

Camelot Commercial Services Limited

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

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Camelot Commercial Services Limited

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Camelot Commercial Services Limited

Strategic Report

The directors present the Strategic Report of Camelot Commercial Services Limited (the 'Company') for the year ended 31 March 2017.

Principal activities

The Company was principally focused on offering commercial services on behalf of its fellow UK group companies (the 'Group'). Group companies are comprised of Premier Lotteries Investments UK Limited ('PLIUK'), Premier Lotteries Capital UK Limited ('PLCUK'), Premier Lotteries UK Limited ('PLUK'), Camelot UK Lotteries Limited ('Camelot'), Camelot Business Solutions Limited ('CBSL'), Camelot Global Services Limited ('CGSL'), Camelot Global Services North America ('CGSNA') and Camelot Global Lottery Solutions Limited ('CGLSL') formerly Camelot Strategic Solutions ('CSSL'). The Company has the following subsidiaries, CISL Limited ('CISL') and Wholesale Commercial Collections Limited ('WCCL'). The Company's immediate parent PLUK, and the Group are all subsidiaries of Ontario Teachers' Pension Plan ('Teachers').

The services initially concentrated on offering mobile top-up, international calling cards, bill payment, chip and pin debit/credit card payments and payments through contactless technology however the Company does not currently have a contract in place to supply these services.

The directors are seeking to dissolve the Company.

Principal risks and uncertainties

The principal operational risks were deemed to relate to securing contracts for the technology the Company developed. The Company's technology was developed primarily to offer mobile top-up, international calling cards, bill payment, chip and pin debit/credit card payments and payments through contactless technology. The company will be wound up in the coming Financial Year and is no longer deemed a Going Concern. These risks are no longer applicable and as such have not been reviewed by Management.

Results and dividends

The profit for the financial year amounted to £7,560,000 (2016: £72,000). This was in relation to a current income tax credit for the year and the disposal of a loan with Camelot Business Solutions Limited.

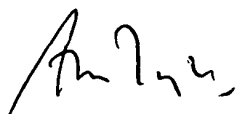
Financial position at the year end

The Balance Sheet reflects the continuing financial stability of the business. Total assets were £247,000 as at 31 March 2017 (2016: £175,000).

Key performance indicators

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

The Strategic Report was approved by the Board of Directors on 13 July 2017 and was signed on its behalf by:



Jo Taylor
Chairman

Camelot Commercial Services Limited
Registered Number 06911097

Camelot Commercial Services Limited

Directors' Report

The Directors present their report together with the audited financial statements of the Company for the year ended 31 March 2017.

Share capital

The authorised share capital is £100 (2016: £100) shares of £1 each, of which 1 (2016: 1) share is allotted, issued and fully paid.

Directors and their interests

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

Chairman

Lee Sienna – resigned 22 June 2016

Jo Taylor – appointed as Chairman 22 June 2016

Directors

John Dillon

Iain Kennedy – appointed 22 June 2016 and resigned 21 September 2016

Alternative directors

Ilya Kachko

Company secretary

John Dillon served as Company Secretary during the year.

Insurance for directors and officers

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

Going concern

The Company's is not a going concern and the financial statements have been prepared on a basis other than going concern.

Policy and practice on payment of creditors

It is the Company's policy to settle the terms of payment with suppliers when agreeing the terms of each transaction and to ensure that these suppliers are made aware of the terms of the payment and to abide by the terms of payment. At 31 March 2017, the Company had no trade creditors (2016: nil).

Risks and opportunities

As discussed in the Strategic Report.

Financial risk management

The Company is exposed to certain levels of credit, interest rate, currency and liquidity risks that arise in the normal course of business.

Future developments

The Company has ceased trading and management will seek to dissolve the Company in the next 12 months.

Camelot Commercial Services Limited

Directors' Report continued

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.

Statement of disclosure of information to auditors

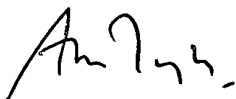
Each of the directors in office at the date on which the financial statements were approved, whose names and functions are listed on page 4, confirms that, to the best of their knowledge:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Independent auditors

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

By order of the Board



Jo Taylor
Director
13 July 2017

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

Report on the financial statements

Our opinion

In our opinion Camelot Commercial Services Limited's financial statements (the "financial statements")

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its 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.
-

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the basis of preparation. During the financial year the directors decided that the Company will be liquidated in the near future. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 2 to the financial statements. Adjustments have been made in these financial statements to include assets and liabilities at their fair value.

What we have audited

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

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

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

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

Opinion on other matter prescribed by the Companies Act 2006

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

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

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

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

We have no exceptions to report arising from this responsibility.

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

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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

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

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose.

We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

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

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

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

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

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



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

14 July 2017

Camelot Commercial Services Limited

Statement of Comprehensive Income

for the year ended 31 March

		2017	2016
	Note	£000	£000
Other operating income		-	6
Administrative expenses		(1)	(2)
Operating (loss)/profit	3	(1)	4
Write back of intercompany loan		7,487	-
Profit before income tax		7,486	4
Income tax	4	74	68
Profit for the financial year and total comprehensive income		7,560	72

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

The notes on pages 12 to 21 are an integral part of these financial statements.

Camelot Commercial Services Limited

Balance Sheet

as at 31 March

	Note	2017 £000	2016 £000
ASSETS			
Non-current assets			
Intangible assets	6	-	-
Property, plant and equipment	7	-	-
Deferred taxation	4	-	10
		-	10
Current assets			
Current income tax recoverable		84	79
Cash and cash equivalents	8	163	86
		247	165
Total assets		247	175
LIABILITIES			
Current liabilities			
Trade and other payables	9	2	7,490
Total liabilities		2	7,490
EQUITY			
Capital and reserves			
Share capital	11	-	-
Retained earnings	12	245	(7,315)
Total equity		245	(7,315)
Total equity and liabilities		247	175

The notes on pages 12 to 21 are an integral part of these financial statements.

The financial statements on pages 8 to 11 including the accompanying notes were approved by the Board of Directors on 13 July 2017 and were signed on its behalf by:



Jo Taylor
Chairman

Camelot Commercial Services Limited
Registered Number 06911097

Statement of Changes in Equity

for the year ended 31 March

	Share capital £000	Retained earnings £000	Total equity £000
Balance as at 1 April 2015	-	(7,387)	(7,387)
Comprehensive Income			
Profit for the financial year	-	72	72
Total comprehensive income	-	72	72
Balance as at 31 March 2016	-	(7,315)	(7,315)

Comprehensive Income

Profit for the financial year	-	7,560	7,560
Total comprehensive income	-	7,560	7,560
Balance as at 31 March 2017	-	245	245

The notes on pages 12 to 21 are an integral part of these financial statements.

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

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Group relief receipts	13	77	88
Net cash generated (used in)/from operating activities		77	88
Net increase in cash, cash equivalents and bank overdrafts		77	88
Cash, cash equivalents and bank overdraft at the beginning of the year		86	(2)
Cash, cash equivalents at the end of the year	8	163	86

The notes on pages 12 to 21 are an integral part of these financial statements.

Camelot Commercial Services Limited

Notes to the Financial Statements

1. General information

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

2. Summary of significant accounting policies

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

a) Basis of preparation

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

The financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss. The Company is not a going concern and the financial statements have been prepared on a basis other than going concern.

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

i) New IFRS accounting standards and interpretations adopted in 2016/17:

During the year ended 31 March 2017, the Company adopted the following International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) or amendments, and interpretations by the IFRS Interpretations Committee. None of the pronouncements had a material impact on the Company's results or assets and liabilities.

- Clarification of acceptable methods of depreciation and amortisation – Amendments to IAS 16 and IAS 38;
- Annual improvements to IFRSs 2012 – 2014 cycle; and
- Disclosure initiative – amendments to IAS 1.

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

The standards, amendments and interpretations listed below were not effective for the year ended 31 March 2017. None of the standards and interpretations listed below are expected to have a material impact on the Company's results or assets and liabilities.

- IFRS 9 Financial instruments
- IFRS 15 Revenue from contracts with customers
- IFRS 16 Leases

b) Critical accounting assumptions, estimates and judgements

No critical accounting assumptions, estimates or judgements were used in preparation of these accounts.

Camelot Commercial Services Limited

Notes to the Financial Statements

2. Summary of significant accounting policies continued

c) Intangible assets

There are no intangible assets in CCSL

Internally generated intangibles

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

Separately acquired intangibles

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

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

The value of separately acquired and internally generated intangible assets is amortised in equal instalments over five years.

Impairment of intangible assets

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

d) Trade and other payables

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

e) 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 income 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 income tax assets and liabilities recognised are not discounted. Deferred income tax liabilities and assets are classified as non-current irrespective of the expected timing of the reversal of the underlying taxable temporary difference. Current income tax assets and liabilities are shown separately on the face of the balance sheet.

Camelot Commercial Services Limited

Notes to the Financial Statements

2. Summary of significant accounting policies continued

f) Foreign currency translation

Functional and presentational currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). These financial statements are presented in GBP pounds sterling (£), which is the Company's functional and presentational currency.

Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within finance income or cost. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within operating income.

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

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

g) Financial risk management

Exposure to credit, interest rate, currency, 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 10.

h) Cash and cash equivalents

For the purpose of preparation of the Statement of Cash Flows, cash and cash equivalents include 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.

i) Value added tax

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

j) Provisions

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

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

Provision has not been made for closure costs, these will be met by the Parent Company.

Notes to the Financial Statements

3. Operating profit

	2017 £000	2016 £000
Other operating income	-	6
Other operating items	(1)	(2)
At 31 March	(1)	4

Audit fees were incurred and paid on the Company's behalf by a fellow Group company.

4. Income tax

a) UK corporation tax

	2017 £000	2016 £000
Current income tax credit for the year	(84)	(71)
Deferred income tax charge for the year	10	3
At 31 March	(74)	(68)

The income tax credit is based on a corporation tax rate of 20% for the year ended 31 March 2016 (2016: 20%). All taxable temporary differences have been recognised and are reflected in the deferred taxation balance.

A reduction in the UK Corporation Tax Rate to 17% (effective from 1 April 2020) was substantially enacted on 6 September 2016. These changes will reduce the company's future tax and deferred tax charges accordingly.

b) Reconciliation of tax credit

	2017 £000	2016 £000
Profit on ordinary activities before income tax	7,478	4
Income tax on profit on ordinary activities at the standard rate of 20% (2016: 20%)	1,496	1
Factors affecting credit:		
Non-taxable income	(1,496)	-
Deferred tax written off	10	-
Non-deductible expenses	(84)	(78)
Prior year adjustments	-	8
Effect of changes in the rate of taxation	-	1
Income tax credit at 31 March	(74)	(68)

Camelot Commercial Services Limited

Notes to the Financial Statements

4. Income tax continued

Deferred taxation

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset current taxation assets with current taxation liabilities. All deferred tax assets arise due to timing differences. At 31 March 2017 the amounts are as follows:

	2017 £000	2016 £000
To be recovered after more than 12 months	-	8
To be recovered within 12 months	-	2
Deferred tax assets at 31 March	-	10

The deferred tax asset arises on temporary differences arising on assets which qualify for capital allowances.

The gross movement on deferred tax is as follows:

	Accelerated capital allowances £000	Total £000
At 1 April 2015	13	13
Credit to the Statement of Comprehensive Income - current year (charge)	(3)	(3)
At 31 March 2016	10	10
Credit to the Statement of Comprehensive Income - current year (charge)	(10)	(3)
At 31 March 2017	-	10

5. Directors' emoluments

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

At the end of the financial year one director (2016: one) was a member of the Group Personal Pension Plan and is remunerated by CBSL; details of his/her emoluments and pension payments are available in the financial statements of that company. The Company made no contributions (2016: nil) to a defined contribution pension scheme for any director in the current year.

None of the directors held any beneficial interest in the Company, nor were any share options granted in the year.

Camelot Commercial Services Limited

Notes to the Financial Statements

6. Intangible assets

	Separately acquired £000
Cost	
At 1 April 2015 and at 31 March 2016	4,866
Accumulated amortisation and impairment	
At 1 April 2015 and 31 March 2016	4,866
Net book value at 31 March 2016	-

	Separately acquired £000
Cost	
At 1 April 2016	4,866
Disposals	(4,866)
At 31 March 2017	-
Cost	
Accumulated amortisation and impairment	
At 1 April 2016	4,866
Disposals	(4,866)
Net book value at 31 March 2017	-

All intangible assets have been transferred to Camelot Business Solutions Limited.

7. Property, plant and equipment

	Separately acquired £000
Cost	
At 1 April 2015 and 31 March 2016	102
Accumulated depreciation	
At 1 April 2015 and 31 March 2016	102
Net book value at 31 March 2016	-

	Separately acquired £000
Cost	
At 1 April 2016	102
Disposals	(102)
Accumulated depreciation	
At 1 April 2016	102
Disposals	(102)
Net book value at 31 March 2017	-

Notes to the Financial Statements

All property, plant and equipment have been transferred to Camelot Business Solutions Limited.

8. Cash and cash equivalents

	2017 £000	2016 £000
Cash	163	86
At 31 March	163	86

9. Trade and other payables

	2017 £000	2016 £000
Amounts due to fellow subsidiary undertakings	2	7,490
At 31 March	2	7,490

The amounts due to fellow subsidiary undertakings are unsecured, interest free and repayable on demand.

10. Financial risk management

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

a) Credit risk

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

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

b) Foreign exchange risk

The Company is exposed to foreign exchange risk on purchases that are denominated in a currency other than GBP Pounds Sterling. The currency giving rise to this risk is primarily Euros. During the year, the Company did not participate in any derivative or hedging contracts due to the minimal volume and value of foreign transactions. Transactions denominated in foreign currencies are accounted for in line with our accounting policy detailed in note 2(f).

Included within operating income in the Statement of Comprehensive Income are no net foreign exchange gains or losses (2016: nil).

Camelot Commercial Services Limited

Notes to the Financial Statements

10. Financial risk management continued

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 this facility and determine the potential draw down of funds.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Cash flow forecasts are produced up to one year in advance and revised regularly. The company is being wound up but has sufficient funds to do so without risk.

11. Share capital

Authorised and allotted share capital

Authorised	£
100 ordinary shares of £1 each	100
At 31 March 2016 and 31 March 2017	100

Allotted, issued and fully paid	£
1 ordinary share of £1	1
At 31 March 2016 and 31 March 2017	1

12. Retained earnings

	2017 £000	2016 £000
At 1 April	(7,315)	(7,387)
Profit for the financial year	7,560	72
At 31 March	245	(7,315)

Notes to the Financial Statements

13. Cash used in operations

	2017 £000	2016 £000
Profit before income tax	7,560	4
	7,560	4
Changes in working capital:		
- Trade and other receivables	5	-
- Trade and other payables	(7,488)	(4)
	(7,488)	(4)
Cash used in operations	77	(-)

14. Financial commitments and contingent liabilities

At the balance sheet date the Company had no financial commitments (2016: nil).

15. Related party transactions

The Company transacted with its fellow subsidiary undertakings, CBSL, and Camelot in the year.

	2017 Purchase of Services £000	2017 Amounts due to related party £000	2016 Purchase of services £000	2016 Amounts due to related party £000
Camelot Business Solutions Limited	-	2	-	7,490

In addition, £81,000 (2016: £87,000) was received from Camelot UK Lotteries Limited in respect of group taxation relief during the year.

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

16. Ultimate and immediate parent undertakings

The immediate parent undertaking and controlling party is PLUK. PLUK is a subsidiary of PLCUK, itself a subsidiary of PLIUK. PLUK is the parent undertaking of the smallest group to consolidate these financial statements reporting under IFRS as adopted by the EU. 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 Premier Lotteries UK Limited are available from Magdalen House, Tolpits Lane, Watford, Hertfordshire, WD18 9RN, United Kingdom.

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

Camelot Commercial Services Limited

Company Addresses

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Registered Office

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Registered in England and Wales
No. 06911097

Incorporated and domiciled in England

Independent Auditors

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Bankers

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