

Registered number: 02822300

Camelot Global Services Limited
Annual report and financial statements
for the year ended 31 March 2017

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Camelot Global Services Limited

Annual report and financial statements for the year ended 31 March 2017

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Camelot Global Services Limited

Directors and advisers

Directors

Bogdan Cenanovic (Chairman)
Nigel Railton
Ilya Kachko
Sarah Rowe
Lino Sienna

Non-executive directors

Sir Patrick Brown KCB
Anthony Illsley
Dr David Kelly
Robert Rowley

Registered Office

Magdalen House
Tolpits Lane
Watford
Hertfordshire
WD18 9RN

Company Secretary

John Dillon

Registered Number

02822300

Independent Auditors

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

Bankers

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

Camelot Global Services Limited

Strategic report for the year ended 31 March 2017

The directors present the Strategic report of Camelot Global Services Limited (the 'Company' or 'CGSL') for the year ended 31 March 2017.

On 31 March 2016 the entire share capital of CGSL was transferred from Premier Lotteries UK Limited ('PLUK') to Camelot Global Lottery Services Limited ('CGLSL') as part of a Group restructure.

Principal activities

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

Principal risks and uncertainties

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

Results and dividends

The loss for the financial year amounted to £2,491,000 (2016: loss of £1,400,000). No final dividend has been proposed for the year ended 31 March 2017 (2016: £nil).

Business review

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

Financial position at the year end

The Statement of Financial Position reflects the continued investment in securing overseas contracts. Total assets at 31 March 2017 were £16,814,000 (2016: £8,155,000). The total liabilities at 31 March 2017 were £33,937,000 (2016: £22,856,000).

Key performance indicators

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

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

This report was approved by the Board on *21 June* 2017 and signed on its behalf by:



Nigel Railton
Director
Camelot Global Services Limited
Registered number: 02822300

Camelot Global Services Limited

Directors' report for the year ended 31 March 2017

The directors present their report and audited financial statements of the Company for the year ended 31 March 2017.

Share capital

The authorised share capital is 96,663,000 (2016: 96,663,000) shares of £1 each, of which 1,663,010 (2016: 1,663,010) shares are allotted, issued and fully paid.

Directors

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

Bogdan Cenanovic (Chairman) (appointed 22 June 2016)

Nigel Railton

Ilya Kachko

Wayne Kozun (resigned 26 October 2016)

Sarah Rowe

Lino Sienna

Non-executive directors

Sir Patrick Brown KCB

Anthony Illsley

Dr David Kelly

Robert Rowley

Company Secretary

John Dillon served as Company Secretary during the year.

Qualifying third party indemnity provisions

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

Going concern

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

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

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

Policy and practice on payment of creditors

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

Camelot Global Services Limited

Directors' report for the year ended 31 March 2017

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 15.

Future developments

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

Related party transactions

During the current financial year, the Company has had transactions of significance with its fellow UK group subsidiaries, its own subsidiary, CGSNA and with Premier Lotteries Ireland Holdings Limited ("PLIH") directly. In addition, via its established branch, Camelot Global Services Ireland Limited, the Company has transactions with PLIL, subsidiaries of Teachers' but not part of the Group. Details of related party transactions are given in note 23 to the financial statements.

Statement of directors' responsibilities

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

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

In preparing these financial statements, the directors are required to:

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

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.

Camelot Global Services Limited

Directors' report for the year ended 31 March 2017

Statement of disclosures of information to auditors

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or 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.

This report was approved by the Board on *21 June* 2017 and signed on its behalf by:



Nigel Railton
Director

Camelot Global Services Limited

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

Report on the financial statements

Our opinion

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

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its loss and cash flows for the year then ended;
 - have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the financial statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 March 2017;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

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

We have no exceptions to report arising from this responsibility.

Camelot Global Services Limited

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

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

What an audit of financial statements involves

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

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

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

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

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



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

23 June 2017

Camelot Global Services Limited

Statement of Comprehensive Income for the year ended 31 March 2017

	Note	2017 £000	2016 £000
Revenue	4	10,888	7,442
Cost of sales	5	(9,183)	(4,044)
Gross profit		1,705	3,398
Administrative expenses	5	(5,195)	(5,303)
Operating loss		(3,490)	(1,905)
Finance income	8	164	86
Loss before income tax		(3,326)	(1,819)
Income tax	9	835	419
Loss for the financial year		(2,491)	(1,400)
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Foreign exchange gains / (losses)	20	69	12
Other comprehensive income for year, net of tax		69	12
Total comprehensive loss for the year, net of tax		(2,422)	(1,388)

The notes on pages 12 to 32 are an integral part of these financial statements.

Camelot Global Services Limited

Statement of Financial Position as at 31 March 2017

	Note	2017 £000	2016 £000
Assets			
Non-current assets			
Intangible assets	10	35	54
Property, plant and equipment	11	475	94
Investments	12	-	-
Trade and other receivables	13	-	2,469
Deferred income tax assets	17	105	20
		615	2,637
Current assets			
Trade and other receivables	13	15,644	5,072
Current income tax		39	-
Cash and cash equivalents	14	516	446
		16,199	5,518
Total assets		16,814	8,155
Liabilities			
Non-current liabilities			
Provisions for liabilities and charges	18	-	11
Deferred income tax liabilities	17	5	4
		5	15
Current liabilities			
Trade and other payables	16	33,848	22,529
Current income tax liabilities		-	2
Provisions for liabilities and charges	18	84	310
		33,932	22,841
Total liabilities		33,937	22,856
Equity			
Capital and reserves			
Share capital	19	1,663	1,663
Other reserves	20	22	(47)
Retained earnings	21	(18,808)	(16,317)
Total equity		(17,123)	(14,701)
Total equity and liabilities		16,814	8,155

The financial statements were authorised for issue by the Board of Directors on 21 June 2017 and were signed on its behalf by:



Nigel Railton
Director

The notes on pages 12 to 32 are an integral part of these financial statements.

Camelot Global Services Limited

Statement of Changes in Equity for the year ended 31 March 2017

	Note	Share capital £000	Other reserves £000	Retained earnings £000	Total Equity £000
Balance as at 1 April 2015		1,663	(59)	(14,917)	(13,313)
Other comprehensive income	20	-	12	-	12
Loss for the financial year	21	-	-	(1,400)	(1,400)
Balance as at 31 March 2016		1,663	(47)	(16,317)	(14,701)
Other comprehensive income	20	-	69	-	69
Loss for the financial year	21	-	-	(2,491)	(2,491)
Balance as at 31 March 2017		1,663	22	(18,808)	(17,123)

The notes on pages 12 to 32 are an integral part of these financial statements.

Camelot Global Services Limited

Statement of Cash Flows for the year ended 31 March 2017

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Cash generated from / (used in) operations	22	1,335	(735)
Income tax paid		(39)	(88)
Group relief		(896)	671
Net cash generated from / (used in) operating activities		400	(152)
Cash flows from investing activities			
Purchase of tangible and intangible assets	10	(400)	(6)
Net cash used in investing activities		(400)	(6)
Net increase / (decrease) in cash and cash equivalents		-	(158)
Cash and cash equivalents at the beginning of the year		446	604
Exchange adjustments		70	-
Cash and cash equivalents at the end of the year	14	516	446

The notes on pages 12 to 32 are an integral part of these financial statements.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

1 General information

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

2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements for the year ended 31 March 2017 are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

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

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

The Company's accounting policies were selected by management considering all applicable IFRSs issued by the International Accounting Standards Board (IASB) by 31 March 2017.

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

New and amended standards adopted by the Company

There are no new IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 April 2016 that have been adopted or would have a material impact on the Company.

Standards and interpretations in issue and not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied to these financial statements, were in issue but not yet effective:

Standard	Issue date	Effective date
IFRS 9 Financial Instruments	October 2010	1 January 2018
IFRS 15 Revenue from Contracts with Customers	May 2014	1 January 2018
IFRS 16 Leases	January 2017	1 January 2019

A full impact of the above new IFRSs has not yet been assessed. Other new standards or amendments to existing standards not yet effective are considered as not relevant to the Company.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

2 Accounting policies (continued)

Basis of consolidation

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

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.

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

Investments

Investments are accounted for at cost less impairment.

Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation. Assets under construction are not depreciated until they are brought into use.

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

Operating leases

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

Intangible assets

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

a) Internally generated intangible assets

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

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

2 Accounting policies (continued)

Intangible assets (continued)

b) 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 and is charged to "administrative expenses" in the Statement of Comprehensive Income.

Long term incentive plans

Provisions are made for the Company's long term incentive plan (bonus scheme for senior management) (LTIP) in line with the Company's performance criteria when the Company has a present legal or constructive obligation to incur this cost.

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.

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.

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. All amounts in these financial statements have been rounded to the nearest thousand, unless otherwise indicated. Transactions arising in the Irish branch are denominated in Euros, but translated into the Company's presentational currency of GBP in accordance with IAS21.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income, 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 Statement of Comprehensive Income 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.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

2 Accounting policies (continued)

Foreign currency translation (continued)

Transactions and balances (continued)

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

Financial risk management

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 15.

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.

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

Cash and cash equivalents

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

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

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.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

2 Accounting policies (continued)

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.

Provisions

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

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

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

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

Pensions

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

Current and deferred income tax

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

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

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

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

Value added tax

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

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

3 Critical accounting estimates and assumptions

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

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

(i) Useful economic lives of tangible and intangible assets

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

(ii) Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

(iii) Intangible assets

The Company tests annually whether the internally generated and separately acquired intangible assets which are subject to amortisation require impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(iv) Provisions

Provisions are made for dilapidations and restructuring. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish the net present value of the obligations requires management's judgement.

4 Revenue

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

The geographical analysis of the Company's revenue is as follows:

	2017 £000	2016 £000
Europe	10,270	6,631
North America	618	811
	10,888	7,442

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

5 Expenses by nature

	2017 £'000	2016 £'000
Auditors' remuneration (note 6)	9	57
Employee benefit expense (note 7)	4,465	5,537
Depreciation and amortisation charges (notes 10 and 11)	38	18
Other expenses	9,866	3,735
	14,378	9,347

Total expenses for the year include £3,374,000 (2016: 636,000) in relation to Bid Costs for the Illinois contract.

6 Auditors' remuneration

	2017 £'000	2016 £'000
Fees payable to the Company's auditors for the audit of the financial statements	9	57

7 Employee benefit expenses

The Company had 52 (2016: 55) employees during the year (not including those on secondment from other Group companies).

	2017 £000	2016 £000
Wages and salaries	3,831	4,686
Social security costs	427	551
Other pension costs	207	300
	4,465	5,537

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

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

7 Employee benefit expense (continued)

Key management personnel compensation

	2017 £000	2016 £000
Short term employee benefits	697	2,079
Other long term benefits	-	937
Post employment benefits	60	182
	757	3,198

Key management is considered to be those members of the Global Operating Board who make key operating decisions in respect of the Company. Three (2016: six) individuals considered to be key management personnel are employed and paid by the Company and disclosed above. The other members of the Global Operating Board are remunerated by fellow Group companies.

In the prior year, short term employee benefits included termination payments in respect of one individual.

	2017 £000	2016 £000
Directors' emoluments		
Salaries and short term employee benefits	-	561
Long term incentive plans	-	816
Other pension costs	-	87
Aggregate emoluments	-	1,464

	2017 £000	2016 £000
Highest paid director's emoluments		
Salaries and short term employee benefits	-	561
Long term incentive plans	-	816
Other pension costs	-	87
Aggregate emoluments	-	1,464

Directors' emoluments

The highest paid director in the prior year was Nigel Railton. In the current year, Nigel Railton is remunerated by CGLSL. Amounts due under Long term incentive plans are paid by another Group company and are disclosed above in his capacity as director of CGLSL.

None of the directors received or waived any emoluments in the current year in respect of qualifying services to the Company. The directors are either not remunerated or are remunerated by CGLSL and details of their emoluments are available in the financial statements of that Company.

8 Finance income and costs

	2017 £000	2016 £000
Interest receivable from Group companies	164	86

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

9 Income tax expense

	2017 £000	2016 £000
Current tax:		
Current UK income tax credit for the year	(766)	(445)
Current overseas Irish tax charge for the year	-	40
Prior period adjustments	15	2
Total current tax charge	(751)	(403)
Deferred tax:		
Deferred income tax credit for the year	(66)	(16)
Prior period adjustments	(18)	-
Total deferred tax credit (note 17)	(84)	(16)
Income tax credit	(835)	(419)

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

	2017 £'000	2016 £'000
Loss before tax	(3,326)	(1,819)
Tax calculated at the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	(665)	(364)
Tax effects of:		
Permanent adjustments	(204)	(99)
Difference between overseas and UK tax rates	42	40
Adjustments in respect of prior periods	(3)	2
Effect of change in tax rate	(5)	2
Income tax expense	(835)	(419)

Factors affecting current and future tax charges

The income tax credit is based on a corporation tax rate of 20% for the year ended 31 March 2017 (2016: 20%).

A reduction in the UK Corporation Tax Rate to 17% (effective from 1 April 2020) was substantially enacted on 6 September 2016. This will reduce the company's current tax charge accordingly. The deferred tax asset has been calculated based on the rate of 17% substantially enacted at the balance sheet date.

As at 31 March 2017, there was an unrecognised deferred tax asset in relation to pre-acquisition losses of £365,000 (2016: £386,000). The deferred tax asset in relation to losses has not been recognised in accordance with IAS12 'Income Taxes'.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

10 Intangible assets

	£'000
Year ended 31 March 2016	
Opening net book amount	64
Additions	6
Amortisation charge	(16)
Closing net book amount	54
At 31 March 2016	
Cost	70
Accumulated amortisation	(16)
Net book amount	54
Year ended 31 March 2017	
Opening net book amount	54
Amortisation charge	(19)
Closing net book amount	35
At 31 March 2017	
Cost	70
Accumulated amortisation	(35)
Net book amount	35

All intangible assets were internally generated.

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

11 Property, plant and equipment

	£'000
Year ended 31 March 2016	
Opening net book amount	-
Additions	96
Depreciation charge	(2)
Closing net book amount	94
At 31 March 2016	
Cost	96
Accumulated depreciation	(2)
Net book amount	94
 Year ended 31 March 2017	
Opening net book amount	94
Additions	400
Depreciation charge	(19)
Closing net book amount	475
At 31 March 2017	
Cost	496
Accumulated depreciation	(21)
Net book amount	475

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

12 Investments

Name	Country of Incorporation	% Shareholding	2017 £000	2016 £000
Camelot Global Services (North America) Inc.	U.S.A	100%	-	-
CISL SA Limited	South Africa	100%	-	-
Wholesale Commercial Collections Limited	U.K	100%	-	-
Premier Lotteries Ireland Holdings Limited	Ireland	50%	-	-

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

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

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

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

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

13 Trade and other receivables

Non-current assets

	2017 £000	2016 £000
Amounts due from other related parties	-	2,469

Current assets

	2017 £000	2016 £000
Loan due from related parties	6,262	2,239
Receivables from related parties	8,462	2,024
VAT receivable	153	82
Group relief receivable	-	167
Other debtors	757	-
Prepayments and accrued income	10	560
	15,644	5,072

The receivables from related parties are unsecured, interest free and repayable on demand. Loans due from related parties are subject to interest at a rate of 5.43%.

14 Cash and cash equivalents

	2017 £000	2016 £000
Cash and cash equivalents	516	446

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

15 Financial risk management

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

a) Credit risk

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

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

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

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

b) Interest rate risk

The main interest rate risk continues to be on the loan from the parent company. The Company is no longer a member of a cash pool alongside its fellow UK subsidiary companies (excluding Camelot) under which all members were provided with cross guarantees in respect of each other's liabilities (where applicable).

c) Foreign exchange risk

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

Included within administrative expenses in the Statement of Comprehensive Income is £705,000 net foreign exchange gain (2016: £454,000 gain). This has been impacted by the valuation of the Euro during the year.

d) Liquidity risk

The main source of liquidity continues to be funding provided by the parent company. The Company is no longer a member of a cash pool alongside its fellow UK subsidiary companies (excluding Camelot) under which all members were provided with cross guarantees in respect of each other's liabilities (where applicable).

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

e) Capital risk

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

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

16 Trade and other payables

	2017 £000	2016 £000
Trade creditors	28	928
Payables to related parties	32,629	21,113
Social security and other taxes	63	-
Accruals and deferred income	1,128	488
	33,848	22,529

Payables to related parties are unsecured, interest free and repayable on demand.

17 Deferred income tax

	2017 £'000	2016 £'000
Deferred tax assets		
To be recovered after more than 12 months	105	20
Deferred tax assets	105	20
Deferred tax liabilities		
To be settled after more than 12 months	(5)	(4)
Deferred tax liabilities	(5)	(4)
Deferred tax asset (net)	100	16

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

17 Deferred income tax

	Provisions and accruals	Accelerated capital allowances	Net deferred tax asset
	£'000	£'000	£'000
At 1 April 2015	-	-	-
Income statement (charge) / credit (note 9)	20	(4)	16
At 31 March 2016	20	(4)	16
Income statement (charge) / credit (note 9)	85	(1)	84
At 31 March 2017	105	(5)	100

18 Provisions for liabilities and charges

	Restructuring £000	Property £000	Total £000
At 1 April 2015	131	8	139
Utilised during the year	(131)	-	(131)
Charge to Statement of Comprehensive Income	310	3	313
At 31 March 2016	310	11	321
	Restructuring £000	Property £000	Total £000
At 1 April 2016	310	11	321
Utilised during the year	(226)	(11)	(237)
At 31 March 2017	84	-	84

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

18 Provisions for liabilities and charges (continued)

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

	2017 £000	2016 £000
Current	84	310
Non-current	-	11
Total	84	321

The current provisions relate to the balance of the prior year restructuring costs based upon re-organisation plans and are expected to be utilised within 12 months.

19 Share capital

Authorised and allotted share capital as at 31 March 2016 and 31 March 2017

Authorised	2017 £000	2016 £000
96,663,000 ordinary (2016: 96,663,000) shares of £1 each	96,663	96,663
10 (2016: 10) preference 'B' preference shares of £1 each	-	-
As at 31 March	96,663	96,663

Allotted, issued and fully paid	2017 £000	2016 £000
1,663,000 (2016: 1,663,000) ordinary 'A' shares of £1 each	1,663	1,663
10 (2016: 10) preference 'B' preference shares of £1 each	-	-
As at 31 March	1,663	1,663

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

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

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

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

20 Other reserves

	Foreign currency translation reserve £'000
At 1 April 2015	(59)
Exchange differences on translation of foreign operations	12
At 31 March 2016	(47)
Exchange differences on translation of foreign operations	69
At 31 March 2017	22

21 Retained earnings

	2017 £000	2016 £000
At 1 April	(16,317)	(14,917)
Loss for the financial year	(2,491)	(1,400)
At 31 March	(18,808)	(16,317)

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

22 Cash generated from / (used in) in operations

	2017 £000	2016 £000
Loss for the financial year	(2,491)	(1,400)
Adjustments for:		
- Income tax	(835)	(419)
- Depreciation and amortisation	38	18
- Interest income	-	(86)
	(3,288)	(1,887)
Changes in working capital:		
- Trade and other receivables	(8,103)	(3,844)
- Trade and other payables	12,963	4,813
- Provisions for other liabilities and charges	(237)	183
	4,623	1,152
Cash generated from / (used in) operations	1,335	(735)

23 Related party transactions

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

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

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

In addition £270,000 (2016: £717,000) was received from Camelot and £59,000 (2016: £46,000) was paid to Camelot in respect of group taxation relief during the year. During the year no amounts were paid to CBSL (2016: nil).

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

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

23 Related party transactions (continued)

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

a) Recharges from the Company and sales of services

	2017 £000	2016 £000
Camelot UK Lotteries Limited	-	260
Camelot Business Solutions Limited	-	4,109
Camelot Global Lottery Solutions Limited	-	831
Camelot Global Services (North America) Inc.	782	757
Premier Lotteries Ireland Limited	2,202	4,182
Premier Lotteries Ireland Holdings Limited	-	1,838
	2,984	11,977

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

	2017 £000	2016 £000
Camelot UK Lotteries Limited	-	1,952
Camelot Business Solutions Limited	-	913
Camelot Global Lottery Solutions Limited	4,747	1,535
Premier Lotteries Ireland Limited	-	496
	4,747	4,896

c) Period end balances arising from sales, recharges and purchasing of goods and services

	2017 £000	2016 £000
Payables to related parties		
Camelot UK Lotteries Limited	1,555	1,167
Camelot Business Solutions Limited	16,231	14,949
Camelot Global Lottery Solutions Limited	13,999	4,888
Camelot Global Services (North America) Inc.	783	16
Premier Lotteries Ireland Limited	61	93
Total payables to related parties	32,629	21,113
Receivables from related parties		
Camelot UK Lotteries Limited	-	14
Camelot Business Solutions Limited	-	6
Camelot Global Lottery Solutions Limited	2,298	606
Camelot Global Services (North America) Inc.	5,583	2,464
Premier Lotteries Ireland Limited	1,798	1,173
Premier Lotteries Ireland Holdings Limited	5,045	2,469
	14,724	6,732

Camelot Global Services Limited

Notes to the financial statements for the year ended 31 March 2017

24 Ultimate and immediate parent undertakings

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