prepared with UK GAAP An explanation of how the transition from UK GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following notes that accompany the tables

1 Initial elections upon adoption
Set out below are the applicable IFRS 1 exemptions and exceptions applied in the conversion from UK GAAP to IFRS

(a) IFRS exemption options

(i) Exemption for fair value as deemed cost
The Company did not elect to measure certain items of property, plant and equipment at fair value as at 1 April 2009

(ii) Other voluntary exemptions
The following voluntary exemptions do not apply to the Company

- Share-based payment (IFRS 2) and Leases (IAS 17) as UK accounting and IFRS are already aligned as regards these standards,
- Business combinations (IFRS 3), Cumulative translation differences (IAS 21) and Assets and liabilities of subsidiaries, associates and joint ventures, as the Company does not prepare consolidated financial statements,
- Employee benefits (IAS 19) as the Company does not operate a defined benefit pension scheme,
- Insurance contracts (IFRS 4), as this is not relevant to the Company's operations,
- Compound financial instruments, because the Company did not have these types of financial instruments as at the date of transition to IFRS,
- Decommissioning liabilities included in the cost of land, buildings and equipment, as the Company does not have liabilities of this type, and
- Financial assets or intangible assets accounted for under IFRIC 12, as the Company has not entered into agreements within the scope of IFRIC 12

(b) IFRS mandatory exceptions

(i) Exception for estimates
IFRS estimates as at 1 April 2009 are consistent with the estimates as at the same date made in conformity with UK GAAP

(ii) Other compulsory exceptions

The following compulsory exceptions within IFRS 1 have not been applied as these are not relevant to the Company

- Hedge accounting,
- Derecognition of financial assets and financial liabilities, and
- Non-controlling interests

2 Reconciliation from UK GAAP to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods

The Company's first-time adoption did not have any impact on the Company's earnings or comprehensive income for the year ended 31 March 2010

The Company's first-time adoption did not have any impact on the Company's cash flows in the year ended 31 March 2010 However, under UK GAAP the Company was entitled to an exemption from presenting a cash flow statement so one is included in these financial statements for the first time

IAS 38 'Intangible assets' requires software assets to be classified as intangible assets, under UK GAAP the Company's software assets under construction were included in tangible assets in property, plant and equipment Other than this change in classification, the Company's first-time adoption did not have any effect on the Company's Statement of financial position at 1 April 2009 or 31 March 2010