

# **Camelot Global Services Limited**

**Company financial statements for the year ended 31  
March 2012**



**Company Number. 2822300**

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## **Directors' Report**

The directors present their report together with the audited financial statements for the year ended 31 March 2012 for Camelot Global Services Limited (the "Company")

### **Principal activities**

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

### **Results and dividends**

The loss after taxation for the year amounted to £3,984,000 (2011: £1,009,000). No final dividend has been proposed for the year ended 31 March 2012 (2011: £nil).

### **Share capital**

The authorised share capital is £96,663,000 (2011: 96,663,000) shares of £1 each, of which 1,663,010 (2011: 1,663,010) shares are allotted, issued and fully paid.

### **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 its parent undertaking, Premier Lotteries UK Limited (PLUK) which includes a £7,000,000 revolving credit facility. The Company is a member of a cash pool alongside its fellow UK subsidiary companies (excluding Camelot UK Lotteries Limited) under which all members have provided cross guarantees in respect of each other's liabilities (if applicable). There is no net overdraft facility but the maximum gross overdraft position is £10,000,000. At 31 March 2012, the Company's maximum potential liability under the cross guarantee was £54,000.

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. At 31 March 2012, the Company's trade creditors outstanding represented approximately 29 days' purchases (2011: 24 days).

### **Key performance indicators**

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

### **Principal risks and uncertainties**

The principal risks are the uncertainty as to success in securing overseas lottery contracts and the timing of bid processes and decision points.

### **Future developments**

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

## **Camelot Global Services Limited**

### **Financial risk management**

The Company is exposed to certain levels of credit, interest rate, currency, liquidity and capital risks that arise in the normal course of business. Details of these risks are disclosed in note 17.

### **Business Review**

The Company has focused on bid opportunities and prepared itself for a number which are due to commence in 2013. In addition the Company secured further consultancy work although overall sales declined in 2012 as a large contract undertaken last year was successfully completed.

### **Directors and their interests**

The names of the directors who served during the year are

#### **Chairman**

Lee Sienna

#### **Executive director**

Dianne Thompson CBE

#### **Non-executive directors**

Sir Gerald Acher CBE LVO

Sir Patrick Brown KCB

Tony Illsley

Wayne Kozun

#### **Alternates**

Andre Mousseau (alternate to Lee Sienna and Wayne Kozun)

#### **Company secretary**

John Dillon served as company secretary during the year.

### **Insurance for directors and officers**

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

## **Statement of Directors' Responsibilities**

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

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

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

## Camelot Global Services Limited

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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the directors in office at the date on which the financial statements were approved, whose names and functions are listed on page 4, confirm that, to the best of their knowledge:

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

## Independent auditors

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

By order of the Board



**Dianne Thompson**

Director

3 August 2012

# Camelot Global Services Limited

## 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 2012 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity the Statement of Cash Flows 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 pages 4 and 5, 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 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 2012 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

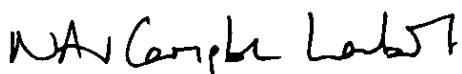
### Opinion on other matter prescribed by the Companies Act 2006

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, 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



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

6 August 2012

**Statement of Comprehensive Income**

for the year ended 31 March 2012

	Notes	2012 Total £000	2011 Total £000
Revenue	3	445	1,260
Cost of sales		(301)	(1,206)
<b>Gross profit</b>		<b>144</b>	<b>54</b>
Administrative expenses	4&5	(5,486)	(3,734)
<b>Operating loss</b>	4	<b>(5,342)</b>	<b>(3,680)</b>
Profit on disposal of subsidiary		-	2,000
<b>Loss before interest and taxation</b>		<b>(5,342)</b>	<b>(1,680)</b>
Finance income	7	1	103
Finance expense	7	(17)	(187)
<b>Loss before income tax</b>		<b>(5,358)</b>	<b>(1,764)</b>
Income tax	8	1,374	755
<b>Loss for the financial year and total comprehensive loss attributable to equity shareholder</b>		<b>(3,984)</b>	<b>(1,009)</b>

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

The Company has no recognised income or expense other than that shown above and therefore no other comprehensive income is presented

The notes on pages 11 to 24 are an integral part of these financial statements

Camelot Global Services Limited

# Balance Sheet

as at 31 March 2012

	Notes	2012 Total £000	2011 Total £000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	9	494	509
Deferred taxation	8	48	—
		<b>542</b>	<b>509</b>
<b>Current assets</b>			
Other receivables	11	2,391	6,019
Cash and cash equivalents	12	657	1,231
		<b>3,048</b>	<b>7,250</b>
<b>Total assets</b>		<b>3,590</b>	<b>7,759</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities - borrowings	13	1,068	5,800
Trade and other payables	14	6,312	1,768
Provisions for liabilities and other charges		—	—
		<b>7,380</b>	<b>7,568</b>
<b>Non-current liabilities</b>			
Provisions for liabilities and other charges	15	3	—
		<b>3</b>	<b>—</b>
<b>Total liabilities</b>		<b>7,383</b>	<b>7,568</b>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	18	1,663	1,663
Retained earnings	19	(5,456)	(1,472)
<b>Total equity</b>		<b>(3,793)</b>	<b>191</b>
<b>Total equity and liabilities</b>		<b>3,590</b>	<b>7,759</b>

The notes on pages 11 to 24 are an integral part of these financial statements

The financial statements including the accompanying notes were approved by the Board of Directors on 3 August 2012 and were signed on its behalf by

*Dianne Thompson*

Dianne Thompson CBE  
Director

Camelot Global Services Limited  
Registered Number: 2822300



## Statement of Changes in Equity

for the years ended 31 March 2011 and 31 March 2012

	Share capital	Retained earnings	Total equity
	£000	£000	£000
<b>Balance as at 31 March 2010</b>	<b>1,663</b>	<b>(463)</b>	<b>1,200</b>
<b>Comprehensive loss</b>			
Loss for the financial year	-	(1,009)	(1,009)
<b>Total comprehensive loss</b>	<b>-</b>	<b>(1,009)</b>	<b>(1,009)</b>
<b>Balance as at 31 March 2011</b>	<b>1,663</b>	<b>(1,472)</b>	<b>191</b>
<b>Comprehensive loss</b>			
Loss for the financial year	-	(3,984)	(3,984)
<b>Total comprehensive loss</b>	<b>-</b>	<b>(3,984)</b>	<b>(3,984)</b>
<b>Balance as at 31 March 2012</b>	<b>1,663</b>	<b>(5,456)</b>	<b>(3,793)</b>

The notes on pages 11 to 24 are an integral part of these financial statements

# Statement of Cash Flows

for the year ended 31 March 2012

	Notes	2012 Total £000	2011 Total £000
<b>Cash flows from operating activities</b>			
Cash from/(used in) operations	20	2,904	(2,103)
Bank interest received		1	103
Interest paid		(17)	(70)
Proceeds from surrender of tax losses		1,215	443
<b>Net cash from operating activities</b>		<b>4,103</b>	<b>(1,627)</b>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets		(442)	(571)
Proceeds from sale of intangible assets		497	-
Proceeds from sale of property, plant and equipment		-	830
Inflow/(outflow) of loans to/(from) fellow subsidiary undertakings		-	(3,402)
Inflow/(outflow) of loans to/(from) subsidiary undertakings		-	(1,811)
<b>Net cash used in investing activities</b>		<b>55</b>	<b>(4,954)</b>
<b>Cash flows from financing activities</b>			
Repayment of revolving credit facility		(5,800)	-
Draw down of revolving credit facility		-	5,800
<b>Net cash used in financing activities</b>		<b>(5,800)</b>	<b>5,800</b>
<b>Net decrease in cash, cash equivalents and bank overdrafts</b>		<b>(1,642)</b>	<b>(781)</b>
Cash, cash equivalents and bank overdrafts at the beginning of the year		1,231	2,012
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	12	<b>(411)</b>	<b>1,231</b>

The notes on pages 11 to 24 are an integral part of these financial statements

## **Notes to the Financial Statements**

### **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, Hertfordshire, England, WD18 9RN.

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

The principal accounting policies applied in the preparation of these financial statements for the year ended 31 March 2012 are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

#### **a) Basis of preparation**

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

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

The Company's accounting policies were selected by management considering all applicable IFRS issued by the International Accounting Standards Board (IASB) by 31 March 2012.

#### *i) New IFRS accounting standards and interpretations adopted in 2011/12*

During the year ended 31 March 2012, the Company adopted the following International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) or amendments, and interpretations by the IFRS Interpretations Committee. None of the pronouncements had a material impact on the Company's consolidated results or assets and liabilities.

- Revised IAS 24 on related party disclosures
- Amendment to IFRS 1 on comparative IFRS 7 disclosures
- Improvements to IFRS 2010
- Amendment to IFRIC 14 on prepayments of a minimum funding requirement
- IFRIC 19 on extinguishing financial liabilities with equity instruments

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

The standards and interpretations listed below were not effective for the year ended 31 March 2012.

The Company enters into a significant number of transactions which fall within the scope of IFRS 9 on financial instruments. The International Accounting Standards Board is completing IFRS 9 on financial instruments in phases and the Company is evaluating the impact of the standard as it develops.

IFRS 10, 11, 12 and 13 and the consequent amendments to IAS 27 and IAS 28 were issued on 12 May 2011. The Company is evaluating the impact of these standards on the financial statements.

None of the other standards and interpretations listed below are expected to have a material impact on the Company's consolidated results or assets and liabilities.

- IFRS 9 on financial instruments
- Improvements to IFRS 2011
- Amendment to IFRS 7 on disclosures for transfer of financial assets
- Amendment to IFRS 1 on severe hyperinflation and removal of fixed dates for first-time adoption
- Amendment to IAS 12 on deferred tax on recovery of underlying assets
- IFRS 10 on consolidated financial statements
- IFRS 11 on joint arrangements
- IFRS 12 on disclosures of interests in other entities
- IFRS 13 on fair value measurements
- IAS 19 on employee benefits
- IAS 27 on separate financial statements

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- IAS 28 on investment in associates and joint ventures
- Amendment to IAS 1 on other comprehensive income
- Amendments to IFRS 1 on government grants
- Amendments to IAS 32 on financial instruments asset and liability offsetting
- IFRIC 20 on stripping costs in the production phase of a surface mine

### **Critical accounting assumptions, estimates and judgements**

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting assumptions, and it also requires management to exercise its judgement and to make estimates in the process of applying the Company's accounting policies. The areas requiring a higher degree of judgement or areas where assumptions and estimates are significant to the financial statements are discussed below

#### ***Intangible assets***

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

#### ***Income tax***

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

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

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

### **c) Revenue recognition**

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

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.

### **d) Investments in subsidiaries**

Investments in subsidiaries are accounted for at cost less impairment.

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### **e) 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. The existing asset is being written off over 15 months to December 2013. Amortisation is included in administrative expenses in the Statement of Comprehensive Income.

#### *Impairment of intangible assets*

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

### **f) 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.

### **g) Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade and other receivables are recognised at original invoice amount, less an estimate made for doubtful receivables based on a review of all outstanding amounts at the period end. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of a doubtful debtor account, and the amount of the loss is recognised in the statement of comprehensive income within 'administrative expenses'. When a trade receivable subsequently becomes uncollectible, it is written off against the doubtful debt provision, in the period in which the bad debt is identified. Subsequent recoveries of amounts previously written off are credited against 'administrative expenses' in the statement of comprehensive income. If collection is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

### **h) Trade and other payables**

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

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

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

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

### j) 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 in administrative expenses.

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

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

### k) 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 17.

### l) 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.

### m) Borrowings

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

### n) Value added tax

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

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### o) Provisions

Provisions are recognised where the Company has contractual obligations under supply agreements for services where the Company will not receive any benefit, that will probably require an outflow of resources to settle, and this outflow can be reliably measured

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

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

### p) Pensions

The Company does not operate a pension scheme, the employees are members of a Group Personal Pension Plan and the Company has made employer's contributions to this scheme

The Group operates a defined contribution scheme. The cost of contributions is charged to the Statement of Comprehensive Income in the year to which it relates

Group companies are comprised of Premier Lotteries Investments UK Limited (PLIUK), Premier Lotteries Capital UK Limited ('PLCUK'), Premier Lotteries UK Limited ('PLUK'), Camelot UK Lotteries Limited ('Camelot'), Camelot Global Services Limited ('CGSL'), Camelot Commercial Services Limited ('CCSL') and Camelot Strategic Solutions Limited ('CSSL')

## 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

	2012 £000	2011 £000
<b>Geographical analysis</b>		
North America	445	1,260

## 4. Operating loss

	2012 £000	2011 £000
<b>Operating loss is stated after charging:</b>		
Amortisation of intangible assets	342	-
Exchange losses	5	2
Employee benefit expenses	1,564	281
Lottery licence bid costs	-	2,201
Operating lease rentals- property	8	-
Recharge rentals from fellow subsidiaries	81	-
Auditors' remuneration - audit services	21	15
- non-audit services (taxation advice)	-	13

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### 5. Employee expenses and numbers

The Company had nine (2011 eight) employees during the year

	2012 £000	2011 £000
Wages and salaries	1,237	246
Social security costs	174	30
Pension costs	153	5
	<b>1,564</b>	<b>281</b>

The Company does not operate a pension scheme, the employees are members of a Group Personal Pension Plan and the Company has made employer's contributions to this scheme

#### Key management personnel compensation

	2012 £000	2011 £000
Salaries and short-term employee benefits	846	-
Pension costs	91	-
	<b>937</b>	<b>-</b>

None of the employees were considered key management personnel in the prior year

Key management is considered to be the Group Operating Board for all UK group companies and the individual Company Operating Boards for each UK group company

The Group Operating Board consists of department directors who meet regularly to discuss group performance and make key operating decisions. The Group Operating Board comprises nine individuals, of which one is employed by CGSL, and the remaining eight are employees of other group companies. There are ten additional individuals who are members of the Company Operating Boards, of which two are employed by CGSL.

The amounts above include compensation for all members of the Group Operating Board and Company Operating Boards who were employed by CGSL during the reporting period. The remuneration of the remaining members of the Group Operating Board and Company Operating Boards is disclosed in the financial statements of the group company that employs those individuals. An agreed costs recharge structure has been set up between group companies which is not directly attributable to individuals. Certain key management personnel participate in the Group's Long Term Incentive Plan (LTIP), details of which are included in the financial statements of Camelot.

### 6. Directors' emoluments

None of the directors received any emoluments in the preceding year in respect of qualifying services to the Company. The directors are mainly remunerated by Camelot UK Lotteries Limited ('Camelot') and Camelot Business Solutions Limited ('CBSL') and details of their emoluments and pension payments are available in the financial statements of those companies.

	2012 £000	2011 £000
<b>Emoluments</b>	<b>16</b>	<b>-</b>

The directors' emoluments shown above are a re-allocation of cost from other Group companies which have the same non-executive directors as the 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.



## 7. Finance income and expense

	2012 £000	2011 £000
Bank interest receivable	1	-
Interest receivable from fellow subsidiaries	-	65
Interest receivable from subsidiary undertaking	-	38
<b>Finance income</b>	<b>1</b>	<b>103</b>
Bank interest payable	(17)	-
Interest payable on facility borrowings	-	(66)
Interest payable on loan to immediate parent company	-	(117)
Interest payable to fellow subsidiary undertaking	-	(4)
<b>Finance expense</b>	<b>(17)</b>	<b>(187)</b>
<b>Net finance expense</b>	<b>(16)</b>	<b>(84)</b>

## 8. Income Tax

### a) Income tax credit

	2012 £000	2011 £000
Current income tax charge/(credit) for the year	(1321)	(755)
Deferred income tax charge/(credit) for the year	(48)	-
Prior period adjustment	(5)	-
<b>Income tax credit</b>	<b>(1,374)</b>	<b>(755)</b>

The Company did not generate a profit chargeable to UK corporation tax in the year. As at 31 March 2012, there was an unrecognised deferred tax asset in relation to pre-acquisition tax losses of £529,000 (2011 £570,000). This amount has been calculated at a corporation tax rate of 24% following a resolution passed by Parliament on 26 March 2012 (substantively enacted at the balance sheet date) which reduced the main rate of UK corporation tax from 26% to 24% from 1 April 2012.

Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012. A further reduction to the main rate is proposed to reduce the rate by 1% to 22% 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 in relation to losses has not been recognised in accordance with IAS 12 'Income taxes'.

### b) Reconciliation of current tax charge

	2012 £000	2011 £000
Loss before taxation	(5,358)	(1,764)
Tax credit on loss on ordinary activities at the UK standard rate 26% (2011 28%)	1,393	494
<i>Factors affecting charge</i>		
Expenses not deductible for tax purposes	(20)	(24)
Profit on disposal of subsidiary, not subject to tax	-	560
Current year tax losses not recognised	-	(275)
Prior period adjustment	5	-
Effect of changes in the rate of taxation	(4)	-
<b>Total current tax credit</b>	<b>1,374</b>	<b>755</b>

The total current tax credit relates to tax losses surrendered to fellow subsidiary undertakings.

## Camelot Global Services Limited

### Deferred taxation

	2012 £000	2011 £000
Deferred tax assets		
To be recovered after more than 12 months	48	-
<b>Deferred tax assets</b>	<b>48</b>	<b>-</b>

The gross movement on deferred tax is as follows

	Accelerated capital allowances £000
At 1 April 2011	-
(Charge)/credit to the Statement of Comprehensive Income	
- effect of changes in the rate of taxation	(4)
- current year credit	52
<b>At 31 March 2012</b>	<b>48</b>

### 9. Intangible assets

	Assets under construction	Separately acquired	Total £000
<b>Cost</b>			
At 1 April 2010	-	768	768
Additions	74	497	571
Disposals	-	(830)	(830)
At 31 March 2011	74	435	509
<b>Accumulated amortisation</b>			
At 1 April 2010	-	-	-
Charge for the year	-	-	-
Disposals	-	-	-
At 31 March 2011	-	-	-
<b>Net book value at 31 March 2011</b>	<b>74</b>	<b>435</b>	<b>509</b>

	Assets under construction	Internally generated	Separately acquired	Total £000
<b>Cost</b>				
At 1 April 2011	74	-	435	509
Additions	-	-	836	836
Transfers	(74)	74	-	-
Disposals	-	(74)	(435)	(509)
At 31 March 2012	-	-	836	836
<b>Accumulated amortisation</b>				
At 1 April 2011	-	-	-	-
Charge for the year	-	-	342	342
Disposals	-	-	-	-
At 31 March 2012	-	-	342	342
<b>Net book value at 31 March 2012</b>	<b>-</b>	<b>-</b>	<b>494</b>	<b>494</b>

All intangible assets are software assets to enable the Company to continue to target international opportunities within the lottery industry. The net book value of intangible assets includes £nil (2011 £74,000) of internal staff costs incurred in generating computer software.

## Camelot Global Services Limited

### 10. Investments in subsidiaries

Name	Country of Incorporation	% Shareholding	2012 £000	2011 £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

### 11. Other receivables

	2012 £000	2011 £000
Loan due from subsidiary undertakings	1,820	1,932
Loan due from fellow subsidiary undertakings	-	3,765
Amounts due from subsidiary undertakings	24	104
Amounts due from fellow subsidiary undertakings	460	97
VAT receivable	52	87
Prepayments and accrued income	35	34
	<b>2,391</b>	<b>6,019</b>

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

### 12. Cash and cash equivalents

	2012 £000	2011 £000
Short term bank deposits	626	-
Cash at bank	31	1,231
Cash and cash equivalents (excluding bank overdrafts)	<b>657</b>	<b>1,231</b>

Amounts held in short-term bank deposits comprise amounts held in a bank deposit account with an interest earned rate of 0.4% The deposit is redeemable on demand

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

	2012 £000	2011 £000
Cash and cash equivalents	657	1,231
Bank overdraft	(1,068)	-
<b>Cash and cash equivalents</b>	<b>(411)</b>	<b>1,231</b>

**13. Financial liabilities - borrowings**

	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Bank overdraft	1,068	-
Financial liabilities - borrowings	-	5,800
	<b>1,068</b>	<b>5,800</b>

During the previous financial 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 2012, £nil was outstanding (2011: £5,800,000 with a maturity date of 21 April 2011). The revolving credit facility is available to the Company until 8 July 2016.

The Company is a member of a cash pool alongside its fellow UK subsidiary companies (excluding Camelot UK Lotteries Limited) under which all members have provided cross guarantees in respect of each other's liabilities (if applicable). There is no net overdraft facility but the maximum gross overdraft position is £10.0 million. At 31 March 2012, the Company's maximum potential liability under the cross guarantee was £54,000. The fair value of the borrowing equals its carrying value.

**14. Trade and other payables**

	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Loan due to immediate parent undertaking	-	1,000
Trade creditors	201	449
Amounts due to immediate parent undertaking	-	128
Amounts due to fellow subsidiary undertakings	5,469	-
Amounts due to subsidiary undertakings	116	-
Accruals and deferred income	526	191
	<b>6,312</b>	<b>1,768</b>

Amounts due to the immediate parent undertaking, fellow subsidiary and subsidiary undertakings are unsecured, interest free and repayable on demand. The loan due to immediate parent undertaking in the prior year was unsecured, interest free and repayable on demand.

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

	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
At 1 April	-	-
Charge to Statement of Comprehensive Income	3	-
<b>At 31 March</b>	<b>3</b>	<b>-</b>

This represents a provision for dilapidations for office space rented from Camelot UK Lotteries Limited. The dilapidation provision is the current best estimate of the cost of bringing the premises, held under operating leases, back to their original state as required by the lease agreements. The provision will be utilised as these lease agreements terminate.

## **16. Credit quality of financial assets**

External credit ratings are obtained for banks where the Group holds cash and short-term bank deposits. At 31 March 2012, the credit ratings for the banks where financial assets totalling £626,000 (2011: nil) are held in short-term Money Market deposits are P1 (Moody's short-term credit rating).

## **17. 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.

In the Financial Year, the Company traded only with other Group Companies. Management continues to pursue 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 a member of a cash pool alongside its fellow UK subsidiary companies (excluding Camelot UK Lotteries Limited) under which all members have provided cross guarantees in respect of each other's liabilities (if applicable). There is no net overdraft facility but the maximum gross overdraft position is £10.0 million. At 31 March 2012, the Company's maximum potential liability under the cross guarantee was £54,000.

The Company is also entitled to borrow funds under the revolving credit facility described in note 13. 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 2 (j).

Included within administrative expenses in the Statement of Comprehensive Income are £5,000 (2011: £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 is also a member of a cash pool alongside its fellow UK subsidiary companies (excluding Camelot UK Lotteries Limited) under which all members have provided cross guarantees in respect of each other's liabilities (if applicable). There is no net overdraft facility but the maximum gross overdraft position is £10.0 million. The Company is also entitled to borrow funds under the revolving credit facility described in note 13. 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 2012 mature in less than one year.

## Camelot Global Services Limited

### e) Capital risk

At 31 March 2012, the balance outstanding on the pool credit facility was £1,068,000 (2011 £5,800,000 on the revolving credit facility, £1,000,000 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.

The Company is a member of a cash pool alongside its fellow UK subsidiary companies (excluding Camelot UK Lotteries Limited) under which all members have provided cross guarantees in respect of each other's liabilities (if applicable). There is no net overdraft facility but the maximum gross overdraft position is £10,000,000. At 31 March 2012, the Company's maximum potential liability under the cross guarantee was £54,000.

## 18. Share capital

### Authorised and allotted share capital as at 31 March 2011 and 31 March 2012

Authorised	£000
96,663,000 ordinary shares of £1 each	96,663
<b>At 31 March 2011 &amp; 31 March 2012</b>	<b>96,663</b>
<hr/>	
Allotted, issued and fully paid	£000
1,663,000 ordinary 'A' shares of £1 each	1,663
10 preference 'B' preference shares of £1 each	-
<b>At 31 March 2011 &amp; 31 March 2012</b>	<b>1,663</b>

In the previous financial year 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 Fourmoront Corporation.

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

## 19. Profit and loss reserve

	2012 £000	2011 £000
At 1 April	(1,472)	(463)
Loss for the financial year	(3,984)	(1,009)
<b>At 31 March</b>	<b>(5,456)</b>	<b>(1,472)</b>

## 20. Cash from/(used in) operations

	2012 £000	2011 £000
<b>Operating loss</b>	<b>(5,342)</b>	<b>(3,680)</b>
Adjustments for		
Depreciation	342	-
Changes in working capital		
- Inventories		-
- Trade and other receivables	4,049	1,451
- Trade and other payables	3,852	126
- Provisions for other liabilities and charges	3	-
	<b>8,246</b>	<b>1,577</b>
<b>Cash generated from operations</b>	<b>2,904</b>	<b>(2,103)</b>

## 21. Financial commitments

At the year end, no capital expenditure was contracted for (2011 £nil)

## Camelot Global Services Limited

### 22. Related party transactions

The Company transacted with its fellow subsidiary undertakings, Camelot UK Lotteries Limited and Camelot Commercial Services Limited, Camelot Strategic Solutions Limited, Camelot Business Solutions 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

	2012 £000	2011 £000
<b>Camelot UK Lotteries Limited</b>		
Sales and recharges of expenses to the Company	12	
Purchases and recharges of expenses from the Company	313	2,750
Amount due at end of year included in trade and other receivables	234	41
Amount due at end of year included in trade and other payables	52	-
<b>Camelot Commercial Services Limited</b>		
Sales and recharges of expenses to the Company	64	3,076
Purchases and recharges of expenses from Company	-	82
Amount due at end of year included in trade and other receivables	-	56
Amount due at end of year loan balance included in trade and other receivables	-	3,765
<b>Camelot Global Services (North America) Inc</b>		
Sales and recharges of expenses to the Company	549	2,521
Purchases and recharges of expenses from the Company	43	1,370
Amount due at end of year included in trade and other payables	116	-
Amount due at end of year included in trade and other receivables	17	101
Amount due at end of year loan balance included in trade and other receivables	1,837	1,932
<b>Camelot Strategic Solutions Limited</b>		
Sales and recharges of expenses to the Company	497	-
Purchases and recharges of expenses from the Company	1,090	-
Amount due at end of year included in trade and other payables	(64)	-
Amount due at end of year loan balance included in trade and other receivables		
<b>Camelot Business Solutions Limited</b>		
Sales and recharges of expenses to the Company		-
Purchases and recharges of expenses from the Company	696	-
Amount due at end of year included in trade and other receivable	225	-
Amount due at end of year included in trade and other payable	5,481	-
Amount due at end of year loan balance included in trade and other payables	-	-
<b>CISL SA (Pty) Limited</b>		
Amount due at end of year included in trade and other receivables	7	3
<b>Premier Lotteries UK Limited</b>		
Purchases and recharges of expenses to the Company	-	85
Amount due at end of year loan balance included in trade and other payables	-	1,000

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

### 22. Ultimate and immediate parent undertakings

In the previous financial year 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 Capital UK Limited is the parent undertaking of the smallest group to consolidate these financial statements reporting under IFRS as adopted by the EU The financial statements of Premier Lotteries Capital UK Limited are available from Magdalen House, Tolpits Lane, Watford, Hertfordshire, England 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](http://www.otpp.com)



**Camelot Global Services Limited**

## **Company Addresses Camelot Global Services Limited**

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