Docusign Envelope ID: C4D7AF1A-4705-469D-BEA6-E592634731A8

CAMELOT UK LOTTERIES LIMITED

Registered number 02822203

Annual report and financial statements

for the year ended 31 March 2025

Contents

Strategic Report

The Directors present their strategic report of Camelot UK Lotteries Limited (the "Company") for the year ended 31 March 2025.

Principal activities, strategic review and future development

As a result of the National Lottery's Third Operating Licence (the "Third Licence") ending on 31 January 2024 from that date, the Company no longer operated The National Lottery. The activities in the year under review are wholly related to handing over National Lottery operations to the new operator, Allwyn Entertainment Ltd, and the finalisation of Third Licence related responsibilities. This includes obligations relating to the Third Licence itself and those under the Cooperation Agreement, a legal document that governed The National Lottery transition.

The operating profit generated in the prior year related to the final 10-month trading period of the Third Licence.

The results set out in the Statement of Comprehensive Income of the Company are therefore derived from discontinued operations.

Business review

The transactions in the current year reflect the remaining activities of the Company as a result of having operated the Third Licence with the results in the prior year reflecting the final 10 months of The National Lottery operations.

The Company's future activities are to finalise remaining obligations under the Third Licence which are expected to complete in 2026.

Financial performance

For the financial performance summarised below, the current year contains no active trading activity to 31 March 2025, and the prior year contains ten months of lottery trading up to 31 January 2024 when the Third Licence expired, and 2 months of no trading activity to 31 March 2024.

Sales

No sales have been made in the year as the Third Licence, under which the company operated, ended on 31 January 2024. Gross ticket sales for the prior year was £6,562.6m, which includes sales for draw-based games of £3,817.7m and Scratchcards and interactive Instant Win Games ("IWGs") of £2,744.9m.

Lottery Duty

Lottery Duty is paid at 12% of sales, and as such £nil has been paid during the year (2024: £787.6m).

Prizes

No prizes have been paid during the year. The prior year numbers represent 10 months of trading activity, during which £3,749.8m of prizes were given, representing 57.1% of sales. Any unclaimed prizes, in accordance with the previously applied guidelines of being unclaimed within 180 days of either the draw date or date of play for draw-based games and IWGs respectively, or 180 days after the close of a National Lottery Scratchcard game, are paid over to the National Lottery Distribution Fund (NLDF).

Strategic Report (continued)

Prizes (continued)

The Company made every effort to publicise unclaimed draw-based game prizes worth £50,000 or more until the end of the Third Licence. At the end of the Third Licence, any unclaimed prizes were then transferred to Allwyn Entertainment Ltd under the issuance of The Fourth Licence. £nil was awaiting to be claimed as at 31 March 2025 (2024: £57.6m).

National Lottery Distribution Fund (NLDF)

The NLDF is the central fund from which the National Lottery distribution bodies receive funds for distribution to Good Causes. As no sales were made during the year under the Third Licence, no amounts were due to Good Causes (2024: £1,498.9m, representing 22.8% of sales).

The Company was subject to a profit-capping mechanism under the Third Licence. Where its profits exceeded a certain threshold, which depended on sales levels achieved, the additional profits were shared with Good Causes in the form of Secondary Contributions. Total Secondary Contributions for 2024 was £17.9m, which was based on an 'adjusted profits' calculation as defined under the Third Licence.

Retailers' and Other Commission

No commission was incurred during the year (2024: £214.0m). The prior year included both commission paid to retailers and bank fees paid on interactive sales transactions. The commission rate paid to retailers for draw-based game sales was 5% and for Scratchcard sales was 6%.

Gaming Systems and Data Communication costs

Gaming systems and data communication costs is £nil (2024: £95.8m). In the prior year, these costs included the winding down costs of the software, terminals and the communications network.

Administrative Expenses

Administrative expenses were £nil (2024: £177.7m).

Finance Income and Costs

Net finance income during the year amounted to £1.6m (2024: £6.2m). Total finance income decreased to £1.8m in the year (2024: £7.4m) driven by the level of cash resources on hand held on bank deposit. Finance costs of £0.2m (2024: £1.2m) related to interest on tax whereas the prior year this predominately related to IFRS 16 related interest.

Operating Profit and Profit After Tax

The Company's operating profit before non-recurring operating items was £nil (2024: £99.1m). This year, the Company did not engage in any trading activity, and all income and expenditure are in relation to finalisation of remaining obligations. All expenses or income incurred this year (total of £0.5m) are presented within non-recurring income and expenditure. In the prior year, trading related to a 10-month period to the end of the Third Licence.

Strategic Report (continued)

Non recurring income and expenditure

The separate reporting of non-recurring income and expenditure helps to provide an indication of the Company's underlying trading performance. The Company did not engage in any trading activity this year. All expenses and income incurred this year are therefore presented within non-recurring. The prior year includes trading related to a 10-month period to the end of the Third Licence, and 2 months of no trading activity to 31 March 2024. Non recurring income was £6.5m (2024: £14.2m) and Non-recurring expenditure was £6.0m (2024: £nil).

Taxation

The corporation tax credit of £2.4m for the year (2024: charge of £42.8m) represented an effective tax rate of (115%) (2024: 36%). Further detail is provided in note 10 to the financial statements.

Profit and comprehensive income for the financial year

The Company's profit for the financial year was £4.5m (2024: £76.7m), as disclosed in the Statement of comprehensive income on page 14.

Dividends

Total dividends paid in the year under review were £30.0m (2024: £90.0m).

Financial Position at the Year End

The Balance Sheet reflects the fact that the Company no longer operates The National Lottery. At the end of the Third Licence on 31 January 2024, the Company transferred all lottery assets to Allwyn Entertainment Ltd for nil consideration in line with the requirements of the Third Licence. During the current financial year, the Company has continued to settle its small remaining Third Licence obligations. Total equity was £10.8m as at 31 March 2025 (2024: £36.3m).

The carrying value of property, plant and equipment, right-of-use assets and intangible assets was brought to £nil at the end of 2024, with all assets being fully amortised or depreciated.

Current trade and other receivables decreased to £0.2m (2024: £4.5m). Current trade and other payables decreased to £5.8m (2024: £39.4m), Accruals of £1.9m relate to remaining obligations under the Third Licence. Other payables of £2.6m relate to tax payables to HMRC which have been settled after the balance sheet date and the remaining are related parties. Total provisions have reduced to £nil (2024: £1.4m), reflecting the settlement of all significant player, employee and trade working capital amounts in line with the end of the licence period. Current financial liabilities and borrowings have decreased to £nil (2024: £0.2m) as the remaining portion of lease liabilities was settled in the year.

Strategic Report (continued)

Principal risks and uncertainties

As the Company no longer operates the Third Licence, it is not considered to have significant third-party risks or opportunities in its own right. There are a small number of finance related risks that the Company is exposed to that are discussed in the Directors' Report on page 7.

The Directors do not consider there to be any principal risk or uncertainties that it faces in the future.

On behalf of the Board

Signed by:
Kenneth Morton
50982D5825F244F...

Kenneth Morton
Director

37-39 Clarendon Road, Watford,
England, WD17 1JA
December 2025

Directors' Report

The Directors present their report, together with the audited financial statements of Camelot UK Lotteries Limited (the 'Company'), for the year ended 31 March 2025.

The Company is a private limited company, limited by shares, and is incorporated and domiciled in the United Kingdom. The address of the registered office is: Camelot UK Lotteries Limited, 37-39 Clarendon Road, Watford, England, WD17 1JA.

From the 1 February 2024, Allwyn Entertainment Ltd took over the responsibility of running The National Lottery under The Fourth Licence. The Company's remaining activities include the finalisation of a small number of obligations relating to the Third Licence itself and those under the Cooperation Agreement, a legal document that governed The National Lottery transition.

The Company's performance and outlook are discussed in the Strategic Report set out on pages 3 to 6.

Results and dividends

The results for the year show a profit of £4.5m (2024: £76.7m). Total dividends paid in the year under review were £30.0m (2024: £90.0m). The Company does not recommend payment of a final dividend.

Dividend per share for the year was £29,703 (2024: £89,109). No final dividend was recommended (2024: none).

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

Robert Chvatal
Katarina Kohlmayer
Kenneth Morton
David Harris (resigned 19 April 2024)
Simon Paul Burke (resigned 30 June 2024)
Keith Edward Mills (resigned 30 June 2024)

Directors' indemnities

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 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.

Future developments

As discussed in the Strategic Report on Page 6, on 31 January 2024, the Company ceased to operate The National Lottery under the Third Licence in the UK. This was previously the sole activity of the Company.

Directors' Report (continued)

Research and development

The Company did not spend any funds on research and development in the year (2024: £3.8m).

Donations

During the year, no political donations were made (2024: £nil).

Financial risk management

Given that the Company is no longer operating The National Lottery, it is subject to minimal financial risks, including cash flow risk, in clearing down its Third Licence related obligations. The risk to Cash flow is low due to the level of cash resources in comparison to the remaining liabilities.

Going concern

The Directors have reviewed the obligations and cash flows of the business. They have an expectation that the Company has adequate resources to meet these obligations as they fall due for at least one year from the date of the financial statements being signed. However, as the Company is no longer operating the National Lottery, these financial statements have been prepared on a basis other than going concern. This is consistent with the prior year.

Post balance sheet events

Refer to note 19 to the financial statements for the Events after the end of the reporting period disclosure.

Statement of disclosure of information to auditors

The Directors at the time of approving the Directors' Report are listed in the Directors' Report. In the case of each of the persons who are directors at the time when the Report is approved, having made enquiries of fellow directors and management, the Directors confirm that:

- To the best of their knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- They have taken all the steps a director might reasonably be expected to have taken to be aware of 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.

Statement of directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). In the prior year the financial statements were prepared under the International Financial Reporting Standards ("IFRS").

Directors' Report (continued)

Statement of directors' responsibilities in respect of the financial statements (continued)

Under company law, 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 financial year. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also 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.

On behalf of the board

Signed by:
Kenneth Morton
5090705825F244F...

Kenneth Morton
Director

37-39 Clarendon Road,
Watford,
England,
WD17 1JA
13 March 2026

Independent auditors' report to the members of Camelot UK Lotteries Limited

Report on the audit of the financial statements

Opinion

In our opinion, CAMELOT UK LOTTERIES LIMITED's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); 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:

- the Balance Sheet as at 31 March 2025;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 3 to the financial statements which describes the Directors' reasons why the financial statements have been prepared on a basis other than 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.

Independent auditors' report to the members of Camelot UK Lotteries Limited (continued)

Report on the audit of the financial statements (continued)

Reporting on other information (continued)

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 our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Independent auditors' report to the members of Camelot UK Lotteries Limited (continued)

Responsibilities for the financial statements and the audit (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to legislation related to the wind down of the Third UK National Lottery Licence as agreed with the Gambling Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements.

We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate results and incur costs on behalf of other group entities. Audit procedures performed by the engagement team included:

- Making enquiries of senior management within finance and those outside of finance including consideration of known or suspected instances of non-compliance with laws and regulations or fraud.
- Review of board minutes throughout the year and post year end legal expenses review
- Testing unusual or unexpected journal entries, particularly those that have an unexpected offset to cash

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

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.

Independent auditors' report to the members of Camelot UK Lotteries Limited (continued)

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 obtained 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.

Alex Hookway (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Watford

13 March 2026

**Statement of Comprehensive Income
for the year ended 31 March 2025**

	Note	2025 £m	2024 £m
Gross ticket sales	4	-	6,562.6
Lottery duty		-	(787.6)
Prizes		-	(3,749.8)
National lottery distribution funds		-	(1,441.3)
Net income		-	**583.9**
Retailers' and other commission		-	(214.0)
Gaming systems and data communication credit/(costs)		-	(95.8)
Gross profit		-	274.1
Administrative expenses		-	(177.7)
Other operating income		-	2.7
Operating profit before non-recurring items	5	-	**99.1**
Non-recurring income	6	**6.5**	14.2
Non-recurring expenditure	6	**(6.0)**	-
Operating profit after non-recurring items		**0.5**	**113.3**
Finance income	8	**1.8**	7.4
Finance costs	9	**(0.2)**	(1.2)
Profit before Income tax		**2.1**	**119.5**
Income tax credit/(expense)	10	**2.4**	(42.8)
Total profit and total comprehensive income for the financial year		**4.5**	**76.7**

All of the results above relate to discontinued operations.

The accompanying notes on pages 17-32 form part of the financial statements.

Balance Sheet
as at 31 March 2025

	Note	**2025**	2024
		£m	£m
Current assets			
Trade and other receivables	11	**0.2**	4.5
Current income tax receivable		**-**	0.6
Cash and cash equivalents	12	**16.4**	72.2
Total assets		**16.6**	77.3
Current liabilities			
Financial liabilities	13	**-**	0.2
Trade and other payables	14	**5.8**	39.4
Provisions for liabilities and other charges	15	**-**	1.4
Total liabilities		**5.8**	**41.0**
Net assets		**10.8**	**36.3**
Equity			
Share capital	16	**-**	-
Retained earnings		**10.8**	36.3
Total Shareholders' funds		**10.8**	**36.3**

The accompanying notes on pages 17 to 32 form part of the financial statements.

The financial statements on pages 14 to 32 were approved by the board of Directors on 13 March 2026 and were signed on its behalf by:

Signed by:
Kenneth Morton
50962D5825F244F...

Kenneth Morton
Director

Company registered number: 02822203

Statement of Changes in Equity
for the year ended 31 March 2025

	Share capital	Retained earnings	Total Shareholders' funds
	£m	£m	£m
As at 1 April 2023	-	49.6	49.6
Total comprehensive income for the year	-	76.7	76.7
Dividends paid	-	(90.0)	(90.0)
As at 31 March 2024	**-**	**36.3**	**36.3**

	£m	£m	£m
As at 1 April 2024	-	36.3	36.3
Total comprehensive income for the year	-	4.5	4.5
Dividends paid	-	(30.0)	(30.0)
As at 31 March 2025	**-**	**10.8**	**10.8**

Dividend per share for the year was £29,703 (2024: £89,109).

Notes to the financial statements

1. General information

The Company is a private company limited by shares, incorporated, domiciled and registered in England in the UK. The registered number is 02822203 and the registered address is 37-39 Clarendon Road, Watford, England, WD17 1JA.

2. Material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. In the prior year the financial statements were prepared under the International Financial Reporting Standards (IFRS). The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

As a result of the Third Licence ending on 31 January 2024, all results set out in the Statement of Comprehensive Income are derived from discontinued operations as the Company ceased to trade. The prior year results discloses the final 10 month period trading under the Third Licence and operating expenditure throughout the year. The impact relating to the discontinued operations are presented in note 3.

The Directors had reasonable expectation that the Company has adequate resources to meet its obligations as they fall due for at least one year following the signing of these financial statements.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - -10(d) (statement of cash flows);
  - -16 (statement of compliance with all IFRS);
  - -38A (requirement for minimum of two primary statements, including cash flow statements);
  - -38B-D (additional comparative information);
  - -111 (statement of cash flows information); and
  - -134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

Notes to the financial statements (continued)

2. Significant accounting policies (continued)

New standards, amendments, IFRIC interpretations and new relevant disclosure requirements

There are no new standards which the Company early adopted. There are also no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2025 that have a material impact on the Company's financial statements.

Critical accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities which are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The Directors have concluded that no critical estimates and judgements applied this year.

a. Non-recurring items

Where significant expenses or income are incurred that are unusual in nature or size or where their adjustment may help with comparisons to prior periods, these are disclosed separately as non-recurring income or expenditure in the Statement of Comprehensive Income. These items include: fourth licence related bid and litigation costs and significant one-off items related to the end of the licence.

The Company did not engage in any trading activity this year. All expenses and income incurred this year are presented within non-recurring. The prior year included trading related to a 10-month period to the end of the Third Licence, and 2 months of no trading activity to 31 March 2024.

b. Finance income and Finance costs

Interest income and interest payable are recognised in the Statement of comprehensive income as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Notes to the financial statements *(continued)*

Significant accounting policies *(continued)*

c. Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for expected credit loss. Trade and other receivables are considered credit impaired when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

d. Trade and other payables

Trade payables and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

e. Financial instruments

Exposure to credit, interest rate, currency and liquidity risks that arise in the normal course of the Company's business are minimised by the Company's policies and controls. The following policies for financial instruments have been applied in the preparation of the Company's financial statements:

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand, short-term deposits with an original maturity period of three months or less.

f. 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, as detailed below.

In the prior year, provisions were made for the Company's long-term incentive plans (a bonus scheme for senior management and a retention scheme for critical staff) (LTIP) in line with the legal obligation to incur this cost.

Other provisions primarily relate to dilapidation provisions being the best estimate of the cost of bringing certain premises back to their original state as required by lease agreements, severance costs and future legal costs where there is a present legal or constructive obligation to incur this cost. Provisions are discounted when the effect of the time value of money is material.

Notes to the financial statements *(continued)*

Significant accounting policies *(continued)*

g. Income tax credit / (expense)

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous financial years.

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. Deferred tax is not recognised on permanent differences arising when:

- certain types of income or expense are non-taxable or are disallowable for tax; or
- certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

h. Share capital and dividends

Ordinary shares, ordinary preference shares and ordinary redeemable shares are shown as equity. Final dividends to the Company's shareholders are recognised when the dividend is approved by the Company's shareholder and, for an interim dividend, when the dividend is paid.

Notes to the financial statements *(continued)*

Significant accounting policies *(continued)*

i. Non-GAAP Reconciliation

The following non-GAAP measures are used in the Annual Report and Accounts, and are reconciled to the Statement of Comprehensive Income ('SOCI') as follows:

	2025	2024
	£m	£m
Returns to or Amounts generated for Good Causes		
National Lottery Distribution Fund per the SOCI	-	1,441.3
plus unclaimed prizes that would have been previously recognised within Prizes	-	57.6
Returns to or Amounts generated for Good Causes	-	1,498.9
Returns to Society		
Amounts generated for Good Causes as above	-	1,498.9
plus Lottery Duty per the SOCI	-	787.6
Returns to Society	-	2,286.5
Returns to winners and society		
National Lottery Distribution Fund per the SOCI	-	1,441.3
plus Lottery Duty per the SOCI	-	787.6
plus retailer commission included in Retailers' and other commission in the SOCI	-	203.3
plus Prizes per the SOCI	-	3,749.8
Returns to winners and society	-	6,182.0
Percentage of gross ticket sales	-	94%
The percentage of total revenue spent on Operating costs is calculated as follows		
Gaming Systems and data communication costs per the SOCI	-	95.8
plus Administrative expenses per the SOCI	-	177.7
less Other operating income per the SOCI	-	(2.7)
Operating costs	-	270.8
Percentage of gross ticket sales		4%
Total Funds payable to Good Causes during the year as published on the Gambling Commission's website consists of:		
Returns to or Amounts generated for Good Causes as above	-	1,498.9
less Amounts received from the NLDF in respect of marketing	-	(70.5)
less Other adjustments under the licence	-	(0.3)
less Adjustment to recognise the amount below on a cash rather than accruals basis	-	(24.3)
Total Funds payable to Good Causes during the year as published on the Gambling Commission's website	-	1,403.8

Notes to the financial statements (continued)

3. Discontinued operations

The Statement of Comprehensive Income is presented as discontinued operations as the Company ceased to trade. The previous year's trading results are for the final 10 month period to the end of the licence and operating expenditure throughout the year, all exclusively as a direct result of the Company acting as the Third Licence Licensee.

The Company has continued to adopt a basis other than going concern. This was first adopted in the previous year, and in doing so, the following was carried out and reflected in the financial statements:

- Non-current assets and non-current liabilities were reclassified to current with the exception of fixed assets which had a useful economic life to the Company which is coterminous with the end of the licence in the prior year;
- Consideration was given to the recoverable value of assets. After conducting the usual annual impairment testing, a non-significant number of fixed assets (all of which had a nil net book value) have been written off. No additional impairment linked to the basis of preparation was deemed to be necessary, resulting in the carrying value of all asset values being stated as if the going concern basis had been adopted; and
- Liabilities which have arisen as a result of the cessation of trade had been fully provided for. Given the obligations associated with the end of the licence are contractual and have been in place during the Third Licence, change in basis did not cause any additional liabilities to be recorded.

At the end of the third licence on the 31 January 2024, intangible assets and, property, plant and equipment asset were disposed in the Company and the majority were transferred to Allwyn Entertainment Ltd as the incoming operator of the National Lottery for the fourth licence.

4. Gross ticket sales

Gross ticket sales by type of game are analysed as follows:

	2025	2024
	£m	£m
Draw-based games	-	3,817.7
Scratchcards and interactive Instant Win Games	-	2,744.9
	-	6,562.6

Notes to the financial statements (continued)

5. Operating profit before non-recurring items

Operating profit is stated after (charging)/crediting the following items:

	2025 £m	2024 £m
Other operating income	-	(2.7)
Marketing expenses	-	69.9
Research	-	3.8
Amortisation on intangible assets	-	20.7
Depreciation on property, plant and equipment	-	0.6
Depreciation on right-of-use assets	-	7.6
Fees payable to the Company's auditors and its associates for the audit of financial statements*	-	0.8

*This year it is presented within non-recurring items in note 6.

6. Non-recurring income and expenditure

	2025 £m	2024 £m
Non-recurring income	**6.5**	14.2
Non-recurring expenditure	**(6.0)**	-
	0.5	14.2

The Company did not engage in any trading activity this year and all income and expenditure are in relation to finalisation of remaining obligations. All expenses and income incurred this year are presented within non-recurring income and expenditure. The prior year includes trading related to a 10-month period to the end of the Third Licence, and 2 months of no trading activity to 31 March 2024. Given the absence of trading activity this year, a detailed table comparative has not been presented, as it would not provide meaningful comparative information.

This year, Non-recurring income is £6.5m, £0.7m relates to release of provisions and the remainder predominately relates to the release of trade and other payables which were previously accrued but have been settled for amounts lower than anticipated.

This year, Non- recurring expenditure is £6.0m, £2.1m relates to HMRC, £0.3m to external audit fees, £1.6m to dilapidations and £2.0m is the amounts related to finalisation of remaining obligations. Non-recurring expenditure includes £0.3m of fees payable to the Company's external auditors, £0.1m relates to this year's financial statements. In the prior year, fees payable to the Company's external auditors were £0.8m and were presented within administrative expenses.

In the prior year, the total non-recurring income was £14.2m. Fourth Licence bid and litigation costs are costs the Company incurred directly related to Camelot's Fourth Licence bid activity incurred up until the date that the fourth licence Enabling Agreement was signed between Allwyn Entertainment Ltd and the Gambling Commission in September 2022. This also includes the Company's costs of litigation and settlement relating to the Fourth Licence bid challenge. This was £0.4m in the prior year. Unused decommissioning provision amounts relate to unused provisions for decommissioning of primarily terminals and related infrastructure at the end of the licence. This was £13.8m in the prior year.

Administrative expenses prior to adjusting for non-recurring items is a credit of £0.5m (2024: cost of £163.5m).

Notes to the financial statements (continued)

7. Employee numbers and costs

The Company ceased to have any employees following 31 January 2024 (at which time the employment of the majority of its staff transferred to Allwyn Entertainment Ltd by virtue of Transfer of Undertakings (Protection of Employment) Regulations 2006 ('TUPE') – and the Company retained no employees from 1 February 2024 onwards.

	2025	2024
	£m	£m
Employee expenses		
Wages and Salaries	-	61.8
Social security costs	-	6.8
Other pension costs	-	3.1
	-	71.7

	2025	2024
	Number	number
Monthly average number of employees		
Retailer and consumer services	-	131
Sales and marketing	-	537
Information technology	-	167
Finance, administration and other	-	136
	-	971

Notes to the financial statements (continued)

7. Employee numbers and costs (continued)

Employee numbers and costs included some employees who performed, or partly performed, services for a fellow Group company. An agreed cost recharge structure for these costs was in place.

	2025	2024
	£m	£m
Directors' emoluments		
Salaries and short-term employee benefits	**0.1**	2.9
Long-term incentive plans	**-**	0.5
Other pension costs	**-**	0.1
	0.1	3.5

	2025	2024
	£m	£m
Highest-paid Director's emoluments		
Salaries and short-term employee benefits	**0.1**	1.2
Long-term incentive plans	**-**	0.3
Other pension costs	**-**	0.1
	0.1	1.6

At 31 March 2024, the Board comprised five members: the Chair (Sir Keith Mills GBE DL), one additional independent non-executive director and three shareholder-nominated non-executive directors. This year, Sir Keith Mills was the highest paid director receiving £0.1m for his services for the Company.

In the prior year, Clare Swindell was the highest paid director, receiving £1.6m for her services as director from the Company. Clare was appointed Co-Chief Executive Officer in February 2023. She resigned from the Board on 1 February 2024.

At the end of the financial year, no directors (2024: none) were members of the Group money purchase pension scheme.

The remaining Directors who served in the year were not paid any fee for their services and they were remunerated by other Group Companies.

Long Term Incentive Plans have been in place since 2009 and ran through to 2024. Both short term and long term incentive plans followed industry best practice with stretching targets and measurable performance.

Notes to the financial statements (continued)

8. Finance income

	2025 £m	2024 £m
Interest receivable from bank deposits	**1.4**	7.4
Other interest receivable	**0.4**	-
Total finance income	**1.8**	7.4

9. Finance costs

	2025 £m	2024 £m
Other interest payable	**0.2**	0.3
Interest payable on leases	**-**	0.9
Total finance costs	**0.2**	1.2

Interest payable on leases relates to £nil interest on leases brought on to the Balance Sheet due to IFRS 16 (2024: £0.9m).

10. Income tax (credit) / expense

Total tax credit recognised in the Statement of comprehensive income:

	2025 £m	2024 £m
Current tax		
Current taxation expense for the year	**0.5**	24.7
Adjustments in respect of prior years	**(2.9)**	(0.2)
Total current tax (credit) / expense	**(2.4)**	24.5
Deferred tax		
Deferred taxation credit for the year	**0.1**	15.6
Adjustment in respect of prior years	**(0.1)**	2.7
Total deferred tax	**-**	18.3
Total income tax (credit) / expense	**(2.4)**	42.8

The rate of UK corporation tax reflected in these financial statements is 25% (2024: 25%). There is no deferred tax asset or liability at the year end (2024: £nil).

Notes to the financial statements (continued)

10. Income tax (credit) / expense (continued)

Reconciliation of tax expense
The tax credit assessed for the financial year is higher than the standard rate of corporation tax in the UK of 25%. The differences are explained below:

	2025 £m	2024 £m
Profit before income tax	**2.1**	119.5
Tax credit using the UK corporation tax rate of 25% (2024: 25%)	**0.5**	29.9
Permanent adjustments	**-**	10.4
Adjustment in respect of prior years	**(2.9)**	2.5
Total tax (credit) / charge on profit	**(2.4)**	42.8

The adjustment in respect of the prior years, relates to a tax refund from HMRC on overpaid tax and the settlement of group relief.

Factors that may affect future tax charges:
The main UK corporation tax rate is 25% for the financial year beginning 1 April 2025. A smaller profits rate of 19% applies to companies with profits under £50,000, with a marginal relief tapering the rate between £50,000 and £250,000. The UK government's stated position is that there is no intention to change the rate in the immediate future, however, all tax rates are subject to review and potential alteration during the annual UK budget process.

Notes to the financial statements (continued)

11. Trade and other receivables

	2025	2024
	£m	£m
Trade receivables	**-**	0.7
Other receivables	**-**	3.3
Prepayments	**0.2**	0.5
	0.2	4.5

Other receivables in the prior year included amounts due in respect of the end of licence and finalising gaming balances between the Company and the incoming operator, Allwyn Entertainment Ltd.

12. Cash and cash equivalents

Cash at bank and in hand comprise the Company's bank accounts and short-term deposits.

	2025	2024
	£m	£m
Cash at bank and in hand	**5.3**	-
Short-term bank deposits	**11.1**	72.2
	16.4	72.2

Notes to the financial statements (continued)

13. Financial liabilities

	2025 £m	2024 £m
Lease liabilities	-	0.2
	-	0.2

The movement in the balance is shown below:

	Properties	Plant and equipment and motor vehicles	Total
	£m	£m	£m
The Statement of Financial Position includes the following amounts related to leases:			
At 1 April 2023	3.4	6.6	10.0
Non-cash movements			
Disposals	(0.5)	-	(0.5)
Interest expense related to lease liabilities	0.2	0.7	0.9
Cash movements			
Repayment of lease liabilities (including interest)	(2.9)	(7.3)	(10.2)
At 31 March 2024	**0.2**	**-**	**0.2**

	Properties	Plant and equipment and motor vehicles	Total
	£m	£m	£m
The Statement of Financial Position includes the following amounts related to leases:			
At 1 April 2024	0.2	-	0.2
Cash movements			
Repayment of lease liabilities (including interest)	(0.2)	-	(0.2)
At 31 March 2025	**-**	**-**	**-**

The total cash outflow for leases in 2025 was £0.2m (2024: £10.2m). The company has no leases at 31 March 2025 (remaining lease on the distribution centre as at 31 March 2024).

Disposals in the prior year related to a term reduction of the Watford Avalon building and the exit of Brett House.

Notes to the financial statements (continued)

14. Trade and other payables

	2025 £m	2024 £m
Amounts payable to the NLDF	-	16.7
Accruals	1.9	12.4
Other payables	2.6	1.4
Trade payables	-	2.1
Amounts due to related parties	1.3	6.8
	5.8	39.4

Accruals £1.9m relate to remaining obligations under the Third Licence. Other payables of £2.6m relate to HMRC which have been settled after the balance sheet date. Amounts due to related parties are unsecured, interest-free and repayable on demand.

Amounts payable to the NLDF in the prior year related only to the annually calculated amounts due in accordance with the licence.

Other payables in the prior year includes £1.2m related to group taxation relief payable to former related parties and retailer bonds of £0.2m due to Retailers.

15. Provisions for liabilities and other charges

	Terminal and data communication related £m	Long-term incentive plan £m	Other £m	Total £m
At 1 April 2023	13.8	7.6	6.9	28.3
Charge to statement of Comprehensive income	-	5.4	1.1	6.5
Additions	0.6	-	-	0.6
Released	(13.8)	(0.5)	(4.4)	(18.7)
Utilised in the year	(0.6)	(12.5)	(2.2)	(15.3)
At 31 March 2024	**-**	**-**	**1.4**	**1.4**

Notes to the financial statements (continued)

15. Provisions for liabilities and other charges (continued)

	Terminal and data communication related	Long-term incentive plan	Other	Total
	£m	£m	£m	£m
At 1 April 2024	-	-	1.4	1.4
Charge to statement of Comprehensive income	-	-	-	-
Released			(0.7)	(0.7)
Utilised in the year	-	-	(0.7)	(0.7)
At 31 March 2025	-	-	-	-

Other provisions primarily relate to dilapidation provisions being the best estimate of the cost of bringing certain premises back to their original state as required by lease agreements, severance costs and future legal costs where there is a present legal or constructive obligation to incur this cost.

Notes to the financial statements (continued)

16. Called up share capital

	2025	2025	2024	2024
	Number	**£**	Number	£
Allotted, called up and fully paid				
Ordinary shares of £1	**1,000**	**1,000**	1,000	1,000
Preference 'C' shares of £1 each	**10**	**10**	10	10
	1,010	**1,010**	1,010	1,010

Allwyn UK Holding B Ltd is the 100% holder of the 1,000 'A' shares and 10 'C' shares, and was consistent throughout the year under review. The registered office address of Allwyn UK Holding B Ltd is 4th Floor 3 Dering Street, London, United Kingdom, W1S 1AA.

17. Commitments and contingencies

In the course of doing business as a regulated entity, including to a lesser extent the period following the end of the third licence term, the risk could arise of potential legal or regulatory non-compliance action against the Company. Where deemed necessary, the Company obtained advice and made financial provisions as appropriate.

18. Ultimate parent company and parent company of larger group

The Company is an immediate subsidiary undertaking of Allwyn UK Holding B Ltd, incorporated in the United Kingdom, registered number 13849924.

The largest group of undertakings in which the results of the Company are consolidated is that headed by KKCG Group AG, whose registered office address is Kapellgasse 21, 6004 Luzern, Switzerland. The consolidated financial statements of this group are not available to the public.

The smallest group in which the results of the Company are consolidated is that headed by Allwyn International AG, whose registered office address is Mühlenplatz 9, Luzern, 6004, Switzerland.

Allwyn International AG is controlled by KKCG Group AG, whose ultimate controlling entity pursuant to IFRS is the Valea Foundation (registered in Liechtenstein). The designated beneficiary of the Valea Foundation is Mr. Karel Komarek.

The consolidated financial statements of Allwyn International AG are publicly available at www.allwyn.com.

19. Events after the end of the reporting period

Subsequent to the Balance Sheet date, Allwyn Entertainment Ltd returned £0.8m to the Company representing the return of an overpayment of a Continuing Obligation.