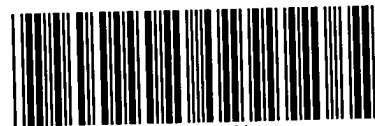


Company Number: 02822300

# **Camelot Global Services Limited**

## **Company financial statements for the year ended 31 March 2015**

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# **Camelot Global Services Limited**

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# **Strategic Report**

The directors present their Strategic Report of Camelot Global Services Limited (the "Company" or CGSL) for the year ended 31 March 2015. The Group companies are comprised of Premier Lotteries Investment UK Limited ('PLIUK'), Premier Lotteries Capital UK Limited ('PLCUK'), Premier Lotteries UK Limited ('PLUK'), Camelot Global Services Limited ('CGSL'), Camelot Strategic Solutions Limited ('CSSL'), Camelot Commercial Services Limited ('CCSL') and Camelot Business Solutions Limited ('CBSL'). The Company has the following subsidiaries, Camelot Global Services (North America) ('CGSNA'), CISL SA (Proprietary) Limited ('CISL SA'), and Wholesale Commercial Collections Limited ('WCCL'). The Company's immediate parent PLUK and the other Group Companies are subsidiaries of Ontario Teachers' Pension Plan ('Teachers').

## **Principal activities**

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

## **Business review**

The Company's principal focus is to secure overseas lottery management or technology contracts. During the year, the Company established a branch operation in Ireland, Camelot Global Services Ireland, and started delivering services under a management contract to provide lottery operational interactive services to Premier Lotteries Ireland Limited ('PLIL'), a related party that won a twenty year licence to operate the Irish Lottery.

## **Results and Dividends**

The loss after taxation for the year amounted to £1,412,000 (2014: £3,106,000). No final dividend has been proposed for the year ended 31 March 2015 (2014: £nil).

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

The Balance Sheet reflects the continued investment in securing overseas contracts. Total assets at 31 March 2015 were £4.6m (2014: £2.7m). The total liabilities at 31 March 2015 were £17.9m (2014: £14.5m).

## **Future developments**

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

## **Key performance indicators**

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

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

## **Principal risks and uncertainties**

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

The Strategic Report was approved by the Board of Directors on 7 June 2015 and was signed on its behalf by

**Nigel Railton**

Director

Camelot Global Services Limited

Company Number 02822300



## **Directors' Report**

The directors present their report together with the audited financial statements of the Company for the year ended 31 March 2015.

### **Share capital**

The authorised share capital is 96,663,000 (2014: 96,663,000) shares of £1 each, of which 1,663,010 (2014: 1,663,010) shares are allotted, issued and fully paid.

### **Shareholdings**

The following share structure was in place at the beginning and end of the year under review:

	Number of Ordinary shares	Number of 'B' preference shares	Total % holding of shares
Premier Lotteries UK Limited	1,663,000	3	99.9996%
Fourmoront Corporation	-	7	0.0004%

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

### **Directors and their interests**

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

#### **Chairman**

Lee Sienna

#### **Director**

Nigel Railton

(appointed 1 November 2014)

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

Sir Gerald Acher CBE LVO

Sir Patrick Brown KCB

Tony Illsley

Wayne Kozun

Dianne Thompson CBE

Sarah Rowe

David Kelly

(resigned 31 October 2014)

(appointed 19 March 2015)

(appointed 19 March 2015)

#### **Alternate Directors**

Ilya Kachko

#### **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.

## **Directors' Report (continued)**

### **Going concern**

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

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

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

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

### **Financial risk management**

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

### **Related party transactions**

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

### **Suppliers**

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

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

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

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

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

## **Camelot Global Services Limited**

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company and Group, together with a description of the principal risks and uncertainties that it faces.

### **Independent auditors**

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

On behalf of the Board



**Nigel Railton**  
Director  
Camelot Global Services Limited  
25 June 2015

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

## **Report on the financial statements**

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### **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 2015 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**

Camelot Global Services Limited's financial statements comprise:

- the Balance Sheet as at 31 March 2015;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Equity for the year then ended; 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 applicable law and IFRSs as adopted by the European Union.

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

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

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

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

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### **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.

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### **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.

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## **Responsibilities for the financial statements and the audit**

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### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

## Camelot Global Services Limited

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.

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### 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 financial statements for the year ended 31 March 2015 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



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

25 June 2015



# Statement of Comprehensive Income

for the year ended 31 March

	Note	2015 £000	2014 £000
<b>Revenue</b>	3	<b>7,122</b>	<b>1,107</b>
Cost of sales		(4,182)	(517)
<b>Gross profit</b>		<b>2,940</b>	<b>590</b>
Administrative expenses	4	(4,911)	(4,736)
<b>Operating loss</b>		<b>(1,971)</b>	<b>(4,146)</b>
Finance income	6	0	4
Finance costs	6	(0)	(4)
<b>Loss before income tax</b>		<b>(1,971)</b>	<b>(4,146)</b>
Income tax	7	559	1,040
<b>Loss for the financial year</b>		<b>(1,412)</b>	<b>(3,106)</b>
<b>Other comprehensive losses:</b>			
Foreign exchange losses		(59)	-
<b>Other comprehensive losses for year</b>		<b>(59)</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>		<b>(1,471)</b>	<b>(3,106)</b>

The notes on pages 13 to 24 are an integral part of these financial statements.

**Camelot Global Services Limited**

**Balance Sheet**

as at 31 March

	Note	2015 £000	2014 £000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	8	64	-
Deferred taxation	7	2	16
Investments	9	0	0
		<b>66</b>	<b>16</b>
<b>Current assets</b>			
Trade and other receivables	10	3,911	2,560
Cash and cash equivalents	11	604	143
		<b>4,515</b>	<b>2,703</b>
<b>Total assets</b>		<b>4,581</b>	<b>2,719</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	14	17,717	14,555
Current tax payable		36	-
Provisions for liabilities and other charges	15	131	-
		<b>17,884</b>	<b>14,555</b>
<b>Non-current liabilities</b>			
Deferred taxation	7	2	-
Provisions for liabilities and other charges	15	8	6
<b>Total liabilities</b>		<b>17,894</b>	<b>14,561</b>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	16	1,663	1,663
Exchange reserve		(59)	-
Retained earnings	17	(14,917)	(13,505)
<b>Total equity</b>		<b>(13,313)</b>	<b>(11,842)</b>
<b>Total equity and liabilities</b>		<b>4,581</b>	<b>2,719</b>

The notes on pages 13 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 25 June 2015 and were signed on its behalf by:



**Nigel Railton**  
Director

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

Camelot Global Services Limited

## Statement of Changes in Equity

	Share capital £000	Retained earnings £000	Exchange reserve £000	Total Equity £000
<b>Balance as at 31 March 2013</b>	<b>1,663</b>	<b>(10,399)</b>	<b>-</b>	<b>(8,736)</b>
<b>Comprehensive loss</b>				
Loss for the financial year	-	(3,106)	-	(3,106)
<b>Total comprehensive loss</b>	<b>-</b>	<b>(3,106)</b>	<b>-</b>	<b>(3,106)</b>
<b>Balance as at 31 March 2014</b>	<b>1,663</b>	<b>(13,505)</b>	<b>-</b>	<b>(11,842)</b>
<b>Comprehensive loss</b>				
Loss for the financial year	-	(1,412)	(59)	(1,471)
<b>Total comprehensive loss</b>	<b>-</b>	<b>(1,412)</b>	<b>(59)</b>	<b>(1,471)</b>
<b>Balance as at 31 March 2015</b>	<b>1,663</b>	<b>(14,917)</b>	<b>(59)</b>	<b>(13,313)</b>

The notes on pages 13 to 24 are an integral part of these financial statements.

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

	Note	2015 £000	2014 £000
<b>Cash flows from operating activities</b>			
Cash used in operations	18	(434)	(1,238)
Bank interest received		0	4
Interest paid		(0)	(4)
Group relief received	20	886	1,425
<b>Net cash generated from operating activities</b>		<b>452</b>	<b>187</b>
<b>Cash flows used in investing activities</b>			
Expenditure on intangible assets		9	-
<b>Net cash generated from investing activities</b>		<b>9</b>	<b>187</b>
<b>Net increase in cash, cash equivalents and bank overdrafts</b>		<b>461</b>	<b>187</b>
Cash, cash equivalents and bank overdrafts at the beginning of the year		143	(44)
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	11	<b>604</b>	<b>143</b>

The notes on pages 13 to 24 are an integral part of these financial statements.

# Camelot Global Services Limited

## Notes to the Financial Statements

### 1. General information

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

### 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements for the year ended 31 March 2015 are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

#### a) Basis of preparation

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

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

The Company's accounting policies were selected by management considering all applicable IFRS issued by the International Accounting Standards Board (IASB) by 31 March 2015.

#### i) New IFRS accounting standards and interpretations adopted in 2014/15:

During the year ended 31 March 2015, 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.

- Amendments to IAS 32 on asset and liability offsetting
- Amendments to IAS 36 on recoverable amount disclosures
- IFRS 10 on consolidated financial statements
- IFRS 11 on joint arrangements
- IFRS 12 on disclosures of interests in other entities
- Amendments to IFRS 10, 12 and IAS 27 on consolidation for investment entities
- Amendments to IAS 39 financial instruments
- IFRS IC 21 on levies

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

The standards, amendments and interpretations listed below were not effective for the year ended 31 March 2015.

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.

- Improvements to IFRS 2012
- Improvements to IFRS 2014
- IFRS 9 on financial instruments (not EU endorsed)
- IFRS 15
- IFRS 14 on regulatory deferral accounts
- Amendments to IFRS 1 employee benefits on DB plans
- Amendments to IAS 19
- Amendment to IFRS 9 on financial instruments on general hedge accounting (not EU endorsed)
- Amendments to IAS 27 'separate financial statements' on equity accounting
- Amendments to IFRS 10 and IAS 28 on sale or contribution of assets
- Amendments to IFRS 10 and IAS 28 on applying the consolidation exemption
- Annual improvements 2014
- Amendments to IAS 1 presentation of financial statements disclosure initiative
- Amendments to IFRS 11 Joint arrangements on acquisition of an interest in a joint operation
- Amendments to IAS 16 and IAS 38 on depreciation and amortisation

## **Camelot Global Services Limited**

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

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

### **c) Revenue recognition**

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

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

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

### **d) Investments**

Investments are accounted for at cost less impairment.

### **e) Intangible assets**

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

#### *Separately acquired intangibles*

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

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

#### *Impairment of intangible assets*

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

### **f) 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.

### **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

## **Camelot Global Services Limited**

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) Financial instruments**

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

### **j) 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.

### **k) 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.

### **l) 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.

### **m) Pensions**

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

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

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

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

## Camelot Global Services Limited

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

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

### o) Value added tax

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

### p) Foreign currency translation

#### *Functional and presentational currency*

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

#### *Transactions and balances*

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

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

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

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

## 3. Revenue

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

	2015 £000	2014 £000
<b>Geographical analysis</b>		
Europe	6,581	-
North America	537	1,092
Africa	4	15
	<b>7,122</b>	<b>1,107</b>



**4. Operating loss**

	2015 £000	2014 £000
<b>Operating loss is stated after charging:</b>		
Net exchange losses	357	5
Employee benefit expenses	2,359	1,742
Lottery bid costs	978	1,320
Operating lease rentals	-	10
Recharge rentals payable to Group companies	68	64
Auditors' remuneration	35	18

**5. Employee expenses and numbers**

The Company had 25 (2014: 13) employees during the year (not including those on secondment from other Group companies).

	2015 £000	2014 £000
Wages and salaries	1,870	1,352
Social security costs	236	213
Restructuring costs	105	11
Pension costs	148	166
	<b>2,359</b>	<b>1,742</b>

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

**Key management personnel compensation**

	2015 £000	2014 £000
Short term employee benefits	967	887
Other long term benefits	630	-
Termination benefits	-	137
Post employment benefits	121	104
	<b>1,718</b>	<b>1,128</b>

Key management is considered to be those members of the Global Operating Board who make key operating decisions in respect of the Company. The Global Operating Board replaced the Group Operating Board this year in the capacity to make key operating decisions.

On the Global Operating Board, two individuals are considered to be key management personnel, one of which is employed and paid by CGSL and disclosed above. The other is remunerated by CSSL and disclosed in the financial statements of that Company.

<b>Directors' emoluments</b>	2015 £000	2014 £000
Salaries and short term employee benefits	185	-
Long term incentive plans	560	-
Other pension costs	37	-
<b>Aggregate emoluments</b>	<b>782</b>	<b>-</b>

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	2015 £000	2014 £000
<b>Highest paid director's emoluments</b>		
Salaries and short term employee benefits	185	-
Long term incentive plans	560	-
Other pension costs	37	-
<b>Aggregate emoluments</b>	<b>782</b>	<b>-</b>

### Directors' emoluments

One of the directors, Nigel Railton, was remunerated by CBSL but was not a director of that company. His remuneration since his appointment during the year is disclosed above in his capacity as director of CGSL.

In the prior year, all directors of the Company were remunerated by either Camelot or CBSL and details of their emoluments and pension payments are available in the financial statements of those companies as they were either directors or shadow directors of those companies.

## 6. Finance income and costs

	2015 £000	2014 £000
Bank interest receivable	0	4
Bank interest payable	(0)	(4)
<b>Net finance income</b>	<b>0</b>	<b>0</b>

## 7. Income Tax

### a) Corporation tax

	2015 £000	2014 £000
Current UK income tax credit for the year	(555)	(1,038)
Current overseas Irish tax charge for the year	36	-
Prior period adjustments	(56)	3
<b>Total current tax</b>	<b>(575)</b>	<b>(1,035)</b>
Deferred income tax charge/(credit) for the year	20	(15)
Prior period adjustments	(4)	10
<b>Total deferred tax</b>	<b>16</b>	<b>(5)</b>
<b>Income tax credit</b>	<b>(559)</b>	<b>(1,040)</b>

The income tax credit is based on a corporation tax rate of 21% for the year ended 31 March 2015 (2014: 23%). All taxable temporary differences have been recognised and are reflected in the deferred taxation balance.

As at 31 March 2015, there was an unrecognised deferred tax asset in relation to pre-acquisition losses of £441,000 (2014: £441,000).

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

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## b) Reconciliation of tax credit

	2015 £000	2014 £000
Loss before taxation	(1,971)	(4,146)
Tax credit on loss on ordinary activities at the UK standard rate 21% (2014: 23%)	(414)	953
Factors affecting charge:		
Permanent adjustments	(120)	102
Overseas tax suffered	36	-
Prior period adjustments	(60)	(13)
Effect of changes in the rate of taxation	(1)	(2)
<b>Income tax credit</b>	<b>(559)</b>	<b>1,040</b>

## c) Deferred taxation

	2015 £000	2014 £000
Deferred tax assets:		
To be recovered after more than 12 months	-	1
To be recovered within 12 months	2	15
<b>Deferred tax assets</b>	<b>2</b>	<b>16</b>
Deferred tax liabilities:		
To be recovered after more than 12 months	2	-
To be recovered within 12 months	-	-
<b>Deferred tax liabilities</b>	<b>2</b>	<b>-</b>

The deferred tax asset arises on temporary differences arising on provisions.

The gross movement on deferred tax is as follows:

	Accelerated capital allowances £000	Provisions and accruals £000	Total £000
At 1 April 2013	1	10	11
(Charge)/credit to the Statement of Comprehensive Income			
- current year (charge)/credit	(1)	8	7
- effect of changes in the rate of taxation	-	(2)	(2)
<b>At 31 March 2014</b>	<b>-</b>	<b>16</b>	<b>16</b>

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	Accelerated capital allowances £000	Provisions and accruals £000	Total £000
At 1 April 2014	-	16	16
(Charge)/credit to the Statement of Comprehensive Income			
- current year charge	(2)	(14)	(16)
<b>At 31 March 2015</b>	<b>(2)</b>	<b>2</b>	<b>-</b>

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

## 8. Intangible assets

	£000
<b>Cost</b>	
At 1 April 2013	826
Disposed	(826)
At 31 March 2014	-
<b>Accumulated amortisation</b>	
At 1 April 2013	826
Charge for the year	-
Disposed	(826)
At 31 March 2014	-
<b>Net book value at 31 March 2014</b>	<b>-</b>

All intangible assets were separately acquired.

	Total £000
<b>Cost</b>	
At 1 April 2014	-
Additions	64
At 31 March 2015	64
<b>Accumulated amortisation</b>	
At 1 April 2014	-
Charge for the year	0
At 31 March 2015	0
<b>Net book value at 31 March 2015</b>	<b>64</b>

## 9. Investments

Name	Country of Incorporation	% Shareholding	2015 £000	2014 £000
Camelot Global Services (North America) Inc.	U.S.A	100%	0	0
CISL SA Limited	South Africa	100%	0	0
Wholesale Commercial Collections Limited	U.K.	100%	0	0

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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.

## 10. Trade and other receivables

	2015 £000	2014 £000
Loan due from subsidiary undertakings	1,629	1,530
Amounts due from subsidiary undertakings	93	92
Amounts due from fellow subsidiary undertakings	68	107
Amounts due from other related parties	1,074	162
VAT receivable	17	9
Group relief receivable	382	657
Prepayments and accrued income	648	3
	<b>3,911</b>	<b>2,560</b>

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

## 11. Cash and cash equivalents

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

	2015 £000	2014 £000
Cash and cash equivalents	604	143
<b>Cash and cash equivalents</b>	<b>604</b>	<b>143</b>

## 12. 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 2015, no financial assets were held in short-term money market deposits (2014: nil).

## 13. Financial risk management

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

### a) Credit risk

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

## Camelot Global Services Limited

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 balance sheet. The carrying value of financial assets approximates to their fair value.

### b) Interest rate risk

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

### c) Foreign exchange risk

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

Included within administrative expenses in the Statement of Comprehensive Income is £357,000 net foreign exchange loss (2014: £5,000 net foreign exchange loss). This has been impacted by the devaluation of the Euro during the year.

### d) Liquidity risk

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

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

### e) Capital risk

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

## 14. Trade and other payables

	2015 £000	2014 £000
Trade creditors	192	18
Amounts due to fellow subsidiary undertakings	16,691	13,612
Amounts due to subsidiary undertakings	124	7
Amounts due to related parties	74	-
Accruals and deferred income	636	918
	17,717	14,555

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

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

	Restructuring £000	Property £000	Total £000
At 1 April 2013	235	4	239
Charge to Statement of Comprehensive Income	-	2	2
Utilised in the year	(235)	-	(235)
<b>At 31 March 2014</b>	<b>-</b>	<b>6</b>	<b>6</b>
	Restructuring £000	Property £000	Total £000
At 1 April 2014	-	6	6
Charge to Statement of Comprehensive Income	131	2	133
<b>At 31 March 2015</b>	<b>131</b>	<b>8</b>	<b>139</b>

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

	2015 £000	2014 £000
Current	131	-
Non-current	8	6
<b>Total</b>	<b>139</b>	<b>6</b>

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

**16. Share capital****Authorised and allotted share capital as at 31 March 2014 and 31 March 2015**

<b>Authorised</b>	2015 £000	2014 £000
96,663,000 ordinary shares of £1 each	96,663	96,663
10 preference 'B' preference shares of £1 each	0	0
<b>At 31 March</b>	<b>96,663</b>	<b>96,663</b>
<b>Allotted, issued and fully paid</b>	2015 £000	2014 £000
1,663,000 ordinary 'A' shares of £1 each	1,663	1,663
10 preference 'B' preference shares of £1 each	0	0
<b>At 31 March</b>	<b>1,663</b>	<b>1,663</b>

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

## Camelot Global Services Limited

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

### 17. Retained earnings

	2015 £000	2014 £000
At 1 April	(13,505)	(10,399)
Loss for the financial year	(1,412)	(3,106)
<b>At 31 March</b>	<b>(14,917)</b>	<b>(13,505)</b>

### 18. Cash used in operations

	2015 £000	2014 £000
<b>Operating loss</b>	<b>(1,971)</b>	<b>(4,146)</b>
Adjustments for:		
Changes in working capital:		
- Trade and other receivables	(1,627)	(660)
- Trade and other payables	3,162	3,801
- Provisions for other liabilities and charges	2	(233)
	<b>1,537</b>	<b>2,908</b>
<b>Cash used in operations</b>	<b>(434)</b>	<b>(1,238)</b>

### 19. Financial commitments and contingent liabilities

At the year-end, no capital expenditure was contracted for (2014: nil).

### 20. Related party transactions

CGSL is controlled by PLUK (incorporated in the UK), which owns 99.996% of the Company's shares. The Group's ultimate UK parent is PLIUK. The Group's ultimate controlling party is the Ontario Teachers' Pension Plan Board.

The Company transacted with its fellow subsidiary related parties, (Camelot, CBSL, and CSSL) 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. CSSL is principally focused on managing a programme of projects to generate revenue for group companies.

During the current year the Company also transacted with Premier Lotteries Ireland Holding Limited ("PLIH") and with Premier Lotteries Ireland Limited ("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 £889,000 (2014: £1,471,000) was received from Camelot UK Lotteries Ltd and £3,000 (2014: Nil) was paid to Camelot UK Lotteries Ltd in respect of group taxation relief during the year. During the year no amounts were paid to CBSL (2014: £46,000)

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

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



## Camelot Global Services Limited

	2015 Sale of services £000	2015 Amounts due from related party £000	2014 Sale of services £000	2014 Amounts due from related party £000
Camelot UK Lotteries Limited	15	13	19	45
Camelot Business Solutions Limited	7	41	17	60
Camelot Strategic Solutions Limited	-	14	5	2
Camelot Global Services (North America) Inc.	537	1,722	1,092	1,622
Premier Lotteries Ireland Limited	5,949	1,074	-	162
Premier Lotteries Ireland Holdings Limited	632	632	-	-

	2015 Purchase of Services £000	2015 Amounts due to related party £000	2014 Purchase of services £000	2014 Amounts due to related party £000
Camelot UK Lotteries Limited	126	291	223	163
Camelot Business Solutions Limited	1,141	12,797	684	12,924
Camelot Strategic Solutions Limited	3,049	3,603	703	525
Camelot Global Services (North America) Inc.	-	124	-	7
Premier Lotteries Ireland Limited	74	74	-	-

## 21. Ultimate and immediate parent undertakings

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

# **Camelot Global Services Limited**

## **Company Addresses**

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