Registered number: 02822300

Camelot Global Services Limited
Annual report and financial statements
for the year ended 31 March 2019

Camelot Global Services Limited

Annual report and financial statements for the year ended 31 March 2019

Contents

Camelot Global Services Limited

Directors and advisers

Directors

I Kachko
D T Kelly
W L Pickup
R O Rowley

Registered Office

Magdalen House
Tolpits Lane
Watford
Hertfordshire
WD18 9RN

Company Secretary

J E M Dillon

Registered Number

02822300

Independent Auditors

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

Bankers

The Royal Bank of Scotland Plc
London Corporate Service Centre
PO BOX 39592
2 $^1/_2$ Devonshire Square
London
EC2M 4XJ

Strategic report for the year ended 31 March 2019

The directors present the Strategic Report of Camelot Global Services Limited (the 'Company' or 'CGSL') for the year ended 31 March 2019.

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

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 profit for the financial year amounted to £2,982k (2018: loss of £497k). No final dividend has been proposed for the year ended 31 March 2019 (2018: £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 2019 were £26,911k (restated 2018: £20,116k). The increase was mainly due to Cash and cash equivalents increasing to £10,219k (2018: £4,210k) as a result of the equity funding in the form of cash from CGLSL (£15,501k), to fund future growth in the business.

The total liabilities at 31 March 2019 were £10,845k (restated 2018: £22,525k). The decrease was mainly due to Trade and other payables decreasing to £10,845k (2018: £22,317k).

Strategic report for the year ended 31 March 2019

Employees

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

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

General Data Protection Regulation

The General Data Protection Regulation 2016/679 came into force on the 25th of May 2018. It is a regulation in European Union law relating to data protection and privacy for all individuals within the European Union and the European Economic Area. The regulation also addresses the export of personal data outside the EU and EEA areas. In advance of this date, the Company undertook a comprehensive review, using third party consultants, of data management and processing. The Company made the necessary improvements and modifications, to ensure that personal information relating to European Union data subjects is managed by the Company in accordance with the new legislation. This includes effective processes to meet data subject requests, continued awareness of data protection and information security issues for staff, ongoing internal audits, and reporting any non-compliance to the appropriate authorities in each of the European Union countries in which the Company operates as prescribed by legislation.

Key performance indicators

Given the straight forward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development and performance of the business.

The Company's performance is reviewed by the Global Operating Board which comprises of the CEO and his executive team. The Company's results are monitored through monthly management accounts.

This report was approved by the Board on 25 June 2019 and signed on its behalf by:

Wayne Pickup
Director
Camelot Global Services Limited
Registered number: 02822300

Camelot Global Services Limited

Directors' report for the year ended 31 March 2019

The directors present their report and audited financial statements of the Company for the year ended 31 March 2019.

Share capital

The Company has allocated and issued 2,991,790 (2018: 2,318,071) Ordinary A shares of £1.00 each and has also issued 10 Preference B shares of £1.00 each.

Directors

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

B Cenanovic (Chairman) (resigned 9 May 2019)
I Kachko
D T Kelly
W L Pickup
S J Rowe (resigned 18 March 2019)
R O Rowley

Company Secretary

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

Qualifying third party indemnity provisions

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

Going concern

Management has prepared detailed budgets and cash flow forecasts which support the appropriateness of the going concern assumption. The wider economic climate increases the credit and financial liquidity risk of the Company. However, management has assessed the controls in place to minimise the Company's exposure to this increased level of risk. Therefore, after making appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least one year from the date that the financial statements are signed. The Company has access to financial support provided by PLUK which includes a £5,000,000 revolving credit facility. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Policy and practice on payment of creditors

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

Directors' report for the year ended 31 March 2019

Financial risk management

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

Future developments

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

Post balance sheet events

On the 25 April 2019, the Company issued 951,851 £1.00 A ordinary shares at £23.01 each to CGLSL in exchange for the release of £21,900k of outstanding loans.

On the 10 June 2019, the Company purchased 55% of Egnite S.A., a company incorporated in Greece for consideration of €2,305k. It has the option to purchase the remaining 45% on or before 31 March 2022. The principle activity of Egnite S.A., is the provision of the software development professionals.

Political contributions

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

Related party transactions

During the current financial year, the Company has had transactions of significance with other non-Group companies also owned by Ontario Teachers' Pension Plan ('Teachers'), the Company's ultimate shareholder. Details of related party transactions are given in note 24 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 2019

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 25 June 2019 and signed on its behalf by:

Wayne Pickup
Director

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit 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.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Statement of Financial Position as at 31 March 2019; Statement of Comprehensive Income for the year ended 31 March 2019, Statement of Cash Flows for the year ended 31 March 2019, Statement of Changes in Equity for the year ended 31 March 2019; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.
Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of the Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

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

26 June 2019

Camelot Global Services Limited
Statement of Comprehensive Income for the year ended 31 March 2019

	Note	2019 £'000	2018 £'000
Revenue	4	**11,469**	11,794
Cost of sales		**(7,096)**	(6,931)
Gross profit		**4,373**	4,863
Administrative expenses		**(1,916)**	(5,909)
Operating profit/(loss)	5	**2,457**	(1,046)
Finance income	8	**412**	307
Finance costs	8	**(1)**	(159)
Profit/(loss) before income tax		**2,868**	(898)
Income tax credit	9	**114**	401
Profit/(loss) for the financial year		**2,982**	(497)
Other comprehensive (expense)/income:			
Items that may be subsequently reclassified to profit or loss			
Foreign exchange (losses)/gains:	22	**(8)**	6
Other comprehensive (expense)/income for year		**(8)**	6
Total comprehensive income/(expense) for the year		**2,974**	(491)

The notes on pages 15 to 45 are an integral part of these financial statements.

All of the activities of the Company relate to continuing operations.

Camelot Global Services Limited

Registered number: 02822300

Statement of Financial Position as at 31 March 2019

	Note	2019 £'000	2018 Restated* £'000	1 April 2017 Restated* £'000
Assets				
Non-current assets				
Intangible assets	10	**741**	910	35
Property, plant and equipment	11	**369**	431	475
Investments	12	**11,472**	3,072	-
Contract assets	13	**524**	536	-
Deferred income tax assets	19	**14**	-	105
		13,120	4,949	615
Current assets				
Contract assets	13	**2,438**	2,708	6,077
Trade and other receivables	14	**814**	8,249	6,671
Current income tax		**144**	-	39
Cash and cash equivalents	15	**10,219**	4,210	516
Deferred income tax assets	19	**176**	-	-
		13,791	15,167	13,303
Total assets		**26,911**	20,116	13,918
Liabilities				
Non-current liabilities				
Deferred income tax liabilities	19	**-**	23	5
		-	23	5
Current liabilities				
Contract liabilities	17	**-**	185	-
Trade and other payables	18	**10,845**	22,317	30,952
Provisions for liabilities and charges	20	**-**	-	84
		10,845	22,502	31,036
Total liabilities		**10,845**	22,525	31,041
Net assets/(liabilities)		**16,066**	(2,409)	(17,123)

Registered number: 02822300

Statement of Financial Position as at 31 March 2019

	Note	2019 £'000	2018 Restated* £'000	1 April 2017 Restated* £'000
Equity				
Capital and reserves				
Share capital	21	**2,992**	2,318	1,663
Share premium	22	**29,377**	14,550	-
Other reserves	22	**20**	28	22
Accumulated losses	22	**(16,323)**	(19,305)	(18,808)
Total equity		**16,066**	(2,409)	(17,123)
Total equity and liabilities		**26,911**	20,116	13,918

*See note 28 for details about restatements for changes in accounting policies arising from the adoption of IFRS 15.

The financial statements were authorised for issue by the Board of Directors on 25 June 2019 and were signed on its behalf by:

Wayne Pickup
Director

The notes on pages 15 to 45 are an integral part of these financial statements.

Camelot Global Services Limited

Statement of Changes in Equity for the year ended 31 March 2019

	Note	Share capital £'000	Share premium £'000	Other reserves £'000	Accumulated losses £'000	Total equity £'000
Balance as at 1 April 2017		1,663	-	22	(18,808)	(17,123)
Issue of ordinary shares	22	655	14,550	-	-	15,205
Other comprehensive income	22	-	-	6	-	6
Loss for the financial year	22	-	-	-	(497)	(497)
Balance as at 31 March 2018		2,318	14,550	28	(19,305)	(2,409)
Issue of ordinary shares	21,22	674	14,827	-	-	15,501
Other comprehensive expense	22	-	-	(8)	-	(8)
Profit for the financial year	22	-	-	-	2,982	2,982
Balance as at 31 March 2019		**2,992**	**29,377**	**20**	**(16,323)**	**16,066**

The notes on pages 15 to 45 are an integral part of these financial statements.

Camelot Global Services Limited

Statement of Cash Flows for the year ended 31 March 2019

	Note	2019 £'000	2018 Restated* £'000
Cash flows from operating activities			
Cash used in operations	23	**(2,622)**	(7,777)
Income tax (payment)/refund		**(58)**	38
Interest paid	8	**(1)**	(159)
Interest received	8	**412**	307
Group relief		**1,194**	81
Net cash used in operating activities		**(1,075)**	(7,510)
Cash flows from investing activities			
Purchase of intangible assets	10	**(9)**	(925)
Purchase of property, plant and equipment	11	**-**	(10)
Investment in subsidiary	12	**(8,400)**	(3,072)
Net cash used in investing activities		**(8,409)**	(4,007)
Cash flows from financing activities			
Proceeds from issue of shares	21	**15,501**	15,205
Net cash generated from financing activities		**15,501**	15,205
Net increase in cash and cash equivalents		**6,017**	3,688
Cash and cash equivalents at the beginning of the year		**4,210**	516
Exchange adjustments		**(8)**	6
Cash and cash equivalents at the end of the year	15	**10,219**	4,210

*See note 28 for details about restatements for changes in accounting policies arising from the adoption of IFRS 15.

The notes on pages 15 to 45 are an integral part of these financial statements.

1. General information

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

2. Accounting policies

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

Basis of preparation

The financial statements of Camelot Global Services Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) interpretations as adopted by the European Union and with the Companies Act 2006 applicable to companies reporting under IFRS.

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

The Company's accounting policies were selected by management, considering all applicable IFRSs as adopted by the European Union.

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

Going Concern

Management has prepared detailed budgets and cash flow forecasts which support the appropriateness of the going concern assumption. The wider economic climate increases the credit and financial liquidity risk of the Company. However, management has assessed the controls in place to minimise the Company's exposure to this increased level of risk. Therefore, after making appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least one year from the date that the financial statements are signed. The Company has access to financial support provided by PLUK which includes a £5,000,000 revolving credit facility. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Revisions to Adopted IFRS in 2019

The Company has adopted all relevant amendments to existing standards and interpretations issued by the IASB that are effective from 1 January 2018 with no material impact on its results or financial position.

In addition, the Company has adopted two new standards issued by the IASB and adopted by the EU that are applicable to the Company for the year ended 31 March 2019, these being IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments'. The Company has also elected to early adopt IFRS 16 'Leases' for the year ended 31 March 2019.

2. Accounting policies (continued)

Revisions to Adopted IFRS in 2019 (continued)

IFRS 9 Financial Instruments

The Company has adopted IFRS 9 'Financial Instruments' retrospectively from 1 April 2018 except where prospective application is required as specified in the standard. IFRS 9 relates to the accounting for financial instruments and covers:

1. Classification and measurement – certain trade receivables are now classified as 'fair value through other comprehensive income';
2. Impairment – additional requirements for the measurement of expected credit losses on financial assets; and
3. Hedge accounting – amendments to requirements

The adoption of IFRS 9 has not had any impact on the Company's current or prior year operating profit or financial position.

IFRS 15 Revenue from Contracts with Customers

The Company adopted IFRS 15 on 1 April 2018 using the 'full' retrospective approach.

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

IFRS 15 Revenue from Contracts with Customers supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

The impact on the Company of adopting IFRS 15 on the balance sheets as at 1 April 2017 and 31 March 2018 is shown in note 28. There has been no impact on the income statement.

IFRS 16 - Leases

The Company has early adopted IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16. There has been no impact on the Company from adopting IFRS 16.

Other new standards or amendments to existing standards not yet effective are considered as not relevant to the Company.

2. Accounting policies (continued)

Consolidation

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

Revenue recognition

Revenue and profit recognition

Revenue represents income derived from contracts for the provision of goods and services, over time or at a point in time, by the Company to customers, in exchange for consideration in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

Performance obligations

Upon approval by the parties to a contract, the contract is assessed to identify each promise to transfer either a distinct good or service or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. Goods and services are distinct and accounted for as separate performance obligations in the contract if the customer can benefit from them either on their own or together with other resources that are readily available to the customer and they are separately identifiable in the contract.

The Company provides warranties to its customers to give them assurance that its products and services will function in line with agreed-upon specifications. Warranties are not provided separately and, therefore, do not represent separate performance obligations.

Transaction price

At the start of the contract, the total transaction price is estimated as the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods and services to the customer, excluding sales taxes. Variable consideration, such as price escalation, is included based on the expected value or most likely amount only to the extent that it is highly probable that there will not be a reversal in the amount of cumulative revenue recognised. The transaction price does not include estimates of consideration resulting from contract modifications, such as change orders, until they have been approved by the parties to the contract.

The total transaction price is allocated to the performance obligations identified in the contract in proportion to their relative stand-alone selling prices. Given the bespoke nature of many of the Company's products and services, which are designed and/or manufactured under contract to the customer's individual specifications, there are typically no observable stand-alone selling prices. Instead, stand-alone selling prices are typically estimated based on expected costs plus contract margin consistent with the Company's pricing principles.

2. Accounting policies (continued)

Revenue recognition (continued)

Revenue and profit recognition

Revenue is recognised as performance obligations are satisfied and control of the goods and services is transferred to the customer.

For each performance obligation within a contract, the Company determines whether it is satisfied over time or at a point in time. Performance obligations are satisfied over time if one of the following criteria is satisfied:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as it performs;
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and it has an enforceable right to payment for performance completed to date.

The Company has determined that most of its contracts satisfy the overtime criteria, either because the customer simultaneously receives and consumes the benefits provided by the Company's performance as it performs (typically services or support contracts) or the Company's performance does not create an asset with an alternative use to the Company and it has an enforceable right to payment for performance completed to date (typically development or production contracts).

For each performance obligation to be recognised over time, the Company recognises revenue using an input method, based on costs incurred in the period. Revenue and attributable margin are calculated by reference to reliable estimates of transaction price and total expected costs, after making suitable allowances for technical and other risks. Revenue and associated margin are therefore recognised progressively as costs are incurred, and as risks have been mitigated or retired. The Company has determined that this method appropriately depicts the Company's performance in transferring control of the goods and services to the customer. If the overtime criteria for revenue recognition are not met, revenue is recognised at the point in time that control is transferred to the customer, which is usually when legal title passes to the customer and the business has the right to payment, for example, on delivery. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense.

Software licences

The Company sells software licences either separately or together with other goods and services, including computer hardware and implementation, hosting and support. Revenue recognition in respect of software licences sold as part of a bundle of goods and services is considered separately when the licence is determined to be a separate performance obligation. Software licences either represent a right to access the Company's intellectual property as it exists throughout the licence period or a right to use the Company's intellectual property as it exists at the point in time at which the licence is granted. Revenue in respect of right to access licences is recognised over the licence term or, in relation to perpetual licences, over the related customer relationship and revenue in respect of right to use licences is recognised upfront on delivery to the customer.

Notes to the consolidated financial statements for the year ended 31 March 2019

2. Accounting policies (continued)

Revenue recognition (continued)

Software licences (continued)

A software licence is considered to be a right to access the Company's intellectual property as it exists throughout the licence period if all of the following criteria are satisfied:

- The contract requires, or the customer reasonably expects, that the Company will undertake activities that significantly affect the intellectual property; and
- The licence directly exposes the customer to the effects of those activities; and
- Those activities do not result in the transfer of a good or service to the customer.

Contract modifications

The Company's contracts are often amended for changes in customers' requirements and specifications. A contract modification exists when the parties to the contract approve a modification that either changes existing or creates new enforceable rights and obligations. The effect of a contract modification on the transaction price and the Company's measure of progress towards the satisfaction of the performance obligation to which it relates is recognised in one of the following ways:

1. Prospectively, as an additional, separate contract;
2. Prospectively, as a termination of the existing contract and creation of a new contract; or
3. As part of the original contract using a cumulative catch-up.

The majority of the Company's contract modifications are treated under either 1 (for example, the requirement for additional distinct goods or services) or 3 (for example, a change in the specification of the distinct goods or services for a partially completed contract), although the facts and circumstances of any contract modification are considered individually as the types of modifications will vary contract-by-contract and may result in different accounting outcomes.

Costs to obtain a contract

The incremental costs of obtaining a contract with a customer are recognised as a contract fulfilment asset if the Company expects to recover them. The Company incurs costs such as bid costs, legal fees to draft a contract and sales commissions when it enters into a new contract.

Judgement is applied by the Company when determining which costs qualify to be capitalised, in particular when considering whether these costs are incremental and whether these are expected to be recoverable.

2. Accounting policies (continued)

Revenue recognition (continued)

Costs to fulfil a contract

Contract fulfilment costs are divided into:

(i) costs that give rise to an asset; and

(ii) costs that are expensed as incurred.

When determining the appropriate accounting treatment for such costs, the Company firstly considers any other applicable standards. If those other standards preclude capitalisation of a particular cost, then an asset is not recognised under IFRS 15.

If other standards are not applicable to contract fulfilment costs, the Company applies the following criteria which, if met, result in capitalisation:

(i) the costs directly relate to a contract or to a specifically identifiable anticipated contract;

(ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(iii) the costs are expected to be recovered.

The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

Principal versus agent

The Company has arrangements with some of its clients whereby it needs to determine if it acts as a principal or an agent, as more than one party is involved in providing the goods and services to the customer. The Company acts as a principal if it controls a promised good or service before transferring that good or service to the customer. The Company is an agent if its role is to arrange for another entity to provide the goods or services. Factors considered in making this assessment are most notably the discretion the Company has in establishing the price for the specified good or service, whether the Company has inventory risk and whether the Company is primarily responsible for fulfilling the promise to deliver the service or good.

Where the Company is acting as a principal, revenue is recorded on a gross basis. Where the Company is acting as an agent, revenue is recorded at a net amount reflecting the margin earned.

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.

2. Accounting policies (continued)

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 calculated so as to write off the cost of the tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates for this purpose are:

Leasehold improvements	Period of lease
Plant and equipment	4 years
Right of use asset	Period of lease

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

Leases

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

As a lessee (under IAS 17 & IFRIC 4)

In the comparative period, as a lessee, the Company classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Company's Statement of Financial Position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

2. Accounting policies (continued)

Leases (continued)

As a lessee (under IFRS 16)

Since 1 April 2018, the Company, as lessee, has recognised at present value, assets for the right of use received and liabilities for the payment obligations entered into for all leases in the balance sheet.

Lease liabilities include the following lease payments:

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

Lease payments are discounted at the implicit interest rate underlying the lease to the extent that this can be determined. Otherwise, discounting is at the incremental borrowing rate.

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

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

Right-of-use assets are subsequently measured at amortised cost. They are depreciated over the term of the lease using the straight-line method.

The Company will make use of the relief options provided for leases of low-value assets and short-term leases (shorter than twelve months) and expense the payments in the income statement according to the straight-line method. The Company has elected to separate non-lease components and account for the lease and non-lease components as separate components.

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

Notes to the consolidated financial statements for the year ended 31 March 2019

2. Accounting policies (continued)

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.

b) Separately acquired intangible assets

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

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.

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, impairment may be triggered, or the useful economic life of an asset may be reduced.

2. Accounting policies (continued)

Foreign currency translation

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

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

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

Financial risk management

Exposure to credit, foreign exchange, liquidity and capital risks that arise in the normal course of the Company's business are minimised by the Company's policies and controls, as disclosed in note 16.

Trade and other receivables

Trade and other receivables are initially measured at fair value, which for trade receivables is equal to the original invoice amount. Subsequent to initial recognition these assets are measured at amortised cost less any provision for impairment losses including expected credit losses. In accordance with IFRS 9, expected credit losses are determined by reference to historical credit losses adjusted to reflect expectations about future credit losses.

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

Cash and cash equivalents

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

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

Notes to the consolidated financial statements for the year ended 31 March 2019

2. Accounting policies (continued)

Trade payables

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

Provisions

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

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

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 Company Personal Pension Plan, a defined contribution scheme operated by Premier Lotteries Investments UK Limited ('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.

Notes to the consolidated financial statements for the year ended 31 March 2019

2. Accounting policies (continued)

Current and deferred income tax

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

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

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

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

Value added tax

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

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.

3. Critical accounting estimates and assumptions (continued)

Estimates

(i) Useful economic lives of tangible and intangible assets

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

(ii) Impairment of receivables

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

Judgements

(i) Intangible assets

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

4 Revenue

Revenue 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:

	2019	2018 Restated*
	£'000	£'000
Europe	**11,074**	11,170
North America	**395**	624
	11,469	11,794

*Revenue for Europe and North America for the year ended 31 March 2018 has been restated to reflect a reclassification of £675k of revenue from North America to Europe.

5. Operating expenses

	2019	2018
	£'000	£'000
Amortisation of intangibles (note 10)	**172**	50
Depreciation of property, plant and equipment (note 11)	**50**	54

6. Auditors' remuneration

	2019	2018
	£'000	£'000
Fees payable to the Company's auditors for the audit of the financial statements	**30**	30

Notes to the consolidated financial statements for the year ended 31 March 2019

7. Employee benefit expense

The Company had 52 (2018: 55) employees during the year (not including those on secondment from other Company companies).

	2019	2018 Restated*
	£'000	£'000
Wages and salaries	3,196	3,827
Social security costs	352	457
Other pension costs	138	136
Redundancy	27	6
	3,713	4,426

*Prior year comparatives have been restated as this assists with the comparability with current year amounts.

The Company participates in a Company 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.

	2019	2018
Key management personnel compensation	£'000	£'000
Short term employee benefits	-	632
Post-employment benefits	-	25
	-	657

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. Key management personnel are considered to be those members of the Global Operating Board who make key operating and strategic decisions in respect of the Company

8. Finance income and costs

	2019	2018
	£'000	£'000
Finance costs:		
Bank interest	(1)	-
Interest payable to Group companies	-	(159)
Finance costs	(1)	(159)
Finance income:		
Bank interest	10	-
Interest receivable from Group companies	402	307
Finance income	412	307
Net finance income	411	148

9. Income tax credit

	2019 £'000	2018 £'000
Current tax:		
Current UK income tax credit for the year	-	(587)
Current overseas Irish tax charge for the year	89	63
Prior period adjustments	10	-
Total current tax credit	99	(524)
Deferred tax:		
Deferred income tax (credit)/charge for the year	(192)	76
Prior period adjustments	(21)	47
Total deferred tax (credit)/charge (note 19)	(213)	123
Income tax credit	(114)	(401)

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

	2019 £'000	2018 £'000
Profit/(loss) before tax	2,868	(898)
Tax calculated at the standard rate of corporation tax in the UK of 19% (2018: 19%)	545	(171)
Tax effects of:		
Permanent adjustments	(209)	(217)
Previously unrecognised losses utilised in the year	(224)	-
Brought forward losses recognised in the current year	(184)	-
Difference between overseas and UK tax rates	(38)	(57)
Adjustment in respect of prior periods	(11)	47
Effect of change in tax rate	7	(3)
Income tax credit	(114)	(401)

Factors affecting current and future tax charges

The income tax charge is based on a corporation tax rate of 19% for the year ended 31 March 2019 (2018: 19%).

The Budget 2016 announced that the UK tax rate will reduce to 17% with effect from 1 April 2020. The rate reduction to 17% was substantively enacted on 6 September 2016. The deferred tax assets and liabilities of UK companies within the Company have therefore been calculated at 17%, other than to the extent they are expected to be realised on or before 1 April 2020.

As at 31 March 2019, there was an unrecognised deferred tax asset in relation to pre-acquisition losses of £nil (2018: £365k). The deferred tax asset in relation to losses was not recognised in accordance with IAS12 'Income Taxes'.

10. Intangible assets

	Total
	£'000
Cost	
At 1 April 2017	70
Additions	925
At 31 March 2018	995
Accumulated amortisation	
At 1 April 2017	(35)
Charge for the year	(50)
At 31 March 2018	(85)
Net book value	
At 31 March 2018	910
Cost	
At 1 April 2018	995
Additions	9
Exchange differences	(6)
At 31 March 2019	998
Accumulated amortisation	
At 1 April 2018	(85)
Charge for the year	(172)
Exchange differences	-
At 31 March 2019	(257)
Net book value	
At 31 March 2019	741

All intangible assets were internally generated.

Amortisation charge of £172k (2018: £50k) has been charged in 'administrative expenses' in the Statement of Comprehensive Income.

11. Property, plant and equipment

	Total
	£'000
Cost	
At 1 April 2017	**496**
Additions	**10**
At 31 March 2018	**506**
Accumulated depreciation	
At 1 April 2017	**(21)**
Charge for the year	**(54)**
At 31 March 2018	**(75)**
Net book value	
At 31 March 2018	**431**

Cost	
At 1 April 2018	**506**
Exchange differences	**(12)**
At 31 March 2019	**494**
Accumulated depreciation	
At 1 April 2018	**(75)**
Charge for the year	**(50)**
Exchange differences	**-**
At 31 March 2019	**(125)**
Net book value	
At 31 March 2019	**369**

Depreciation charge of £50k (2018: £54k) has been charged in 'administrative expenses' in the Statement of Comprehensive Income.

12. Investments

	2019	2018
	£'000	£'000
Shares in subsidiary undertakings		
At 1 April 2018	**3,072**	-
Additions	**8,400**	3,072
As at 31 March 2019	**11,472**	3,072

On 5 December 2018, the Company purchased 83,899 $0.001 A ordinary shares in Camelot Global Services (North America) Inc. at $127.02 per share, this was in exchange for the release of a loan due from Camelot Global Services (North America) Inc.

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

*Indirect holding

13. Contract Assets

	2019	2018 Restated*
	£'000	£'000
Non-current		
Related party contract assets (note 24)	**524**	536
	524	536

	2019	2018 Restated*
	£'000	£'000
Current		
Related party contract assets (note 24)	**2,438**	2,708
	2,438	2,708

*See note 28 for details about restatements for changes in accounting policies arising from the adoption of IFRS 15.

14. Trade and other receivables

	2019	2018 Restated*
	£'000	£'000
Loan due from related parties (note 24)	**-**	6,534
Receivables from related parties (note 24)	**690**	1,649
Other debtors	**85**	53
Prepayments and accrued income	**39**	13
	814	8,249

*See note 28 for details about restatements for changes in accounting policies arising from the adoption of IFRS 15.

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 6.81% (2018: 6.01%).

15. Cash and cash equivalents

	2019	2018
	£'000	£'000
Cash and cash equivalents	**10,219**	4,210

16. Financial risk management

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

a) Credit risk

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

The Company has an established credit policy to ensure that any exposures arising are mitigated.

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

b) Foreign exchange risk

The Company is exposed to transactional foreign exchange risk on sales and purchases denominated in currencies other than the functional currency of the company concerned. Similarly, the Company is exposed to foreign exchange risk on the retranslation of the overseas branch whose functional currency is not UK Pounds Sterling (£). The currencies giving rise to this risk are primarily U.S. dollars ($) and Euros (€). During the year, the Company did not participate in any derivative or hedging contracts. Transactions denominated in foreign currencies are accounted for in line with our accounting policy detailed in note 2.

Included within administrative expenses in the Statement of Comprehensive Income is £19k net foreign exchange loss (2018: £114k loss).

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Company has access to financial support provided by PLUK which includes a £5,000,000 revolving credit facility. Regular review of cash flow forecasts, strategic plans and budgets guide the consideration of the adequacy of these facilities and determine the potential draw down of funds. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Cash flow forecasts are produced up to one year in advance and revised regularly.

17. Contract liabilities

	2019	2018 Restated*
	£'000	£'000
Related party contract liabilities (note 24)	-	185

*See note 28 for details about restatements for changes in accounting policies arising from the adoption of IFRS 15.

18. Trade and other payables

	2019	2018 Restated*
	£'000	£'000
Trade payables	26	159
Payables to related parties (note 24)	9,902	20,973
Social security and other taxes	78	112
Accruals and deferred income	647	1,027
Other payables	192	46
	10,845	22,317

*See note 28 for details about restatements for changes in accounting policies arising from the adoption of IFRS 15.

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

19. Deferred income tax

	2019	2018
	£'000	£'000
Deferred tax assets		
To be recovered after more than 12 months	14	-
To be recovered within 12 months	176	-
Deferred tax assets	190	-
Deferred tax liabilities		
To be settled after more than 12 months	-	(23)
Deferred tax liabilities	-	(23)
Net deferred tax asset/(liability)	190	(23)

19 Deferred income tax (continued)

	Provisions, accruals and tax losses	Accelerated capital allowances	Net deferred tax asset
	£'000	£'000	£'000
At 1 April 2017	105	(5)	100
Income statement credit (note 9)	(105)	(18)	(123)
At 31 March 2018	**-**	**(23)**	**(23)**
Income statement credit (note 9)	185	28	213
At 31 March 2019	**185**	**5**	**190**

20 Provisions for liabilities and charges

	Restructuring	Total
	£'000	£'000
At 1 April 2017	84	84
Utilised during the year	(84)	(84)
At 31 March 2018	-	-

There were no provisions in 2019.

21 Share capital

Allotted and issued	2019 £'000	2018 £'000
2,991,790 (2018: 2,318,071) Ordinary A shares of £1 each	**2,992**	2,318
10 (2018:10) Preference B shares of £1 each	**-**	-
As at 31 March	**2,992**	2,318

On 19 January 2019, the Company issued 673,503 £1.00 Ordinary A shares at £23.01 each in exchange for cash.

On 21 January 2019, the Company issued 216 £1.00 Ordinary A shares at £23.01 each in exchange for cash.

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

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

22 Reserves

	Share premium	Foreign currency translation reserve	Accumulated losses	Total
	£'000	£'000	£'000	£'000
At 1 April 2017	-	22	(18,808)	**(18,786)**
Issue of ordinary shares	14,550	-	-	**14,550**
Exchange differences on translation of foreign operations	-	6	-	**6**
Loss for the financial year	-	-	(497)	**(497)**
At 31 March 2018	14,550	28	(19,305)	**(4,727)**
Issue of ordinary shares	14,827	-	-	**14,827**
Exchange differences on translation of foreign operations	-	(8)	-	**(8)**
Profit for the financial year	-	-	2,982	**2,982**
At 31 March 2019	**29,377**	**20**	**(16,323)**	**13,074**

23. Cash used in operations

	2019 £'000	2018 Restated* £'000
Profit/(loss) for the financial year	**2,982**	(497)
Adjustments for:		
- Income tax (note 9)	**(114)**	(401)
- Amortisation (note 10)	**172**	50
- Depreciation (note 11)	**50**	54
- Unrealised loss on exchange	**16**	114
- Net finance income (note 8)	**(411)**	(148)
	2,695	(828)
Changes in working capital:		
- Contract assets	**281**	2,834
- Trade and other receivables	**7,437**	(1,640)
- Contract liabilities	**(185)**	185
- Trade and other payables	**(12,850)**	(8,244)
- Provisions for other liabilities and charges	**-**	(84)
	(5,317)	(6,949)
Cash used in operations	**(2,622)**	(7,777)

*See note 28 for details about restatements for changes in accounting policies arising from the adoption of IFRS 15.

24 Related party transactions

The following transactions were carried out with related parties:

a) Recharges from the Company and sales of services

	2019 £'000	2018 Restated* £'000
Camelot Global Services (North America) Inc.	**849**	977
Premier Lotteries Ireland Limited	**7,919**	8,135
Premier Lotteries Ireland Holdings Limited	**2,204**	2,207
Camelot Global Lottery Solutions Limited	**896**	675
	11,868	11,994

*Recharges for the year ended 31 March 2018 have been restated to reflect a reclassification of £675k of revenue from Camelot Illinois LLC to Camelot Global Lottery Solutions Limited.

24 Related party transactions (continued)

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

	2019 £'000	2018 Restated* £'000
Camelot Global Services (North America) Inc.	**618**	-
Premier Lotteries Ireland Limited	**84**	88
Camelot Global Lottery Solutions Limited	**2,474**	5,330
	3,176	5,418

*Prior year comparatives have been restated as this assists with the comparability with current year amounts.

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

	2019 £'000	2018 Restated* £'000
Payables to related parties		
Camelot UK Lotteries Limited	-	55
Camelot Global Lottery Solutions Limited	**9,191**	20,918
Camelot Global Services (North America). Inc.	**711**	-
Total payables to related parties	**9,902**	20,973

Related party contract liabilities		
Premier Lotteries Ireland Limited	-	185
Total related party contract liabilities	-	185

*See note 28 for details about restatements for changes in accounting policies arising from the adoption of IFRS 15.

24 Related party transactions (continued)

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

	2019 £'000	2018 Restated* £'000
Receivables from related parties		
Camelot Illinois LLC	-	728
Camelot Global Services (North America) Inc.	-	6,499
Premier Lotteries Ireland Limited	690	956
Total payables to related parties	**690**	8,183

Related party contract assets		
Camelot UK Lotteries Limited	-	72
Camelot Global Lottery Solutions Limited	-	26
Camelot Global Services (North America) Inc.	54	87
Premier Lotteries Ireland Limited	233	325
Premier Lotteries Ireland Holdings Limited	2,675	2,734
Total related party contract assets	**2,962**	3,244

*See note 28 for details about restatements for changes in accounting policies arising from the adoption of IFRS 15.

25 Financial Instruments

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

(a) Assets as per statement of financial position

	2019 £'000	2018 Restated* £'000
Loans, contract assets and receivables		
Contract assets	**2,962**	3,244
Trade and other receivables	**814**	8,249
Cash and cash equivalents	**10,219**	4,210
	13,995	15,703

(b) Liabilities as per statement of financial position

	2019 £'000	2018 Restated* £'000
Contract liabilities and payables		
Contract liabilities	**-**	185
Trade and other payables	**10,845**	22,317
	10,845	22,502

*See note 28 for details about restatements for changes in accounting policies arising from the adoption of IFRS 15.

26 Ultimate and immediate parent undertakings

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

CGLSL is the parent undertaking of the smallest group to consolidate these financial statements reporting under IFRS as adopted by the EU. PLIUK is the parent undertaking of the largest group to consolidate these financial statements reporting under IFRS as adopted by the EU. The financial statements of CGLSL and PLIUK are available from Magdalen House, Tolpits Lane, Watford, Hertfordshire, WD18 9RN, United Kingdom.

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

27 Post balance sheet events

On the 25 April 2019, the Company issued 951,851 £1.00 A ordinary shares at £23.01 each in exchange for the release of £21,900k of outstanding loans.

On the 10 June 2019, the Company purchased 55% of Egnite S.A., a company incorporated in Greece for consideration of €2,305k in cash. It has the option to purchase the remaining 45% on or before 31 March 2022. The principle activity of Egnite S.A., is the provision of software development professionals.

28 Change in accounting policies

IFRS 15 impact on financial statements

In accordance with the provisions of IFRS 15, certain balances previously classified as trade and other receivables and trade and other payables have been reclassified to contract assets and contract liabilities.

Statement of Financial Position (extract)	31 March 2018 As originally presented £'000	IFRS 15 Adjustments £'000	31 March 2018 Restated £'000
Assets			
Non-current assets			
Contract assets	-	536	**536**
Trade and other receivables	**536**	(536)	-
Current assets			
Contract assets	-	2,708	**2,708**
Trade and other receivables	**10,876**	(2,627)	**8,249**
Total assets	**20,035**	81	**20,116**
Liabilities			
Current liabilities			
Contract liabilities	-	185	**185**
Trade and other payables	**22,421**	(104)	**22,317**
Total liabilities	**22,444**	81	**22,525**
Net liabilities	**(2,409)**	-	**(2,409)**

28 Change in accounting policies (continued)

IFRS 15 impact on financial statements (continued)

Statement of Financial Position (extract)	31 March 2017 As originally presented £'000	IFRS 15 Adjustments £'000	1 April 2017 Restated £'000
Assets			
Current assets			
Contract assets	-	6,077	6,077
Trade and other receivables	12,563	(5,892)	6,671
Total assets	13,733	185	13,918
Liabilities			
Current liabilities			
Trade and other payables	30,767	185	30,952
Total liabilities	30,856	185	31,041
Net liabilities	(17,123)	-	(17,123)