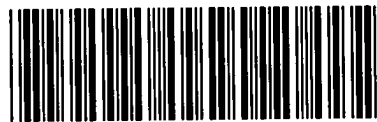


Registered number: 02822300

# **Camelot Global Services Limited**

## **Annual report and financial statements for the year ended 31 March 2020**

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# **Camelot Global Services Limited**

## **Annual report and financial statements for the year ended 31 March 2020**

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## **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,  
Parklands  
De Havilland Way  
Horwich  
Bolton  
BL6 4YU

# Camelot Global Services Limited

## Strategic report for the year ended 31 March 2020

The directors present the strategic report of Camelot Global Services Limited (the 'Company' or 'CGSL') for the year ended 31 March 2020.

The Company's immediate parent undertaking is Camelot Global Lottery Solutions Limited ('CGLSL') together with its subsidiaries is referred to as the ('Group'). 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.

### 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 DAC ('PLI'), 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.

In June 2019, the Company acquired a controlling stake of Egnite S.A. (Egnite), an Athens-based software development and technology solutions business. The Group had previously utilised the expertise of Egnite as a vendor on important projects for the Group's customers. The acquisition formally brought onboard the skills, capabilities and technical expertise of Egnite to support the Group's continued growth, innovation and delivery of future-focused technology solutions.

### Results and dividends

The profit for the financial year amounted to £111k (2019: profit of £2,982k). No final dividend has been proposed for the year ended 31 March 2020 (2019: £nil).

### Financial position at the year end

The statement of financial position reflects the continued investment in securing overseas contracts.

Total assets at 31 March 2020 were £42,053k compared to £26,911k in 2019. This is mainly driven by:

- The recognition of the investment in Egnite S.A amounting to £3,745k (2019: nil)
- Trade and other receivables increasing to £18,396k (2019: £814k) mainly due to the increase in related party receivables.

The total liabilities at 31 March 2020 were £3,822k compared to £10,845k in 2019. The main components for this being:

- Trade and other payables decreasing to £1,384k (2019: £10,845k) due to the impact of £21,900k of shares issued to release related party debt.

### Principal risks and uncertainties

The nature of the Company operations means that the directors must consider its customers' business plans when managing the shape and size of the Company. The principal risks to the Company and the mitigation strategy are:

| Principal risks                                    | Mitigation strategy  |
|--|--|
| <b>Business risks</b>                              |  |
| Dependency on a small number of customer contracts | <ul style="list-style-type: none"><li>• Ability to directly influence the strategic customer roadmap to ensure the cost base can remain fluid to manage future demand.</li><li>• Active development of new products to integrate into existing platforms to deliver incremental revenue streams.</li></ul> |

# Camelot Global Services Limited

## Strategic report for the year ended 31 March 2020 (continued)

### Principal risks and uncertainties (continued)

| Principal risks                                 | Mitigation strategy   |
|---|---|
| <b>Operational risks</b>                        |   |
| Failure to hire and retain key employees        | <ul style="list-style-type: none"><li>• Regular staff communication and remuneration is regularly market tested.</li></ul>  |
| Loss of intellectual property assets            | <ul style="list-style-type: none"><li>• Physical and logical security to the business systems</li><li>• Contractual protection of intellectual property.</li></ul>  |
| Disaster recovery and business continuity plans | <ul style="list-style-type: none"><li>• A business continuity plan is in place including physically separated disaster recovery infrastructure.</li></ul>   |
| Cyber threat/ data protection                   | <ul style="list-style-type: none"><li>• Protective systems are in place including multi-tiered firewalls, intrusion prevention systems and processes to ensure GDPR compliance.</li><li>• Certified under ISO27001.</li></ul> |
| <b>Financial risks</b>                          | <ul style="list-style-type: none"><li>• Details of these risks are disclosed in note 17.</li></ul>  |

### COVID-19

In January 2020, it became clear that the novel coronavirus, COVID-19, was likely to spread further than the initial epicentres of China, Iran and Italy, impacting greatly upon the Company's operations, the business of our customers from which we derive revenue, as well as global macro-economics.

Utilising agile working practices and established internal communications tools, the Company began to closely monitor the spread of the virus and government advice. The Company's office was duly closed on 18 March 2020.

A business continuity planning communications channel was put in place to ensure all internal stakeholders were engaged as the Company switched fully to at home working methodologies. Key external stakeholders were informed, to update them on the Company's working practices during COVID-19.

The Company's commitment to cutting edge technology, cloud-based systems, and agile hardware such as using laptops instead of desktop computers, ensured that the company was able to seamlessly switch to working from home without interruption. Technology deliveries to our customers continued without delay.

The impact of 'lockdown' or stay-at-home orders in many jurisdictions, and the associated closure of retail outlets that sell lottery tickets, had a short, sharp initial effect upon the global lottery industry, especially those lotteries that are still primarily operating retail sales channels. In many cases, more than ten percent of a lottery's retail sales outlets went offline completely due to the global shutdown.

Yet the lottery business is an extremely resilient one, the Company will continue to monitor the impact of COVID-19 on its trading performance and also of its customers, over the short and long term.

# **Camelot Global Services Limited**

## **Strategic report for the year ended 31 March 2020 (continued)**

### **Employees**

The Company is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion, sex or sexual orientation. 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**

The Directors monitor the performance of the Company with reference to clear targets and performance indicators. The Key Performance Indicators ('KPIs') which the Company focuses on are EBITDA, customer profit margin and profit before tax.

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 16 June 2020 and signed on its behalf by:



**W L Pickup**  
**Director**  
**Camelot Global Services Limited**  
**Registered number: 02822300**

# Camelot Global Services Limited

## Directors' report for the year ended 31 March 2020

The directors present their report and audited financial statements of the Company for the year ended 31 March 2020.

### Share capital

The Company has allocated and issued 3,943,651 (2019: 2,991,800) Ordinary A shares of £1.00 each and has also issued 10 Preference B shares of £1.00 each.

On 25 April 2019, the Company issued 951,851 £1.00 Ordinary A shares at £23.01 each, to Camelot Global Lottery Solutions Limited, in exchange for the release of £21,900k of loans due to Camelot Global Lottery Solutions Limited.

### Directors

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

I Kachko  
D T Kelly  
W L Pickup  
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

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its liabilities as they fall due for at least 12 months from the date of signing of these financial statements.

Pursuant to the requirements of IFRS, which require management to assess the Company's ability to continue as a going concern, the directors have considered the Company's financial position as at 31 March 2020 and its projected cash flows, liquidity, borrowing facility and expected operational activities including the expected impact of COVID-19 on the Company for the 12 months from the date of this statement. This assessment supports the going concern assumption.

The Company has also obtained a letter from PLUK stating that it intends to provide continued support to the Company for a period of at least 12 months from the date of this statement. On the basis of this letter of support from PLUK, the Directors considers that the Company has adequate resources to continue in operational existence for the foreseeable future and, for this reason, have adopted the going concern basis in preparing the accompanying financial statements.

### Results and dividend paid

Details of results and dividend paid during the year are disclosed in the strategic report on page 2.

### Employees

Details of results and dividend paid during the year are disclosed in the strategic report on page 4.

### Branches

The Company through its subsidiary, has a branch which operates outside the UK.

# **Camelot Global Services Limited**

## **Directors' report for the year ended 31 March 2020 (continued)**

### **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 17.

### **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.

### **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**

No post balance sheet events existed.

### **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 2020 (continued)**

### **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 16 June 2020 and signed on its behalf by:



**W L Pickup**  
**Director**

# Camelot Global Services Limited

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

### Report on the audit of the financial statements

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#### **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 2020 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 2020; Statement of Comprehensive Income, Statement of Cash Flows, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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#### **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.

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#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- 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.

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.

---

#### **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.

# Camelot Global Services Limited

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

### *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 2020 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.

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

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *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.

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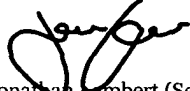
## **Other required reporting**

### **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  
16 June 2020

## Camelot Global Services Limited

### Statement of comprehensive income for the year ended 31 March 2020

|   | Note | 2020<br>£'000 | 2019<br>£'000 |
|---|------|---------------|---------------|
| Revenue   | 4    | 9,419         | 11,469        |
| Cost of sales   |      | (5,244)       | (7,096)       |
| <b>Gross profit</b>   |      | <b>4,175</b>  | <b>4,373</b>  |
| Administrative expenses                                       |      | (1,379)       | (1,916)       |
| Impairment loss on financial assets                           | 14   | (2,670)       | -             |
| <b>Operating profit</b>                                       | 5    | <b>126</b>    | <b>2,457</b>  |
| Finance income  | 8    | 6             | 412           |
| Finance costs   | 8    | (113)         | (1)           |
| <b>Profit before income tax</b>                               |      | <b>19</b>     | <b>2,868</b>  |
| Income tax credit   | 9    | 92            | 114           |
| <b>Profit for the financial year</b>                          |      | <b>111</b>    | <b>2,982</b>  |
| <b>Other comprehensive income/(expense):</b>                  |      |               |               |
| Items that may be subsequently reclassified to profit or loss |      |               |               |
| Foreign exchange gains/(losses):                              | 22   | 154           | (8)           |
| <b>Other comprehensive income/(expense) for year</b>          |      | <b>154</b>    | <b>(8)</b>    |
| <b>Total comprehensive income for the year</b>                |      | <b>265</b>    | <b>2,974</b>  |

The notes on pages 15 to 37 are an integral part of these financial statements. All of the activities of the Company relate to continuing operations.

# Camelot Global Services Limited

## Statement of financial position as at 31 March 2020

Registered number: 02822300

|                                | Note | 2020<br>£'000 | 2019<br>£'000 |
|--------------------------------|------|---------------|---------------|
| <b>Assets</b>                  |      |               |               |
| <b>Non-current assets</b>      |      |               |               |
| Intangible assets              | 10   | 589           | 741           |
| Property, plant and equipment  | 11   | 1             | 369           |
| Deferred income tax assets     | 20   | 527           | 14            |
| Contract assets                | 14   | 1,982         | 524           |
| Investments                    | 12   | 15,217        | 11,472        |
| Trade and other receivables    | 15   | 17,418        | -             |
|                                |      | <b>35,734</b> | <b>13,120</b> |
| <b>Current assets</b>          |      |               |               |
| Inventories                    | 13   | 983           | -             |
| Contract assets                | 14   | 1,012         | 2,438         |
| Trade and other receivables    | 15   | 978           | 814           |
| Current income tax             | 9    | -             | 144           |
| Cash and cash equivalents      | 16   | 3,346         | 10,219        |
| Deferred income tax assets     | 20   | -             | 176           |
|                                |      | <b>6,319</b>  | <b>13,791</b> |
| <b>Total assets</b>            |      | <b>42,053</b> | <b>26,911</b> |
| <b>Liabilities</b>             |      |               |               |
| <b>Non-current liabilities</b> |      |               |               |
| Trade and other payables       | 19   | 1,664         | -             |
|                                |      | <b>1,664</b>  | <b>-</b>      |
| <b>Current liabilities</b>     |      |               |               |
| Contract liabilities           | 18   | 774           | -             |
| Trade and other payables       | 19   | 1,384         | 10,845        |
|                                |      | <b>2,158</b>  | <b>10,845</b> |
| <b>Total liabilities</b>       |      | <b>3,822</b>  | <b>10,845</b> |
| <b>Net assets</b>              |      | <b>38,231</b> | <b>16,066</b> |

# Camelot Global Services Limited

## Statement of financial position as at 31 March 2020

Registered number: 02822300

|                                     | Note | 2020<br>£'000 | 2019<br>£'000 |
|-------------------------------------|------|---------------|---------------|
| <b>Equity</b>                       |      |               |               |
| Capital and reserves                |      |               |               |
| Share capital                       | 21   | 3,944         | 2,992         |
| Share premium                       | 22   | 50,325        | 29,377        |
| Other reserves                      | 22   | 174           | 20            |
| Accumulated losses                  | 22   | (16,212)      | (16,323)      |
| <b>Total equity</b>                 |      | <b>38,231</b> | <b>16,066</b> |
| <b>Total equity and liabilities</b> |      | <b>42,053</b> | <b>26,911</b> |

The financial statements on pages 10 to 37 were approved by the Board of Directors on 16 June 2020 and were signed on its behalf by:



W L Pickup  
Director

The notes on pages 15 to 37 are an integral part of these financial statements.

## Camelot Global Services Limited

### Statement of changes in equity for the year ended 31 March 2020

|                                    | Note  | Share<br>capital<br>£'000 | Share<br>premium<br>£'000 | Other<br>reserves<br>£'000 | Accumulated<br>losses<br>£'000 | Total equity<br>£'000 |
|------------------------------------|-------|---------------------------|---------------------------|----------------------------|--------------------------------|-----------------------|
| <b>Balance as at 1 April 2018</b>  |       | <b>2,318</b>              | <b>14,550</b>             | <b>28</b>                  | <b>(19,305)</b>                | <b>(2,409)</b>        |
| 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                 |
| <b>Balance as at 31 March 2019</b> |       | <b>2,992</b>              | <b>29,377</b>             | <b>20</b>                  | <b>(16,323)</b>                | <b>16,066</b>         |
| <b>Balance as at 1 April 2019</b>  |       | <b>2,992</b>              | <b>29,377</b>             | <b>20</b>                  | <b>(16,323)</b>                | <b>16,066</b>         |
| Issue of ordinary shares           | 21,22 | 952                       | 20,948                    | -                          | -                              | 21,900                |
| Other comprehensive income         | 22    | -                         | -                         | 154                        | -                              | 154                   |
| Profit for the financial year      | 22    | -                         | -                         | -                          | 111                            | 111                   |
| <b>Balance as at 31 March 2020</b> |       | <b>3,944</b>              | <b>50,325</b>             | <b>174</b>                 | <b>(16,212)</b>                | <b>38,231</b>         |

The notes on pages 15 to 37 are an integral part of these financial statements.

## Camelot Global Services Limited

### Statement of cash flows for the year ended 31 March 2020

|  | Note | 2020<br>£'000  | Restated<br>2019*<br>£'000 |
|--|------|----------------|----------------------------|
| <b>Cash flows from operating activities</b>                |      |                |                            |
| Cash used in operations                                    | 23   | (4,878)        | (11,022)                   |
| Income tax payment   |      | (130)          | (58)                       |
| Interest paid  | 8    | (14)           | (1)                        |
| Interest received  | 8    | 6              | 412                        |
| Group relief   |      | -              | 1,194                      |
| <b>Net cash used in operating activities</b>               |      | <b>(5,016)</b> | <b>(9,475)</b>             |
| <b>Cash flows from investing activities</b>                |      |                |                            |
| Purchase of intangible assets                              | 10   | -              | (9)                        |
| Proceeds from sale of property, plant and equipment        | 11   | 40             | -                          |
| Payment for acquisition of subsidiary                      | 12   | (2,051)        | -                          |
| <b>Net cash used in investing activities</b>               |      | <b>(2,011)</b> | <b>(9)</b>                 |
| <b>Cash flows from financing activities</b>                |      |                |                            |
| Proceeds from issue of shares                              | 21   | -              | 15,501                     |
| <b>Net cash generated from financing activities</b>        |      | <b>-</b>       | <b>15,501</b>              |
| <b>Net (decrease)/increase in cash and cash equivalent</b> |      | <b>(7,027)</b> | <b>6,017</b>               |
| Cash and cash equivalents at the beginning of the year     |      | 10,219         | 4,210                      |
| Exchange adjustments                                       |      | 154            | (8)                        |
| <b>Cash and cash equivalents at the end of the year</b>    | 16   | <b>3,346</b>   | <b>10,219</b>              |

The notes on pages 15 to 37 are an integral part of these financial statements.

\*Prior year comparatives have been restated in respect of a debt equity swap, wherein amounts in prior year were shown as an investment in subsidiary amounting to £8,400k disclosed under investing activities. This has now been classified to changes in working capital under operating activities hence decreasing cash outflow from investing activities from £8,409k to £9k and increasing cash used in operations from £2,622k to £11,022k.



# **Camelot Global Services Limited**

## **Notes to the financial statements for the year ended 31 March 2020**

### **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 (IFRS IC) 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**

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its liabilities as they fall due for at least 12 months from the date of signing of these financial statements.

Pursuant to the requirements of IFRS which require management to assess the Company's ability to continue as a going concern, the directors have considered the Company's financial position as at 31 March 2020 and its projected cash flows, liquidity, borrowing facility and expected operational activities including the expected impact of COVID-19 on the Company for the 12 months from the date of this statement. This assessment supports the going concern assumption.

The Company has also obtained a letter from PLUK stating that it intends to provide continued support to the Company for a period of at least 12 months from the date of this statement. On the basis of this letter of support from PLUK, the Directors considers that the Company has adequate resources to continue in operational existence for the foreseeable future and, for this reason, have adopted the going concern basis in preparing the accompanying financial statements.

#### **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.

# Camelot Global Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 2. Accounting policies (continued)

#### Revenue recognition

Revenue represents fair value of consideration received or receivable from contracts for providing goods and services, over time or at a point in time, by the Company to customers in the ordinary course of the Company's activities. Revenue is recognised net of value-added tax, returns, rebates and discounts.

Revenue for the Company comprises of the following main components; 1) professional services fees provided and 2) dividend income. Revenue is recognised as performance obligations are satisfied and control of the goods and services is transferred to the customer.

#### *Professional services fees*

The Company derives income from services provided to customers for the design and development of next generation data and digital lottery platforms. Professional services contracts are either fixed price based or a resources based.

Fixed price contracts are estimated based on costs incurred in the lifetime of the individual development projects plus contract margin consistent with the Company's pricing principles. The costs include project management, architecture, implementation and testing costs. Resourced based contracts corresponds directly to the value of the performance completed to date based on time and material costs.

Revenue is recognised as performance obligations are satisfied and control of the good and services is transferred to the customer. When payments are made by the Company's customers in advance of delivery, the Company classifies these payments as contract liabilities until the performance criteria has been achieved.

#### *Dividend income*

Dividend income is recognised at the same time as the paying company recognises the liability to pay a dividend and the right to receive payment is established. 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 non- operating income in the statement of comprehensive income.

#### *Contract – related costs*

When costs directly relating to a specific contract are incurred prior to recognising revenue for a related obligation, and those costs enhance the ability of the Company to deliver an obligation and are expected to be recovered, then those costs are recognised on the statement of financial position as fulfilment costs and are recognised as expenses in line with the recognition of revenue when the related obligation is delivered.

The direct and incremental costs of acquiring a contract including, for example, certain staff or agents' commissions or bonuses for acquiring the contract on behalf of the Company, are recognised as contract acquisition cost assets in the statement of financial position when the related payment obligation is recorded. Costs are recognised as an expense in line with the recognition of the related revenue that is expected to be earned by the Company; typically, this is over the contract period.

#### Segmental reporting

Segmental reporting has been presented in accordance with IFRS 8. The Company measures activity performance based on the geographic areas where the Company operates.

The Company presents segment reporting for the two key geographic areas: Europe and North America.

#### Investments

Investments are accounted for at cost less impairment.

# Camelot Global Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 2. Accounting policies (continued)

#### Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition.

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 lives for this purpose are:

|                        |                 |
|------------------------|-----------------|
| Leasehold improvements | Period of lease |
| Plant and equipment    | 4 years         |

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### Assets under construction

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

#### Inventories

Inventories represent time and material costs incurred to date in respect of ongoing contracts, where control of the underlying system being developed has yet to pass onto the end customer.

Once control has passed to the end customer these contract costs will be recognised as cost of sales within the income statement.

#### 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- operating lease (under IFRS 16)

The Company recognises for all leases except for short-term and low value leases, a right-of-use asset and a corresponding lease liability at present value for future lease payables as at balance sheet date.

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 being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and interest cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

# Camelot Global Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 2. Accounting policies (continued)

#### Leases (continued)

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. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Payments associated with short-term and low value leases are recognised on a straight-line basis as an expense in profit or loss in accordance with IFRS 16. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets that are not interrelated with other leased assets and is low value in nature.

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.

#### Intangible assets

All intangible assets are stated at cost, including costs incurred to acquire and being the asset to use, less accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of the intangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets.

The useful economic lives of intangible assets are as follows:

|                      |            |
|----------------------|------------|
| Internally generated | 4-10 years |
| Separately acquired  | 3 years    |

##### 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.

# Camelot Global Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 2. Accounting policies (continued)

#### Impairment of non-financial 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.

An impairment loss is recognised to the extent the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the assets' fair value less any costs to sell and the value in use, the present value of the future cash flows expected to be derived from the asset.

Any impairment losses are recognised as an expense on the statement of comprehensive income.

#### 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 the statement of comprehensive income.

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 statement of changes in equity under other reserves.

#### 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 17.

#### Trade and other receivables

Trade receivables and contract assets are carried at amortised cost less provisions for lifetime estimated credit losses and impairments. The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade and other receivables. Estimated future credit losses are first recorded on the initial recognition of a receivable and are based on the ageing of the receivable balance, historical credit loss experience and forward-looking considerations. The amount of the provision is recognised in the income statement and movements on provisions for impaired trade receivables are recognised within operating expenses in the income statement.

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.

# Camelot Global Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 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.

#### Financial instruments

##### *Recognition and derecognition*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument.

Financial assets are derecognised when the contractual rights to the cash flows from financial asset expire or when all the risks and rewards of the financial asset are transferred. Financial liabilities are derecognised when discharged, cancelled or expired.

#### Financial assets

Financial assets are classified into the following categories:

- Amortised cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

The classification is determined by the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

##### *Financial assets - amortised cost*

These are non-derivative financial assets held to collect contractual cash flows until maturity and the cash flows are solely payment of principal and interest. Assets measured at amortised cost include trade and other receivables, and cash and cash equivalents.

##### *Financial assets - fair value through other comprehensive income (FVTOCI)*

These are non-derivative financial assets which can be for sale with cash flows that are solely payment of principal and interest. These assets are measured at fair value and changes to market values are recognised in the other comprehensive income. The Company has no assets classified under this category.

##### *Financial assets - fair value through profit or loss (FVTPL)*

These assets are assets that cannot be classified in any of the other categories and are measured at fair value. Any changes in the fair value is recognised on the income statement.

#### Impairment of financial assets

In accordance with IFRS 9, the Company measures credit losses on financial assets for differences between the present value of contractual cashflow and the present value of expected future cash flows. Any cash shortfalls is recognised on the statement of comprehensive income.

#### Financial liabilities

All financial liabilities are measured at amortised cost using the effective interest rate method and are held at fair value. Financial liabilities held at amortised cost include trade payables and borrowings.

All interest-related charges and any changes in the financial liabilities' fair value are included within finance costs or finance income in the statement of comprehensive income.

#### 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.

# **Camelot Global Services Limited**

## **Notes to the financial statements for the year ended 31 March 2020 (continued)**

### **2. Accounting policies (continued)**

#### **Provisions (continued)**

Provisions for restructuring costs are recognised when there are changes to the Company's operations resulting in the likelihood 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 'PLIUK'. A defined contribution plan is a pension plan under which the Company pays fixed contributions and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. 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. Any pension contributions made by the Company under salary sacrifice arrangements with employees are disclosed within pension costs in Note 7

#### **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.

#### **Share capital**

Share capital represents the value of shares that have been issued.

Any premiums received on the issue of share capital has been allocated to share premium under the equity section on the statement of financial position.

# Camelot Global Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 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.

#### 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. The discount rate used to establish the expected credit loss value was the Group's cost of capital.

*(iii) Investments*

In establishing the carrying value of investments on the acquisition of Egnite S.A. the Company used the Group's cost of capital to calculate the present value of any deferred consideration and any future financial liabilities which may crystallise.

#### 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.



# Camelot Global Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 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:

|               | 2020<br>£'000 | 2019<br>£'000 |
|---------------|---------------|---------------|
| Europe        | 9,419         | 11,074        |
| North America | -             | 395           |
|               | 9,419         | 11,469        |

### 5. Operating expenses

|   | 2020<br>£'000 | 2019<br>£'000 |
|---|---------------|---------------|
| Amortisation of intangibles (note 10)                   | 157           | 172           |
| Depreciation of property, plant and equipment (note 11) | 36            | 50            |

### 6. Auditors' remuneration

|  | 2020<br>£'000 | 2019<br>£'000 |
|--|---------------|---------------|
| Fees payable to the Company's auditors for the audit of the financial statements (excluding taxes) | 30            | 30            |

# Camelot Global Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 7. Employee benefit expense

|                       | 2020<br>£'000 | 2019<br>£'000 |
|-----------------------|---------------|---------------|
| Wages and salaries    | 2,151         | 3,196         |
| Social security costs | 224           | 352           |
| Other pension costs   | 92            | 138           |
| Redundancy            | 116           | 27            |
|                       | <b>2,583</b>  | <b>3,713</b>  |

The average monthly number of staff employed during the year is as follows:

|        | 2020      | 2019      |
|--------|-----------|-----------|
| Europe | 39        | 52        |
|        | <b>39</b> | <b>52</b> |

The Company participates in 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.

There were no payments to key management personnel during the 2020 and 2019 reporting periods. 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

|  | 2020<br>£'000 | 2019<br>£'000 |
|--|---------------|---------------|
| <b>Finance income</b>                    |               |               |
| Bank interest                            | 6             | 10            |
| Interest receivable from Group companies | -             | 402           |
| <b>Finance income</b>                    | <b>6</b>      | <b>412</b>    |
| <b>Finance costs</b>                     |               |               |
| Bank interest                            | -             | (1)           |
| Other interest                           | (113)         | -             |
| <b>Finance costs</b>                     | <b>(113)</b>  | <b>(1)</b>    |
| <b>Net finance income</b>                | <b>(107)</b>  | <b>411</b>    |

# Camelot Global Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 9. Income tax credit

|  | 2020<br>£'000 | 2019<br>£'000 |
|--|---------------|---------------|
| <b>Current tax:</b>                            |               |               |
| Current UK income tax charge for the year      | 157           | -             |
| Current overseas Irish tax charge for the year | 209           | 89            |
| Prior period adjustments                       | (121)         | 10            |
| <b>Total current tax charge</b>                | <b>245</b>    | <b>99</b>     |
| <b>Deferred tax:</b>                           |               |               |
| Deferred income tax credit                     | (527)         | (192)         |
| Prior period adjustments                       | 190           | (21)          |
| <b>Total deferred tax credit (note 20)</b>     | <b>(337)</b>  | <b>(213)</b>  |
| <b>Income tax credit</b>                       | <b>(92)</b>   | <b>(114)</b>  |

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

|   | 2020<br>£'000 | 2019<br>£'000 |
|---|---------------|---------------|
| <b>Profit/(loss) before tax</b>   | <b>19</b>     | <b>(898)</b>  |
| Tax calculated at the standard rate of corporation tax in the UK of 19% (2019: 19%) | 3             | (171)         |
| Tax effects of:   |               |               |
| Permanent adjustments   | (62)          | (217)         |
| Difference between overseas and UK tax rates  | (102)         | (57)          |
| Adjustment in respect of prior periods  | 71            | 47            |
| Effect of change in tax rate  | (2)           | (3)           |
| <b>Income tax credit</b>  | <b>(92)</b>   | <b>(401)</b>  |

#### Factors affecting current and future tax charges

The rate of UK corporation tax reflected in these financial statements is 19% (2019: 19%). In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted in September 2016). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had been substantively enacted at the balance sheet date, its effects are included in these financial statements for deferred tax purposes.

# Camelot Global Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 10. Intangible assets

|                                 | Total<br>£'000 |
|---------------------------------|----------------|
| <b>Cost</b>                     |                |
| At 1 April 2018                 | 995            |
| Additions                       | 9              |
| Exchange differences            | (6)            |
| <b>At 31 March 2019</b>         | <b>998</b>     |
| <b>Accumulated amortisation</b> |                |
| At 1 April 2018                 | (85)           |
| Charge for the year             | (172)          |
| Exchange differences            | -              |
| <b>At 31 March 2019</b>         | <b>(257)</b>   |
| <b>Net book value</b>           |                |
| <b>At 31 March 2019</b>         | <b>741</b>     |
| <b>Cost</b>                     |                |
| At 1 April 2019                 | 998            |
| Additions                       | -              |
| Exchange differences            | 10             |
| <b>At 31 March 2020</b>         | <b>1,008</b>   |
| <b>Accumulated amortisation</b> |                |
| At 1 April 2019                 | (257)          |
| Charge for the year             | (157)          |
| Exchange differences            | (5)            |
| <b>At 31 March 2020</b>         | <b>(419)</b>   |
| <b>Net book value</b>           |                |
| <b>At 31 March 2020</b>         | <b>589</b>     |

All intangible assets were internally generated.

Amortisation charge of £157k (2019: £ 172k) has been charged in 'administrative expenses' in the statement of comprehensive income.

# Camelot Global Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 11. Property, plant and equipment

|                                 | Total<br>£'000 |
|---------------------------------|----------------|
| <b>Cost</b>                     |                |
| At 1 April 2018                 | 506            |
| Exchange differences            | (12)           |
| <b>At 31 March 2019</b>         | <b>494</b>     |
| <b>Accumulated depreciation</b> |                |
| At 1 April 2018                 | (75)           |
| Charge for the year             | (50)           |
| Exchange differences            | -              |
| <b>At 31 March 2019</b>         | <b>(125)</b>   |
| <b>Net book value</b>           |                |
| <b>At 31 March 2019</b>         | <b>369</b>     |
| <b>Cost</b>                     |                |
| At 1 April 2019                 | 494            |
| Disposal                        | (481)          |
| Exchange differences            | 8              |
| <b>At 31 March 2020</b>         | <b>21</b>      |
| <b>Accumulated depreciation</b> |                |
| At 1 April 2019                 | (125)          |
| Charge for the year             | (36)           |
| Disposal                        | 143            |
| Exchange differences            | (2)            |
| <b>At 31 March 2020</b>         | <b>(20)</b>    |
| <b>Net book value</b>           |                |
| <b>At 31 March 2020</b>         | <b>1</b>       |

Depreciation charge of £36k (2019: £50k) has been charged in 'administrative expenses' in the statement of comprehensive income.

# Camelot Global Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 12. Investments

|                                    | 2020<br>£'000 | 2019<br>£'000 |
|------------------------------------|---------------|---------------|
| Shares in subsidiary undertakings  |               |               |
| At 1 April 2019/ 1 April 2018      | 11,472        | 3,072         |
| Additions                          | 3,745         | 8,400         |
| As at 31 March 2020/ 31 March 2019 | 15,217        | 11,472        |

Investment additions during the year represent the purchase of 55% of Egnite S.A, a company incorporated in Greece, on the 10 June 2019. Included within this amount is the cash consideration already paid, deferred consideration payable and the anticipated value of a call option to acquire the remaining 45% on or before 31 March 2022. The principal activity of Egnite S.A. is the provision of software development and technology solutions.

| Name  | Percentage<br>shareholding                          | Registered address   | Nature of business   |
|---|---|--|--|
| Camelot Global Services<br>(North America) Inc. | 100%  | 200 W. Jackson,<br>Suite 1100,<br>Chicago,<br>Illinois,<br>60606<br>USA    | Provision of lottery services to the<br>North American market    |
| CISL SA Limited                                 | 100%  | 32 Ida Street,<br>Menlo Park,<br>0081<br>South Africa                      | Dormant  |
| Wholesale Commercial<br>Collections Limited     | 100%  | Magdalen House,<br>Tolpits Lane,<br>Watford,<br>Hertfordshire,<br>WD18 9RN | Dormant  |
| Premier Lotteries Ireland<br>Holdings DAC       | 50% C<br>preference<br>shares (no<br>voting rights) | Abbey Street Lower,<br>Dublin,<br>Eire                                     | Holding company  |
| Camelot Illinois LLC*                           | 100%  | 200 W. Jackson,<br>Suite 425,<br>Chicago,<br>Illinois,<br>60606<br>USA     | Private manager of the Illinois<br>State Lottery                 |
| Egnite S.A                                      | 55%   | 62A Ethnikis Antistaseos,<br>152 31 Chalandri,<br>Athens<br>Greece         | Provision of software<br>development and technology<br>solutions |

\*Indirect holding

# Camelot Global Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 13. Inventories

|                  | 2020<br>£'000 | 2019<br>£'000 |
|------------------|---------------|---------------|
| Work in progress | 983           | -             |
|                  | <b>983</b>    |               |

### 14. Contract Assets

|   | 2020<br>£'000 | 2019<br>£'000 |
|---|---------------|---------------|
| <b>Non-current</b>                      |               |               |
| Related party contract assets (note 24) | 1,982         | 524           |
|   | <b>1,982</b>  | <b>524</b>    |

The above amount of £1,982k is net of an impairment loss of £2,670k, which was recognised during the year. No impairment losses were booked in 2019.

|   | 2020<br>£'000 | 2019<br>£'000 |
|---|---------------|---------------|
| <b>Current</b>                          |               |               |
| Related party contract assets (note 24) | 1,012         | 2,438         |
|   | <b>1,012</b>  | <b>2,438</b>  |

The Company has reclassified all of the related party preference share dividend receivable, from current to non-current so as to accurately represent management's expectation of payment being received.

### 15. Trade and other receivables

|  | 2020<br>£'000 | 2019<br>£'000 |
|--|---------------|---------------|
| <b>Non-current</b>                         |               |               |
| Receivables from related parties (note 24) | 17,418        | -             |
|  | <b>17,418</b> | <b>-</b>      |

|  | 2020<br>£'000 | 2019<br>£'000 |
|--|---------------|---------------|
| <b>Current</b>                             |               |               |
| Receivables from related parties (note 24) | 876           | 690           |
| Other debtors                              | 84            | 85            |
| Prepayments and accrued income             | 18            | 39            |
|  | <b>978</b>    | <b>814</b>    |

#### *Receivables from related parties*

The receivables from related parties are unsecured, interest free and repayable on demand.

# Camelot Global Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 16. Cash and cash equivalents

|                           | 2020  | 2019   |
|---------------------------|-------|--------|
|                           | £'000 | £'000  |
| Cash and cash equivalents | 3,346 | 10,219 |
|                           | 3,346 | 10,219 |

### 17. 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 £58k net foreign exchange loss (2019: £19k 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. 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.



# Camelot Global Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 18. Contract liabilities

|  | 2020<br>£'000 | 2019<br>£'000 |
|--|---------------|---------------|
| Related party contract liabilities (note 24) | 774           | -             |
|  | 774           | -             |

The significant increase in the contract liabilities for the Company pertains to payments received from customers in advance of delivery of services and are classified as contract liabilities until the performance criteria has been achieved.

### 19. Trade and other payables

|                                       | 2020<br>£'000 | 2019<br>£'000 |
|---------------------------------------|---------------|---------------|
| <b>Non-current</b>                    |               |               |
| Payables to related parties (note 24) | 1,664         | -             |
|                                       | 1,664         | -             |

|                                       | 2020<br>£'000 | 2019<br>£'000 |
|---------------------------------------|---------------|---------------|
| <b>Current</b>                        |               |               |
| Trade payables                        | 4             | 26            |
| Payables to related parties (note 24) | 931           | 9,902         |
| Social security and other taxes       | 35            | 78            |
| Accruals and deferred income          | 117           | 647           |
| Other payables                        | 297           | 192           |
|                                       | 1,384         | 10,845        |

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

# Camelot Global Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 20. Deferred income tax

|   | 2020<br>£'000 | 2019<br>£'000 |
|---|---------------|---------------|
| Deferred tax assets                       |               |               |
| To be recovered after more than 12 months | 527           | 14            |
| To be recovered within 12 months          | -             | 176           |
| <b>Deferred tax assets</b>                | <b>527</b>    | <b>190</b>    |

|                                  | Provisions,<br>accruals and tax<br>losses<br>£'000 | Accelerated<br>capital allowances<br>£'000 | Net<br>deferred tax asset<br>£'000 |
|----------------------------------|--|--|------------------------------------|
| <b>At 1 April 2018</b>           | -  | (23)                                       | (23)                               |
| Income statement credit (note 9) | 185  | 28   | 213                                |
| <b>At 31 March 2019</b>          | 185  | 5  | 190                                |
| Income statement credit (note 9) | 322  | 15   | 337                                |
| <b>At 31 March 2020</b>          | <b>507</b>   | <b>20</b>                                  | <b>527</b>                         |

### 21. Share capital

|  | 2020<br>£'000 | 2019<br>£'000 |
|--|---------------|---------------|
| <b>Allotted and issued</b>                               |               |               |
| 3,943,641 (2019: 2,991,790) Ordinary A shares of £1 each | 3,944         | 2,992         |
| 10 (2019:10) Preference B shares of £1 each              | 0             | 0             |
| <b>As at 31 March</b>                                    | <b>3,944</b>  | <b>2,992</b>  |

On 25 April 2019, the Company issued 951,851 £1.00 Ordinary A shares at £23.01 each, to Camelot Global Lottery Solutions Limited, in exchange for the release of £21,900k of loans due to Camelot Global Lottery Solutions Limited.

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.

# Camelot Global Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 22. Reserves

|   | Share<br>premium<br>£'000 | Foreign<br>currency<br>translation<br>reserve<br>£'000 | Accumulated<br>losses<br>£'000 | Total<br>£'000 |
|---|---------------------------|--|--------------------------------|----------------|
| <b>At 1 April 2018</b>                                    | <b>14,550</b>             | <b>28</b>  | <b>(19,305)</b>                | <b>(4,727)</b> |
| 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          |
| <b>At 31 March 2019</b>                                   | <b>29,377</b>             | <b>20</b>  | <b>(16,323)</b>                | <b>13,074</b>  |
| Issue of ordinary shares                                  | 20,948                    | -  | -                              | 20,948         |
| Exchange differences on translation of foreign operations | -                         | 154  | -                              | 154            |
| Profit for the financial year                             | -                         | -  | 111                            | 111            |
| <b>At 31 March 2020</b>                                   | <b>50,325</b>             | <b>174</b>   | <b>(16,212)</b>                | <b>34,287</b>  |

*Foreign currency translation reserve*

Foreign currency translation reserve represents exchange differences arising on translation of the foreign controlled branch.

## Camelot Global Services Limited

### Notes to the financial statements for the year ended 31 March 2020 (continued)

#### 23. Cash used in operations

|  | 2020<br>£'000  | Restated<br>2019*<br>£'000 |
|--|----------------|----------------------------|
| <b>Profit for the financial year</b>   | <b>111</b>     | <b>2,982</b>               |
| <b>Adjustments for:</b>  |                |                            |
| Income tax (note 9)  | (92)           | (114)                      |
| Amortisation (note 10)   | 157            | 172                        |
| Depreciation (note 11)   | 36             | 50                         |
| Impairment loss on financial assets (note 14)                                      | 2,670          | -                          |
| Disposal of non-current asset  | 290            | -                          |
| Unrealised loss on exchange  | -              | 16                         |
| Net finance costs/ (income) (note 8)   | 107            | (411)                      |
| <b>Changes in working capital:</b>   |                |                            |
| (Increase)/decrease in contract assets   | (2,701)        | 281                        |
| Increase in inventories  | (983)          | -                          |
| Decrease/(increase) in trade and other receivables                                 | 4,289          | (963)                      |
| (Increase)/decrease in contract liabilities (net of interest expense for the year) | 774            | (185)                      |
| Decrease in trade and other payables   | (9,536)        | (12,850)                   |
| <b>Cash used in operations</b>   | <b>(4,878)</b> | <b>(11,022)</b>            |

\*Prior year comparatives have been restated in respect of a debt equity swap wherein amounts in prior year were shown as an investment in subsidiary amounting to £8,400k disclosed under investing activities. This has now been classified to changes in working capital under 'Decrease in trade and other receivables' hence increasing cash used in operations from £2,622k to £11,022k.

# Camelot Global Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 24. Related party transactions

The following transactions were carried out with related parties:

#### a) Recharges from the Company and sales of services

|  | 2020<br>£'000 | 2019<br>£'000 |
|--|---------------|---------------|
| Camelot Global Services (North America) Inc. | -             | 849           |
| Premier Lotteries Ireland DAC                | 7,380         | 7,919         |
| Premier Lotteries Ireland Holdings DAC       | 1,842         | 2,204         |
| Camelot Global Lottery Solutions Limited     | 286           | 896           |
|  | <b>9,508</b>  | <b>11,868</b> |

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

|  | 2020<br>£'000 | 2019<br>£'000 |
|--|---------------|---------------|
| Camelot Global Services (North America) Inc. | -             | 618           |
| Premier Lotteries Ireland DAC                | 457           | 84            |
| Camelot Global Lottery Solutions Limited     | 3,002         | 2,474         |
|  | <b>3,459</b>  | <b>3,176</b>  |

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

|   | 2020<br>£'000 | 2019<br>£'000 |
|---|---------------|---------------|
| <b>Payables to related parties</b>            |               |               |
| Camelot UK Lotteries Limited                  | -             | -             |
| Camelot Global Lottery Solutions Limited      | -             | 9,191         |
| Camelot Global Services (North America). Inc. | 931           | 711           |
| Agile Actors P.C                              | 1,664         | -             |
| <b>Total payables to related parties</b>      | <b>2,595</b>  | <b>9,902</b>  |

|   | 2020<br>£'000 | 2019<br>£'000 |
|---|---------------|---------------|
| <b>Related party contract liabilities</b>       |               |               |
| Premier Lotteries Ireland DAC                   | 774           | -             |
| <b>Total related party contract liabilities</b> | <b>774</b>    | <b>-</b>      |

# Camelot Global Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 24. Related party transactions

#### d) Year end balances arising from sales, recharges and purchasing of goods and services (continued)

|   | 2020<br>£'000 | 2019<br>£'000 |
|---|---------------|---------------|
| <b>Receivables from related parties</b>       |               |               |
| Camelot UK Lotteries Limited                  | 128           | -             |
| Camelot Global Lottery Solutions Limited      | 17,418        | -             |
| Premier Lotteries Ireland DAC                 | 748           | 690           |
| <b>Total receivables from related parties</b> | <b>18,294</b> | <b>690</b>    |

|  |              |              |
|--|--------------|--------------|
| <b>Related party contract assets</b>         |              |              |
| Camelot Global Lottery Solutions Limited     | 115          | -            |
| Camelot Global Services (North America) Inc. | 319          | 54           |
| Premier Lotteries Ireland DAC                | 578          | 233          |
| Premier Lotteries Ireland Holdings DAC*      | 1,982        | 2,675        |
| <b>Total related party contract assets</b>   | <b>2,994</b> | <b>2,962</b> |

\* The above amount of £1,982k is net of an impairment loss of £2,670k, which was recognised during the year. No impairment losses were booked in 2019. Refer to Note 14.

# Camelot Global Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 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

|   | 2020<br>£'000 | 2019<br>£'000 |
|---|---------------|---------------|
| <b>Loans, contract assets and receivables</b> |               |               |
| Contract assets                               | 2,994         | 2,962         |
| Trade and other receivables                   | 18,378        | 814           |
| Cash and cash equivalents                     | 3,346         | 10,219        |
|   | <b>24,718</b> | <b>13,995</b> |

#### b) Liabilities as per statement of financial position

|  | 2020<br>£'000 | 2019<br>£'000 |
|--|---------------|---------------|
| <b>Contract liabilities and payables</b> |               |               |
| Contract liabilities                     | 774           | -             |
| Trade and other payables                 | 2,896         | 10,845        |
|  | <b>3,670</b>  | <b>10,845</b> |

### 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 are available from Magdalen House, Tolpits Lane, Watford, Hertfordshire, WD18 9RN, United Kingdom and PLIUK from 10 Portman Square, London, England, W1H 6AZ, United Kingdom.

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).

### 27. Post balance sheet events

No post balance sheet events existed.