Company Number: 2822203

Camelot Group plc

Condensed consolidated interim unaudited financial information

For the half year ended 26 September 2009

Contents

Interim Management Report

The principal activity of the Group is the operation and promotion of The National Lottery in a socially-responsible manner for the benefit of the Good Causes. The establishment of the UK National Lottery was enabled by the passing of The National Lottery etc Act 1993 (as amended). Camelot operates The National Lottery pursuant to an operating Licence granted by its regulator, the National Lottery Commission (NLC). The current operating Licence was granted on 1 February 2009 and will run to 2019 ('third Licence period'), with a possible extension for a period of up to five years. As a profit-making Group, Camelot also aims to maximise returns to shareholders, albeit that the Group has pledged to reduce profits at the current level of sales as well as reduce operating costs during the third lottery Licence period. The Group expects to pursue this principal activity for the coming year.

Key Events

In the financial year ended 31 March 2009, Camelot completed a transition phase to ensure that the right infrastructure was in place for the start of the third Licence period. This involved the introduction of new technology: replacing the entire network of National Lottery terminals, introducing new touch-screen terminals, cutting-edge media screens and printers and connecting over 27,500 retailers to an upgraded gaming system via a brand-new communications network. The new infrastructure is helping to support the Group's plans for the third Licence period.

During the period under review, Camelot has continued to invest in the Group's infrastructure increasing the number of retailers to 28,500, and this summer started to roll out new permanent point-of-sale equipment across the entire retailer estate. The final stage of this extensive project will be completed later this year.

Following the successful transition phase, the Group has focused on transforming the Company's operating structure. This new operating model will enable Camelot to meet its commitment to reduce operating costs by 25% representing a decrease from around 5% to 4% of revenue. Over the last six months, Camelot has made significant progress in this area. Following the introduction of new technology and renegotiation of leases and supplier contracts last year, the Group has now restructured much of its operations, reducing its headcount by approximately 180 employees. As committed to at the commencement of the third Licence period the Group has increased the proportion of revenue returned to the Good Causes and thereby reduced overall profits at current sales levels. The Group has also set about delivering its ambitious revenue plans for the third Licence.

The National Lottery is playing a key role in funding the London 2012 Olympic Games and Paralympic Games and is committed to raising £750m from specially-designated games as part of The National Lottery's overall funding package for the Games of £2.2 billion. Olympic-themed Scratchcards, together with the combined success of Dream Number and interactive Instant Win Games, has now helped to raise £451.3m towards this target which is ahead of the required run-rate.

Four of the Group's shareholders – Cadbury Holdings, De La Rue Holdings, Fujitsu Services and Thales Electronics, continue to review options for their interests in the Company. This represents 80% of the Company's share capital. Royal Mail Enterprises Limited has confirmed that it will not be part of this process.

While managing these activities, Camelot has continued to achieve its objectives of growing sales, maximising returns to the Good Causes and maintaining its high standards of operational excellence.

Financial Performance

The first half of the year has again seen a strong sales performance with total sales for the half-year period ended 26 September 2009 up 2.7% to £2,628.6m (27 September 2008: £2,559.7m).

EuroMillions, in particular, had a very successful period, with a series of large jackpots – including the £113m jackpot in May 2009. This has helped drive sales of draw-based games to £1,987.0m (27 September 2008: £1,974.6m), an increase of £12.4m compared to the first half of the prior financial year. Scratchcards and Instant Win Games continue to perform well, up £56.5m to £641.6m (27 September 2008: £585.1m).

This is the first reporting period wholly under the third Licence and the results reflect the new retention structure. Whilst sales have improved by 2.7%, returns to Good Causes have increased by 10.1% to £710.5m (27 September 2008: £645.3m). This increase in the returns to Good Causes is funded by the ongoing transformation of the Company's operating structure and cost base, which has reduced the costs by £34.3m, and the decrease in returns to shareholders, where operating profit is down £11.7m or 30.8% to £26.3m (27 September 2008: £38.0m).

Gaming systems and data communication costs decreased to £39.0m (27 September 2008: £64.8m). Gaming systems and data communication costs include the cost of maintaining software, terminals and the communications network, all expenditure associated with the purchase of National Lottery Scratchcard tickets, point-of-sale and other consumables, together with the depreciation of gaming systems, terminal and data communications equipment. The decrease of £25.8m compared with the prior year is due predominantly to lower depreciation and amortisation costs. This has been driven by last year's upward revision of the useful economic lives of certain assets as Camelot moved from the second Licence to the third Licence. Many assets have a longer life and depreciation period due to the longer 10-year third Licence period, versus the previous 7-year licence. As discussed under 'key events', the Group has also commenced work on its commitments to restructure its cost base, further contributing to the decrease in gaming and data communication costs.

The Group's profit before taxation was £26.3m with the comparative period at £41.9m, a reduction in profits as committed to in the Company's bid for the third Licence.

Total net profit for the period was £18.5m (27 September 2008: £29.6m). An interim dividend of £15.5m (27 September 2008: £29.6m) is proposed.

Total approved and paid dividends during the period amounted to £14.9m (27 September 2008: £21.5m), which represents the 2009 financial year final dividend for aggregate ordinary class 'A' and 'B' shares and redeemable shares as approved at the Board Meeting on 3 June 2009.

Financial Position

The balance sheet consistently reflects the financial stability of the business. Total assets less total liabilities have increased by £3.6m compared to the 2009 year-end.

At the half-year, Camelot holds cash and cash equivalents of £35.1m (31 March 2009: £58.5m). This comprises a net bank overdraft of £3.2m offset with deposits of £38.3m (31 March 2009: net bank overdraft of £0.3m offset with deposits of £58.8m). At 26 September 2009 the Group had undrawn overdraft and credit facilities of £75.0m (31 March 2009: £75.0m) available. A credit facility of £50.0m (31 March 2009: £50.0m) is in place for a three-year period and will be reviewed in 2012. The overdraft facility (£10.0m; 31 March 2009: £10.0m) and further 364-day credit facility (£15.0m; 31 March 2009: £15.0m) are subject to annual review; the next review is due in December 2009. A regular review process is also in place to ensure the Group's financial risks are closely monitored. The Group's financial risk management policies are described in note 9.

In addition, as with other organisations, the current economic climate presents the Group with increased credit and financial liquidity risk. The Group has a clear and specific investment policy which is followed for all cash deposits placed. As detailed above, the Group has access to an overdraft and credit facilities, none of which are currently utilised. During the next half-year, the Group's cash flow forecasts anticipate utilising a minimum level of these facilities while ensuring that sufficient head-room is maintained. In addition, Camelot has an established process, set out in the retailer agreement, which ensures exposure to retailer bad debt is minimised as detailed in note 9. The Group is therefore confident that it has minimised the additional risks the current economic climate brings.

Principal Risks

The recent transformation of the Group's operational structure, its ambitious revenue plans for the third Licence, and the longer time-frame of the third Licence period provide Camelot with significant opportunities as well as some significant risks, and these have been incorporated into the Group's risk mitigation plans. Over the next half-year, the particular challenges are:

- Developing and gaining regulatory approval for game ideas to ensure the Group continues to refresh its range of games to appeal to as many players as possible;
- Embedding the new organisational structure to achieve the cost savings and support the plans for the third Licence;
- Ensuring that staff remain motivated and focused, as well as ensuring the retention of key staff during this ongoing period of change;
- Raising funds for the London 2012 Olympic Games and Paralympic Games;
- Operating during a period of economic instability, particularly within the retail sector;

- Ensuring the Group remains focused on maintaining its control environment and standards of operational excellence in operating one of the world's largest and most efficient lotteries.

During the first half of the year, the Company has undergone a significant period of change and establishing the revised operating model presents a significant challenge. However, the Group has made a strong start to the financial year ending 31 March 2010 and the third Licence period.

Related Parties

Related party disclosures are given in note 14.

Forward-looking Statements

Certain statements in this interim report are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. As these statements involve risks and uncertainties, actual results reported in the future may differ materially from those expressed or implied by these forward-looking statements.

We undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Statement of Directors' Responsibilities

The directors confirm that this condensed consolidated interim unaudited financial information has been prepared in accordance with IAS 34 as adopted by the European Union, and that the Interim Management Report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8.

The directors of Camelot Group plc are listed in the Camelot Group Annual Report for 31 March 2009, with the exception of the following changes in the period:

Shareholder-nominated directors:

Brian Harris (nominee of Fujitsu Services Limited)	(appointed 15 July 2009)
Ian O'Driscoll (nominee of Fujitsu Services Limited)	(resigned 15 July 2009)
Elizabeth Anne Stokes (alternate to Ian O'Driscoll, Fujitsu Services Limited)	(resigned 15 July 2009)

A list of current directors is maintained on the Camelot Group plc website: www.camelotgroup.co.uk.

By order of the Board:

Gill Marcus
Company Secretary

25 November 2009

Independent Review Report to the Directors of Camelot Group plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the condensed consolidated interim unaudited financial information for the half year ended 26 September 2009, which comprises a Group Income Statement, Group and Company Cash Flow Statement, Group Statement of Changes in Shareholders' Equity, and Group and Company Balance Sheet as at 26 September 2009 and related notes. We have read the other information contained in the condensed consolidated interim unaudited financial information and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The condensed consolidated interim unaudited financial information is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the condensed consolidated interim unaudited financial information in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority (because the Group applies The Listing Rules as if it were a listed group).

As disclosed in note 2, the annual Financial Statements of Camelot Group plc are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in the condensed consolidated interim unaudited financial information has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the condensed consolidated interim unaudited financial information based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, 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.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of the interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the condensed consolidated interim unaudited financial information for the half year ended 26 September 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
1 December 2009

Group Income Statement

For the half year ended 26 September 2009

(Unaudited)

	Notes	**Half year ended 26 September 2009 £m**	Half year ended 27 September 2008 £m	Year ended 31 March 2009* £m
Gross ticket sales	4	**2,628.6**	2,559.7	5,149.1
Lottery duty		**(315.5)**	(307.2)	(617.9)
Prizes		**(1,338.8)**	(1,301.0)	(2,627.6)
National and Olympic Lottery Distribution Funds		**(710.5)**	(645.3)	(1,299.3)
Net income		**263.8**	306.2	604.3
Retailers' and other commission		**(126.6)**	(123.0)	(247.7)
Gaming systems and data communication costs		**(39.0)**	(64.8)	(120.7)
Gross profit		**98.2**	118.4	235.9
Administrative expenses		**(72.7)**	(81.2)	(180.3)
Other operating income		**0.8**	0.8	1.6
Operating profit		**26.3**	38.0	57.2
Finance income		**0.2**	4.1	6.0
Finance expense		**(0.2)**	(0.2)	(0.5)
Profit before taxation		**26.3**	41.9	62.7
Taxation	5	**(7.8)**	(12.3)	(18.2)
Net profit for the period/year		**18.5**	29.6	44.5

* Audited information

The results detailed above are all derived from continuing operations.

The Group has no recognised income or expense other than that shown above therefore no separate statement of comprehensive income is presented.

The notes on pages 9 to 14 form an integral part of this condensed consolidated interim unaudited financial information.

Group and Company Balance Sheet

As at 26 September 2009

(Unaudited)

	Notes	**26 September 2009 £m**	27 September 2008 £m	31 March 2009* £m
ASSETS				
Non-current assets				
Intangible assets		**26.7**	22.8	22.8
Property, plant and equipment	7	**114.6**	91.4	109.3
Deferred income tax assets		**4.0**	8.7	7.8
Trade and other receivables		**4.1**	5.1	4.6
Financial assets	8	**20.0**	20.0	20.0
		169.4	148.0	164.5
Current assets				
Inventories		**1.2**	4.8	2.4
Trade and other receivables		**64.5**	89.9	46.0
Financial assets	8	**165.8**	179.5	187.6
Cash and cash equivalents		**35.1**	103.2	58.5
		266.6	377.4	294.5
Total assets		**436.0**	525.4	459.0
LIABILITIES				
Current liabilities				
Financial liabilities – borrowings		**0.6**	1.7	1.0
Trade and other payables		**302.0**	365.9	319.9
Current taxation liability		**4.1**	12.1	8.9
Provisions for other liabilities and charges	10	**1.4**	7.7	5.8
		308.1	387.4	335.6
Non-current liabilities				
Financial liabilities – borrowings		**1.0**	1.7	1.3
Trade and other payables		**1.0**	-	0.5
Provisions for other liabilities and charges	10	**7.4**	6.7	6.7
		9.4	8.4	8.5
Total liabilities		**317.5**	395.8	344.1
EQUITY				
Capital and reserves				
Called up share capital		**88.8**	88.8	88.8
Capital redemption reserve		**11.2**	11.2	11.2
Retained earnings		**18.5**	29.6	14.9
Total equity		**118.5**	129.6	114.9
Total equity and liabilities		**436.0**	525.4	459.0

* Audited information

The notes on pages 9 to 14 form an integral part of this condensed consolidated interim unaudited financial information.

The condensed consolidated interim unaudited financial information was approved by the Board of directors on 25 November 2009 and was signed on its behalf by:

D. Thompson

Dianne Thompson CBE
Chief Executive

Nigel Railton
Finance and Operations Director

Group Statement of Changes in Shareholders' Equity

For the half year ended 26 September 2009

(Unaudited)

	Notes	**Half year ended 26 September 2009 £m**	Half year ended 27 September 2008 £m	Year ended 31 March 2009* £m
Net profit for the period/year		**18.5**	29.6	44.5
Dividends	6	**(14.9)**	(21.5)	(51.1)
Net increase/decrease to shareholders' equity		**3.6**	8.1	(6.6)
Shareholders' equity at the beginning of the period/year		**114.9**	121.5	121.5
Shareholders' equity at the end of the period/year		**118.5**	129.6	114.9

* Audited information

The notes on pages 9 to 14 form an integral part of this condensed consolidated interim unaudited financial information.

Group and Company Cash Flow Statement

For the half year ended 26 September 2009

(Unaudited)

	Notes	**Half year ended 26 September 2009 £m**	Half year ended 27 September 2008 £m	Year ended 31 March 2009* £m
Cash flows from operating activities				
Cash generated from operations	11	**17.1**	32.1	88.3
Bank interest received		**0.1**	3.2	6.2
Bank and other interest paid		**(0.2)**	(0.2)	(0.5)
Income tax paid		**(5.7)**	(2.7)	(2.7)
Consortium relief payments		**(3.0)**	(9.5)	(17.8)
Net cash from operating activities		**8.3**	22.9	73.5
Cash flows from investing activities				
Increase in non-current assets		**-**	0.2	0.2
Purchases of property, plant and equipment		**(11.3)**	(44.7)	(101.6)
Expenditure on intangible assets		**(4.8)**	(6.9)	(14.8)
Net cash used in investing activities		**(16.1)**	(51.4)	(116.2)
Cash flows from financing activities				
Dividends paid to shareholders		**(14.9)**	(21.5)	(51.1)
Capital repayments on other loans		**(0.6)**	(0.6)	(1.1)
Finance lease principle payment		**(0.1)**	(0.3)	(0.7)
Net cash used in financing activities		**(15.6)**	(22.4)	(52.9)
Net decrease in cash, cash equivalents and bank overdrafts		**(23.4)**	(50.9)	(95.6)
Cash, cash equivalents and bank overdrafts at the beginning of the period/year		**58.5**	154.1	154.1
Cash, cash equivalents and bank overdrafts at the end of the period/year		**35.1**	103.2	58.5

* Audited information

Non-cash transactions

The principal non-cash transactions during the half year ended 27 September 2008 were the purchases of property, plant and equipment for which the costs were accruing at 27 September 2008 and included in trade and other payables, as well as a decommissioning asset and corresponding provision which were recognised during the period.

The notes on pages 9 to 14 form an integral part of this condensed consolidated interim unaudited financial information.

Notes to the condensed consolidated interim unaudited financial information

1. General Information

The shares of Camelot Group plc are not traded on any stock exchange and pre-emption rights are in place over their transfer. The Company is incorporated and domiciled in the UK. The address of its registered office is Tolpits Lane, Watford, Hertfordshire, WD18 9RN.

This condensed consolidated interim unaudited financial information was approved for issue on 25 November 2009.

These interim financial results do not constitute Statutory Accounts of the Group within the meaning of section 434 of the Companies Act 2006. Statutory Accounts for the year ended 31 March 2009 were approved by the Board of Directors on 3 June 2009 and delivered to the Registrar of Companies within seven months of the year end. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 237(2) or (3) of the Companies Act 1985.

2. Summary of significant accounting policies

2.1 Basis of preparation

The accounting policies adopted are consistent with those of the annual Financial Statements for the year ended 31 March 2009, as described in those annual Financial Statements.

The Financial Statements of Camelot Group plc are prepared in accordance with applicable International Financial Reporting Standards (IFRS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as endorsed by the European Union (EU), and those parts of the Companies Act 2006 that remain applicable to companies reporting under IFRS. The condensed consolidated interim unaudited financial information for the half year ended 26 September 2009 has been prepared in all material respects in accordance with IAS 34, 'Interim financial reporting' as adopted by the EU.

The interim financial information has been drawn up for the half year ended on the Saturday nearest to 30 September 2009. The period under review is therefore 25 weeks and 4 days.

a) *Standards adopted by the group*

The Group has elected to adopt IFRS 8 'Operating Segments'. IFRS 8 replaces IAS 14 'Segment Reporting'. The impact of the new standard is considered in note 3 'Segmental Reporting'.

b) *Interpretations and amendments to existing standards that are effective but are not relevant for the Group's operations or do not have a material impact on the Group's Financial Statements or presentation of financial information.*

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2009, however management do not consider them to be relevant or do not have a material impact on the Group's Financial Statements or presentation of financial information.

- IAS 1 (revised) sets out the requirements for the overall presentation of the Financial Statements and in particular prohibits the presentation of items of income and expense in the statement of changes in equity. The revised standard has resulted in amendments to references in the presentation of the Group's results but is not considered to have a material impact on the Group's Financial Statements.
- Amendments to IAS 16 'Property, plant and equipment', IAS 19 'Employee benefits', IAS 23 'Borrowing costs', IAS 27 'Consolidated and separate financial statements', IAS 28 'Investments in associates', IAS 32 'Financial instruments: Presentation', IAS 36 'Impairment of assets', IAS 39 'Financial instruments: Recognition and measurement', IAS 31 'Interests in joint ventures', IFRS 1 'First time adoptions of IFRS', IFRS 2 'Share-based payments', IFRS 3 'Business combinations', and IFRS 5 'Non-current assets held for sale and discontinued operations';
- IFRIC 15 'Agreements for the Construction of Real Estate'; and
- IFRIC 16 'Hedges of a Net Investment in a Foreign Operation'.

2. Summary of significant accounting policies (cont.)

2.2 Basis of consolidation

This condensed consolidated interim unaudited financial information comprises the consolidated and Company accounts of Camelot Group plc. Certain trust accounts established to provide protection to players are consolidated. Under IFRS the Trusts are considered to be special purpose entities (SPEs) under the control of Camelot Group plc. As such IAS 27 'Consolidated and Separate Financial Statements' requires that consolidated accounts are prepared.

There are no other transactions within the SPE other than those relating to the Trust accounts. There is no difference between the presentation of the Balance Sheet and Income Statement for the Group compared to that of the Company because the applicable Trust accounts are treated as financial assets in both Group and Company Financial Statements.

The profit for the period, and profits available for distribution, of the Company are equal to the profits for the Group shown on page 5.

The Group also owns the entire share capital of three dormant subsidiaries, which have a share capital, equal to net assets, of £5 in total.

3. Segmental Reporting

The Group has elected to adopt IFRS 8 'Operating Segments' in the financial year ended 31 March 2010. IFRS 8 replaces IAS 14 'Segment Reporting'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.

The Group does not publicly trade its equity or debt securities and is not in the process of issuing equity or debt securities in public securities markets, therefore the Group is out of scope of IFRS 8. However, to remain consistent with the Group's principle of adopting best practice and reporting as if it were a listed company the Group has voluntarily adopted the standard.

Decisions concerning the allocation of resources and assessing the performance of the business are made by the Camelot Group plc Executive Board. The Executive Board of Dianne Thompson CBE, (Chief Executive), Nigel Railton, (Finance and Operations Director) and Martin Pugh, (Commercial Director) is therefore considered to be the Chief Operating Decision Maker.

The Group is operated and managed as a single business segment using common technology and infrastructure in one geographical area, the United Kingdom and Isle of Man, across a portfolio of games aimed to maximise the reach of The National Lottery. In accordance with IFRS 8 the business is deemed to be one segment and a note to provide details of performance by operating segment is not required. Therefore the adoption of IFRS 8 has had no impact on the presentation of the Group's results.

4. Gross ticket sales

The Group is operated and managed as a single business segment in one geographical area across a portfolio of games aimed to maximise the reach of The National Lottery. Gross ticket sales by type of game are analysed as follows:

	Half year ended 26 September 2009 £m	Half year ended 27 September 2008 £m	Year ended 31 March 2009* £m
Draw-based games	**1,987.0**	1,974.6	3,928.0
Scratchcards and Interactive Instant Win Games	**641.6**	585.1	1,221.1
Gross ticket sales	**2,628.6**	2,559.7	5,149.1

* Audited information

5. Taxation

Taxation on profits for the half year ended 26 September 2009 has been calculated based on the estimated effective tax rate for the full year of 29.5% (27 September 2008: 29.4%).

6. Dividends

Dividends of £14.9m were approved by the Board and paid in the period, being the final proposed dividend for year ended 31 March 2009 (approved and paid in the half year ended 27 September 2008: £21.5m).

The Directors are proposing an interim dividend of £15.5m (27 September 2008: £29.6m) at the Board Meeting on 25 November 2009. This interim dividend has not been recognised as a liability in the interim financial information.

7. Property, plant and equipment (Group and Company)

During the year property, plant and equipment has increased by £5.3m. This movement is due to additions of £12.1m offset by depreciation of £6.7m and disposals of £0.1m.

8. Financial assets: Trust accounts (Group and Company)

a) Non-current financial assets

	26 September 2009 £m	31 March 2009* £m
Reserve Trust	**15.3**	16.4
EuroMillions deposit	**4.7**	3.6
	20.0	20.0

* Audited information

b) Current financial assets

	26 September 2009 £m	31 March 2009* £m
Amounts held in trust in respect of prizes		
Operational Trust	**79.9**	83.3
Equalisation Trust	**-**	28.2
EuroMillions Trust	**35.5**	29.0
Prize Reserve Trust	**7.4**	6.2
Amounts held in respect of future draws		
Advanced Sales Trust	**28.1**	26.5
Amounts held in Interactive Trust Account	**14.9**	14.4
	165.8	187.6

* Audited information

Equalisation Trust

The purpose of this account during the second Licence period was to ensure that sufficient monies were available to pay players of certain fixed prize games in the event prizes exceeded the theoretical prize amount up to the maximum payout, as stipulated within the rules of the games, for any individual draw. All interest income arising on this account was for the benefit of the NLDF. An updated Trust mechanism was implemented for the commencement of the third Licence and this account is no longer used. Accordingly, the monies remaining in this account were paid to the NLDF.

9. Financial risk management (Group and Company)

The Group's policies for managing exposure to credit and liquidity risk are set out below:

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 the Group starts to trade with that retailer. The Group also carries a Credit Risk Insurance policy, and insurance levels are reviewed regularly. If the credit risk exposure is significant, Camelot will request a bond as collateral to protect against any future payment default. This is held for a minimum of two years, during which period payment patterns are monitored. Amounts invoiced to retailers are collected within three working days. If a retailer fails to make payment on the due date, the retailer's terminal is suspended until the debt is cleared. Retailer agreements set out the Group's credit policy for late payments.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of 'Trade and other receivables' in the balance sheet.

The Group investment policy restricts investment to short-term money market deposits or money market fund deposits and only with counterparties that have strong credit quality and a strong capacity for timely payment of short-term deposit obligations.

External credit ratings are obtained for banks where the Group holds cash and short-term bank deposits. At 26 September 2009, the banks where financial assets totalling £30.0m are held in short-term Money Market deposits have a Moody P1 credit rating (31 March 2009: £40.0m; P1). A further £8.3m is held in a Money Market Fund which has a Fitch credit rating of AAA (31 March 2009: £18.8m; Moody's A**).

None of the financial assets that are fully performing have been renegotiated in the last year.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group's current credit facilities comprise an overdraft, an uncommitted facility and a committed facility totalling £75.0m, which were renegotiated during the prior year in advance of the third Licence Period. Regular review of cash flow forecasts, strategic plans and budgets guide the considerations of the adequacy of these facilities and determine the potential draw down of each.

Management monitors rolling forecasts of the Group's liquidity reserve 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's cash is subject to daily, weekly and monthly cycles that are factored into forecasting. The cash position is monitored daily, and monies are placed on deposit to ensure returns are maximised across pooled accounts. Currently funds are placed in short-term deposits with maturities between one day and three months, dependent on future cash outflow requirements. In addition there are funds placed within Money Market Funds that are repayable on demand.

10. Provisions for other liabilities and charges (Group and Company)

	Terminal and data communications related	Property related	Restructuring	**TOTAL**
	£m	£m	£m	**£m**
At 1 April 2009	4.9	2.7	4.9	**12.5**
Net charge to income statement	0.3	0.1	0.1	**0.5**
Provision utilised	-	-	(4.2)	**(4.2)**
At 26 September 2009	**5.2**	**2.8**	**0.8**	**8.8**

During the period, £4.2m of the restructuring provision has been utilised as the Group has restructured much of its operations.

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

	26 September 2009	31 March 2009*
	£m	£m
Current	**1.4**	5.8
Non-current	**7.4**	6.7
	8.8	12.5

* Audited information

11. Cash generated from operations

	Half year ended 26 September 2009	Half year ended 27 September 2008	Year ended 31 March 2009*
	£m	£m	£m
Profits for the period/year	**18.5**	29.6	44.5
Adjustments for:			
- Taxation	**7.8**	12.3	18.2
- Depreciation and amortisation	**8.1**	23.2	39.4
- Loss on disposal of fixed assets	**0.2**	-	1.3
- Interest income	**(0.2)**	(4.1)	(6.0)
- Interest expense	**0.2**	0.2	0.5
Total adjustments	**16.1**	31.6	53.4
Changes in working capital:			
- Inventories	**1.2**	(0.4)	2.0
- Trade and other receivables	**(17.9)**	(52.2)	(8.9)
- Financial short term assets	**21.8**	(0.3)	(8.4)
- Trade and other payables	**(18.9)**	22.8	6.1
- Provisions	**(3.7)**	1.0	(0.4)
Total changes in working capital	**(17.5)**	(29.1)	(9.6)
Cash generated from operations	**17.1**	32.1	88.3

* Audited information

12. Financial commitments and contingent liabilities (Group and Company)

At the 26 September 2009, capital expenditure totalling £0.4m (inclusive of VAT) was contracted for but not yet incurred (31 March 2009: £8.3m).

There are no significant contingent liabilities.

13. Pension arrangements (Group and Company)

The Company operates a defined contribution pension scheme.

In addition, approximately 30 former and current employees who transferred from shareholder companies have continued to participate in their respective shareholder pension plans via an agreed deed of participation. A number of the Company's shareholders operate defined benefit pension schemes. Camelot therefore has certain defined benefit obligations as a participating employer.

Camelot accounts for these schemes as if they were defined contribution schemes, by charging the cost of contributions to the income statement in the year to which it relates. This treatment is consistent with prior accounting periods. In adopting this approach, Camelot has claimed exemption from defined benefit accounting, as permitted by paragraph 34A of IAS 19, on the basis that insufficient information regarding the plans' assets, liabilities and any surplus or deficit is available because the plans are fully administered by the respective shareholders.

14. Related party transactions (Group and Company)

Camelot has a number of contracts with its shareholders, their parent and/or their subsidiary companies. All transactions are priced on an arm's length basis. The main services provided during the period were:

Royal Mail Enterprises Limited	National Lottery retailer Distribution of advertising materials

The amounts included in the interim financial information for the half year ended 26 September 2009 and in the annual Financial Statements for the year ended 31 March 2009 excluding VAT are given below. In the prior year we purchased maintenance and media screens from Fujitsu:

	Half year ended 26 September 2009 Purchases £m	**26 September 2009 Amount due to related party £m**	Year ended 31 March 2009* Purchases £m	31 March 2009* Amount due to related party £m
Fujitsu Services Limited	-	-	8.7	-
Royal Mail Enterprises Limited	**0.9**	**0.8**	11.3	0.2

* Audited information

Royal Mail Enterprises Limited in its capacity as a National Lottery retailer also earned sales and prize commissions of £17.6m in the half year to 26 September 2009 (half year to 27 September 2008: £16.6m).

In addition, the following cash payments and refunds for overpayments were made in respect of consortium taxation relief during the period:

	Half year ended 26 September 2009 £m	Year ended 31 March 2009* £m
Cadbury Holdings Limited	**1.3**	6.7
Fujitsu Services Limited	-	7.1
Royal Mail Enterprises Limited	**1.7**	4.0
	3.0	17.8

* Audited information

The Company has a related party relationship with its directors and executive officers.