



CAMELOT



As the operator of The National Lottery, we are a company like no other – a commercial organisation that raises billions of pounds every year for the public good

With total sales growing in 2022/23 to their second highest on record, almost 400 new millionaires created and the best-ever returns to Good Causes from ticket sales, The National Lottery is continuing to deliver for people, projects and communities across the UK in what are very challenging times.





CONTENTS

Our Year In Numbers 6 / About Us 10 /
Chair's Statement 18 / Co-Chief
Executive Officers' Review 22 / Our Games,
Channels and The National Lottery Brand 28 /
Our Winners 46 / National Lottery Good
Causes 60 / Doing Business Responsibly 96 /
Our People 122 / Reports and Financial
Statements: Strategic Report 146 /
Directors' Report 162 / Report on Corporate
Governance 170 / Independent Auditors'
Report 182 / Statutory Financial Statements
for the Year Ended 31 March 2023: Statement
of Comprehensive Income 190 / Balance
Sheet 191 / Statement of Changes in Equity
192 / Statement of Cash Flows 193 / Notes
to the Financial Statements 194



6,800

The number of millionaires or multi-millionaires that The National Lottery has now created

OUR YEAR IN NUMBERS

The National Lottery isn't just about picking the winning numbers – there are lots of other numbers that demonstrated our success during the year.

£8.1B

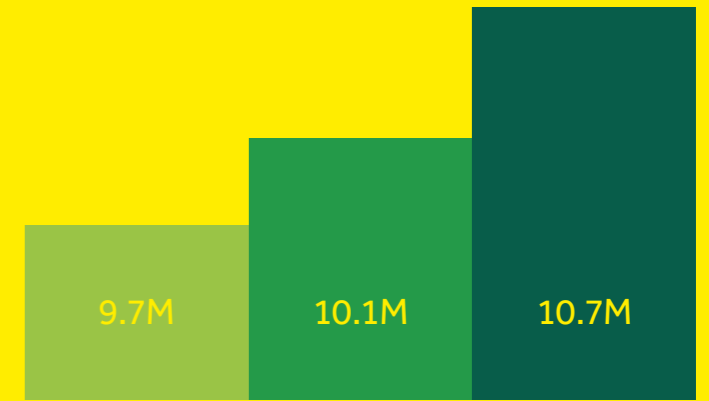
Our performance over the year saw us achieve the second highest annual sales since The National Lottery's launch

£1.8B

The amount we generated for Good Causes during the year – the equivalent of £36 million every single week

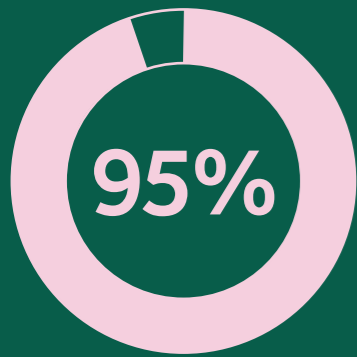
£90B

The amount of prize money that The National Lottery has awarded to players to date



2020/21 2021/22 2022/23

With 10.7 million active registered players, national-lottery.co.uk is one of the leading e-commerce sites in the UK



The percentage of all revenue that The National Lottery returns to winners and society – clear evidence that it is delivering for everyone in the UK

£47B

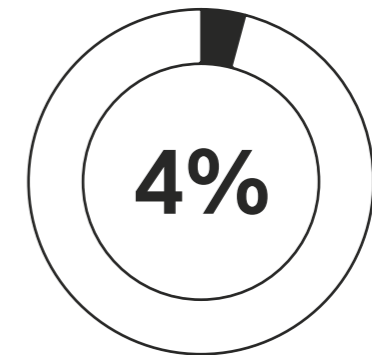
The amount The National Lottery has raised for Good Causes since its launch in 1994

£7.7B

The amount of sales commission earned by our retail partners since 1994

43,000

With around 43,000 retail partners across the UK – and 94% of the UK adult population living or working within one mile of a National Lottery terminal – we're ensuring that The National Lottery is convenient to play



The percentage of total revenue we spend on operating costs, making us a highly cost-efficient operator

67%

The proportion of UK adults who played The National Lottery at least once last year – almost 36 million people – underlining the huge popularity and reach of the brand

670,000

The number of individual Good Cause projects that have now received National Lottery funding – the equivalent of 240 grants in every postcode district



20%

One in five UK adults played The National Lottery online during the year

382

The number of millionaires created in 2022/23, equivalent to more than one a day

66th

We're recognised for selling National Lottery tickets in a socially responsible way – The National Lottery is ranked just 66th in the world in terms of per capita spend, despite being the seventh largest lottery in the world in terms of sales

(Source: La Fleur's World Lottery Almanac 2023)

£4.6B

The amount of prize money awarded to players during the year – the second highest- ever amount awarded

£982M

The amount of Lottery Duty that was paid to the Treasury in 2022/23



The amount of revenue our shareholder retains in profit after tax

£20.4B

The amount of Lottery Duty that The National Lottery has now generated for the Treasury – money that has helped to fund public expenditure across the UK

ABOUT US



We're responsible for operating The National Lottery – one of the UK's most well-known and life-changing brands.

Whether it's the work we do with the wider National Lottery family to highlight the amazing difference that National Lottery players make every single week for Good Causes, the comprehensive after-care programme we have in place for our major prize-winners, our reputation for selling National Lottery tickets in a socially responsible way or the wide-ranging support we offer our employees, we've consistently delivered for the nation.

OUR MISSION

Our mission is to change lives – not only the lives of National Lottery winners who have scooped life-changing prizes, but the lives of millions of people who benefit from the £30 million-plus in Good Causes funding that National Lottery players raise every week.

We look to do this by continuing to prioritise long-term, responsible growth by:

- building a brand that encourages lots of people to play but to individually only spend small amounts;
- designing a range of games that offers something for everybody;
- making our games accessible so that people can play anytime, anywhere, on any device;
- getting to know our players to help us understand how they play; and
- clearly communicating the uniqueness of The National Lottery and the extraordinary good that it does.



WHAT WE DO

Our overarching objective is to maximise returns to Good Causes through selling National Lottery products in an efficient and socially responsible way.

This involves creating, marketing and promoting new games; developing and running The National Lottery's infrastructure; providing services for players and winners; and working in partnership with around 43,000 retailers. As a private company, we also have responsibilities to our shareholder, the Allwyn group, which acquired Camelot from Ontario Teachers' Pension Plan in February 2023.



43,000

We work in partnership with around 43,000 retailers across the UK

OUR APPROACH

We've always believed that the key to The National Lottery's long-term health – and therefore the money it raises for Good Causes – is to give players a positive and enjoyable experience within a safe environment, with lots of people playing but each spending relatively small amounts.

We therefore look to attract the broadest possible player base by developing a balanced and appealing portfolio of games that offers something for everyone; making those games as attractive and as generous as possible to players in order to maintain their appeal in what has become a highly competitive market; innovating to meet changing consumer preferences and shopping habits; and building a strong and healthy brand that better connects The National Lottery's unique purpose with play.

The effectiveness of this approach is underlined by the huge popularity and reach of The National Lottery: two-thirds of UK adults – almost 36 million people – played National Lottery games at least once last year, with the demographics of play closely mirroring the demographics of the UK population as a whole. But despite being the seventh largest lottery in the world in terms of sales, The National Lottery is ranked just 66th in the world in terms of per capita spend, highlighting the success of our work to have lots of people playing a little. (Source: *La Fleur's World Lottery Almanac 2023*)

We've now grown total National Lottery sales by 59% over the course of the third National Lottery licence period, with annual returns to Good Causes now £500 million higher than they were at the start of the licence in 2009. With the majority of National Lottery grants being for £10,000 or less, that's enough money to fund 50,000 new projects – initiatives that could make a real difference to the lives of people and communities across the UK.

Over the same period, annual payments in Lottery Duty to the Treasury are now £364 million higher, while annual prize money awarded to players is more than £2 billion higher.

As a result, The National Lottery continues to return around 95% of all sales revenue to winners and society – clear evidence that it is delivering for everyone in the UK.

With our licence to operate The National Lottery running until February 2024 – and at a time when people, projects and communities continue to rely on the support of The National Lottery – we're determined to continue to deliver for Good Causes in a safe and socially responsible way to ensure that The National Lottery enters the next licence period in great shape. We're also working closely with colleagues at incoming operator – Allwyn UK – on its transition plans.

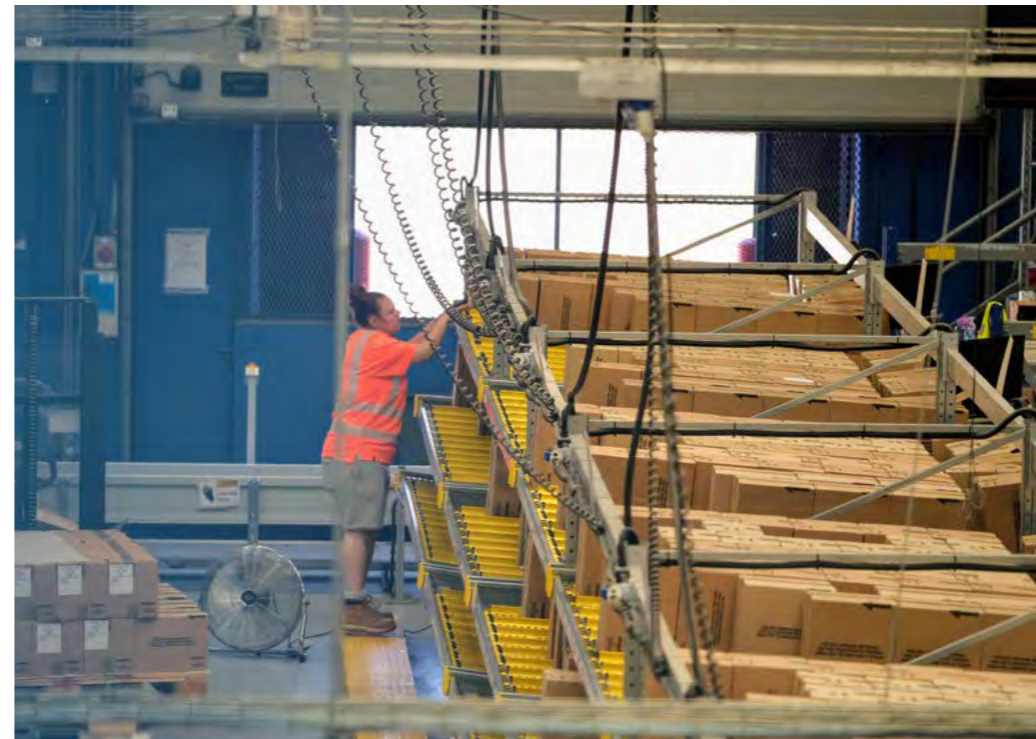
We're determined to continue to deliver for Good Causes in a safe and socially responsible way to ensure that The National Lottery enters the next licence period in great shape



THE NATIONAL LOTTERY FAMILY

As the operator, our role is critical to The National Lottery's ongoing success. But we couldn't deliver over £30 million each and every week to Good Causes without working in close partnership with a number of other bodies, each of which plays a key role as part of the National Lottery family:

- **Parliament**, through The National Lottery Act etc. 1993 (as amended), governs the operation and regulation of The National Lottery, and sets out National Lottery policy, including which Good Cause areas will benefit from National Lottery money and the funding levels for each. The Department for Culture, Media & Sport (DCMS) is the government department responsible for The National Lottery.
- **The Gambling Commission** (formerly the National Lottery Commission) is sponsored by DCMS, and is responsible for licensing and regulating The National Lottery. Its duties are to preserve the integrity of The National Lottery, protect players and maximise returns to Good Causes.
- **Ontario Teachers' Pension Plan (OTPP)**, which owned Camelot from 2010 to 2023, and the **Allwyn group**, which acquired Camelot from OTPP in February 2023. Allwyn is a leading multi-national lottery operator, and is committed to the successful delivery of The National Lottery and returns to Good Causes over this year and the next decade.
- **12 National Lottery distribution bodies**, each with specialist knowledge of their sectors, which decide which beneficiaries should receive National Lottery funding. All of the distribution bodies operate at arm's length from government and Camelot, and follow strict guidelines when deciding which applications for funding will be successful.
- **The National Lottery Promotions Unit** is a joint venture between the distribution bodies, Camelot and DCMS, and is responsible for promoting positive public awareness of National Lottery funding and the projects it supports.
- **Around 43,000 retailers** throughout the UK, ranging from small corner shops and newsagents – with independent outlets making up the majority of our retail footprint.



OUR LOCATIONS

We've been proud to call Watford our home since 1994 – with the majority of our 1,000 employees working from our head office in Watford, Hertfordshire.

We also have a prize payout and IT operations centre in Liverpool, a national distribution centre in Northampton and a corporate affairs department in London, while our Retail Sales Executives and Winners' Advisors are based throughout the UK.

CHAIR'S STATEMENT

While I've only been Chair of Camelot since February 2023 – as a result of the company being acquired by the Allwyn group – I'm pleased to be able to report that National Lottery sales in 2022/23 hit the second highest annual sales total since The National Lottery's launch, coming in at £8.19 billion.



Crucially, this meant that returns to Good Causes from ticket sales alone hit an all-time high of £1,807.0 million during the year. Including unclaimed prizes, a total of £1,877.3 million – or an average of £36 million every single week – was generated for Good Causes over the period.

This takes the total raised for National Lottery projects since 1994 to more than £47 billion, with more than 670,000 individual grants having been made across the UK – the equivalent of around 240 lottery grants in every UK postcode district. This means that the vast majority of people have benefited from National Lottery funding in some way, shape or form.

In the last 20 years, I have spent a lot of my time around sport. Bidding for and then organising the London 2012 Olympic and Paralympic Games, as well as organising the Invictus Games and the British America's Cup team, have all given me a real insight into the power of sport to change lives. At a personal level, I have also set up a number of sport-related charities – so I know first-hand the incredible difference that National Lottery funding has made to sport, both at elite and grassroots levels, over the last 29 years.

During the year, this was brought to life with Birmingham hosting the Commonwealth Games, the largest multi-sport event to be held in England in a decade. The hugely successful Games were supported by over £40 million in National Lottery funding and featured thousands of world-class athletes, bringing in over 1.5 million spectators.

But perhaps even more powerful than that is the difference National Lottery funding makes to communities. Most of us are fully aware of the world-class arts, sports and heritage projects that have been made possible thanks to National Lottery players. However, with 70% of National Lottery grants being for £10,000 or less, it is giving small, grassroots community projects a real boost at a time when other sources of funding are being, or face being, cut.

This funding has been vital during the ongoing cost of living crisis – with an initial £75 million in funding being made available by The National Lottery Community Fund – and many existing National Lottery funding programmes being adapted or tailored to support those most affected by the soaring cost of essentials, such as food, housing and energy.

But there were most definitely moments to celebrate in 2022/23 too. Communities across the UK came together over the Platinum Jubilee weekend in June to celebrate the late Queen's 70-year reign – with The Big Jubilee Lunch bringing millions of people together to enjoy food, drinks and togetherness with their friends, family and neighbours.

On behalf of the Board, I would like to thank the National Lottery distribution bodies, Camelot's 43,000 retail partners and, most importantly of all, National Lottery players for the vital roles that they continue to play in this remarkable UK-wide success story.



£4.5 million in funding was awarded to community projects through The Platinum Jubilee Fund

Blondel Cluff CBE (right), Chair of The National Lottery Community Fund, joined Intra Arts, a group awarded £50,000 to bring people together for the Platinum Jubilee

CHAIR'S STATEMENT (CONTINUED)

Since being appointed Chair, I've been very impressed by the professionalism and dedication of Camelot colleagues. I'm in no doubt that everyone at Camelot remains totally committed to ensuring this fantastic legacy continues – with more exciting plans lined up for the year ahead to ensure that The National Lottery remains front of mind and brings people together at key national moments.

At the same time, I know how determined they are to continue delivering The National Lottery in a safe way, and supporting Allwyn UK on its transition plans to the fourth licence, from 1 February 2024.

Both Camelot and Allwyn UK colleagues are fully aware of the transformational effect that The National Lottery has had on the UK and of the huge responsibility that comes with being custodians of this national treasure. And this effect is felt far beyond the Good Causes it supports.

With millions of winners every week across its range of games – including an average of more than one new millionaire a day in 2022/23 – The National Lottery has now awarded over £90 billion in prize money and created more than 6,800 millionaires.

In addition, it has delivered £20.4 billion in Lottery Duty for the Treasury – money that has helped to fund public expenditure across the UK – and seen its 43,000 retail partners, many of which are small, independent shops, earn more than £7.7 billion in commission since 1994.

I am also particularly pleased to report that Camelot's strong performance over the year has again been underpinned by its commitment to selling National Lottery products in a socially responsible way. I know from discussions that I've had with colleagues that the company's strategy has always been to encourage lots of people to play a little – and the fact that The National Lottery is ranked just 66th in the world in terms of per capita spend, despite being the seventh largest lottery in the world by sales, underlines the effectiveness of its approach in this area.

In February 2023, a number of changes were made to Camelot's Board as a result of the company's acquisition by the Allwyn group. Board members who served in 2022/23 but who stepped down ahead of 31 March 2023 were: Sir Hugh Robertson KCMG PC DL (Chairman); Robert Walker (Deputy Chairman & Senior Independent Director); Nigel Railton (Executive Director); Jane Rowe and Nick Jansa (Shareholder-Nominated Non-Executive Directors); David Kelly and Gill Whitehead (Independent Non-Executive Directors); and Rob Rowley (Independent Non-Executive Director and Chair of the Audit, Risk and Security Committee).

In their place, we welcomed to the Board Lord Sebastian Coe (Independent Non-Executive Director); Amanda Horton-Mastin (Independent Non-Executive Director); Robert Chvátal (Shareholder-Nominated Non-Executive Director); Katarína Kohlmayer (Shareholder-Nominated Non-Executive Director); Kenneth Morton (Shareholder-Nominated Non-Executive Director); as well as Neil Brocklehurst (our new Co-Chief Executive Officer along with Clare Swindell). They all bring a wealth of knowledge, business acumen and experience, which will greatly benefit the work of the Board and add value to the business.

My sincere thanks must go to all of the outgoing Board members, who did an excellent job for Camelot over recent years. I must also recognise Camelot's outgoing shareholder, Ontario Teachers' Pension Plan, for its support and stewardship of the company's successful operation of The National Lottery from 2010 until February this year.

Next year, Allwyn UK, working closely with Camelot, will start operating The National Lottery under the fourth licence. The Allwyn group – which already operates a number of European lotteries – shares a passion to protect, improve and grow The National Lottery, and preserve the enormous good that it does across the UK. By owning both Camelot and Allwyn UK, it will enable the smooth transition from the third to the fourth licence – enabling the successful delivery of The National Lottery both in 2023 and 2024, and for the next decade.

Finally, on behalf of the Board, I would like to thank the company's Co-Chief Executive Officers, Clare Swindell and Neil Brocklehurst. Clare and Neil have also only been in post since February – having previously been Camelot's Chief Financial Officer and Commercial Director respectively – and they're doing a fantastic job of leading Camelot and its employees through this period of change, and at a time when consumer spending is under enormous pressure.

I'm also extremely grateful to Camelot's management team and all employees for the commitment, professionalism and hard work that has underpinned this year's performance. I look forward to working with them all, as well as my Board colleagues, in the coming year to build on this year's achievements and ensure that The National Lottery continues to deliver for people, projects and communities across the UK.



Sir Keith Mills GBE DL
Chair (Independent)
22 June 2023



£40M

Birmingham hosted the Commonwealth Games, the largest multi-sport event to be held in England in a decade – supported by over £40 million in National Lottery funding and featured thousands of world-class athletes, bringing in over 1.5 million spectators

CO-CHIEF EXECUTIVE OFFICERS' REVIEW

We're delighted to report that, even in a challenging external environment in which consumer spending is coming under increased pressure, we succeeded in growing total National Lottery sales for the 2022/23 financial year (1 April 2022 to 31 March 2023) by £99.6 million to £8,190.3 million – the second highest annual sales total since The National Lottery's launch. As a result of this strong performance, returns to Good Causes from ticket sales alone hit an all-time high of £1,807.0 million, £6.2 million higher than last year.

It's not just the external backdrop that's been challenging. For us – and everyone at Camelot – it's been a time of change too. We were appointed Co-Chief Executive Officers in February this year, following our acquisition by the Allwyn group, to lead Camelot through its final year of operating The National Lottery – ahead of Allwyn UK taking over operations from 1 February 2024.

While we were very sorry to say goodbye to our predecessor, Nigel Railton, we were delighted to take up the post on behalf of all of our Camelot colleagues. We remain wholly committed to bringing continuity for them, as well as keeping up the momentum of the results we've delivered over the past few years. All of us at Camelot are driven by building on this performance because we know the vital difference National Lottery funding makes.

At the same time, we are continuing to support Allwyn UK on its transition plans to the fourth licence. It's an exciting time for The National Lottery and, now that we're part of the Allwyn group, it's been hugely beneficial to get to know the group's aims and ambitions. It's also helped us really bring to life to both Camelot and Allwyn UK colleagues our shared goal of ensuring The National Lottery continues to deliver for the nation – all in a safe and responsible way.

To have achieved National Lottery sales of over £8 billion in 2022/23 makes us all very proud. When you include unclaimed prizes – which are passed to Good Causes after 180 days – a total of £1,877.3 million, or an average of £36 million every week, was generated for Good Causes over the period. This takes the total raised for National Lottery projects since 1994 to more than £47 billion.

Our performance over the year also meant that £3.1 billion was once again generated for society through Good Causes, Lottery Duty – which was almost £1 billion in 2022/23 – and retailer

commission. With consumers facing significant inflationary pressure, these strong results show that The National Lottery is continuing to deliver for people, projects and communities across the UK.

And all of this continues to be done in an efficient and socially responsible way, with lots of people playing a little – almost 36 million people played National Lottery games over the period, with average weekly spend across all games and channels slightly lower than last year. The UK National Lottery is now the seventh largest lottery in the world by sales, but is ranked just 66th in the world in terms of per capita spend – underlining the ongoing effectiveness of our strategy to encourage lots of people to play but to only spend relatively small amounts.

The National Lottery also continued to transform the lives of players in 2022/23, awarding £4,694.0 million in prize money to players – up £81.7 million and the second highest-ever amount awarded – and creating 382 new millionaires, equivalent to more than one a day.

These included five EuroMillions jackpots that were scooped in the UK – with a trio of very lucky players winning prizes so big that they immediately became the UK's three biggest-ever winners. Among them were Joe and Jess Thwaite from Gloucester, who are now in second place in The National Lottery's Rich List after landing an incredible £184 million jackpot in May last year.

£3.1B

£3.1 billion was once again generated for society through Good Causes, Lottery Duty – which was almost £1 billion in 2022/23 – and retailer commission



CO-CHIEF EXECUTIVE OFFICERS' REVIEW (CONTINUED)

A strong performance from EuroMillions more generally over the period helped propel draw-based games sales to £4,739.4 million – up £91.9 million. The huge, rolling jackpot game saw 30 draws offering jackpots of over £100 million – compared with 15 the year before – driving both player excitement and sales. Lotto, meanwhile, continued to perform steadily despite seeing fewer sales-driving 'Must Be Won' draws over the period and lived up to its millionaire-maker status by awarding 134 prizes of £1 million or more.

The series of huge EuroMillions rollover draws also helped to grow sales across the Instant category, which rose by £7.7 million to £3,450.9 million – with players buying online Instant Win Games as spontaneous add-on products to go with their EuroMillions tickets. Elsewhere within the category, Scratchcard sales dipped in a reflection of people's changing shopping habits and the ongoing challenging retail environment.

With around 43,000 retail partners selling our products throughout the UK – the majority of which are independent outlets – retail remains the largest National Lottery sales channel, accounting for around 55% of all National Lottery sales. Despite tough trading conditions, in-store sales recovered slightly over the last six months to reach £4,499.6 million for the full year, as people visited stores more frequently in search of best value.

We continue to invest and support our National Lottery retail partners, with our in-store standards and rewards programme boosting National Lottery retailers' income by awarding almost £540,000 in cash rewards to independent shopkeepers over the period. Our network of National Lottery retailers also shared a total of £254.7 million in sales commission over the year, working out at around £6,000 per store. Over £7.7 billion has been paid in commission to retailers since 1994.

With 94% of the UK adult population living or working within one mile of a National Lottery terminal, we're ensuring that The National Lottery continues to be convenient to play. For example, in recent years, we've made games available at self-checkouts and for home delivery with the likes of Asda, Tesco and Morrisons, and developed bespoke solutions for new partners, such as Aldi and Iceland.

Over the course of the year, we also ran a number of initiatives to raise even greater awareness of the incredible difference that National Lottery retailers and players make by selling and buying tickets. These included campaigns to help our retail partners showcase the amount raised to date for Good Causes by their store, as well as increased in-store activity around key national moments, such as the Queen's Platinum Jubilee – all of which have further boosted The National Lottery's in-store presence.

CO-CHIEF EXECUTIVE OFFICERS' REVIEW (CONTINUED)

Another key element of the ongoing support we provide our retail partners is our 'Responsible Retailing' training programme. Although National Lottery games are very different from those offered in the wider gambling sector and are recognised as posing a very low risk of causing harm, it's crucial that we and our retail partners continue to do everything we can to prevent underage and excessive play.

To that end, in 2022/23, a record-breaking 92% of National Lottery retailers correctly asked for ID on first visits in our 'Operation 18' mystery shopper programme – demonstrating their ongoing commitment to selling National Lottery games responsibly. These best-ever results are particularly impressive given that the age to play The National Lottery only changed from 16 to 18 years of age in 2021.

Complementing 'Operation 18' were a range of other training initiatives that we ran during the year as part of our commitment to healthy play. For example, our Retail Team made over 160,000 contacts to National Lottery retailers – via phone calls, face-to-face visits and emails – to offer advice on preventing underage play and how best to support healthy play in store. Elsewhere, our 'Healthy Play' mystery shopping initiative involved over 4,000 additional store visits, helping to educate retailers on the signs of potential unhealthy play among their customers.

On digital, we saw record numbers of people – one in five UK adults – playing The National Lottery online. As a result, digital sales grew to their highest-ever level of £3,690.7 million – up £274.2 million. With over 10.7 million active registered online players, national-lottery.co.uk is one of the leading e-commerce sites in the UK.

Playing on mobile continued to be the digital channel of choice for players throughout the year, with £2,760.7 million of total digital sales coming from tablets and smartphones – up £311.3 million on the year before. Sales across the National Lottery's app – which was downloaded 2.5 million times in 2022/23 – accounted for more than 70% of all mobile sales.

Thanks to strong player retention rates, digital growth was driven by the huge EuroMillions roll series and through a number of key initiatives and innovations, including a significant update to enhance the user experience for draw-based games on the National Lottery app.

As well as working hard to support our games and sales channels, we worked closely with the wider National Lottery family – particularly the National Lottery distribution bodies – in 2022/23 to drive relevance, positivity and participation through a number of special promotional initiatives designed to showcase The National Lottery's role in national life and to thank players for their all-important contribution by bringing people together in celebration.

In May last year, The National Lottery's Big Jubilee Street Party welcomed 10,000 National Lottery ticket-holders free of charge to a live music event held at Manchester's AO Arena to mark the late Queen's Platinum Jubilee. And later in the year, an unforgettable National Lottery Christmas campaign focused on uniting people and bringing them together – much like The National Lottery itself does.

Rounding off 2022 was The National Lottery's Big Bash, which ended the year with a bang – as 8,000 National Lottery players came together at the OVO Arena Wembley to see performances from a star-studded musical line-up. And, in February this year, The National Lottery hosted its second Big Night of Musicals in Manchester, a spectacular celebration of the world of musical theatre in front of 12,000 National Lottery players, while March saw the return of National Lottery Open Week, with players enjoying free access to dozens of lottery-funded venues throughout the UK.

We've worked closely with the wider National Lottery family – particularly the National Lottery distribution bodies – to drive relevance, positivity and participation through a number of special promotional initiatives



As reported in previous years, The National Lottery and the vital money it raises for Good Causes continue to face pressure from the gambling sector and from 'synthetic' national lotteries, which benefit from significant taxation advantages over The National Lottery and are also able to spend a considerably higher proportion of their income on promoting their products.

This has led to a significant reduction in The National Lottery's share of voice and, combined with the significant increase in media inflation, means we're having to find and spend considerably more money just to achieve the same results – money that would otherwise have been spent on marketing initiatives designed to increase returns to Good Causes.

We therefore developed a view on the optimum level of marketing required to support The National Lottery brand and portfolio of games during the year, bearing in mind changes to both consumer behaviour and the media market, before making a proposal to the Gambling Commission for joint investment to this level.

Having secured the necessary approvals from the Gambling Commission for additional investment of £76.7 million from Good Causes, we retained and reinvested £76.1 million of this amount to enable us to carry out the additional marketing activity needed to support the long-term health of The National Lottery, having demonstrated that Good Causes will receive a strong return on this investment.

After taking into account this additional marketing investment and other adjustments, the actual amount payable to Good Causes in 2022/23 was £1,791.2 million. With Good Causes receiving a strong return on investment of 108% over the year – in other words, £2.08 for every £1 invested – this was a considerably higher sum than they would have received if we hadn't carried out the additional marketing activity.

Of course, none of what we've achieved this year would have been possible without our 1,000 employees – and their wellbeing continues to be of the utmost importance to us, particularly during this time of transition and change.

To this end, we've continued to develop new content for our internal 'Wellbeing Hub', which we launched last year. In addition, our monthly wellbeing emails are full of information to support our people, as well as details of office-based wellbeing days offering a range of activities and benefits.



CO-CHIEF EXECUTIVE OFFICERS' REVIEW (CONTINUED)

Our community of 20 Mental Health First Aiders continues to be instrumental in promoting positive mental health by leading on activities, including holding workshops on sleep, stress management and suicide prevention, as well as partnering with other employee communities from across the business, such as our Women's Network to launch our 'Menopause Mentors' initiative. The community also hosted our first-ever Financial Wellbeing Week, which focused on a range of topics, personal finance and setting SMART money goals.

Nurturing diversity and inclusion also remains an essential component in our work to promote engagement and build connections within our organisation. To help us achieve this, we provide greater support to our employee communities, empowering them to drive communication, events and initiatives throughout the year.

Over the period, we successfully established two new communities as part of this core group: the Environment Network and the Ability Network. Both are currently focused on developing agendas that address their respective primary concerns and key issues, with their objectives being to prioritise education, awareness and communication with our employees in order to create plans that serve their communities effectively.

At the same time, our existing and well-established networks – the Women's Network, Pride Network, Parents' Network, Culture Network and Mental Health First Aiders – have continued to trailblaze

and thrive, keeping inclusion at the heart of our everyday interactions.

To ensure all of this work is having the right effect, it's really important for us to gain insight into our employees' experiences and feelings about working for us. To do this, we primarily rely on employee engagement surveys. Our 2022 annual survey showed an engagement score of 90%, which matched the very high rate that we achieved in the previous year's survey and meant that we remain in the top rankings compared with other companies across the UK. We're particularly pleased with our diversity and inclusion scores, with all questions in this area improving from last year. 89% of employees feel that Camelot is a place where they can bring their whole self to work, and 96% of our people feel that we respect people's individual differences.

Over the coming year, our primary focus will be on promoting high levels of engagement and performance – including retaining our talent and experience; maintaining a continued strong emphasis on diversity, inclusion and wellbeing; and ensuring a strong focus on integrity, particularly in relation to our outgoing National Lottery licence commitments.

We strongly believe that everyone at Camelot should be able to feel the impact of the life-changing good that they make possible through their day-to-day work and to understand what The National Lottery means to people.

We aim to bring this to life through our 'Living Life Changing' volunteering programme – in which colleagues can volunteer with a cause close to their heart, many of which have received National Lottery funding. As a result of this programme, 92% of our employees felt more connected to National Lottery-funded projects, while 80% expressed pride in working for Camelot.

After running it for seven years, we are proud of what 'Living Life Changing' continues to achieve. Since it began in 2015/16, we've supported over 45 charities, contributed over 7,000 hours in volunteering and raised over £540,000 in charitable donations. These accomplishments reflect our ongoing commitment and efforts to make a positive impact on the communities and charities we support – and we were delighted to once again be awarded the Charities Aid Foundation Payroll Giving Silver Quality Mark.

Our community investment programme also stretches beyond our local community. In February 2023, in response to the devastating earthquake in Turkey and Syria, we were pleased to contribute £100,000 to *The Sun's* Earthquake Appeal to help the Red Cross provide crucial support and relief to those affected by the disaster.

Our thanks must go to everyone involved in making this another incredible year for The National Lottery and for their continued support in challenging times. To National Lottery players, who help to make the UK a better place every time they buy a ticket; to our 43,000 retail partners who are the backbone of The National Lottery and, to most

players, our public face; and to the wider National Lottery family – particularly the National Lottery distribution bodies who do such a fantastic job in making sure that funding goes to the people and projects who need it most.

And it would be remiss of us not to recognise the enormous contributions from our predecessor, Nigel Railton, as well as previous Chairman, Sir Hugh Robertson – who led Camelot so well over the last five years. We are also grateful to our new Chair, Sir Keith Mills, as well as our Board colleagues, for their continued guidance, support and encouragement as we navigate this period of transition.

Our final heartfelt thanks go to all of our colleagues at Camelot, who have once again delivered amazing results in the face of uncertainty and change. Their positivity, hard work, experience and expertise can't be overstated. They all care deeply about the future of The National Lottery and the incredible difference that it continues to make to the whole of the UK – and we are truly proud to work with each and every one of them.

Clare Swindell and Neil Brocklehurst
Co-Chief Executive Officers
22 June 2023



OUR GAMES, CHANNELS AND THE NATIONAL LOTTERY BRAND

We offer a wide range of regularly refreshed draw-based and instant play games – and a convenient, multi-channel experience, with players able to buy tickets in store, online and on their mobile devices.

We believe that offering a varied and engaging portfolio of games that offers something for everyone – and making them as accessible as possible so that people can play anytime, anywhere and on any device – is key to The National Lottery's long-term health.

This, combined with a strong and healthy brand that connects The National Lottery's unique purpose with play, will help to ensure that we continue to deliver for players and Good Causes alike.



OUR STRATEGY

As a responsible business, we've always strived to give National Lottery players a positive and enjoyable experience within a safe environment – with lots of people playing but individually spending relatively small amounts.

The effectiveness of this approach is underlined by the huge popularity and reach of The National Lottery: two-thirds of UK adults – almost 36 million people – played National Lottery games at least once last year, with the demographics of play closely mirroring the demographics of the UK population as a whole.

But despite being the seventh largest lottery in the world in terms of sales, The National Lottery is ranked just 66th in the world in terms of per capita spend, highlighting the ongoing success of our work to have lots of people playing a little. (Source: *La Fleur's World Lottery Almanac 2023*)

To ensure that we continue to attract the broadest possible player base, we've developed a balanced and appealing portfolio of games that complement, rather than compete against, each other and encourage people to play.

As well as a number of compelling and distinct draw-based games, we offer a wide range of in-store Scratchcards and online Instant Win Games. These form an important part of the wider National Lottery product portfolio. And as their sales are largely incremental to – as opposed to being at the expense of – draw-based games, it means that more money is raised overall for Good Causes.

With prizes, chances to win, play styles and prices to suit different needs, tastes and pockets, our games offer something for everyone. We've also made our games as attractive and as generous as possible to players in terms of prize payouts – in order to maintain their appeal in what has become a highly competitive market.

In addition, we continue to invest and innovate across our retail and digital channels to meet changing consumer preferences and shopping habits. And we have built a strong and healthy brand that brings people together and better connects The National Lottery's unique purpose with play.

At the same time, we remain committed to selling tickets in a socially responsible way. Even though it's widely and independently recognised that National Lottery games pose a very low risk of causing harm to players, we continue to be a world leader when it comes to healthy play and invest significantly in a wide range of player protection tools in pursuit of our goal of ensuring The National Lottery remains the safest place to play.

The success of our strategy for long-term, responsible growth is clear to see. We've now grown total National Lottery sales by almost 60% since the start of the third licence period in 2009, while many brand metrics associated with The National Lottery – in particular its support of Good Causes – continue to improve year on year and are now at their highest levels since tracking began. Most importantly of all, annual returns to Good Causes are now £500 million higher than they were at the start of the third licence.

95%

The National Lottery continues to return around 95% of all sales revenue to winners and society – clear evidence that it is delivering for everyone in the UK



OUR GAMES



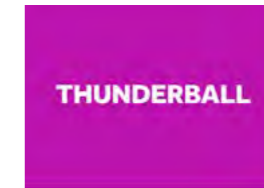
Our core millionaire-maker game offers players two chances to become a millionaire – either by scooping the jackpot or matching five main numbers plus the Bonus Ball to win £1 million. Lotto takes place every Wednesday and Saturday, and costs £2.00 to play.



Our huge, rolling jackpot game offers players the biggest jackpots, plus one guaranteed £1 million prize for UK players in every draw with the UK Millionaire Maker. EuroMillions takes place every Tuesday and Friday, and costs £2.50 to play.



The most recent addition to our range of draw-based games, our annuity game offers players the chance to win £10,000 every month for 30 years. Set For Life takes place every Monday and Thursday, and costs £1.50 to play.



Our value game offers players the best chance to win £500,000 on a £1 National Lottery game. Thunderball takes place every Tuesday, Wednesday, Friday and Saturday.



Our Lotto spin-off game offers players the chance to win up to £350,000 by picking and matching fewer Lotto HotPicks numbers against the main Lotto draw. Lotto HotPicks takes place every Wednesday and Saturday, and costs £1.00 to play.



Our EuroMillions spin-off game offers players the chance to win up to £1 million by picking and matching fewer EuroMillions HotPicks numbers against the main EuroMillions draw. EuroMillions HotPicks takes place every Tuesday and Friday, and costs £1.50 to play.



Our wide range of in-store Scratchcards offers players a choice of games ranging in price from £1 to £5. With a variety of play styles and top prizes of up to £2 million available, there's something for everyone.



With prizes that never run out and prices ranging from 25 pence to £5, our huge variety of online Instant Win Games offers players the chance to win anything from a few pounds to a life-changing £5,000 a month for 30 years.

OUR PERFORMANCE

We succeeded in growing total National Lottery sales to almost £8.2 billion in the year ended 31 March 2023 – the second highest in The National Lottery’s history.

Total sales for the period were £8,190.3 million – representing an increase of £99.6 million on last year, and clear evidence of the core strength of The National Lottery in being able to consistently deliver, even in a period when consumer spending is under pressure.



OUR PERFORMANCE (CONTINUED)

As a result of this strong sales performance, we were once again able to generate the best-ever returns to Good Causes from ticket sales alone in The National Lottery’s history.

Including unclaimed prizes – which are passed to Good Causes after 180 days and which were £40.7 million lower than in 2021/22 as more people were united with their winnings this year in line with the increased shift to digital play – a total of £1,877.3 million was generated for Good Causes over the period.

As a result, The National Lottery generated £36 million, on average, every week – or £60 every single second – for Good Causes across the UK during the year. And this money has played a crucial role in supporting people and projects through the cost of living crisis, as well as helping to bring communities together to celebrate key national moments – such as the Queen’s Platinum Jubilee and the Lionesses’ historic victory at the UEFA Women’s EURO 2022.

Our performance over the year also ensured that we generated a record-equalling £3.1 billion for society through Good Cause returns, Lottery Duty – which helps to fund public expenditure throughout the UK – and the commission earned by our retail partners. Including prize money, we once again returned around 95% of all sales revenue to winners and society last year.

Importantly, with the UK facing continued economic uncertainty and other funding sources being squeezed, the strong results mean that The National Lottery is continuing to deliver for people, projects and communities across the UK. And it is doing so in a safe and socially responsible way, with lots of people playing a little – almost 36 million people played National Lottery games over the period, with average weekly spend across all games and channels slightly lower than last year. This sustained success will ensure that The National Lottery enters the fourth licence in great shape and so enable it to keep maximising vital Good Cause funding for the benefit of the whole of the UK.

A strong performance from EuroMillions over the period helped propel draw-based games sales to £4,739.4 million – up £91.9 million. The game with the huge rolling jackpot lived up to its name right across 2022/23, with 30 draws offering jackpots of over £100 million – compared with 15 the year before – with Camelot making the most of these massive draws to drive player excitement and sales. The game also made its fair share of winners, with five massive EuroMillions jackpots scooped in the UK in 2022/23 and a trio of very lucky players winning prizes so big that they immediately became the UK’s three biggest-ever winners.

Lotto, meanwhile, continued to perform steadily despite seeing fewer sales-driving ‘Must Be Won’ draws over the period and lived up to its millionaire-maker reputation by awarding 134 prizes of £1 million or more over the period. Set For Life – The National Lottery’s newest draw-based game – also continued to perform well, with its eye-catching top prize of £10,000 a month for 30 years.

The series of huge EuroMillions rollover draws also helped to grow sales across the Instants category, which rose by £7.7 million to £3,450.9 million – with players buying online Instant Win Games as spontaneous add-on products to go with their EuroMillions tickets. Elsewhere within the category, Scratchcard sales dipped in a reflection of people’s changing shopping habits and the ongoing challenging retail environment.

Total National Lottery sales in 2022/23 were bigger than the combined total UK sales of Cadbury, Coca-Cola, Walkers, Nestlé, Pepsi Cola, Warburtons and Heinz

(Source: ‘Britain’s Biggest Brands 2023’, *The Grocer*/Nielsen – March 2023)

OUR RETAIL CHANNEL

Despite tough trading conditions, in-store sales recovered slightly over the last six months to reach £4,499.6 million for the full year, as people visited stores more frequently in search of best value. Retail remains the largest National Lottery sales channel, accounting for around 55% of all National Lottery sales.

As a result of this solid performance in a year when consumer spending was under pressure, our retail partners earned £254.7 million in commission over the period, the equivalent of over £6,000 per store. This takes the total commission earned by retailers since The National Lottery's launch in 1994 to more than £7.7 billion.

With around 43,000 outlets selling our products throughout the UK, the majority of which are independent outlets – and 94% of the UK adult population living or working within one mile of a National Lottery terminal – we're ensuring that The National Lottery continues to be convenient to play.

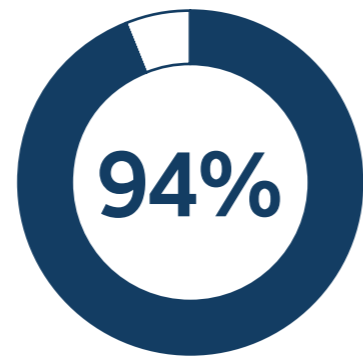
But this hasn't happened by chance. We work hard to ensure that we constantly adapt our market presence to better reflect the evolving retail landscape and we continue to forge new retail partnerships to bring in new players by taking account of changes in the way people are shopping. For example, in recent years, we've made games available at self-checkouts and for home delivery with the likes of Asda, Tesco and Morrisons, and developed bespoke solutions for new partners, such as Aldi and Iceland.

From small corner shops and large supermarkets to local newsagents and well-stocked convenience stores, our retail partners are the backbone of The National Lottery and, to most players, our public face. So maintaining strong relationships with them is critical to The National Lottery's future health and we're absolutely committed to continuing to support them in every way we can to help them make the very most of selling National Lottery products.

Throughout the year, we provided significant support to retailers to build on the improvements that we've seen in in-store standards and engagement across the retail estate in recent years.

We did this by continuing to invest in tools such as our dedicated retailer website, the National Lottery Retailer Hub (tnlretailerhub.co.uk), to give retailers quick and easy access to information and advice, and in initiatives such as our popular 'Site, Stock, Sell' standards and rewards programme, which helps retailers to improve their display and merchandising.

'Site, Stock, Sell' continued to prove enormously successful over the year and saw us continue to achieve some of our best-ever store standards. As part of the initiative, retailers are automatically entered into a quarterly prize draw when they achieve high in-store standards relating to the sale of National Lottery games. As well as offering one quarterly prize of £10,000, the programme offers 10 further quarterly prizes of £1,000 to give more retailers an opportunity to win a big reward. In total, we awarded almost £540,000 in cash prizes – over and above their usual retailer commission – to independent shopkeepers in 2022/23.



94% of National Lottery retailers contacted during the year successfully passed a healthy play knowledge check



"I'm delighted to have won this huge prize, as I never win anything. The money will enable us to pay for holidays to India, and will go a long way during the current financial climate."

Devinder Singh, the proprietor of Seven Days in Dunoon, won £10,000 in one of this year's quarterly 'Site, Stock, Sell' prize draws

OUR RETAIL CHANNEL (CONTINUED)

We also ran a number of initiatives to raise even greater awareness of the incredible difference that National Lottery retailers and players make by selling and buying tickets. These included campaigns to help our retail partners showcase the amount raised to date for Good Causes by their store, as well as increased in-store activity around key national moments, such as the Queen's Platinum Jubilee – all of which have further boosted The National Lottery's in-store presence.

Another key part of the ongoing support we provide our retail partners is our 'Responsible Retailing' training programme. Although National Lottery games are very different from those offered in the wider gambling sector, it's crucial that we and our retail partners continue to do everything we can to prevent underage and excessive play.

To that end, in 2022/23, a record-breaking 92% of National Lottery retailers correctly asked for ID on first visits in our 'Operation 18' mystery shopper programme – demonstrating their ongoing commitment to selling National Lottery games responsibly. The best-ever results are particularly impressive given that the age to play The National Lottery only changed from 16 to 18 years of age in 2021.

Over the year, we made over 11,600 retailer visits as part of 'Operation 18', which uses people who are over 18, but who look younger – in order to avoid retailers inadvertently breaking the law during a test visit. If a retailer fails a mystery shopping visit on three occasions, their National Lottery terminal will be suspended and is likely to be removed.

Complementing 'Operation 18' were a range of other training initiatives that we ran during the year as part of our commitment to healthy play. For example, our Retail Team made over 160,000 contacts to National Lottery retailers – via phone calls, face-to-face visits and emails – to offer advice on preventing underage play and how best to support healthy play in store. Elsewhere, our 'Healthy Play' mystery shopping initiative involved over 4,000 additional store visits, helping to educate retailers on the signs of potential unhealthy play among their customers.

As a direct result of these and other initiatives, 94% of National Lottery retailers contacted during the year successfully passed a healthy play knowledge check – demonstrating just how effective regular communication with retailers is on this important aspect of their role as the face of The National Lottery.

From small corner shops and large supermarkets to local newsagents and well-stocked convenience stores, our retail partners are the backbone of The National Lottery and, to most players, our public face



OUR DIGITAL CHANNELS

With record numbers of people – one in five UK adults – playing The National Lottery online over the period, we grew digital sales to a record-beating £3,690.7 million. This was an increase of £274.2 million on 2021/22 and, once again, reinforced The National Lottery’s position as a leading global digital lottery. With more than 10.7 million active registered players, The National Lottery remains one of the leading e-commerce sites in the UK.



Record numbers of people – one in five UK adults – played The National Lottery online in 2022/23



Playing on mobile continues to be the digital channel of choice for National Lottery players – with sales through smartphones and tablets accounting for 75% of all digital sales

OUR DIGITAL CHANNELS (CONTINUED)

Mobile continued to grow as the digital channel of choice for players, with £2,760.7 million of total digital sales coming from smartphones and tablets – up £311.3 million on the year before. Sales across the National Lottery’s app – which was downloaded 2.5 million times in 2022/23 – accounted for more than 70% of all mobile sales.

Thanks to our strong player retention rates, we were able to help drive digital growth by capitalising on the series of huge EuroMillions rollover draws over the year to drive player excitement and sales – for example, over 15,000 players a minute signed into the National Lottery app and website ahead of the massive £184 million jackpot draw in May.

Likewise, we saw record digital Christmas and New Year’s Eve sales during the period. In particular, the £15 million Lotto ‘Must Be Won’ New Year’s Eve draw saw a record number of online Lotto players.

In addition to this, a number of key initiatives and innovations – including a significant update to enhance the user experience for draw-based games on the National Lottery app – contributed to our digital success over the year.

Even though it’s widely recognised that National Lottery games pose a very low risk of causing harm to players, we know that, because of our scale and extensive reach, healthy play must be a driver in everything we do so that our players can have a positive and enjoyable experience within a safe environment.

In line with this commitment, we continued to invest in and promote our wide range of online healthy play tools and communications, including our ‘Dream Big Play Small’ portal, throughout player journeys. Where necessary, we also continued to have personalised interactions with the very small number of players who showed signs of potentially unhealthy play during the year.

As a result of this ongoing programme of work, the proportion of players who are considered at risk have, once again, dropped to their lowest-ever level and average digital weekly spend remains broadly in line with last year – with fewer than two online Instant Win Games played per person per week on average in 2022/23.

Looking ahead, digital remains an important source of growth for The National Lottery. We’ll therefore be looking to build on the further improvements that we’ve made this year to reinforce The National Lottery’s position as a world-leading digital lottery, and to deliver even more for players by continuing to invest and innovate to ensure that playing National Lottery games online is as easy, enjoyable and safe as possible.

CAMELOT

THE NATIONAL LOTTERY BRAND

As well as working hard to provide ongoing support for our games and sales channels over the course of the year, we carried out a huge amount of activity to continue to make The National Lottery brand more relevant and visible – and to better connect The National Lottery’s unique purpose with play – by raising awareness of the phenomenal difference it makes to people and communities across the UK, and showcasing the all-important contribution of players.





THE NATIONAL LOTTERY BRAND (CONTINUED)

Working closely with the wider National Lottery family – particularly the National Lottery distribution bodies – we made continued progress in building the long-term health of the brand in 2022/23 through our brand-led marketing approach. This saw a number of special campaigns and promotions to drive mass participation by showcasing The National Lottery's role in national life and to thank National Lottery players for supporting a huge range of initiatives across the UK.

In May 2022, The National Lottery's Big Jubilee Street Party welcomed 10,000 National Lottery ticket-holders free of charge to a live music event held at Manchester's AO Arena to mark the Queen's Platinum Jubilee.

This was then closely followed by the third instalment of The National Lottery Revive Live Tour – which saw artists including Charlie XCX, Paolo Nutini, Sleaford Mods, The Amazons and The Coral performing special shows during the summer as part of the initiative. Following on from two successful phases of the tour, which helped to support the UK's grassroots live music sector following the Covid-19 pandemic, more than 20,000 tickets – or around half the capacity of the shows – were gifted to National Lottery players who had already bought a ticket so that they could bring a friend for free.

"I jumped at the chance of being involved in these Revive Live gigs because I've always loved seeing bands at small grassroots venues. There's nothing quite like it anywhere else in live music. The venues have been through a massively difficult time and it's thanks to The National Lottery that we can help support live music at this level."

Radio presenter Steve Lamacq

And later in the year, The National Lottery's Big Bash ended 2022 with a bang – as 8,000 National Lottery players packed into the OVO Arena Wembley to see performances from a star-studded musical line-up.

Rounding off the year was an unforgettable National Lottery Christmas campaign that centred on uniting people and bringing them together – much like The National Lottery does. As the Christmas period got into full swing, The National Lottery's special seasonal advertising campaign – about two strangers who meet on a train and become lucky in love and the lottery – hit screens around the UK and went on to win *Campaign* magazine's film ad of the year.

February 2023 saw The National Lottery host its second Big Night of Musicals, a spectacular celebration of the biggest shows from the world of musical theatre in front of 12,000 National Lottery players, while March saw the return of National Lottery Open Week, with National Lottery players enjoying free access to dozens of National Lottery-funded venues throughout the UK.

"There are many brilliant and unexpected locations to explore during National Lottery Open Week. It's a great opportunity to spend time with the people you love at a low cost. Now more than ever people are feeling the squeeze financially but still want to find ways to have fun and connect with friends, family and loved ones."

TV presenter Fred Sirieix

As a result of all of the work we've been carrying out to maximise the connection between play and purpose, many brand metrics associated with The National Lottery – in particular its support of Good Causes – continue to improve year on year and are now at their highest levels since tracking began.

As we enter the new financial year, we've continued to maximise opportunities to ensure that The National Lottery remains front of mind and brings people together at key national moments – hosting The National Lottery's Big Eurovision Welcome for more than 20,000 National Lottery players in the heart of Liverpool in May, as well as supporting communities across the UK to hold street parties and get together to celebrate the King's Coronation.



OUR WINNERS

The National Lottery creates millions of winners a week across its range of draw-based and instant play games – and, on average, around 30 millionaires every month. Since its launch in 1994, it has awarded over £90 billion in prize money to players and created more than 6,800 millionaires or multi-millionaires who, between them, have shared an incredible £17.9 billion.

OUR PERFORMANCE IN 2022/23

The National Lottery continued to transform lives in 2022/23, with 822 players – including 382 new millionaires – winning a prize of £50,000 or more and sharing more than £1.4 billion between them. In total, The National Lottery awarded £4,694.0 million in prize money to players – up £81.7 million and the second highest-ever amount awarded.

Builders were once again the year’s luckiest profession, with teachers, drivers, retail workers and administrative staff taking the second, third, fourth and fifth spots. Meanwhile, Cancer was the luckiest star sign over the 12 months, with Leo and Aries coming in joint second.

Five massive EuroMillions jackpots were scooped in the UK in 2022/23 – with a trio of very lucky players winning prizes so big that they immediately became the UK’s three biggest-ever winners.

This phenomenal run of luck started in May 2022, when Joe and Jess Thwaite from Gloucester were propelled into the top spot on The National Lottery’s Rich List after banking an incredible £184 million jackpot.

Joe and Jess – who have been married for 11 years and who have two primary school-age children – took on the mantle of playing The National Lottery when Jess’s father passed away around seven years ago. The generous couple are now planning to support members of their family, as well as spend more time together and do things which up until now haven’t been possible, such as taking a trip to Hawaii.

Joe and Jess topped The National Lottery’s Rich List for just two months before an anonymous ticket-holder knocked them off the top spot in July with an eye-watering £195 million jackpot. The extraordinary prize remains The National Lottery’s biggest-ever win.

The third of the massive wins came in September, when another anonymous winner took home an amazing £171 million prize – immediately catapulting them into third place in The National Lottery’s Rich List.



“My dad played The National Lottery all his life and constantly dreamed of winning. He would always ask us what we’d do when we won, how we’d spend it, who we’d treat. It was a regular conversation and I feel like he was preparing us. Maybe that is why I seem so chilled, as I’ve kind of been ready to win for years.”

Jess Thwaite



MEET SOME OF THE YEAR'S OTHER BIG WINNERS...

And it's not just EuroMillions players who struck it lucky this year. With the equivalent of more than one new National Lottery millionaire being created every single day in 2022/23, there were plenty of amazing winners' stories to be told. Here are just a few of the year's highlights.

Robert Cameron

Dad-of-four Robert, from Glasgow, won £1 million after matching five main numbers and the Bonus Ball on Lotto in July 2022 with a Lucky Dip that he initially forgot to buy. A new home and car will be on the list of purchases for Robert, as well as a family holiday.

"I'd just got settled in for the night when I remembered I hadn't gone to the shop for the tickets. Then I got a call from my youngest son asking if I would go and pick him up. I decided, seeing as I was heading back out again anyway, I may as well nip into Asda and get the Lucky Dips. And I'm so glad I did!"

Robert Cameron



Len and Hazel Parsons

Len, a grandad from Rochester who has been married to Hazel for 46 years, always believed he was going to win – even joking with family that, before he gave up work for good, he'd win on The National Lottery. And with his lucky Thunderball ticket, he did just that – scooping the £500,000 top prize in December 2022, with ensuing celebrations leading to a brief shortage of Bollinger in the local area!

"We're your usual hardworking family but, when you discover something as amazing as this, it's worth celebrating in style – and that's what we did. We knew we'd probably taken the celebrations a little too far when all our local shops were out of our favourite Champagne brand!"

Hazel Parsons



Celeste Coles

Celeste Coles, a retired teacher and mum-of-two from Birmingham, has been busy drawing up her bucket list after scooping £3.6 million in the EuroMillions draw in July 2022. This includes providing financial security for her two adult daughters, Rachel, who has Down's syndrome, and Nicola.

"The biggest thing for me is knowing that I now have financial security and that my girls will have a more comfortable life – especially Rachel. We have been supported by some excellent charities that have had an enormous impact on our lives. Pure and Midland Mencap, in particular, have been a great support and do brilliant work – including giving Rachel the opportunity to work and integrate more fully with the community. I know that Midland Mencap has had National Lottery funding over the years too, which is amazing."

Celeste Coles



'The Apprentices' syndicate

A group of friends from Merthyr Tydfil, who created their National Lottery syndicate while at college doing their apprenticeships, celebrated a £1 million windfall from the special EuroMillions European Millionaire Maker draw in February 2023. The syndicate, which includes Alex Gwynne, Dan Phillips and Kyle Bowen, started playing six years ago when a group in the year above them at Coleg y Cymoedd won £5,000 on The National Lottery. Their lecturer at the time joked that the lads should start their own syndicate which they promptly did, and they have been playing ever since.

"We've all got good careers, thanks to our apprenticeships through the College. But, looking at my bank account now, it does feel that our lecturer's advice to create a National Lottery syndicate might have been some of the soundest! The win really couldn't have come at a better time for all of us, as we move into 'grown-up' life. We're all starting to settle down and make long-term plans for the future – a bit different to how we were when we set up the syndicate, that's for sure!"

Alex Gwynne



MEET SOME OF THE YEAR'S OTHER BIG WINNERS... (CONTINUED)

Craig Harrison and Debbie Piper

Craig Harrison and his partner of 35 years, Debbie Piper, who are both pub managers from Lowestoft, have many plans for their family's future after winning the £100,000-a-month-for-a-year top prize on The National Lottery's '12 Pays of Christmas' Scratchcard in December 2022 – but first on the list was looking forward to their first carefree Christmas in more than 20 years!

"We've been in the pub trade pretty much all our working lives, so we're used to helping the people of Lowestoft celebrate Christmas – reserving our family celebrations for another day. But not this year! It'll be strange to wake up on Christmas Day and, instead of rushing about opening up for our regulars so they celebrate the big day, we'll be thinking about a relaxed Christmas lunch."

Craig Harrison



Maxine Lloyd and Wayne Tilbury

Maxine, an NHS worker, and her builder fiancé, Wayne, were toasting a double celebration in August 2022 after winning £1 million on The National Lottery, while Maxine also successfully completed treatment for breast cancer. The couple – from Kettering – won the top prize on the £30M Mega Cash Showdown Instant Win Game on The National Lottery app.

"It's been a rollercoaster nine months. A breast cancer diagnosis, surgery, radiotherapy and chemotherapy. I turned 50 in February and then Wayne proposed. Now the win... what's next? The treatment has been tough, but we have managed to stay positive. Our families, friends, work colleagues and bosses have been really supportive and helped us get through. With their love and support, we feel we were already winners in life."

Maxine Lloyd

WINNERS GIVING BACK

Winning big on The National Lottery is not just incredible news for the winners. It's also wonderful news for their families, friends and the many charities and fantastic causes that National Lottery winners support with their new-found wealth and spare time.





WINNERS GIVING BACK... (CONTINUED)

Desirée Home, Sharon Hall, Joseph Goolding and others

In April 2022, an army of National Lottery winners donned their steel toe cap boots and put in a day of hard graft at Veterans' Growth, a charity which supports veterans from the tri-services who are suffering with mental health issues, including post-traumatic stress disorder (PTSD).

With a combined wealth of £146 million, the team of 21 winners – which included a number of Navy and Army veterans – stepped up when they heard about the charity and the challenges it faced for veterans with mobility issues, not to mention a recent

experience with a herd of marauding cattle who had recently broken through the fence to get a closer look and taste of the garden!

Working alongside the dedicated Veterans' Growth team and service users, the millionaire workforce rolled up their sleeves to build a wheelchair-accessible path and a cold frame, pot up seedlings for display at a Chelsea Flower Show exhibit and install a new fence to keep out the cattle.

Through horticultural therapy and support, the charity – which is based in Westfield, near Hastings, and which has received £79,500 of National Lottery funding – aims to reduce veterans' stress levels, anxiety, depression and isolation, while also providing an introduction to horticulture.

Leading the team were two National Lottery millionaires and Navy veterans, Desirée Home (who won £1 million in 2014) and Sharon Hall (who won £1 million in 2004). Aably assisted by Army veteran, Joseph Goolding (who won £1 million with wife, Debbie, in 2020), plus a host of winners from across the region, the trio were delighted to help their fellow veterans.

"This is a truly humbling project. To think that just a few years ago it was a piece of farmland, and through the Veterans' Growth team's sheer hard work and determination, it's now a functioning and productive horticultural project is amazing. Hopefully our efforts today will enable more servicemen and women to benefit from Veterans' Growth, and whether they come here to garden, socialise with like-minded people or simply enjoy the peace and seclusion, we really hope that our work today will make their time here that little bit more rewarding."

Desirée Home

WINNERS GIVING BACK...
(CONTINUED)

Andrew and Paula Hancock

Andrew and Paula Hancock – who won £1 million in 2019 after purchasing a National Lottery Scratchcard while out buying food for their cat, Shortcake – have used some of their winnings to set up a mobile fish and chip business.

The couple, from Boughton, Nottinghamshire, will be serving the rural communities and 'plaices' where they live with delicious, deep-fried favourites – such as cod and haddock – plus more exotic specials like squid and oysters.

The Hancocks had run a catering business before the win, but sold it. They had been looking to get back into the industry, but were struggling to find the right opportunity – especially with Covid.

So, when the fish and chip shop opportunity came up, the couple jumped at the chance – and have even been able to re-employ some of the team who used to work for them at their previous business.

And to officially launch their new venture in September 2022, the couple visited care home, Broadleaves, in their home town to serve up free fish and chips to staff and residents.



"We've been learning over the summer months what works and what doesn't – a sort of soft launch. But I wanted to officially launch with something special. Like many health sites, Broadleaves has been affected by Covid. It is just around the corner from us, and I used to play on the fields as a boy where it now stands. I've lived here all my life, I know the people – and this is a business that will succeed, or not, due to the support of the community. Fish and chips is our national dish, everybody loves it and it just felt right to officially start by supporting local people."

Andrew Hancock



Jim and Pam Forbes, Lesley and Fred Higgins, and others

In March 2023, National Lottery winners from across Scotland – with a combined wealth of almost £90 million – rallied together to build a brand new playhouse for a group of disabled children at a charity in Dundee, after vandals struck.

The winners spent two days painting and furnishing the playhouse at 'The Yard' and have, in the process, made dreams come true for hundreds of young children in the area who access the essential services and facilities at the charity.

The charity's original gingerbread playhouse – built and gifted by National Lottery winners five years ago – was vandalised earlier this year, leaving the young people without this vital and much-loved resource.

But, as soon as the team of Scottish National Lottery winners – many of whom had been involved in the original build – found out what had happened, they immediately rallied to ensure this vital lifeline could be restored.

Led by The Yard's members – the children themselves – favourite colours were chosen and a wildlife theme decided upon, and then the hard-working group of National Lottery winners set to work bringing the children's colourful vision to life.

Also joining Jim, Pam, Lesley and Fred, were Ray Storey who won £1.5 million in 2015; Fiona and Bill McKenna who won £1.2 million in 2012; Libby Elliot who won £2.1 million in 2012; Jannette and Ken Wedgeworth who won £1 million in 2016; Brian and Ann Sharp who won £2 million in 2010; Roberta and Barry Little who won £1 million in 2013; Sheila and Duncan Davidson who won £4.5 million in 2012; and Alison and John Doherty who won £14 million in 2016.



"We just could not believe it when we heard about what had happened, and immediately rallied the support of our fellow winners. Everyone has been so upset, as we all understand what a vital lifeline this is for so many young people in the area. We just wanted to build a new playhouse for the children as quickly as we possibly could. We cannot wait for all of them to see it and once again enjoy hours of playtime fun."

Jim Forbes



Aye Couloute, winner
of The National Lottery Young
Hero Award

NATIONAL LOTTERY GOOD CAUSES

Every time somebody plays The National Lottery, they help to make the UK a better place. That's because, for every ticket sold, a portion of the money received benefits a huge variety of Good Cause projects that make a real difference to the lives of people and communities the length and breadth of the UK.

From fixing up community centres, supporting people and projects through the cost of living crisis, and protecting the environment to preserving the nation's heritage, enabling local communities to celebrate the Queen's Platinum Jubilee, and helping to make Olympic, Paralympic and Commonwealth Games champions, inspirational people and their innovative projects are doing extraordinary things – week in, week out – across the UK with the help of National Lottery funding.

And that's not all. Since its launch in 1994, The National Lottery has created thousands of jobs, provided more than a million training volunteering opportunities, and helped to build vibrant, internationally renowned and award-winning arts and film industries.

To date, National Lottery players have raised over £47 billion for Good Causes – money that has funded more than 670,000 projects in total across the arts, sport, heritage, health, education, environment and community/charity sectors. With the equivalent of around 240 lottery grants in every postcode district, almost everyone in the UK has benefited from a National Lottery-funded project.



HOW MONEY FOR GOOD CAUSES IS ALLOCATED

Although we are responsible for generating returns to Good Causes by selling National Lottery tickets, we play no role in the allocation of funding. This is the specific responsibility of 12 National Lottery distribution bodies, each with specialist knowledge of their sectors.

These bodies are chosen by Parliament for their expertise to help ensure the money goes exactly where it's needed:

Arts

Arts Council England
Arts Council of Northern Ireland
Arts Council of Wales
British Film Institute
Creative Scotland

Community

The National Lottery Community Fund

Heritage

The National Lottery Heritage Fund

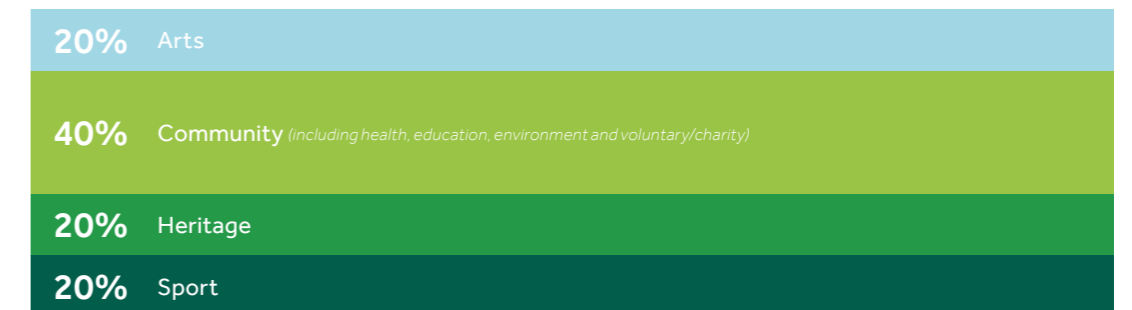
Sport

Sport England
Sport Northern Ireland
sportscotland
Sport Wales
UK Sport



All of the income raised for Good Causes from ticket sales is paid by us into the National Lottery Distribution Fund and then allocated to the distribution bodies according to a formula set by the Department for Culture, Media & Sport.

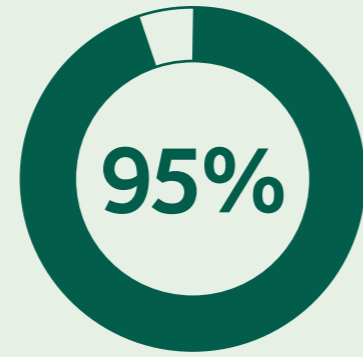
In the year to 31 March 2023, the money we delivered for Good Causes was allocated as shown below:



For further information about projects awarded National Lottery funding or to apply for funding, please visit national-lottery.co.uk/life-changing-and-lotterygoodcauses.org.uk/funding

OUR PERFORMANCE IN 2022/23

As a result of us growing National Lottery sales to £8,190.3 million in 2022/23 – the second highest in The National Lottery’s history – a total of £1,877.3 million was generated for Good Causes over the period. This included the best-ever returns to Good Causes from ticket sales – and takes the total that The National Lottery has raised to date for Good Causes to over £47 billion.



We return around 95% of all sales revenue to winners and society



Around 70% of all funding grants are for £10,000 or less

Under our operation, The National Lottery generated £36 million, on average, every week for Good Causes over the year – the equivalent of £60 being raised every single second. Combined with the amount it also delivers for the government through Lottery Duty – which amounted to £982 million in 2022/23 and which helps to fund public expenditure throughout the UK – The National Lottery delivered almost £55 million a week, on average, for UK society.

Including Lottery Duty and the commission earned by our retail partners, The National Lottery continues to return around 95% of all sales revenue to winners and society.

As well as helping to fund truly world-class arts, sports and heritage projects, The National Lottery continues to make a massive difference at a local level. With around 70% of all funding grants being for £10,000 or less, The National Lottery gives small, grassroots community projects a lifeline at a time when other sources of revenue have been, or face being, cut. While not as high profile as some of the larger awards, these smaller grants have a huge impact locally.

THE NATIONAL LOTTERY: ENRICHING THE LIFE OF THE UK

Thanks to National Lottery players, the equivalent of £36 million was generated every week for Good Causes across the UK in 2022/23 – money that has played a crucial role in supporting people and projects through the cost of living crisis, as well as helping to bring communities together to celebrate key national moments. Below is just a small selection of how National Lottery funding is being put to good use to help make the UK a better place.

Providing Support through the Cost of Living Crisis

As the cost of living crisis continues to bite, funding made possible by National Lottery players is helping provide vital support to struggling communities up and down the UK.

Many existing National Lottery funding programmes have been adapted or tailored to support those most affected by the soaring cost of essentials – such as food, housing and energy. An initial £75 million has been made available by The National Lottery Community Fund to support a diverse group of projects – providing everything from free hot meals and food parcels, to warm places for people struggling to afford heating, as well as money management and mental health initiatives.

Residents of a housing estate in Wales, for example, are being helped by a project supported with National Lottery funding.

We Are Plas Madoc – a project on the Plas Madoc housing estate about eight miles from Wrexham – have used the funding to acquire two electric vehicles to allow people without transport to shop for food and access health services. The funding has also enabled the project to extend its breakfast and lunch club, allowing more people struggling to afford heating to take advantage of a warm, safe space.

Elsewhere, Sonya Johnson knows all too well how the cost of living crisis is affecting vulnerable people in her community. As the chief officer of a National Lottery-supported project distributing surplus food in Warwickshire, she says an increasing number of people – young and old – are being forced to choose between food and heating.

Sonya, the chief officer for the Nuneaton and Bedworth Healthy Living Network, said: “People tell us that without us there is nothing else – we are keeping the heat on, keeping their children fed. It is a huge responsibility.”

Sonya says support from The National Lottery has played a crucial role in allowing her organisation to help out. She said: “Without National Lottery funding, we would undoubtedly have ceased to exist. Not only [has the funding] allowed periods of stability, it has provided the confidence to grow, scale up and expand.”

In Scotland, Cheryl Ferguson – a former substance misuser from Dundee who turned her life around with the support of National Lottery-funded Just Bee Productions – is doing her bit to help out vulnerable people in her community. As Just Bee Productions’ Community Cafe Supervisor, Cheryl uses her love of food to help those struggling to pay the bills.

And another person helping out those in need is Stephen O’Hara, from Coleraine in Northern Ireland, who delivers up to 100 food parcels a week to people and families facing difficulty. The retired train conductor, who recovered from a bout of severe depression with the help of National Lottery-funded project Be Safe Be Well, is back on his feet and determined to help out.

“I’ve encountered people that have no heating. I know a mother of three who had no money and her food cupboards were empty. If I wasn’t doing what I am with the food drops, there would be a lot more people struggling.”

Stephen O’Hara

£47B

The amount The National Lottery has now raised for Good Causes, with more than 670,000 projects supported

£60

An average of £36 million a week was raised for Good Causes over the year – the equivalent of £60 being raised every single second

THE NATIONAL LOTTERY: ENRICHING THE LIFE OF THE UK

(CONTINUED)

Helping Communities Celebrate the Queen's Platinum Jubilee

Communities across the UK came together over the Platinum Jubilee weekend in June to celebrate Her Majesty The Queen's 70-year reign – with hundreds of events taking place thanks to support from The National Lottery Community Fund, the largest funder of community activity in the UK.

£4.5 million in funding was awarded to community projects through The Platinum Jubilee Fund, as part of a wider contribution of £22 million towards the Platinum Jubilee from The National Lottery.

A key highlight of the weekend was The Big Jubilee Lunch, supported by £2.3 million of National Lottery funding. This Jubilee-themed version of the annual Big Lunch event brought millions of people together to enjoy food, drinks and togetherness with their friends, family and neighbours.

In Northern Ireland, Headhunters Railway Museum in Enniskillen received £10,000 in funding to deliver a range of free community events – including a Big Jubilee Lunch, a beacon lighting ceremony, a family fun day with an Armed Forces display and an exhibition entitled 'Our Coronation Story'.

Over in Scotland, a Mad Hatters Jubilee tea party kicked off the start of a project by The Glencorse Community Association. Based in Midlothian, it received over £49,000 to turn a derelict area into a 'Queen's Jubilee Legacy Tea Garden', from which it hosted a variety of educational workshops around local wildlife, growing produce and carbon reduction.

And, as part of its grant of almost £45,000, Enbarr Foundation CIC held 'Operation Street Party' in Flintshire, Wales for hundreds of local residents.

The event involved the group's volunteers creating bespoke wood sculptures, as well as taking part in gardening, arts and crafts, and street games from the 1950s.

Meanwhile, People and Animals UK – which has benefited from almost £50,000 of National Lottery funding – hosted an afternoon tea party at its farm in Norfolk, where the local community were able to get involved with grooming horses, feeding sheep and willow weaving.



"We've been so lucky to get some National Lottery funding to celebrate the Platinum Jubilee. We're developing our 'Walks to Wellbeing' – an intergenerational project where we're expanding the farm through walkways. We're supporting those living with dementia, their carers and partners, by encouraging them to come along, work with our young people and adults, and really get integrated into the community by working with our animals, doing a bit of gardening, woodworking and crafting."

Katie Bristow, Director at People and Animals UK

THE NATIONAL LOTTERY: ENRICHING THE LIFE OF THE UK

(CONTINUED)

Setting up UK Athletes for Sporting Success

Even with National Lottery-funded Team GB and ParalympicsGB preparing for Paris 2024 – and therefore no Olympic and Paralympic Games held in 2022/23 – the nation wasn't short of sporting excitement during the year.

At the end of July 2022, the Lionesses made history by beating Germany 2-1 in the final of the UEFA Women's EURO 2022. The match instantly became the most watched game in women's football history and is continuing to inspire a whole new generation of players.

Thanks to National Lottery players, over £50 million has been raised for women's football in the past 10 years. Not only has this funding helped England stars like Ellen White reach the top of her game, it's also supported a whole host of brilliant grassroots footballers across the UK.

And it wasn't just about football. Over the course of July and August 2022, Birmingham hosted the 22nd Commonwealth Games – the largest multi-sport event to be held in England in a decade. The hugely successful Games – which were supported by over £40 million in National Lottery funding – showcased thousands of world-class athletes and drew in over 1.5 million spectators.

Highlights included the England women's hockey squad taking home gold, newcomer Jake Jarman scooping an incredible four gold medals for artistic gymnastics, and James Wilby beating fellow Englishman Adam Peaty to the gold in the 100m breaststroke.

October 2022 brought yet more phenomenal women's sport with the Women's Rugby World Cup. While the Wales and Scotland teams put up a good fight, it was the England squad that progressed to the final – losing out to home nation, New Zealand, but still doing the country proud.

Since 1994, National Lottery players have contributed more than £94 million to support over 3,200 grassroots rugby union projects in the UK, including vital support to hundreds of projects that develop women and girl's rugby in each nation.



This includes funding to the national governing bodies in England (RFU), Scotland (SRU) and Wales (WRU) to enhance the provision of rugby for women and girls, ensuring the game develops a pathway from grassroots to elite level and nurtures future talent for their national teams.

"I'm involved in coaching, and I can see the incredible support that The National Lottery offers to athletes and communities, including the funding provided to the WRU to develop grassroots rugby. Let's not forget the local communities, the grassroots rugby sports teams, without The National Lottery funding, they wouldn't be able to access those facilities."

Liza Burgess, former Welsh women's rugby union player

Making a Vital Difference to Grassports Sport

Dave Howard fell in love with football as a child and his passion for the 'beautiful game' has never faltered. However, after being diagnosed with muscular dystrophy – a group of diseases causing muscle weakness and decreasing mobility over time – he sadly had to hang up his boots at the age of 14.

But, Dave, now 38, is back playing football. As a member of National Lottery-supported Farnham Powerchair Football Club, Dave has reconnected with his favourite sport.

Powerchair Football is a four-a-side game using specially adapted electric wheelchairs. Players pass or shoot by pushing or flicking an oversized ball with the surfaces of their powerchair. It's fast – the chairs are roughly twice as fast as conventional electric wheelchairs – and controlling the ball requires a great deal of skill.

Dave's team played its first match recently and, although they lost 6-0, the smiles on the players' faces at full-time meant a lot more than the scoreline.

And, in St Helens in Merseyside, Georgia Houghton is still a newcomer to rugby league, but the 12-year-old is already plotting a future as a professional player.

When she and her 13-year-old brother, Aiden, aren't cheering on local Super League club St Helens RFC, they're playing the game themselves at their local club, Pilkington Recs ARLFC.

Thanks to funding made possible by National Lottery players, Pilkington Recs has been able to create both an Under-12 girls' team and an Under-14 girls' team in the past 12 months – with the funding going towards balls, first aid kits, tackle shields and playing kit.





THE NATIONAL LOTTERY: ENRICHING THE LIFE OF THE UK

(CONTINUED)

Making a Vital Difference to Grassports Sport (continued)

Another pair putting their rugby skills to the test, thanks to National Lottery funding, are Oliver 'Ollie' Thomason and Matthew Price.

Ollie, who has Down's syndrome, and Matthew, who has been diagnosed with autism and ADHD, are both members of Warrington Wolves Learning Disability Team, an organisation started by Ollie's brother, Craig.

The team plays a specially adapted version of the game in which tackling opponents is replaced by snatching a yellow tag from their shoulder, with scorelines mattering less than getting involved, making friends and building self-confidence.

"Rugby league has given me a world of confidence. It's a very, very inclusive sport and anyone can play it. There have been times when we've played at the Halliwell Jones Stadium [Warrington Wolves' home ground] and all the fans have given us a standing ovation. It's just amazing."

Matthew Price

Georgia Houghton is still a newcomer to rugby league, but the 12-year-old is already plotting a future as a professional player

THE NATIONAL LOTTERY: ENRICHING THE LIFE OF THE UK (CONTINUED)



Aref Hussaini and Citizens of the World Choir

When Aref Hussaini told his friends he was going to perform at the Glastonbury Festival, they struggled to believe him. And Aref, 24, couldn't quite believe it either. But the Glastonbury performance was just one in what was an extraordinary summer for Aref, an Afghan refugee who fled Pakistan in 2013 to escape violent attacks on members of his minority ethnic community.

In June 2022, he was one of the members of the Citizens of the World Choir – a National Lottery-supported project comprising refugees and asylum seekers from almost 30 countries – who performed a song with rock group Elbow in front of Buckingham Palace. The rendition of 'One Day Like This' was one of the highlights of a concert featuring stars such as Rod Stewart, Queen and Alicia Keys.

For Aref – and other refugees and asylum seekers like him – singing with the Citizens of the World Choir has enabled him to make close friends with people who fully understand his extraordinary journey.



Jo Taylor and After Breast Cancer Diagnosis

Jo Taylor has terminal cancer and says the three-mile Nordic walk she takes every day does wonders for her physical and mental health.

Jo said: "You think you're going to be tired, but it gives you a buzz. When you find something that you love, you want to get out there and do it. And if you can do it with other people, that's even better."

The 53-year-old doesn't just talk about the benefits of exercise for women with breast cancer. Her project After Breast Cancer Diagnosis (ABCDiagnosis) provides women with vital information and support, as well as introducing them to the benefits of exercise.

And she helps as many as she can get active at five free retreats she runs each year near her home in Yorkshire. The three-day events, which introduce participants to jogging, Nordic walking and yoga, are supported by funding made possible by National Lottery players.

In addition to that, Jo's tireless efforts have not gone unnoticed, and she was chosen as The National Lottery's Local Health Hero in *The Sun's* Who Cares Wins Awards 2022.

The 'People's Portraits'

The 'People's Portraits' series was part of a UK-wide campaign that took place in November 2022 to coincide with The National Lottery's 28th birthday. It celebrated the enormous impact that funding has had on communities across the UK since 1994.

Broadcaster Chris Tarrant OBE – who welcomed a Ukrainian family into his own home following the outbreak of the war – teamed up with The National Lottery to unveil a striking artwork at Royal Albert Dock in Liverpool.

The projection artwork, created by Ukrainian artist Sergey Piskunov, depicted a hyper-realistic portrait of Vladyslava Zhmuro – a refugee and caseworker for the Welsh Refugee Council. The location was also particularly poignant given Liverpool had recently been announced as the host city for the 2023 Eurovision Song Contest on behalf of Ukraine.

In London, Leah Williamson, captain of the England Women's football team, unveiled a striking artwork at Wembley Stadium to raise awareness of the incredible achievements of Helen Hardy, which have been made possible through funding from The National Lottery. Helen is founder of Manchester Laces – the first inclusive women's and non-binary football club in Manchester – and the mural also aims to encourage others to get involved in coaching women's sport.

The artwork, created on the Spanish Steps of Wembley Stadium by artist Charlotte Archer, features a portrait of Helen which can be seen when approaching the iconic stairway.

The National Lottery also celebrated the work being done to make the arts accessible for all by revealing a distinctive piece of artwork representing the work of deaf British writer, producer and sign-song rapper, Kevin Walker, aka Signkid – winner of the 2022 National Lottery Awards' Arts/Culture/Film category.

The artwork – created by Lazerian Studios – is an interpretation of Signkid's work, story and legacy, and features two hand-shaped sculptures that form the 'V' shape, representing the BSL symbol for 'visual'.



THE NATIONAL LOTTERY: ENRICHING THE LIFE OF THE UK (CONTINUED)



The 'People's Portraits' (continued)

Meanwhile, Chris Packham – environmentalist, presenter and author – revealed a spray paint portrait at The Eden Project in Cornwall to raise awareness of climate change champion Milly Revill Hayward's incredible achievements. Milly, from RSPB Scotland, was part of the National Lottery-funded 'Flows to the Future' project – which restored one of Europe's largest expanses of bogland in Caithness and Sutherland that had been damaged by forestry planting.

The artwork, created by Jody Thomas, was created from CO2 absorbing paint and reused materials on a hexagonal canvas mirroring the Eden Project's famous domes.

SAYING THANK YOU TO NATIONAL LOTTERY PLAYERS



SAYING THANK YOU TO NATIONAL LOTTERY PLAYERS

(CONTINUED)

As part of the work that we and the wider National family carry out to raise public awareness of the extraordinary good that The National Lottery does and to recognise the all-important contribution of players, a number of special promotional events took place throughout the year to thank them. Here are some of the highlights.



The National Lottery's Big Jubilee Street Party

In line with keeping The National Lottery – and players' immense contribution to Good Causes – front of mind at key national events, we hosted The National Lottery's Big Jubilee Street Party at Manchester's AO Arena in May to mark the Queen's Platinum Jubilee.

The evening brought to life Her Majesty The Queen's 70 years of service – highlighting the dedication she has shown to her people – as well as celebrating some of the wonderful individuals that have been inspired to make a real difference to communities across the UK.

The event also recognised the more than £22 million of National Lottery funding that went to communities across the UK to commemorate Her Majesty's 70-year reign – with 10,000 tickets available free to National Lottery players to thank them for their support. An additional 1,000 tickets were also gifted to National Lottery-funded charities and community groups from the North West – many of whom will have been awarded funding for their amazing projects to commemorate the Jubilee.

Hosted by Jason Manford and Fleur East, the event – which was broadcast on ITV over the June bank holiday weekend – was an entertainment extravaganza. It included performances from Kaiser Chiefs, Becky Hill, Steps, Tom Grennan, Heather Small, House Gospel Choir, Calum Scott, Nathan Dawe and Ella Henderson. The arena floor was transformed into a stunning street party setting, festooned with lights, trestle tables and colourful bunting to act as the stage for the immersive multimedia show.

"What a night and epic royal knees-up The National Lottery's Big Jubilee Street Party was, with a line-up of our country's best performers taking to the stage! It really was a show-stopping extravaganza full of celebration for the Queen's 70 years and was great to see first-hand how the people across the UK are using The National Lottery funding to do amazing things for their communities."

Fleur East

SAYING THANK YOU TO NATIONAL LOTTERY PLAYERS

(CONTINUED)

National Lottery Open Week

March 2023 saw the welcome return of National Lottery Open Week, run by The National Lottery Promotions Unit, which sees an amazing variety of venues and projects from around the UK say thank you to National Lottery players for the £30 million-plus they raise each week for Good Causes.

The National Lottery Open Week line-up included free entry, as well as exclusive discounts and special offers, to attractions and experiences across the UK for anyone with a National Lottery ticket or Scratchcard. From dozens of National Trust and English Heritage properties, through to galleries, museums, historic castles and gardens, not to mention sports stadiums and nature reserves, there was something for everyone to enjoy.



The National Lottery Open Week line-up included free entry, as well as exclusive discounts and special offers, to attractions and experiences across the UK for anyone with a National Lottery ticket or Scratchcard



SAYING THANK YOU TO NATIONAL LOTTERY PLAYERS

(CONTINUED)

“Think of it [The National Lottery’s Big Bash] as a huge house party with an amazing line-up and a few hidden extras along the way! Get dressed up from the comfort of your own home and come party with us – we’ve got your evening sorted.”

Alesha Dixon



The National Lottery’s Big Bash

In December 2022, The National Lottery set out to end the year with a bang by bringing together some of the UK’s most celebrated stars for a party like no other – with invited guests marking the big events of the year, as well as celebrating extraordinary people and the difference they have made thanks to National Lottery funding.

Hosted by Alesha Dixon and Jason Manford, The National Lottery’s Big Bash brought together 8,000 National Lottery players for an opportunity to see unique performances and one-off collaborations from the likes of Tom Grennan, Adam Lambert, Mimi Webb, Joel Corry, RAYE, Sugababes, Katherine Jenkins, Cirque du Soleil plus many more – and all free of charge as a thank you for playing The National Lottery and supporting Good Causes.

To set the scene, the OVO Arena Wembley was transformed into a massive end-of-year party – which then aired on ITV and ITVx over the festive period. In addition to the musical performances, popular culture highlights, key sporting moments and worldwide events that impacted the UK throughout the year were featured.

The National Lottery's Big Bash brought together 8,000 National Lottery players for an opportunity to see unique performances and one-off collaborations – all for free



SAYING THANK YOU TO NATIONAL LOTTERY PLAYERS

(CONTINUED)

The National Lottery Hosts *Love Actually* at the Cinema

To tie in with a National Lottery special seasonal advertising campaign – directed by Oscar-winner Tom Hooper about two strangers who meet on a train and become lucky in love and the lottery – we developed 'The National Lottery hosts *Love Actually* at the cinema'.

This saw a series of special free screenings – including a pair of tickets, drinks and snacks – exclusively for National Lottery players, at hundreds of participating cinemas across the UK on 23 December 2022.

As well as bringing people together to share some Christmas joy, 'The National Lottery hosts *Love Actually* at the cinema' was also a festive thank you to players for their continued support in raising money for community, sport, arts and heritage projects, as well as the UK film industry.

The National Lottery's Big Night of Musicals

In February 2023, The National Lottery once again brought together the biggest shows from the world of musical theatre for a spectacular celebration – The National Lottery's Big Night of Musicals – at the AO Arena in Manchester in front of an audience of over 12,000 and broadcast on BBC One.

Hosted by Jason Manford, the event shone a light on the magic of live musical shows and celebrated the amazing support made possible by National Lottery players for tens of thousands of arts projects – and over 2,000 theatres – during the pandemic.

The musical extravaganza featured performances from some of the biggest shows in the world including *Hamilton*, *Les Misérables*, *MAMMA MIA!*, *We Will Rock You the Musical*, *Wicked*, *SIX the Musical*, *Ain't Too Proud – The Life and Times of The Temptations*, *The Bodyguard The Musical*, and *Rodgers & Hammerstein's The King and I*. There was also a special performance from *Aspects of Love*, featuring musical theatre star Michael Ball.





"I'm thrilled to be back hosting The National Lottery's Big Night of Musicals for another year! It was incredible to see so many amazing shows under one roof last year and, with completely different shows set to perform this year, it's guaranteed to be another cracker of a night!"

Jason Manford

"Thanks to National Lottery players, an incredible £30 million is raised for Good Causes every single week. The National Lottery Awards seek to honour those who have stepped up and work tirelessly on behalf of others. We want to thank them and celebrate their incredible efforts."

Jonathan Tuchner, Director of The National Lottery Promotions Unit



2022 NATIONAL LOTTERY AWARDS

The National Lottery Awards are an annual celebration of the inspirational individuals and groups who do extraordinary things in their local community with the help of National Lottery funding.

There are eight awards on offer that encompass all areas of National Lottery funding, as well as a special 'Young Hero Award' that recognises the contribution of young people and which is presented to someone under the age of 25 who has gone that extra mile in their organisation.

The winners of two of the awards – 'National Lottery Project of the Year' and 'National Lottery Athlete of the Year' – are decided by a UK-wide public vote, after judges whittle down nominations to a shortlist for each. The highest-polling organisation in Scotland, Wales and Northern Ireland is also awarded a 'National Lottery Project of the Year' title in their respective region if a project from one of those three areas doesn't win the UK-wide category.

Winners of the other six categories are chosen by a judging panel made up of members of the National Lottery family and partners. Category winners receive a £5,000 cash prize, as well as the iconic National Lottery Awards trophy.



The National Lottery Project of the Year

The Black Swimming Association (BSA)

The Black Swimming Association (BSA) is the first organisation that works to promote the education of communities of African, Caribbean and Asian heritage on water safety, drowning prevention, and the benefits of aquatics through water familiarisation and orientation programmes. With high rates of people who do not swim among these communities in England and Wales, the BSA works closely with strategic aquatic, water safety and education partners to make targeted interventions to prevent these communities being at high risk of drowning or near-drowning incidents.

Receiving the award from TV sports presenter Jason Mohammad at the STAR Hub swimming pool in Cardiff, BSA co-founder Seren Jones said:

"We are absolutely thrilled to have won the award. I never thought when we set up this charity two and a half years ago that we would win a national award. I would like to thank everyone who voted for us."



The National Lottery Athlete of the Year

Andrea Spendolini-Sirieix

Andrea Spendolini-Sirieix made her Olympic debut at Tokyo 2020 as the youngest member of the Team GB diving squad, and took mixed synchro and individual bronze at her maiden European Championships the same year. But she really flourished at the 2022 Commonwealth games, becoming one of the breakthrough stars of the competition and wowing crowds in Birmingham with an incredible performance that bagged her an impressive trio of medals – two golds and a silver – all while being cheered on by her dad Fred Sirieix, maître d'hôtel and matchmaker on the hit Channel 4 show *First Dates*.

Andrea was presented with the award at her London Aquatics Centre training base after receiving more than 4,000 of the 11,000 public votes cast overall. She said:

"I'm just speechless. It's mind-blowing. To be one of the nominees and then to have won, I don't really know how to describe how I'm feeling. I'm just very, very thankful. It gives me a lot of joy because I love what I do, I love my sport. To win accolades and awards like this, it's such a beautiful sport and it's incredible."



Arts/Culture/Film

Signkid

Kevin Walker (aka Signkid), is a London-based writer, producer and sign-song rapper who is deaf. Passionate about making the world more inclusive, he has used his own experiences to help make the arts more accessible for his community with the help of National Lottery funding. He's pioneered and developed a unique style by integrating and adapting British Sign Language (BSL) into a visually-based language for live hip-hop, rap and urban music performance. Some of his work includes *Viewable* – which is a website sharing videos of BSL for slang words – and an Arts Council England-funded musical short film called *Silent World*, which uses rap, BSL and UK Sign Slang, with Signkid as the central character and narrator.

Along with his National Lottery award, Kevin's achievements were recently celebrated with a unique art installation at London's Roundhouse as part of the 'People's Portraits' series. Kevin said:

"It's an honour for my work to be recognised with such an incredible piece of art, at one of the most iconic music venues in the world, and to win a National Lottery Award. I've been able to achieve amazing things with the help of National Lottery funding, so I would love this campaign to inspire others from the deaf community and beyond to not let any barriers stand in their way."



Heritage

Clive Gray

Clive Gray is the founder and CEO of Blyth Tall Ship – an organisation that uses maritime heritage skills, training and volunteering to improve employability, life chances and wellbeing in the North East. The project began in 2009 to revive the fortunes of local people in the town of Blyth in Northumberland, while also marking the 200th anniversary of the discovery of Antarctica by a ship and sailor from the town. The main objective of the Blyth Tall Ship project – which has received a number of grants from The National Lottery Heritage Fund – is to take on people from the town who are not in employment, education or training. Or as Clive calls them, "diamonds in the rough".

Historian and broadcaster, David Olusoga, presented Clive with his trophy. Clive said:

"I'm delighted to be a winner in the National Lottery Awards 2022 and I can only accept it on behalf of the whole Blyth Tall Ship family, because from the very start we have been a dynamic and innovative organisation made up of volunteers and a few key, highly skilled personnel. Combining that local enthusiasm with the National Lottery funding that Blyth Tall Ship has received has enabled us to do so much for our community."



Community and Charity

Sam and Emily Stables

Sam and Emily Stables set up the We Are Farming Minds charity in September 2020, following Sam's own personal experiences of poor mental health which led to a suicide attempt. The National Lottery-funded charity helps raise mental health awareness in rural Herefordshire and supports the wellbeing of farmers across the country. It has a dedicated 24-hour helpline staffed by the couple and a team of specially trained volunteers. The charity also funds counselling and gives mental health awareness training to the wider agricultural community. Trainees are taught how to spot the signs of mental illness when visiting farmers and how to offer support, and the charity has already trained about 200 people and hope to reach more than 500 farmers through their various support networks.

BBC *Countryfile* presenter, John Craven, visited Kings Pitts Farm in Kingsthorpe, near Hereford, to present the couple with their award. Emily said:

"Sam and I are delighted to be announced as winners in the National Lottery Awards. It's nice to be recognised for the work we're doing to raise awareness of, and support people with, mental health problems in rural communities within Herefordshire."



Sport

Eric Sproul

For much of his life, Eric Sproul has battled scoliosis – a painful condition where the spine twists and curves. After 10 years of seeing no way out from his depression, isolation and unemployment, he planned to take his own life. It was only when his mother died and left him a small amount of money in her will – insisting that he buy a bike with it – that things started to change for the better for Eric. The bike and his newfound sense of freedom helped improve his mental and physical wellbeing, and led to him joining the Phoenix Community Centre which is part of the National Lottery-supported Easterhouse Community Sports Hub. Now he is there all day, every day, supporting the voluntary running of the centre and attending the table tennis club twice a week. He is also a volunteer cycle leader and runs the centre's cycle programme after taking a series of bike maintenance and leadership courses.

Broadcaster and fitness enthusiast, Jenni Falconer, honoured the inspirational Glasgow hero with his National Lottery Award. Eric said:

"It was the bike that changed my life. Anger and depression had taken over and I couldn't break out of it. I am scared to think where I would be if I didn't buy that bike after a decade of hell. The Phoenix Centre means everything to me. I speak to people and do things I never used to do. I thought, if cycling can do that for me, maybe I can use what I've been through to help others. I love cycling and I give back that way."



Young Hero

Avee Couloute

Avee Couloute started coding aged seven when she attended a physical computing club. Her love for coding then grew, and she sought out ways to learn more skills and knowledge in her spare time. Realising that the digital workshops that she joined were mostly attended by boys, she wanted to do something about it. So she did, by founding Girls Into Coding (GIC) – a National Lottery-funded not-for-profit Social Enterprise and Community Interest Company that works with girls aged 10 to 14. Through a combination of workshops and talks delivered by trailblazing women and girls in the tech sector, GIC not only improves the girls' digital-making abilities, it also develops their skills in problem solving, teamwork and resilience.

Avee said of her win:

"I was so shocked to have won a National Lottery Award but it's a real honour. I love that Girls into Coding is able to give opportunities to so many girls from diverse backgrounds and offer them the possibility of learning about a sector that is mainly dominated by boys."



Environment

Sal Chebbah

Sal Chebbah is affectionately known as the 'Mushroom Queen' on the Lancaster West Estate in West London. As project manager of the National Lottery-funded Growing with North Kensington project, she's passionate about showing people that growing fresh food is possible even in an urban tower block. Her secret weapon is fungi, which require little natural light and are easy to grow. Through the project, Sal provides weekly workshops on gardening and growing to pass on skills to residents – and this ensures that they have access to healthy, affordable and sustainable food. These workshops reach over 100 people across North Kensington and Sal is very passionate about the way food can bring people together, along with the therapeutic benefits of growing your own.

Celebrity chef and TV personality, Lisa Faulkner, presented Sal with her award. Sal said:

"It's such an honour to have been nominated for a National Lottery Award, let alone win it! I'm absolutely gobsmacked. The support from The National Lottery has allowed Growing with North Kensington to educate the community on how you can grow your own fresh food in an urban environment."

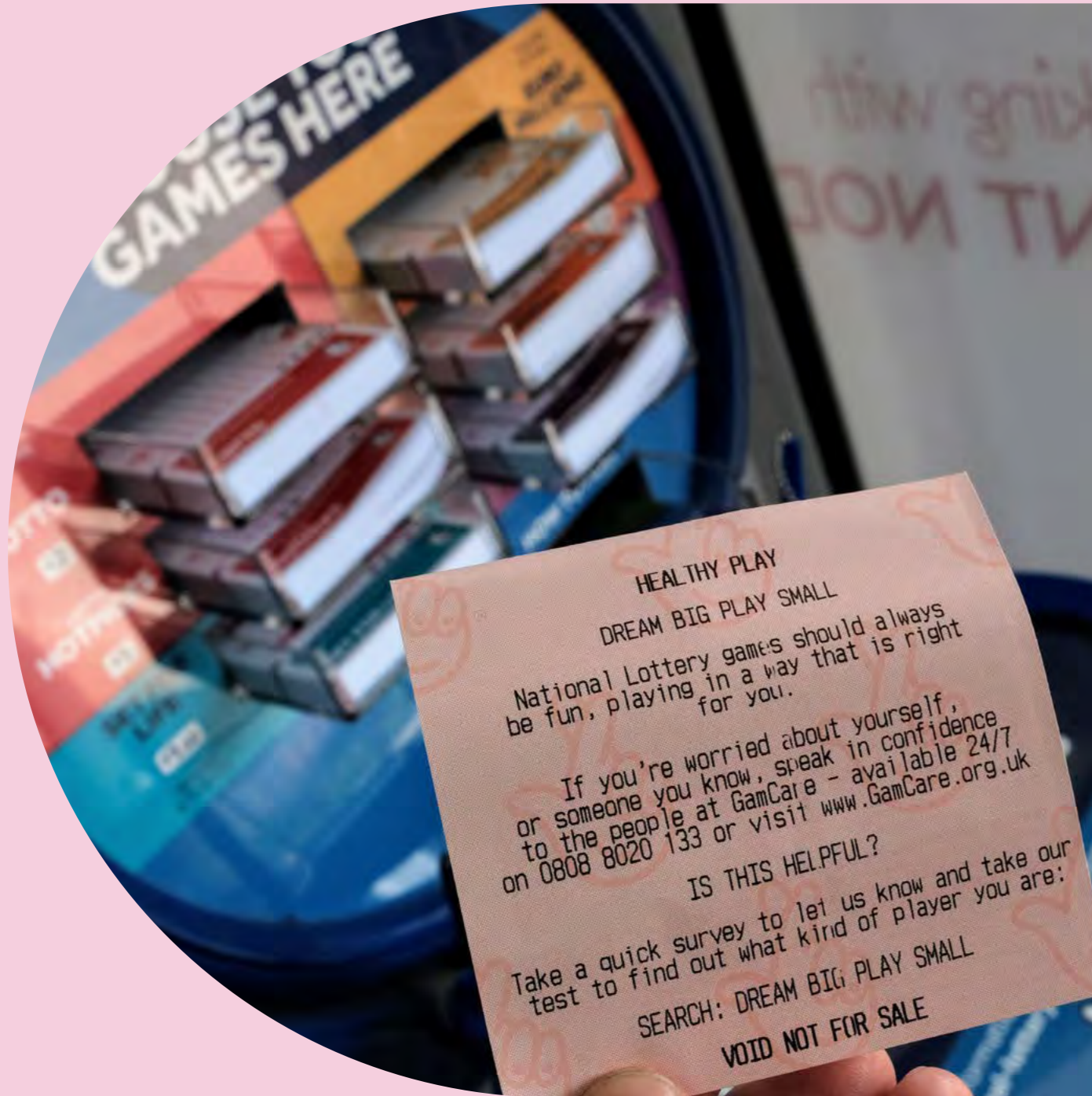
For further details of the 2022 National Lottery Awards, please see: lotterygoodcauses.org.uk/awards





DOING BUSINESS RESPONSIBLY

As the steward of The National Lottery, we are committed to conducting our business responsibly and, for us, that starts with our tens of millions of players. By facilitating their participation, we are able to return around 95% of every pound spent on National Lottery games to winners and society. Central to this is our priority focus on healthy play and delivering two associated ambitions: to promote healthy play to all of our players and to be the safest place to play.



"I was very pleased to nominate Camelot for the award, and for them to go on and win it is credit to them and their incredible work in the local community – congratulations on such a massive accomplishment. I know how seriously Camelot's ethos as a responsible business underpins everything they do and, as the steward of The National Lottery, they take their duty to operate in a socially responsible way extremely seriously."

Gagan Mohindra, MP

Our commitment to healthy play speaks to the heart of what we do, but our dedication to operating with integrity extends beyond it. We recognise the importance of what it means to be a good corporate citizen, and our responsibility to align our operations and processes with ethical standards and social values. This is embodied in our support and training for retailers and employees, contributions to local communities, efforts to reduce our environmental footprint, aims for sustainable supply chains and the services we provide to winners.

Through these avenues, we fulfil our broader responsibility to society while upholding our commitment to integrity. In doing so, we won this year's All-Party Parliamentary Corporate Responsibility Group Responsible Business Champion Award, recognising our commitment to responsible business practices and our thriving community investment programme – 'Living Life Changing' – as well as our dedication to creating a healthy workplace for our people.

CORPORATE RESPONSIBILITY FRAMEWORK

Our Corporate Responsibility framework sets out five key areas of activity, with a priority focus on healthy play:

- **Safe and healthy play:** to be the safest place to play and to promote healthy play;
- **People:** to advance activities focused on inclusion and diversity, gender pay gap, retaining talent and development of employees;
- **Community investment:** to connect employees with the wider societal impact of National Lottery-funded projects through our 'Living Life Changing' programme;
- **Supply chain:** to ensure we have a clear view of our suppliers, and follow best practice on how and where we responsibly procure products and services, as well as making prompt payments to suppliers; and
- **Environment:** to raise internal awareness and demonstrate a credible understanding of our environmental impacts with appropriate supporting programmes, strategies and reporting practices.

Safe and Healthy Play

- Be the Safest Place to Play
- Promote Healthy Play

People

- Diversity and Inclusion
- Talent, Engagement and Development

Community Investment

- Employee Volunteering
- Charitable Giving

Supply Chain

- Modern Slavery Act
- Prompt Payment

Environment

- Energy, Waste and Consumption
- Raising Internal Awareness



HEALTHY PLAY STRATEGY

We know that when a lot of people play a little, amazing things happen. We're proud to say that two-thirds of UK adults – almost 36 million people – played National Lottery games at least once last year, so encouraging healthy play is at the heart of everything we do.

The National Lottery is ranked just 66th in the world in terms of per capita spend, despite being the seventh largest lottery in the world in terms of sales (Source: *La Fleur's World Lottery Almanac 2023*). Due to our rigorous game design process, we're confident that our games pose a lower risk. However, because of our scale, we take every opportunity to promote healthy play and support our players to play in a way that's right for them.

Our healthy play strategy focuses on being the safest place to play and promoting healthy play, and is delivered through four key areas:

PLAYER: to identify and prevent underage players from accessing National Lottery products, and to detect and interact with at-risk players to minimise unhealthy play;

PRODUCT: to design games that are lower risk and don't have a particular appeal to vulnerable groups, or those underage, through a rigorous game design process;

PLACE: to create controlled play environments, online and in retail, and to promote healthy play behaviours to all players; and

LEADERSHIP: to take a leading role in advancing healthy play practices.



HEALTHY PLAY STRATEGY (CONTINUED)

Healthy Play Training for Employees

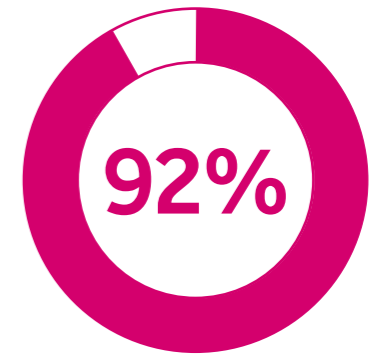
Our employees are key to delivering our healthy play strategy. It's therefore imperative that we provide them with the appropriate resources, support and training. Healthy play training is an essential part of our onboarding journey for all new Camelot employees – and a mandatory annual requirement for all existing employees. The training not only outlines our ambitions, but provides information on how employees can support our players and highlights the healthy play tools available on our website that enable them to play in a healthy way.

We also provide new employees who work on designing our games with 'Game Awareness in Player Protection' training developed by Sophro. This builds on their knowledge and understanding of product-related risks and the key considerations for developing lower risk games.

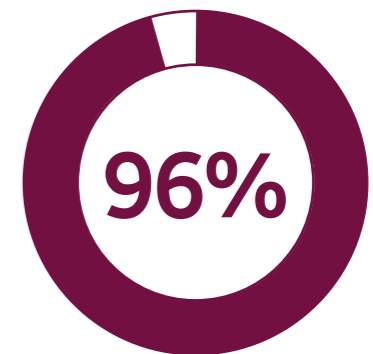
In November 2022, we delivered our annual 'Healthy Play Week' – our internal healthy play campaign to engage all employees on the topic of healthy play and embed its significance. Highlights included promoting our healthy play achievements, giving employees a chance to share their healthy play experiences, and hosting a range of learning opportunities, including a session on problem gambling delivered by GamCare, the leading UK provider of free information, advice and support for anyone affected by problem gambling.

Our Contact Centre team is committed to achieving the highest standards in respect of our goals relating to healthy play and vulnerability. This includes identifying signs of unhealthy play, offering appropriate options to support players and retailers in different circumstances, signposting players to relevant help and resources, and adhering to our internal support processes. Key training initiatives that bring to life our commitments to healthy play and supporting vulnerable players help make this possible.

For example, quarterly training sessions focused on topics such as account exclusions, limit reviews and supporting healthy play via webchat. In addition, our frontline teams underwent outbound interventions training and specialised GamCare training. As a result, 70 of our employees received a GamCare certification.



Our frontline teams' knowledge on healthy play is at its highest-ever level, with an average pass mark of over 92% in our training assessments



96% of respondents say that our representatives understand their queries on healthy play, showing a good or very good understanding of the topic

Year	2019/20	2020/21	2021/22	2022/23
New employees completing additional training in game design	44	13	8	7
Contact Centre employees gaining a healthy play accreditation	100%	100%	100%	100%

PLAYER

Preventing Underage Play in Retail

The safety of our players is of the utmost importance, and we take our legal and regulatory obligations to prevent the sale of our products to minors very seriously. To this end, we work closely with our retail partners, providing them with support and guidance to ensure they are confident and capable of knowing how and when to request identification from players.

Throughout the year, we offer ongoing support and training to our 43,000 retailers. We communicate a range of practical information to them through articles in our retailer magazine, *Jackpot*, messaging on our National Lottery Retailer Hub website, and via direct mail, email and phone calls, as well as in-person visits.

Since 1999, we've been successfully running a highly effective underage mystery shopper programme – 'Operation 18'. Following the change in the age to play The National Lottery in 2021, the programme now involves young people who are at least 18 years or over, but appear younger. The purpose of 'Operation 18' is to ensure that retailers are asking for ID where appropriate and not selling National Lottery products to anyone under the age of 18.

If a retailer fails a mystery shopper visit, we provide them with additional training and support ahead of another visit. If a retailer fails on three occasions, the National Lottery terminal will be suspended pending further investigation, with a risk of it being permanently removed.

We're proud that the programme produced record-breaking results this year. Of the 11,620 mystery shopping visits that were conducted, 92% of retailers correctly asked for ID as proof of age on the first visit – the best-ever first time pass rate – and exceeding our annual target of 90%.



"I'd like to say a huge thank you and congratulations to National Lottery retailers for continuing to prioritise healthy play in retail and selling National Lottery games responsibly. Only a year after the age to play changed from 16 to 18, retailers have achieved their best-ever pass rate for our 'Operation 18' mystery shopper programme. This incredible result is testament to the hard work that both retailers and the team at Camelot have put in over these past two years."

Alex Green, Camelot Retail Director

PLAYER (CONTINUED)

Identifying and Supporting At-Risk Players in Retail

It's essential for our retailers to have the knowledge and confidence to promote healthy play and identify players who may be at risk. We train retailers on how to spot unhealthy play behaviours and ensure they are aware of the resources available to them. Among the most commonly used resources is the healthy play printout, which can be conveniently printed out from the National Lottery terminal. It looks like a Lotto or EuroMillions ticket but actually signposts players to our healthy play webpage and GamCare, thereby offering valuable support to those in need.

Recognising that some players may feel hesitant in approaching a retailer for support if they are concerned about their play, we increased the visibility of GamCare's contact information. For example, we introduced a new QR code on our in-store digital media screens to make it easier for players to access GamCare's contact number and website details. This ensures that players have convenient and discreet access to the information they need.

Our success in supporting healthy play in retail relies on retailers applying their knowledge gained from our 'Being a Responsible Retailer' training initiative when selling National Lottery products. Through our healthy play mystery

shopper programme, we ensure that retailers are correctly directing players to the most appropriate resources. If a retailer does not pass, we offer them additional training and may conduct a further visit. We achieved our ambition set out last year of carrying out an increased number of healthy play mystery shopper visits during the year, completing 4,005 in total across a number of UK regions.

Understanding the impact of our healthy play resources is critical when supporting at-risk players within retail. From April 2021 to February 2023, we commissioned research to gain feedback on players' healthy play experiences within the retail setting. Players were prompted to take a survey via the healthy play printouts, which directed them to a link on our healthy play webpage. During this period, 9,461 players participated in the survey, providing us with invaluable insight. For example, 28% of players visited the healthy play webpage to access additional tools, such as the self-assessment test or the budget calculator. Over the next year, we plan to incorporate this and other insights into the support we offer to our players and retailers to improve its effectiveness even further.

Over the last year, we also piloted a model which examines sales patterns and socio-economic data to identify any retailers who might benefit from additional support. These learnings will also contribute to the development and enhancement of our support and training for retailers.

160,000

Camelot's Retail Team made over 160,000 contacts to National Lottery retailers over the year to offer advice on preventing underage play and how best to support healthy play in store

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
1st Visit Pass Rate	85%	89%	91%	91%	91%	N/A due to Covid-19	90%	92%

PLAYER (CONTINUED)

Preventing Underage Play Online

Having a robust online registration process is essential for preventing underage play online, especially with over 10.7 million active registered online players.

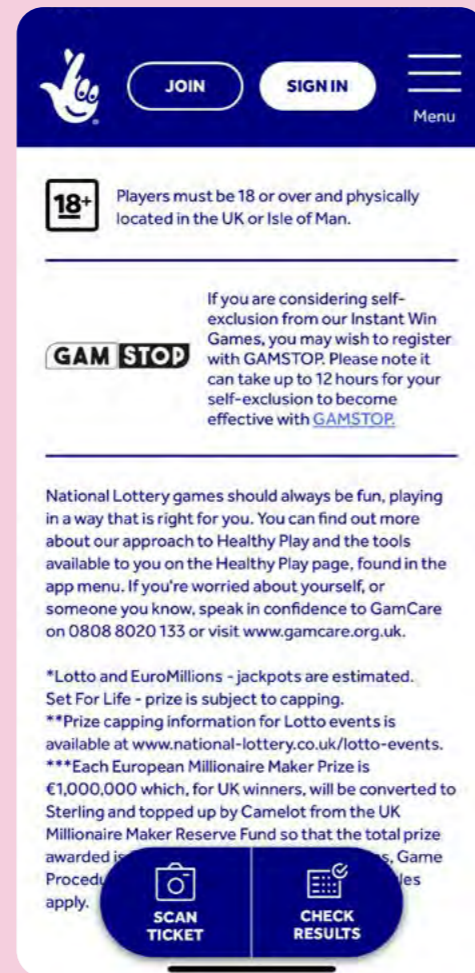
When a player registers for an online account, they are required to pass an identity and age verification check by Experian. These checks are only passed if we can confirm that the person is legally old enough to play National Lottery games, they are the person who they claim to be and they are a UK or Isle of Man resident.

If the Experian checks are unsuccessful, the account will not be verified, preventing the person from accessing any National Lottery products online.

Identifying and Supporting At-Risk Players Online

The first step in supporting an at-risk player is identifying them. Our online behavioural analytics model – ‘Mercury’ – monitors various play behaviours to detect such players. Once a player is identified as being at-risk, we intervene to encourage a positive change in how they play. Our interventions highlight how their play differs from others, signpost to the tools and support available, and escalate in nature over time – with the content, tone and delivery channel tailored according to how long a player remains at risk. If a player fails to respond to our interventions and modify their play behaviour, we take a final step of excluding them from accessing our Instant Win Games for a period of time.

To support at-risk players and ensure they are aware of the help available, we signpost to GamCare, as well as gambling-specific blocking software, such as Gamban and GAMSTOP.



PLAYER (CONTINUED)

Identifying and Supporting At-Risk Players Online (continued)

As part of the interventions programme, our dedicated healthy play outbound team proactively calls players identified as being at risk. The agents encourage players to make a positive change in their play behaviour by highlighting the tools available, and discussing setting lower limits while on the call or considering taking a break from playing.

The team also conducts post-call surveys to at-risk players to gain feedback on our interventions, measure awareness of our healthy play tools and monitor self-reported play behaviour. This year, 1,448 players reduced their spend and/or play limits while on an intervention call from the team. This insight allows us to continually improve the support we offer our players.

As part of our commitment to maintaining leadership in healthy play and delivering a best-in-class interventions programme, we commissioned an independent behavioural scientist to conduct an evaluation of the effectiveness of our interventions. Following the key recommendations from this exercise, we refined our interventions by including positive reinforcement and fine-tuning how we signpost players to our online healthy play tools. In our ongoing effort to enhance the interventions programme, we will evaluate the modifications implemented this year to identify any areas for further improvement.

Targeted Online Communications

Encouraging positive play behaviours in all players is central to healthy play. We regularly communicate with our players via email, app alerts and website pop-ups about how to keep play fun by using our wide range of online healthy play tools. As a result, more than 24,000 players have used at least one of our tools after receiving a healthy play email. In addition, we have embedded healthy play messaging within our draw reminder emails and push notifications to app players, reminding them of our healthy play tools.

To personalise our approach and communicate healthy play information to the appropriate player groups at the appropriate time, we apply learnings from our ‘Know Your Customer’ workstream, combined with insights from our behavioural analytics and commissioned research.

We want all of our players to strike the right balance between their play and their wellbeing. This is particularly important when it comes to our younger players, so we created a targeted and tailored communications campaign for them to raise both awareness and use of our online healthy play tools. In February 2023, we successfully delivered the campaign to more than 320,000 18 to 25-year-old players.

In addition to our proactive communications, we use reactive messaging. If players hit either the play or spend limits, we promote our healthy play tools to them through a website pop-up. This helps to raise player awareness of how much they are playing and spending on National Lottery games.



PRODUCT

We design games with player safety as a top priority. Even though playing National Lottery games is widely acknowledged to carry a very low risk of harm, we aim to minimise any potential risks as much as possible.

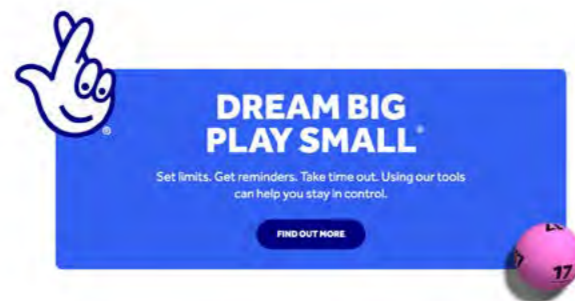
From ideation through to launch, our robust 'Responsible Game Design Process' sees all games go through a series of stages where they are assessed for potential risks. One of these stages involves a review by our Game Risk Action Evaluation Team – a cross-functional group that brings together expertise from across the business.

We also use three tools to assess risk:

- **GamGard**, a tool which assesses a game's structural and situational characteristics, such as the top prize on offer;
- **Asterig**, a tool which measures the potential dimensions of risk in a game by assigning numeric scores; and
- **A Risk Checklist**, which considers risks posed by the design characteristics of a game, such as underage appeal.

If any of these tools indicate that the risk level of a game is too high, we will revise the game to lower the risk. If the risk continues to be too high after revisions, we will not launch the game. Where a new or significantly different game is under consideration, we may carry out research and/or additional reviews.

Ensuring that our game design process evolves and remains effective in line with external factors is essential. In October 2022, as part of its commitment to safeguard young people and vulnerable audiences, the Committee for Advertising Practice updated its rules on underage appeal in the UK Code of Non-Broadcast Advertising and Direct & Promotional Marketing (the CAP code). In the lead-up to this change, we prioritised reviewing all of our marketing, advertising and communications collateral, as well as our games and related policies and processes, to reduce any potential appeal to individuals under the age of 18. As a result, we removed – or didn't extend the licensing for – games such as Monopoly and Scrabble, and modified the artwork on the '£300k Fruity Bingo' and 'Winter Wonderlines' online Instant Win Games.



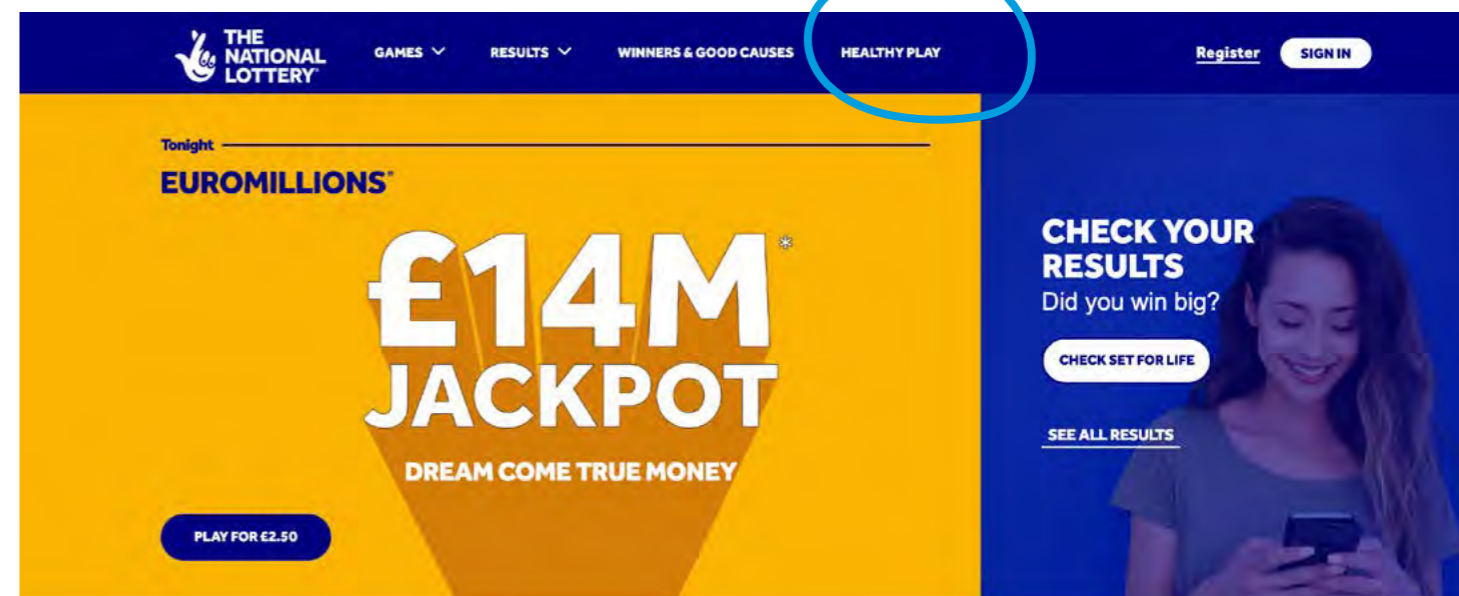
In game design, we also consider ways to provide information to players who may require support with their play. We incorporate the helpline details for GamCare on all of our products, on our media screens in retail and across the National Lottery website. In addition, we include our 'Dream Big Play Small' healthy play messaging on many of our products and advertisements.

All of our marketing and advertising materials are developed in compliance with the Advertising Standards Authority's CAP Code and BCAP Code, which promote safer marketing practices and the need to prevent people under the age of 18 from being exposed to unsuitable advertising.



Year	2019/20	2020/21	2021/22	2022/23
Games that went through the Responsible Game Design Process	182	146	127	153

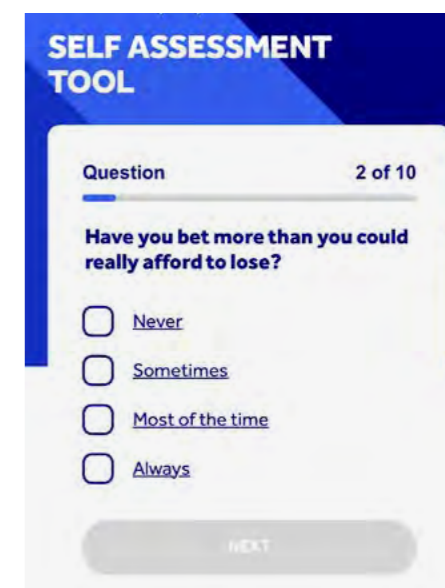
PLACE



Promoting Healthy Play

Our healthy play message, 'Dream Big Play Small', is embedded throughout our online and retail player journey. The message reflects our guiding principle – to have lots of people playing a little – and can be seen as part of the welcome journey for new players, as well as on in-store digital media screens, draw-based game tickets, Scratchcard advertising and healthy play terminal printouts.

As part of our efforts to promote healthy play, we ensure that it is quick and easy for players to access relevant information on our healthy play page. Players can do this by either searching 'Dream Big Play Small' online, scanning a QR code on the healthy play printout in retail or by clicking on the dedicated 'Healthy Play' button in the top navigation bar on the National Lottery website.





PLACE (CONTINUED)

Healthy Play Training for Retailers

Retailers play a critical role in achieving our ambitions to promote healthy play and ensuring The National Lottery remains the safest place to play. Our 'Being a Responsible Retailer' training programme provides comprehensive training on supporting healthy play and preventing underage play. It ensures that retailers have a thorough understanding of both aspects, allowing them to confidently ask for identification and interact with players about healthy play. The training is delivered in a variety of forms:

Online: Our online training module for all of our retail partners – and an additional module for our independent retailers to test their knowledge – is delivered via the National Lottery Retailer Hub website.

In-person: Our Retail Sales Team delivers in-person training, and provides additional training where any retailer knowledge gaps have been identified.

Our healthy play knowledge checks enable us to assess the effectiveness of the training programme and retailers' knowledge of the healthy play tools that we make available to support players. We exceeded our 90% target and are proud that 94% of retailers contacted during the year successfully passed a healthy play knowledge check after identifying our healthy play tools.

To further complement the training, we also launched a new training video to raise awareness among our retail partners of what is involved in a 'Healthy Play' mystery shopping visit.

In addition, we regularly communicate 'Being a Responsible Retailer' messages through face-to-face visits and phone calls from our Retail Sales Executives, in our *Jackpot* retailer magazine, in terminal messages, and by email and post. To broaden our approach, we also use trade press opportunities and speaking engagements, such as our biannual presentation at the Scottish Grocers' Federation Seminar, to further highlight retailers' responsibilities.

Year	2019/20	2020/21	2021/22	2022/23
Average retailer pass rate on healthy play knowledge checks	87%	92%	93%	94%

PLACE (CONTINUED)

Our Online Healthy Play Toolkit

To support our 10.7 million active registered players online, we offer a variety of online healthy play tools – from setting limits to taking breaks – designed to help them manage their play.

We actively encourage our players to use our healthy play tools, which include:

- deposit, spend and play limits, to manage how much they are spending and playing;
- a session time reminder, to keep track of the time they spend playing;
- a self-assessment test, to reflect on their play behaviour and consider if it needs to change;
- a budget calculator, to work out how they spend their money; and
- options for taking a break from our games or setting a permanent exclusion.

We provide pre-set weekly deposit and spend limits for our players, as well as a limit on the number of Instant Win Games that can be played in a 24-hour period. We regularly encourage players to review these limits and set lower ones which are right for them.

Following research by the Behavioural Insights Team which highlighted that deposit limit tools should not display a predetermined minimum or maximum amount that could act as a financial anchor, we modified our online deposit page where players add funds to their account. We removed references to the weekly minimum and maximum deposit limits and now only offer players a free-text box to enter the amount of funds they wish to add. If the amount is too low or too high, players are presented with appropriate messaging.

We encourage all of our players to play in a way that is right for them, which may include taking a break. We give players flexibility and choice when it comes to taking a break from playing National Lottery games online – they can choose to take a short break between one day up to five months, a long break from six months up to five years, or to stop playing our games permanently.

We remain integrated with GAMSTOP, the free national online gambling self-exclusion service which enables players to take a break or exclude themselves from all gambling activities with websites and apps run by companies licensed in Great Britain.

563,638
 Unique players who have used one or more healthy play tools

Year	2019/20	2020/21	2021/22	2022/23
Unique players who have used one or more healthy play tools	310,636	536,998	481,698	563,638

LEADERSHIP

Certifications and Accreditations

We are dedicated to taking a leading role when it comes to healthy play and continue to set best practice standards for international lotteries.

We actively collaborate with other organisations by sharing our experiences and insights as members of the European Lotteries and World Lottery Association Responsible Gaming and Corporate Social Responsibility Working Groups.

We take great pride in having achieved European Lotteries' Responsible Gaming Certification, as well as maintaining the highest level of the World Lottery Association's Responsible Gaming Standard, for the fifth consecutive time. In total, we have now held both accreditations, each with a validity period of three years, for a total of 13 years. As one of the first operators to be accredited, the ongoing certifications underline our steadfast commitment to maintaining high standards in promoting healthy play best practices.

We also retained our status at Level Two of GamCare's Advanced Safer Gambling Standard – a social responsibility quality standard for all licensed gaming operators that aims to raise overall standards across the industry to ensure a safe environment for all players.

In addition, we were shortlisted for the Most Effective Vulnerability Strategy Award in the 2022 CCA Excellence Awards. These recognise world-class professional achievement in customer service and are judged by a panel of experts from a range of sectors and specialisms, with final deliberation by a 50-strong peer judging committee.



WORKING IN PARTNERSHIP

We have established partnerships and collaborate with a variety of organisations to broaden our perspectives, facilitate our progress and exchange valuable experiences. These include:

ACADEMICS AND EXTERNAL EXPERTS in the industry who offer independent, impartial and fresh viewpoints which help to strengthen and develop our strategy.



THE EUROPEAN LOTTERIES is the umbrella organisation of national lotteries across Europe. It promotes responsible and sustainable gaming, and provides a proactive and strategic forum for reflection, discussion and collaboration between members.



THE WORLD LOTTERY ASSOCIATION is a member-based organisation that seeks to advance the interests of state-authorized lotteries.



GAMCARE is the leading UK provider of information, advice and support for anyone affected by problem gambling. It operates the National Gambling Helpline, provides treatment for anyone harmed by gambling, creates awareness about safer gambling and treatment, and encourages an effective approach to safer gambling within the industry.

13

The total number of years that we have held both European Lotteries' Responsible Gaming Certification and the highest level of the World Lottery Association's Responsible Gaming Standard



SUPPORT FOR WINNERS

Our Winner Experience Team, which is responsible for paying prizes of £50,000 or more, is dedicated to providing high-tier winners with the best possible support and guidance. We take pride in assisting winners at this exciting time and help them to deal with the unique challenges that can come with sudden wealth, equipping them with the necessary tools and support to help them transform their financial windfall into sustainable personal fulfilment.

We guide each high-tier winner so that they can navigate their new circumstances with confidence, offering a range of bespoke support options that are tailored to their individual needs. These include access to a carefully selected range of partners, including private banks, financial planners, solicitors, wellbeing experts and concierge services.

We routinely conduct regular assessments and monitoring of our support services to ensure their continued relevance and effectiveness in response to the ever-changing world in which we live.

Our high-tier winners have the choice to share their news publicly or remain anonymous. If a winner decides to share their news with the public, they are given the opportunity to meet previous winners at Camelot-organised events. Of all of the winners we supported in 2022/23, three were the biggest winners ever created in the UK – with one of them, Joe and Jess Thwaite who won an incredible £184 million jackpot in May 2022, choosing to share news of their win.

In the past, high-tier winners who opted for anonymity were not able to attend any events for obvious reasons. However, to enhance the support we provide these winners, we introduced an exclusive opportunity for those who had won over £3 million but had chosen to remain anonymous to attend a 'Lottery Lunch'. This enabled them to meet in a confidential environment, and to share their experiences, thoughts and emotions about their win. With 39 winners attending, the event was a huge success. This support network has been particularly invaluable in helping anonymous high-tier winners to normalise their win and gain insights from the experience of others, with lots of positive feedback:

"I would have bought tickets to this – it was outstanding."

"It was wonderful to chat openly about our win with others."



SUPPORT FOR WINNERS (CONTINUED)

In total, The National Lottery created 382 millionaires in 2022/23, of whom 285 opted for advisory meetings with an independent financial planner and a solicitor. This provided an excellent opportunity for the winners to receive expert advice and guidance concerning their win, enabling them to make well-informed decisions.

The Winner Experience Team also looks after the wellbeing of high-tier winners and, during the year, 262 winners were introduced to the team, with those who went on to opt for coaching or mindfulness support reporting that they found it highly beneficial.

Given that the UK is a multicultural nation, language barriers may also arise during conversations with some of our winners. To address this, several multilingual colleagues from across the business underwent vetting this year and can now provide translation services. This initiative has already proven to be incredibly valuable on a number of occasions.

In addition, we've recently created a new booklet specifically designed for the winners of The National Lottery's Set For Life annuity-style game, which offers a top prize of £10,000 a month for 30 years. The booklet offers greater clarity on what winners of the prize can expect and complements our refreshed wellbeing support booklet.

In the coming year, the Winner Experience Team will continue to prioritise providing the best possible experience to our high-tier winners, and will explore ways to further improve and expand our winner support options, with an emphasis on flexibility and choice.



Our range of partners plays an integral role in enabling us to provide outstanding support options for high-tier winners



COMMUNITY INVESTMENT

Through our operation of The National Lottery, our employees create value and impact every day by raising money for Good Causes. We also give them the opportunity to support the communities, charities and causes they care about through our community investment programme, 'Living Life Changing'.

"I really enjoyed spending the day outdoors helping to preserve such an amazing green space that is such a vital part of the local community. It was great to spend time with work colleagues outside of the office environment and get to know each other more on a personal level."

Volunteer from Camelot's Digital Team

COMMUNITY INVESTMENT (CONTINUED)

There are four ways employees can get involved:

- Volunteering for up to two days a year
- Give As You Earn
- Matched funding**
- Matched giving**

** Up to £500 per year combined

We focus on connecting our employees to Good Causes and have longstanding partnerships with three National Lottery-funded charities:

- **Watford Mencap**, which works with people with learning disabilities, as well as their families and carers, to encourage them to achieve equal opportunities and be valued as members of society;
- **Peace Hospice Care**, which works to support and empower patients to achieve the best quality of life possible, through community work and at the hospice; and
- **The Conservation Volunteers**, whose mission is to create healthier and happier communities by connecting people and green spaces to deliver lasting outcomes for both.

Through our volunteering programme, 92% of our employees felt more connected to National Lottery-funded projects, while 80% expressed pride in working for Camelot.

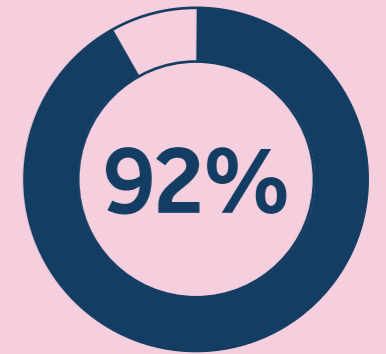
At the beginning of this year, we set a goal to increase participation and engagement with 'Living Life Changing', with the aim of fostering greater connections between employees and the communities, charities and causes important to them. To help achieve this, we introduced an activities calendar on our intranet, giving a comprehensive view of upcoming volunteering opportunities and an easy link to sign up. We also refreshed the content for our company-wide induction programme to ensure all new employees are informed about the benefits of the 'Living Life Changing' programme.

Taking advantage of the wide range of activities available to them, our employees volunteered in various ways – from hosting a Royal Jubilee afternoon tea party, a Christmas lunch and joining a 'Colour Run' for The Peace Hospice, to wrapping Christmas gifts at a local shopping centre for Watford Mencap and helping to maintain the wildlife areas at Cassiobury Park in Watford for The Conservation Volunteers.

Sometimes, the most effective help we can give is monetary. This year, we sponsored Watford Mayor's Charity Christmas Card, with donations going to Citizens Advice Watford and Home-Start – both of which are on the front line helping people through the cost of living crisis – while our donations to the Watford and Three Rivers Trust helped to support its community Jubilee celebrations.

"We treasure the relationship we have with Camelot and can't thank them enough for the donations and voluntary help they give us with our projects, our fundraising activities and knowledge sharing. Most of all, the Camelot team is always inclusive and encouraging of the people with learning disabilities who we support. Thank you."

Michelle Hamilton, Fundraising Manager at Watford Mencap



Through our volunteering programme, 92% of our employees felt more connected to National Lottery-funded projects

COMMUNITY INVESTMENT (CONTINUED)

We also made a donation to Sunnyside Rural Trust, which supports vulnerable adults in Hertfordshire with learning difficulties to learn new skills, enabling it to purchase much-needed IT equipment and materials to revamp its offices. And, in response to the devastating earthquake in Turkey and Syria, we were pleased to contribute £100,000 to *The Sun's* Earthquake Appeal to help the Red Cross provide crucial support and relief to those affected by the disaster.

In the coming year, we plan to resume our successful food bank donations scheme, which has been on hold since 2019 as a result of the Covid-19 pandemic, and will continue to promote and encourage employee engagement with the initiative.

After running it for seven years, we are proud of what our 'Living Life Changing' programme continues to achieve. Since it began in 2015/16, we've supported over 45 charities, contributed over 7,000 hours in volunteering and raised over £540,000 in charitable donations. These accomplishments reflect our ongoing commitment and efforts to make a positive impact on the communities and charities we support – and we were delighted to once again be awarded the Charities Aid Foundation Payroll Giving Silver Quality Mark.

	2018/19	2019/20	2020/21	2021/22	2022/23
Volunteering					
Hours	1,215	2,052	N/A due to Covid-19	1,240	2,543
Matched Funding					
Total	£35,200	£89,777	£39,095	£77,035	£89,990
Give As You Earn and Matched Giving*					
Total	£5,900	£5,200	£6,237	£8,591	£11,291

* Matched giving started in July 2021

SUSTAINABLE SUPPLY CHAIN

Our ability to foster transparent and mutually beneficial relationships with our supply chain partners plays a key role in sustaining our ongoing success. Over the course of 2022/23, we worked with 570 suppliers, the majority of whom are critical to the efficient operation of The National Lottery.



Our Procurement Team collaborates with functional teams, supporting relationship managers in sourcing and onboarding suppliers who meet business needs, and conducting due diligence for both the onboarding and offboarding of suppliers. It also enforces policies and procedures to ensure internal and regulatory compliance, and reports to the Gambling Commission to fulfil our licence requirements. In addition, the team defines obligations and performance metrics to minimise risk.

The Procurement Team manages our supply chain through a combination of risk-based periodic review meetings, surveys and audits – and is vigilant in identifying supply chain risks, working with the business to develop appropriate mitigation measures.

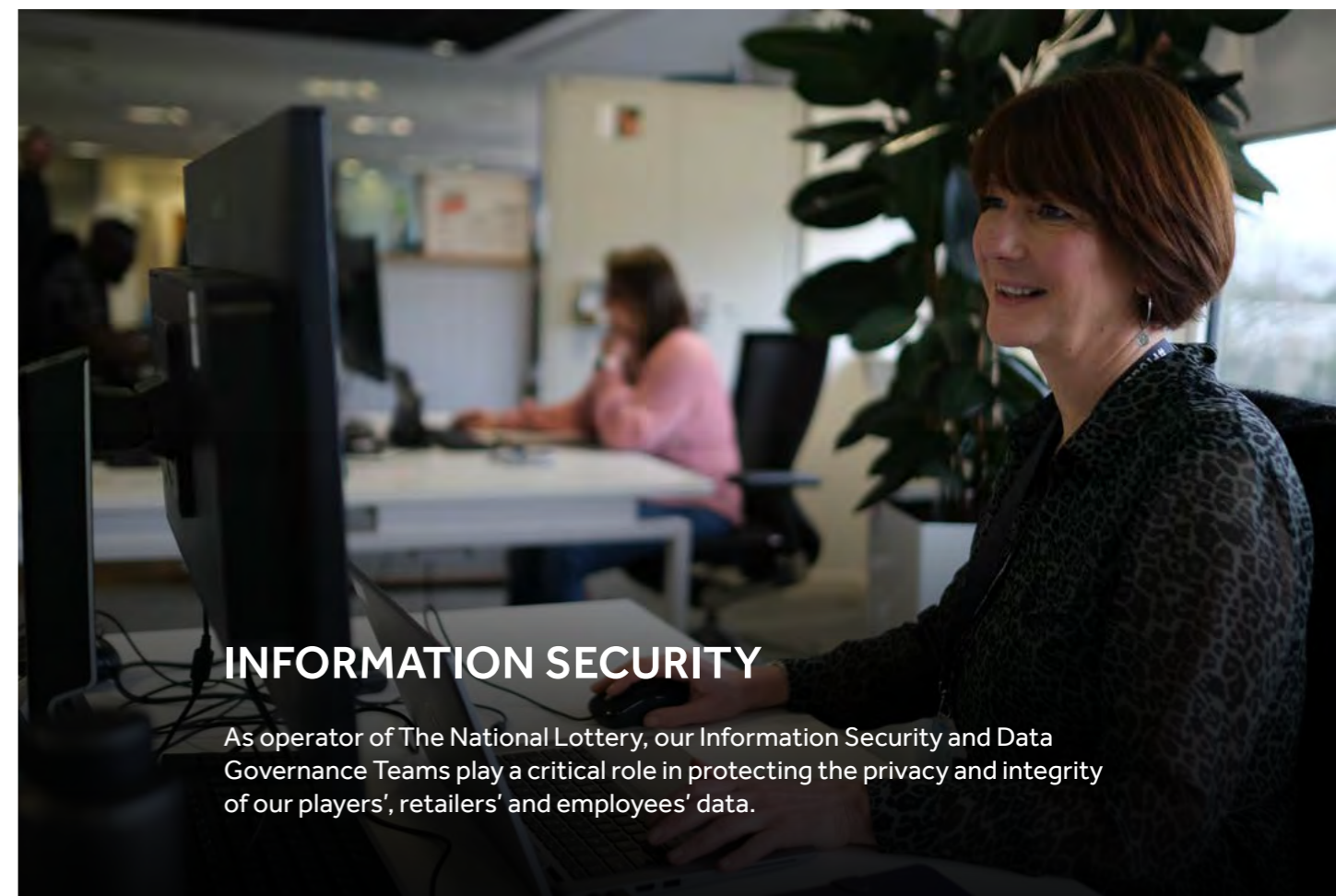
Our onboarding process continued to evolve during the year through the customisation of specialist third-party software. This has seen us create online supplier assessments for all activities associated with a supplier's life-cycle, helping to ensure that any supplier engagement has complete transparency throughout the business.

In April 2021, Camelot became a signatory to the Prompt Payment Code, allowing small businesses with fewer than 50 employees to receive improved payment terms for better liquidity. Since then, we've committed to paying 201 of our suppliers (35% of our supply base) on terms that exceed our standard payment terms. In 2022/23, we processed a total of 8,162 invoices and complied with the Prompt Payment Code guidelines for supplier payment performance.

Every year, we conduct a 'Supplier Conduct Review' with select suppliers, who are chosen based on the services they provide to us. The review aims to evaluate our suppliers' business practices and assess their potential impact on our players and employees, from a corporate and social standpoint. In 2022/23, the 'Supplier Conduct Review' was completed by 26 suppliers. All suppliers that submitted a response successfully passed the review, with the average pass score increasing from 74.6% in 2021/22 to 76.7% this year.

We actively monitor our supply base for signs of modern slavery and have distributed our annual modern slavery questionnaire to a targeted group of suppliers. This group was chosen based on their criticality to our operations, spending levels and reliance on labour-intensive services. Of the 35 suppliers that completed the questionnaire, we are pleased to report that all were found to be in compliance with the Modern Slavery Act.

We have shared our Modern Slavery Statement with new suppliers, and reminded existing suppliers to uphold our commitment to preventing modern slavery and human trafficking. We also encourage our suppliers to get in touch with us with any questions or concerns they may have.



INFORMATION SECURITY

As operator of The National Lottery, our Information Security and Data Governance Teams play a critical role in protecting the privacy and integrity of our players', retailers' and employees' data.

In 2022/23, we continued to operate with the highest levels of integrity. As part of this, we maintained compliance with key standards and certifications, including ISO 27001 (the international standard for Information Security Management); WLA-SCS (the lottery-specific World Lottery Association Security Control Standard); PCI DSS (the payment card industry security standard); and ISO 27701 (the international standard for privacy information management).

As the outgoing operator of The National Lottery, we faced additional challenges in supporting Allwyn UK, the incoming operator, in order to ensure clear demarcation between our third licence operations and transition support for the fourth licence. We have worked diligently to address these challenges by maintaining appropriate technical and organisational boundaries.

Throughout the year, we continued to engage with and participate in threat intelligence-sharing groups, including with the National Cyber Security Centre's Lottery and Gambling Sector Trust Group and its Annual Review.

Promoting a security and privacy-focused culture remains an ongoing key priority for us. In addition to our yearly mandatory training, we developed a number of initiatives to support 'Cyber Security and Privacy Awareness Month' in October 2022. For example, in partnership with specialist cyber security awareness firm Cybermaniacs, we created a series of awareness videos covering key security and privacy topics that took our employees on an exciting adventure to stop some fictitious nefarious activities taking place around the business.

We also shared blogs and information guides, covering topics such as keeping your family safe online and incident reporting, while our 'Lunch and Learn' session gave staff informative insights into security operations around the business.

ENVIRONMENTAL IMPACT

Reducing our environmental impact remains a focus and we carefully assess our environmental footprint, identifying opportunities for positive action and minimising negative ones.

This year, we took steps to understand how we can better align with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). By conducting a gap analysis, we were able to identify opportunities to strengthen our approach and develop a roadmap of activity, considering the four TCFD thematic areas – governance, strategy, risk management, and metrics and targets. Working with a specialist consultancy, we also spent time identifying and reviewing our climate-related risks and opportunities. Areas where we have already made a start include updating the corporate responsibility risk register that forms part of our wider enterprise risk management framework, reviewing our internal governance structure and implementing a robust reporting process to improve the quality of environmental data collected. In the coming year, we will continue to make progress on this front.

To promote sustainability across our estate, we have implemented several measures such as maintaining our equipment and facilities, repurposing resources and conducting a review of our energy efficiency practices. As part of our ongoing efforts to reduce energy consumption, we have been replacing old light fittings with more efficient LED lights at our Northampton Distribution Centre (NDC) and Watford head office. We plan to complete this project over the coming year to further drive down our energy usage.

The NDC serves as the exclusive distribution centre for all National Lottery consumables and point of sale material, and therefore generates a greater volume of waste compared with our other sites. Taking this into account, we have taken a proactive approach to waste management, continuously striving to minimise or eliminate waste in every form.

For example, from January 2023 we increased our packing bags to contain 50% recycled plastic as opposed to the minimum requirement of 30%. All of our boxes and bags contain the relevant recycling

logos to help ensure our retailers dispose of our packaging correctly. We also removed the plastic wrapping from our playslips, moving to a recyclable paper band.

The NDC sent 93.74 tonnes of waste to waste disposal and management specialists Cawleys in 2022/23, of which 93.1% was recycled, 4.14% was sent for refuse-derived fuel and 2.76% was landfill – meaning that 97.24% of all of our waste from this site was recycled.

In addition, all of the pallets used at the NDC are recycled, either back to the supplier or through a local pallet collector, together with any metal we have. With the aim of reducing the number of trailers we use to transfer our products to the sorting hub, we changed our working pattern from April 2022, resulting in a 57.69% decrease in the number of trailers required, lowering our carbon footprint in the process.

We are immensely proud of our sponsorship of Watford Borough Council’s ‘Beryl Bikes’ scheme for the past three years. By promoting cycling to and from our Watford head office among our employees, we have contributed towards reducing carbon emissions in the Watford area. In 2022/23, 67,461 Beryl Bike journeys were made, with 262,950 kilometres covered throughout the town.

In the coming year, we will be installing two dual EVR car charging points at our Watford head office, with plans to extend this initiative to our other sites.

67,461
Beryl Bike journeys were made, with 262,950 kilometres covered throughout the town

Our Total Carbon Footprint

We have expanded our data sets to include air travel data this year, which has resulted in an increase in our total carbon footprint. Reporting this way demonstrates our commitment to transparency and accountability in measuring our environmental impact.

Year	2020/21	2021/22	2022/23
tCO2e	1,642	1,529	1,802

Year Activity	2021/22		2022/23		Difference
	Energy (kWh)	Emissions (tCO2e)	Energy (kWh)	Emissions (tCO2e)	
Scope 1 Total		733		770	37
Natural Gas	1,187,172	217	1,133,979	207	-10
Company Cars	2,097,090	516	1,960,307	563	47
Scope 2 (Location Based) Total		766		773	7
Electricity (Market Based)		-	2,605,544	504	N/A
Electricity (Location Based)	3,607,896	766	3,999,591	773	7
Scope 3 Total		30		259	229
Transport (Hired/Employee Owned)	126,065	30	204,255	50	20
Air Travel		-	244,623	209	N/A
Total Carbon Footprint		7,018,223		7,542,755	273
Emissions per £million of gross ticket sales (tCO2e)		0.19		0.22	0.3
Water (M3)		17,297		20,400	3,103

Activities not included in the above summary: taxis; hotels; rail; and couriers.

Quantification and Reporting Methodology

We have taken guidance from the UK government’s Environmental Reporting Guidelines (March 2019), the Greenhouse Gas (GHG) Reporting Protocol – Corporate Standard, and the UK government’s GHG Conversion Factors for Company Reporting document for calculating carbon emissions. In addition, we sought guidance from both the GHG Protocol Corporate Reporting Standard and the UK government’s GHG Conversion Factors 2022 document to enable us to accurately calculate our carbon emissions.

Energy usage information (gas, electricity and water) has been obtained directly from our energy suppliers and, where applicable, half-hourly (HH) data for the HH supplies (there was no estimation profiling required). For supplies where there wasn’t complete 12-month energy usage data available, flat profile estimation techniques were used to complete the annual consumption.

Scope 3 transport mileage data was obtained from expense claims submitted for our company cars and grey fleet. Estimations have been used for January 2023’s Scope 1 company car emissions, as not all data was available.



OUR PEOPLE

At Camelot, we want to create a workplace where everyone can flourish. This means building an organisation that is both diverse and inclusive, ensuring that each employee feels a sense of pride in their work, and recognising and empowering them to achieve their full potential as they progress their careers with us.



Last year, we reported about our work to embrace hybrid working principles and, while this continues to operate successfully, we have taken steps to encourage our people into the office and connect with each other with a variety of in-person events and initiatives. We continue to monitor this and ensure we are always listening to our people.

This year brought some change and uncertainty for everyone with the forthcoming change to the operator of The National Lottery being announced, so we made it a priority to keep our employees connected and informed. Our efforts to maintain a sense of unity, openness and supportive environments among our people – particularly during this challenging time – have been significant, and we will continue to do everything we can to look after them over the coming year.

We have had another year of strong employee engagement scores and have been recognised for our efforts to support our people:

- For the third year running, we are an accredited Living Wage employer – a voluntary benchmark for employers that believe it's important for their staff to earn a wage they can live on, not just the government minimum.
- In July 2022, we were awarded the All-Party Parliamentary Corporate Responsibility Group's Responsible Business Champion Award. The group comprises MPs and members of the House of Lords from across all parties, who promote debate and understanding of corporate responsibility in the community, environment, marketplace and workplace. The prestigious award recognised our commitment to responsible business practices and our thriving community investment programme – 'Living Life Changing' – as well as our dedication to creating a healthy workplace for our people.
- We are into the third year of our partnership with industry charity GroceryAid and its 'Diversity & Inclusion in Grocery' programme. The scheme connects and encourages organisations in the wider grocery and fast-moving consumer goods sector to get together to discuss common issues and to collaborate, share ideas and drive action. The benefits from this programme also include shared learning through monthly 'Lunch and Learns' hosted by partners of the programme; mentoring opportunities, with members exchanging mentors and mentees each year; and networking at the annual 'D&I in Grocery LIVE!' event.





EMPLOYEE FORUM

The Employee Forum is made up of members of staff who have been elected by their peers to represent 10 constituencies across the business. Sponsored by a member of the Executive Team, key discussion points are fed back to the wider Executive Team to ensure that it remains closely connected with the needs and concerns of our people. In addition, Jennelle Tilling, one of Camelot's Independent Non-Executive Directors, has specific responsibility for employee engagement.

Ahead of Allwyn UK taking over as the new operator of The National Lottery in February 2024, the Forum continued to serve throughout the year as a vital platform for all employees to ensure that they have a voice and feel heard during this period of change.

For example, in collaboration with the People Team, the group hosted a series of breakfast events during the year with our Executive Team. The events formed part of the Forum's listening strategy during a transitional year, with a view to strengthening the connection and visibility between the Executive Team and employees from across the company.

The Forum also worked closely with the People Team in addressing the cost of living crisis and its impact on our people. In response to people's concerns, the Executive Team offered cost of living relief payments to employees earning less than £50,000, underlining its commitment to supporting our people during this challenging time.

The group also continued to publish its informative, digital newsletter, *Camelot Connected*, which saw over 80% of employees opening and engaging with its content. The Forum is proud of achieving such a high level of engagement and will continue to explore ways to maintain this. In addition, the group continued to work closely with other networks from across the business to support and promote their events, fostering collaboration and community among our employees.

As we progress through transition, the Forum remains dedicated to working in partnership with all of our various constituencies to ensure a smooth and seamless period, and will play a key role in providing timely and accurate information to everyone, at every stage of the process.

EMPLOYEE ENGAGEMENT

It's really important to us to gain insight into our employees' experiences and feelings about working for us and, to do this, we primarily rely on employee engagement surveys. Our 2022 annual survey showed an engagement score of 90%, which matched the very high rate that we achieved in the previous year's survey and meant that we remain in the top rankings compared with other companies across the UK.

Our scores were strong across all areas and we take particular pride in the fact that:

- 97% of people feel that Camelot is well led and care about the future of the company;
- 95% of employees believe that the company listens to and progresses issues around diversity;
- 95% of people know how their work helps Camelot achieve its strategy and plan; and
- 91% of people feel that their line manager does enough to support their health and wellbeing at work.

This year, our people plan focused on three core areas:

A Place to Do Your Best Work

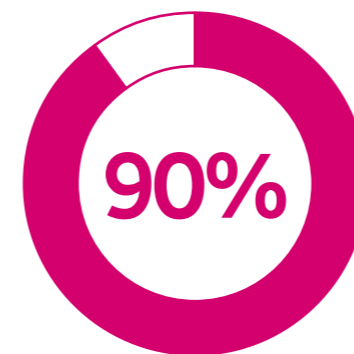
This workstream comprises several initiatives that aim to promote diversity, inclusion and wellbeing within our organisation. It also encompasses our activities to keep people informed about our hybrid working approach.

Our Commitment to Integrity

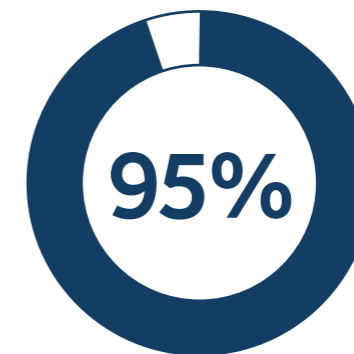
The focus in this area is on delivering our outgoing licence commitments, including updating job descriptions and key people process documents, and conducting activities such as employee vetting.

Retaining Our Talent and Experience

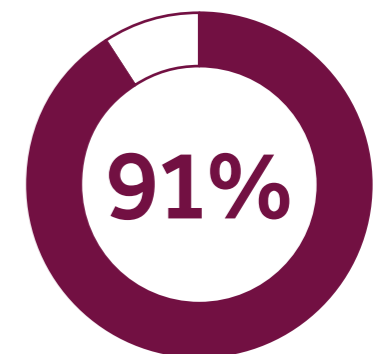
Work in this area includes encouraging the growth and development of internal candidates by offering them opportunities to take on new challenges. As a result, we successfully filled 33% of all vacancies from within the business, an increase of 8% compared with 2021/22.



Our overall engagement score in 2022



The proportion of employees who believe that the company listens to and progresses issues around diversity



The proportion of employees who feel that their line manager does enough to support their health and wellbeing at work

EMPLOYEE DEVELOPMENT

In line with the approach we adopted in 2021/22, we continued to prioritise two key themes over the year: driving impactful conversations about performance, and holding a series of workshops with our newly promoted managers to equip them with the necessary tools to be effective leaders for their teams.

Similar to last year, we've strived to provide learning and development opportunities for all of our employees. As part of this, we launched a brand new 'Learning Hub', which serves as a centralised platform for information on all of our learning and development initiatives. We also partnered with Mind Tools, a leading e-learning provider, to offer on-demand, personalised learning content.

To ensure that our employees continue to benefit from a diverse range of learning and development opportunities, we've maintained our relationships with LinkedIn Learning, Strengthscope and the London Business Forum – all of which offer a variety of ways for our people to learn, develop and progress their careers.

We're pleased to report that the outcomes from the numerous initiatives we've implemented are very encouraging. Our annual employee engagement survey revealed that 89% of our people have regular quality conversations with their manager about their performance, and 83% feel that their manager understands their career aspirations and takes the time to help them develop their skills. In addition, 77% of employees feel supported by Camelot with their development goals – 17% higher than the overall benchmark comparison based on the data provided by our engagement survey partner.

In keeping with our approach in previous years, we've also continued to run bespoke learning events for our leadership teams and plan to maintain our focus on this in the coming year.

APPRENTICESHIPS

In partnership with leading apprenticeship provider Instep UK, we have continued to promote our apprenticeship initiative to all employees, with a variety of options available, including the Step into Management (Level 3) and Step into Leadership (Level 5) programmes, as well as coaching and specialist apprenticeships.

The year also saw us introduce two additional apprenticeships in data and project management, which together have resulted in over 35 initial sign-ups. Since launching our apprenticeship scheme in 2019, 48 people from across the business have gained qualifications, while a further 65 are currently studying towards an apprenticeship.



EMPLOYEE WELLBEING

The wellbeing of our employees continues to be of the utmost importance to us, and we strive to create a workplace culture that values and supports each individual's overall wellbeing. To this end, our focus on wellbeing is integrated into all aspects of our communications activity – whether through company networks or community forums, we actively encourage open and transparent discussions about the physical, mental and emotional health of all of our employees.

In support of this, we've continued to develop new content for our 'Wellbeing Hub', which we launched last year. In addition, our monthly wellbeing emails are packed with information to support our people, as well as details of office-based wellbeing days offering activities including yoga, meditation and massages, and benefits such as free, nutritious lunches.

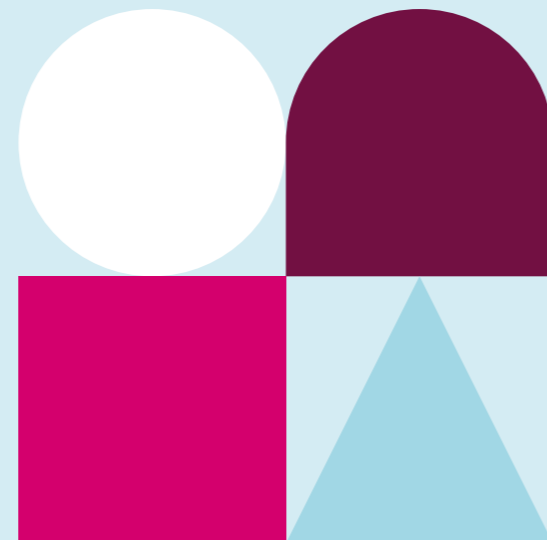
Our community of Mental Health First Aiders continues to be instrumental in promoting positive mental health by leading on activities including holding workshops on sleep, stress management and suicide prevention, as well as partnering with other networks from across the business, such as our Women's Network to launch our 'Menopause Mentors' initiative. The community also hosted our first-ever Financial Wellbeing Week, which focused on a range of topics, personal finance and setting SMART money goals.

We continue to encourage employees to use the Help@hand virtual GP app, which gives them easy access to virtual appointments with GPs, counsellors, physiotherapists and medical second opinions, as well as life, money and wellbeing support services. We also continue to offer our wellness subsidy, which enables people to claim up to £1,000 off annual gym memberships, including online and face-to-face classes, as well as digital wellbeing apps.

Over the coming year, we will continue to be committed to prioritising the wellbeing of our people as a central component of our people plan, will remain agile in responding to the issues that matter most and will work to develop programmes that preserve the unique culture that defines Camelot.

DIVERSITY AND INCLUSION

As we aim to reflect the diversity of the UK population in our operation of The National Lottery, we recognise the importance of having a workforce that comes from varied backgrounds and communities – just as our players do. Our culture values and embraces differences, encouraging every individual to be their authentic selves, to participate fully and to achieve their full potential.



Fostering diversity and inclusion remains an essential component in our work to promote engagement and build connections within our organisation, and to learn from one another. To help us achieve this, we provide greater support to our employee communities, empowering them to drive communication, events and initiatives throughout the year.

Over the period, we successfully established two new communities as part of this core group: the Environment Network and the Ability Network. Both are currently focused on developing agendas that address their respective primary concerns and key issues, with their objectives being to prioritise education, awareness and communication with our people in order to create plans that serve their communities effectively.

Our existing and well-established networks – the Women’s Network, Pride Network, Parents’ Network, Culture Network and Mental Health First Aiders – have continued to trailblaze and thrive, keeping inclusion at the heart of our everyday interactions.

All of our communities have the autonomy to connect and engage with the organisation on what’s important to them. They also play a critical role in our annual business planning process, ensuring that we take on board their expertise and feedback to shape our diversity and inclusion plans for the coming year.

Throughout the year, our diversity and inclusion initiatives have seen us deliver a wide range of events, both virtually and in person. Highlights include the successful launch of our ‘Menopause Mentors’ programme, a Women’s Network session that explored self-doubt and imposter syndrome, and a Culture Network event that facilitated a conversation providing valuable insights into the experiences of being a black male in the UK.

Elsewhere, the Pride Network organised a session on allyship, the Parents Network ran a series of workshops on supporting parents during difficult times, and the Environment Network organised a ‘Big Clean Up’, uniting our colleagues in helping to make a positive impact on the planet.

As at:	Female Board Members
31 March 2023	44% <small>(four of the nine members)</small>
31 March 2022	44% <small>(four of nine)</small>
24 June 2021	44% <small>(four of nine)</small>
25 June 2020	50% <small>(four of eight)</small>
27 June 2019	38% <small>(three of eight)</small>
1 April 2018	14% <small>(one of seven)</small>
As at:	Female Executive Team Members
31 March 2023	33% <small>(four of the 12 members)</small>
31 March 2022	25% <small>(three of 12)</small>
24 June 2021	25% <small>(three of 12)</small>
25 June 2020	25% <small>(three of 12)</small>
27 June 2019	27% <small>(three of 11)</small>
1 April 2018	23% <small>(three of 13)</small>
As at:	Senior Management Gender Balance
<small>(ie the Executive Team and their direct reports from grades 3 to 5)</small>	
31 March 2023	54%/46% <small>male/female</small>
31 March 2022	58%/42% <small>male/female</small>
5 May 2021	67%/33% <small>male/female</small>
11 May 2020	64%/36% <small>male/female</small>
30 May 2019	64%/36% <small>male/female</small>
1 April 2018	64%/36% <small>male/female</small>
As at:	Employees
31 March 2023	51%/49% <small>male/female</small>
31 March 2022	50%/50% <small>male/female</small>
24 June 2021	51%/49% <small>male/female</small>

GENDER PAY GAP

As of April 2022, we employed 978 members of staff who fell within the gender pay gap reporting criteria, compared with 983 in 2021. Based on our payroll in April 2022, we had a mean gender pay gap of 20.1% and a median gender pay gap of 14.1%. And, based on bonuses paid in the year to 5 April 2022, we had a mean gender bonus gap of 42.0% and a median gender bonus gap of 17.9%.

As detailed in previous reports, when analysing our gender pay gap figures, the first and most important fact we establish is that men and women at Camelot are paid equally for equal work. As all roles are benchmarked for grading and salary purposes against an independent source of general industry pay data, we know that pay disparity is not a contributory factor.

Our gender pay gaps continue to be primarily driven by the gender mix of our employees, with more women in the lower-paid job grades and more men in the higher-paid job grades. This is as a result of a number of environmental factors, including the fact that certain departments employ more men than women, as well as the fact that the majority of our part-time employees are women.

However, we're delighted to report that we've once again seen an improvement in every single one of our gender pay and bonus gap metrics this year – with reductions to both our mean and median pay gaps, as well as to our mean and median bonus gaps. This means that our gender pay and bonus gap metrics are the best they've been since reporting started in 2017.

Another notable development is the fact that over 70% of both women and men received a bonus for the second year running. And, in terms of the pay quartiles, we saw a reduction in the proportion of women in the lowest pay quartile accompanied by an increase in the proportion of women in the highest pay quartile. All of this is clear evidence that our longstanding measures to reduce our gender pay gaps, combined with a number of initiatives we've introduced over the last few years, are continuing to have a positive effect.

Although we're pleased with the improvement we've seen across the board in 2022, we recognise that there continues to be more that we can do to address the gender pay and bonus gaps. We therefore remain fully committed to promoting diversity and inclusion at all levels across the company, and continuing to further reduce the gaps over the long term.

OUR VALUES

Underpinning our business is a set of values that define who we are and what we believe in. These not only serve as a compass for our actions and decisions, but they outline the behaviours that we expect our employees to embody. This framework helps to create a space for open communication and fosters a positive workplace culture. We remain committed to encouraging all of our employees to live the values in their day-to-day work.

Delivering Together

We make extraordinary things happen every day. We know we get the best results when we work together – sharing knowledge and expertise, and building trust.

Operating With Integrity

The nation can count on us to take care of The National Lottery because we do what's right.

Taking Ownership

What we do matters. We make an extraordinary contribution to the nation, and we take great pride in doing the best work possible.

Thinking Differently

To make extraordinary things happen, we challenge ourselves to innovate and do better every day.

Celebrating Success

At the heart of The National Lottery are optimism, celebration and giving. We bring that spirit to life in our work.





OUR BOARD

In February 2023, a number of changes were made to Camelot's Board as a result of our acquisition by the Allwyn group. Board members who served in 2022/23 but who stepped down ahead of 31 March 2023 were: Sir Hugh Robertson KCMG PC DL (Chairman); Robert Walker (Deputy Chairman & Senior Independent Director); Nigel Railton (Executive Director); Jane Rowe and Nick Jansa (Shareholder-Nominated Non-Executive Directors); David Kelly and Gill Whitehead (Independent Non-Executive Directors); and Rob Rowley (Independent Non-Executive Director and Chair of the Audit, Risk and Security Committee).

At 31 March 2023, our Board comprised nine members: the Independent Chair; three further Independent Non-Executive Directors; three Shareholder-Nominated Non-Executive Directors; and two Executive Directors (the Co-Chief Executive Officers).



Sir Keith Mills GBE DL
Chair (Independent)

Sir Keith Mills GBE DL is a British business entrepreneur who founded the Air Miles and Nectar customer loyalty programmes, and has established numerous businesses, both in the UK and internationally.

In September 2003, Sir Keith was appointed International President and CEO of London 2012, an organisation established to bid for the 2012 Olympic and Paralympic Games. Having won the bid, he established the London Organising Committee of the Olympic and Paralympic Games (LOCOG) to organise the Games, where he was Deputy Chairman alongside Lord Sebastian Coe.

In 2007, Sir Keith established an Olympic-related charity, International Inspiration, which he chaired, and, in 2008, he established a UK charity, Sported, which he funded and chaired for 10 years. In 2014, Sir Keith established, and was Chairman of, the Invictus Games, working with Prince Harry to deliver a new major international sports event for wounded servicemen and women. He has chaired the Invictus Games Foundation and the Royal Foundation of The Duke and Duchess of Cambridge, and is also chairman of a number of private companies. Sir Keith chaired the Allwyn bid for the fourth National Lottery licence in the UK and now sits on the Allwyn UK Board as the Senior Independent Director.

Sir Keith has received numerous awards, including: Master Entrepreneur of the Year, Chief Executive of the Year and the Sports Industry Businessman of the Year, and was knighted by The Queen in 2006 and again in 2013, when he received the Grand Knight Cross for his services to sport.

OUR BOARD (CONTINUED)



Lord Sebastian Coe
Independent Non-Executive Director

Sebastian Coe has been President of World Athletics since 2015 and was elected a member of the International Olympic Committee in July 2020.

He serves as Non-Executive Chairman of CSM Sport and Entertainment within the Chime Communications group; a Non-Executive Director of the Vitality companies; a Non-Executive Director of Fortescue Metals Group; a Non-Executive Director of Allwyn Entertainment AG; and a Non-Executive Director of the British Olympic Association.

Sebastian is the former Chairman of the British Olympic Association and was Chairman of the London Organising Committee of the Olympic and Paralympic Games (LOCOG), having previously been Chairman of London 2012 Limited, the London 2012 bid company.

In 2017, he became Chancellor of Loughborough University, having previously served as Pro Chancellor of the university.

Sebastian won four Olympic medals (two gold and two silver) and set a total of 12 world records during his athletics career. He retired from competitive athletics in 1990 and entered politics.



Amanda Horton-Mastin
Independent Non-Executive Director

Amanda is a senior leader from the not-for-profit sector with extensive experience in running multi-disciplinary campaigns in the UK and the US. She spent over 20 years working at Comic Relief, where she held a variety of director roles across fundraising, marketing, communications, grant-making and innovation. Amanda played a central role in the organisation's achievements and growth from 1995 to 2016, as well as in expanding the company's international presence, including setting up Red Nose Day in the US in 2015.

Amanda then worked as a senior director at Girl Effect and became CEO of a B Corp called ActionFunder from 2019 until 2022. She is now Chief Strategy and Growth Officer at Bertha UK, where she is focused on maximising impact across its portfolio of commercial and philanthropic activity. Amanda was a trustee of the Divine Chocolate Company and New Economics Foundation, and is currently a director of a boutique wine company, Domaine of the Bee.



Jennelle Tilling
Independent Non-Executive Director

Jennelle has over 25 years' experience in consumer marketing, digital and innovation with leading global FMCG and food retail brands. She spent over 18 years working for Yum! Restaurants International in a variety of senior marketing roles, culminating in her serving as the Global Chief Marketing Officer for KFC, where she was responsible for the company's marketing, communications, innovation, digital presence and reputation in over 125 countries.

Jennelle is the Founder and Chief Brand Strategist at London-based brand consultancy Marketing with Insight, a Fellow of The Marketing Society and a member of the Marketing Group of Great Britain. She is a member and past president of Women in Advertising and Communications London, and a mentor to The Marketing Academy. Jennelle also holds Non-Executive Director roles at Shaftesbury PLC and Butchies, and is a trustee for The Guide Dogs for the Blind Association.



Robert Chvátal
Shareholder-Nominated Non-Executive Director

Robert is the Chief Executive Officer of Allwyn and a member of the Board of Directors of Allwyn International a.s. He was recently appointed to the role of Interim Chief Executive Officer of Allwyn Entertainment Limited, operator of the fourth UK National Lottery licence, and is a member of its Board of Directors.

He is also a member of the Board of Directors of OPAP, serves on the Supervisory Boards of CASAG and Austrian Lotteries, and is a member of the Association of European Lotteries.

Robert was previously the Chief Executive Officer of SAZKA a.s., where he oversaw its transformation from a state-owned lottery business to an innovative, casual gaming entertainment company. Prior to this, Robert served as Chief Executive Officer of T-Mobile Slovakia and T-Mobile Austria, having formerly worked at Procter & Gamble and Reckitt Benckiser. He holds a Diplôme d'Ingénieur in Business Administration and International Relations from the Prague University of Economics.



Katarína Kohlmayer
Shareholder-Nominated Non-Executive Director

Katarína is the Chief Financial Officer and a member of the Board of Directors of KKCG, and a member of the Board of Directors of Allwyn International a.s. At KKCG, she oversees the company's M&A, capital markets and other financing activities.

Katarína is also a member of the Board of Directors of OPAP and Allwyn Entertainment Limited (operator of the UK National Lottery from 2024), as well as serving on the Supervisory Boards of CASAG and Austrian Lotteries.

Before joining KKCG, Katarína served as a Managing Director at Morgan Stanley and VTB Capital. During her career, she has specialised in M&A transactions and related financing. An alumna of the University of Economics in Bratislava, Katarína also holds an MBA from Harvard University.



Kenneth Morton
Shareholder-Nominated Non-Executive Director

Kenneth is the Chief Financial Officer of Allwyn. He is also a member of the Board of Directors of Allwyn Entertainment Limited (operator of the UK National Lottery from 2024). Previously, Kenneth was the Head of Corporate Finance at KKCG.

He has spent two decades in various corporate finance positions, and has extensive experience in capital markets and M&A. Before joining KKCG, Kenneth worked in investment banking at Morgan Stanley and Deutsche Bank in London, Moscow and Hong Kong, and in corporate finance at Thames Water. He received his Bachelor of Arts in Modern History from Oxford University.



Clare Swindell
Executive Director

Clare was appointed Co-Chief Executive Officer, alongside Neil Brocklehurst, in February 2023. Clare joined Camelot in 2017 as Chief Financial Officer (CFO) and was appointed to the Board in September 2019. She joined the company from dunnhumby, where she was Group CFO for three years and led a number of key projects, including a major finance transformation programme.

Prior to dunnhumby, Clare had a successful and varied career at Tesco – with over 17 years in both finance and operational roles, including positions in strategy and commercial, CFO for Tesco.com and Group Audit Director.

In May 2023, Clare was appointed as Non-Executive Director at Fever-Tree Drinks plc.



Neil Brocklehurst
Executive Director

Neil was appointed Co-Chief Executive Officer, alongside Clare Swindell, in February 2023. Neil joined Camelot's Executive Team as Commercial Director in 2018, and oversaw the company's Commercial function with responsibilities including e-and m-commerce, draw-based games and Instants portfolio management, as well as management of the Retail and Transformation functions.

Prior to that, he was Managing Director of Camelot Global, where he ran both the European and North American businesses. Neil was also a key part of the team that successfully secured the contract to become the private manager of the Illinois Lottery.



OUR EXECUTIVE TEAM

Our Executive Team – led by the Co-Chief Executive Officers – maintains management responsibility for the company’s day-to-day operations, and the implementation of its strategies and policies, as it seeks to raise as much money as possible for Good Causes.

Clare Swindell
Co-Chief Executive Officer

Clare was appointed Co-Chief Executive Officer, alongside Neil Brocklehurst, in February 2023. Clare joined Camelot in 2017 as Chief Financial Officer (CFO) and was appointed to the Board in September 2019. She joined the company from dunhumby, where she was Group CFO for three years and led a number of key projects, including a major finance transformation programme.

Prior to dunhumby, Clare had a successful and varied career at Tesco – with over 17 years in both finance and operational roles, including positions in strategy and commercial, CFO for Tesco.com and Group Audit Director.

In May 2023, Clare was appointed as Non-Executive Director at Fever-Tree Drinks plc.

Neil Brocklehurst
Co-Chief Executive Officer

Neil was appointed Co-Chief Executive Officer, alongside Clare Swindell, in February 2023. Neil joined Camelot’s Executive Team as Commercial Director in 2018, and oversaw the company’s Commercial function with responsibilities including e- and m-commerce, draw-based games and Instants portfolio management, as well as management of the Retail and Transformation functions.

Prior to that, he was Managing Director of Camelot Global, where he ran both the European and North American businesses. Neil was also a key part of the team that successfully secured the contract to become the private manager of the Illinois Lottery.

OUR EXECUTIVE TEAM (CONTINUED)



Neil Kellar
Chief Information Officer

Having previously worked for Camelot from 2003 to 2016 – including nine years as IT Director – Neil re-joined the Executive Team in 2017 as Chief Information Officer. He has additional responsibility for a number of Business Operations functions, including the Contact and Distribution Centres, Facilities, and Draw and Winner Services.

Neil’s earlier career saw him work at a number of blue chip companies, including HSBC, Penguin Books Publishing Group and Daimler Chrysler.



Gaby Heppner-Logan
Director of Regulatory Affairs

Gaby joined Camelot in 2018, and is responsible for leading the Regulatory Affairs function and relationship with the Gambling Commission. She is also executive sponsor for diversity and inclusion at Camelot.

Gaby has extensive experience in regulatory and corporate affairs in telecoms, and was previously BT Group’s Regulatory Director.

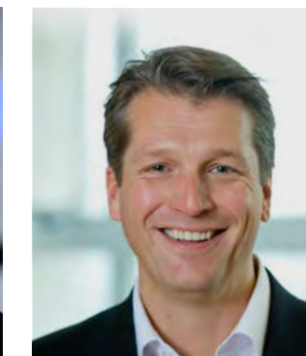
Prior to this, she led marketing, communications, employee engagement and corporate social responsibility teams at Openreach, BT and Cable & Wireless.



Jenny Blogg
Commercial Director

Jenny was appointed Commercial Director in March 2023, following almost four years as Camelot’s Retail Director – where she was responsible for overseeing all aspects of Camelot’s retail operations.

Prior to that, Jenny was Camelot’s Head of Retail Operations – a role she was promoted to after joining Camelot in September 2017 as New Business Development and Retail Strategy Manager. She has a wealth of senior level experience spanning UK and global companies, including Mondelez International and Cadbury UK.



Richard Hickson
Director of Corporate Affairs

Richard joined Camelot’s Executive Team in February 2023 and leads the Corporate Affairs function with responsibility for Corporate Communications, Consumer PR, Policy and Public Affairs, Corporate Responsibility and Partnerships.

Richard’s career at Camelot started in 1998 as International Manager, having previously worked agency side. The first part of Richard’s time at Camelot was spent in insight and market intelligence roles, before he moved into policy and public affairs as the company began to prepare its bid for the third National Lottery licence.

OUR EXECUTIVE TEAM (CONTINUED)



Niamh Macaskill
Interim People Director

Niamh joined Camelot in April 2018 as Head of Talent and Engagement, before extending her role to include People Experience. She was appointed Interim People Director in December 2022.

Prior to joining Camelot, Niamh spent a number of years with Virgin Media working in a variety of senior HR director roles. She has extensive experience of all aspects of HR – with a strong focus on leadership, culture and engagement, and the overall people experience. Niamh has recently qualified as a coach and is passionate about the development of people at work.



Ivor Burns
Marketing Director

Ivor joined Camelot in 2009 to shape and lead a marketing transformation programme, and was appointed Marketing Director in February 2023. He oversees the company's Marketing and Brand activities – with responsibility for The National Lottery brand, its marketing campaigns, and activation across media, retail and digital marketing channels.

Prior to joining Camelot, Ivor worked for dunnhumby, Accenture and Unilever in senior roles across Marketing and Sales. He is a member of ISBA's Executive Committee.



John Dillon
Legal Director and Company Secretary

John is a solicitor and joined Camelot in 1998 as a Legal Adviser, becoming Deputy Head of Legal in 2004, Head of Legal in 2009, Company Secretary in 2010 and Legal Director in 2012.

As Legal Director, John is responsible for Camelot's legal strategy, which includes ensuring that all Camelot Group companies receive the necessary legal advice to identify and mitigate all material legal risks associated with their operations.

As Company Secretary, he is responsible for advising the Board on all governance matters and other administrative duties relating to the Board, its Committees and the company's compliance with company law requirements.



Tim Haldenby
Chief Data Officer

Tim joined Camelot's Finance Team in 2000 and has worked on a number of key projects, including the successful bid for the third National Lottery licence and the sale of Camelot to Ontario Teachers' Pension Plan in 2010.

In 2014, he joined Camelot Global as Head of Strategy before re-joining the UK business in 2018 as Chief of Staff. Tim was then appointed Chief Data Officer in 2022, with responsibility for Camelot's data, insight and strategy capabilities.



Andy Nice
Transformation Director

Andy joined Camelot in 2017 to shape and implement its Operational Excellence programme, which has successfully delivered a series of enhancements across a wide range of business functions.

He became Transformation Director in 2017, responsible for devising and leading the company's Strategic Delivery Plan – a three-year transformation programme that has delivered significant improvements across the business, including commercial and digital enhancements, retail growth and improved integrity.

More recently, Andy has taken on executive accountability for the smooth and successful transition of The National Lottery's systems, people and operations into the fourth licence period.



REPORTS AND FINANCIAL STATEMENTS

CONTENTS

Reports and Financial Statements: Strategic Report 146 / Directors' Report 162 / Report on Corporate Governance 170 / Independent Auditors' Report 182 / Statutory Financial Statements for the Year Ended 31 March 2023: Statement of Comprehensive Income 190 / Balance Sheet 191 / Statement of Changes in Equity 192 / Statement of Cash Flows 193 / Notes to the Financial Statements 194



MUSICALS

STRATEGIC REPORT

The Directors present the Strategic Report of Camelot UK Lotteries Limited (the 'Company' or 'Camelot') for the Year Ended 31 March 2023.

Business Review

Camelot generated its best-ever returns to Good Causes from ticket sales in 2022/23 – with returns increasing by £6.2m (0.3%) to £1,807.0m over the period. The Company's performance this year built on the strong brand health, positive stakeholder engagement and business momentum created during the Covid-19 pandemic. Gross ticket sales were £8,190.3m, a growth of 1.2% year on year, but broadly flat when removing the non-repeat impact of above average roll series sales on EuroMillions in the prior and current year. This is despite the continuing disruption caused by the challenging macroeconomic environment.

Camelot's marketing continued to perform strongly in 2022/23, with the Company maintaining the link between play and purpose, and building the long-term health of The National Lottery brand, as measured by its well-established brand positivity metric. This has remained stable over the course of the year despite being impacted by the decline in consumer confidence due to the challenging macroeconomic environment and exceeded its target of 44.5% on a 12-month rolling average basis by reaching 46.2% at year end. Initiatives successfully delivered during the year included:

- The National Lottery's Big Jubilee Street Party at Manchester's AO Arena to mark the Queen's Platinum Jubilee. Billed as the UK's biggest street party – and with 10,000 tickets available free to National Lottery players to thank them for their support for communities across the UK – it featured a star-studded entertainment line-up and was broadcast on ITV over the June bank holiday weekend.
- On the same weekend, Camelot held a special Jubilee 'Must Be Won' Lotto event draw, which exceeded sales expectations by £4m – the best event draw performance outside of Christmas.
- A fantastic 'Summer of Sport' that celebrated The National Lottery's huge contribution to major sporting events, including the UEFA Women's EURO 2022 and the Birmingham 2022 Commonwealth Games. As part of the former,

Camelot devised and staged a special one-off gig for National Lottery players, which saw the Lightning Seeds and David Baddiel – and a host of former Lionesses – perform a special live rendition of 'Three Lions'.

It also held a special EuroMillions 'Millionaire Maker' event draw to celebrate EURO 2022 and a Lotto 'Must Be Won' event draw to mark the end of the Commonwealth Games.

- A special Christmas campaign that centred on uniting people and bringing them together – much like The National Lottery itself does. The campaign – about two strangers who meet on a train and become lucky in love and the lottery – ran across all National Lottery brand activity and game activation over the period, including the EuroMillions Super Minimum Jackpot Guarantee draw in December, special 'Must Be Won' Lotto event draws on Christmas Eve and New Year's Eve, and festive Scratchcards. It also saw Camelot develop 'The National Lottery hosts *Love Actually*' at the cinema, which gave around 50,000 National Lottery players the opportunity to see the film for free, with all tickets being claimed within 72 hours.

The campaign culminated in The National Lottery's Big Bash, which aired on ITV and ITVx over the festive period, and ended 2022 with a bang as 8,000 National Lottery players packed into the OVO Arena in Wembley to see performances from a stellar musical line-up to celebrate extraordinary people and the amazing difference they have made thanks to National Lottery funding.

The overall campaign proved to be highly effective, with playership peaking at 52% – its highest level since January 2020 – and the TV ad receiving significant external recognition: it was awarded *Campaign* magazine's film ad of the year, and was rated number 6 in the top 12 Christmas ads and number 11 in the best ads of the year, as measured by System 1.

Business Review (continued)

Camelot's continued focus on delivering in retail, improving in-store standards, evolving distribution and delivering tailored customer service for retailers throughout the year resulted in the Company achieving record net retailer satisfaction, with 77% of retailers either completely or very satisfied (2022: 75%). Average retailer dissatisfaction for the year was at an all-time low – and flat versus 2021/22 – at only 3.5%.

The Company focused on driving awareness of its newer distribution channels – including discounters (Aldi and Iceland), ASDA (draw-based game tickets at self-checkout) and grocery retailers' online platforms (Scratchcards) – as well as the deployment of bespoke point of sale material and enhanced use of in-store digital media. It also trialled geomarketing to drive conversion in Aldi stores.

In addition, it continued its partnership with crowdsourcing specialist Shepper to gain real-time insight regarding point of sale compliance and Scratchcard availability, ensuring Camelot can provide additional support, where necessary, to retailers to help them maximise sales, while also improving overall efficiency. As a result of changes to consumer shopping behaviours and the challenging macroeconomic conditions, the retail channel saw a 3.7% decline year on year, with total in-store sales of £4,499.6m (2022: £4,674.2m).

The Company has continued to maintain strong player growth across its digital channels, through strong retention of players alongside ongoing acquisition activity. The National Lottery now has its highest-ever active digital player base of 10.7 million players (2022: 10.1 million), with the average number of weekly players growing by 9% to 3.9 million players. Strong player engagement has driven record total digital sales of £3,690.7m (2022: £3,416.5m), an increase of £274.2m (8.0%). Average annual spend per player has increased by 1.5% to £343.78, driven by the exceptional series of huge EuroMillions rollover draws.

Playing on mobile continues to be the increasingly popular channel of choice for National Lottery players and saw sales of £2,760.7m (2022: £2,449.4m), with sales through the National

Lottery's app growing by 17.4% to a record-breaking £1,981.9m (2022: £1,687.8m). The National Lottery also has its highest-ever active app player base, with 6.7 million players (2022: 5.9 million). Underpinning the app growth was the Company's investment in improving the 'App Draw-Based Games Number Picker' journey, a number of new online Instant Win Game (IWG) launches and a strong-performing Christmas marketing campaign.

In September 2022, Camelot withdrew its appeal against the Gambling Commission's decision in March 2022 to award the fourth National Lottery licence to Allwyn Entertainment Limited, following which the Commission entered into the Enabling Agreement with Allwyn Entertainment Limited. In the meantime, Camelot continued its overall legal challenge (for damages only) in relation to that decision. Following its acquisition by the Allwyn group in February 2023, Camelot discontinued its legal challenge. Throughout the year, as the outgoing licensee, Camelot continued working to support the transition to the fourth licence, which commences on 1 February 2024.

Strategy and Outlook

Camelot's mission is to change lives – the lives of National Lottery winners who have scooped life-changing prizes, as well as the lives of millions of people who benefit from the more than £30 million in Good Cause funding that is raised every week by National Lottery players. The Company achieves this through growing sales in a socially responsible manner, which, under the aligned model set out in the third licence, maximises returns for National Lottery Good Causes and for Camelot's shareholder.

The Company's strategy aims to achieve objectives beyond sales growth and maximising returns to society, and its vision reflects this by stating that it wants to "enhance the relevance of The National Lottery at a time of national change". Camelot is a socially responsible organisation, maintaining high standards of player protection and corporate governance, as well as safeguarding its position as a highly cost-efficient lottery operator.

The Company continues to deliver against its strategic plan across its three key pillars as follows:

STRATEGIC REPORT (CONTINUED)

Strategy and Outlook (continued)

1. Delivering Brand-led Growth

a) Continuing to ensure that The National Lottery brand is relevant and visible

As the Company nears the end of the third National Lottery licence, marketing is the primary lever by which it will continue to drive relevance of The National Lottery brand and portfolio to the UK public. In 2022/23, Camelot continued to deploy its brand-led marketing approach with its 'Your Numbers Make Amazing Happen' campaign, which highlights the positive impact of The National Lottery on all facets of society.

To this end, the Company also continued to work closely with the National Lottery distribution bodies and other key partners to maximise the impact of this marketing messaging.

One key highlight of 2022/23 was Camelot's biggest-ever Christmas campaign, which brought to life the idea that "anything is possible at Christmas". The campaign was the Company's most emotional to date and featured a TV ad about two strangers who meet on a train and become lucky in love and the lottery, exclusive screenings at cinemas across the country for National Lottery players of Christmas classic *Love Actually*, and a massive New Year's Eve party for 8,000 players – all free of charge as a thank you to them for playing The National Lottery and supporting Good Causes – which was broadcast on ITV and ITVx.

Alongside this, there were Christmas Scratchcards to play, a special EuroMillions Super Minimum Jackpot Guarantee draw and two 'Must Be Won' Lotto event draws on Christmas Eve and New Year's Eve. The entire campaign succeeded in making sure that The National Lottery remains relevant and unmissable, reaching 87% of UK adults in launch week alone, and featuring prominently across 10,000 outdoor panels on trains, at bus stations and other venues across the UK.

To deliver its strategy, Camelot continues to optimise the level of marketing required to support The National Lottery brand and portfolio of games, adapting to changes in both consumer behaviour and the media market. In some cases, Camelot has sought investment from Good Causes to increase the level of available marketing to this optimum level, having demonstrated that Good Causes will receive a strong return on this investment.

The total value of funding for marketing received from Good Causes was £76.1m (2022: £76.8m). Further marketing spend by Camelot was £86.1m (2022: £86.8m). Marketing investment from Good Causes will continue to be sought for 2023/24 to maintain the long-term health of The National Lottery.

b) Optimising its range of games to ensure that the portfolio offers something for everyone

The Company maintained its longstanding focus on offering players a compelling range of games and propositions.

The draw-based games highlight was EuroMillions, which continued to deliver record-breaking jackpots in line with previous changes made to the game. Five massive EuroMillions jackpots were won in the UK over the period – with three ticket-holders winning prizes so big that they immediately became the UK's biggest-ever winners, including a record EuroMillions jackpot of £195 million in July 2022.

Lotto, meanwhile, continued to perform steadily despite seeing fewer sales-driving 'Must Be Won' draws over the period and lived up to its millionaire-maker reputation by awarding 134 prizes of £1 million or more over the period.

Sales across the Instants category were flat year on year, with growth in online IWG sales – driven by regular new game launches and people buying them as spontaneous add-on products to go with their EuroMillions tickets – largely offset by a dip in sales of in-store Scratchcards in a reflection of changing shopping habits and the ongoing challenging retail environment.

c) Continuing to invest in improving standards and engagement in retail, as well as improving awareness of The National Lottery within the new distribution channels in which consumers are now shopping

Camelot's investment in retail will continue as the Company seeks to sustain the high retail standards and engagement that it has seen in recent years. A multi-faceted contact model providing high levels of support to National Lottery retailers will continue to be used, and will see the Retail Sales Team and Operational Sales Team – together with third-party agency visits – focusing on returns to Good Causes, maximising game events, operational support and dedicated calls to promote healthy play.

Strategy and Outlook (continued)

1. Delivering Brand-led Growth (continued)

c) Continuing to invest in improving standards and engagement in retail, as well as improving awareness of The National Lottery within the new distribution channels in which consumers are now shopping (continued)

The retail landscape continues to evolve, with a drop in footfall in some sectors, and shoppers choosing discounters and home delivery within their grocery journeys. The Company will continue to support changing customer trends, including driving awareness in discounters, at mainbank tills, at self-checkout terminals and across rapid delivery platforms.

d) Sustaining the shift to digital by growing awareness of the National Lottery app, and using CRM to unlock player value and acquisition growth

Digital remains an important source of growth, and Camelot continues to invest in developing a strong app platform, combined with enhancing and developing its customer relationship management (CRM) marketing activity for app players. Initiatives during the year included a significant update to enhance the draw-based game number picking experience on the app and the launch of an inbound cashback promotions capability.

In the final year of the third licence, the Company will leverage these improvements on the app to increase awareness and downloads through marketing activity, alongside the continued optimisation of its CRM programme and promotional campaigns.

2. Putting Players at the Heart

Promoting healthy play and ensuring that The National Lottery is the safest place to play remain central to Camelot's overall business strategy. The Company maintains high standards of player protection and has a clear player protection strategy to prevent underage and excessive play. This year, the Company's activity has focused on:

- Ongoing training and support for retailers on the age to play and delivering the 'Being a Responsible Retailer' training programme, which focuses on healthy play. The Company's underage mystery shopper programme – 'Operation 18', which tests

that retailers correctly ask for ID as proof of age – produced a record-breaking first visit pass rate of 92%, demonstrating the effectiveness of Camelot's engagement with retailers, particularly in light of the fact that the age to play National Lottery games only changed from 16 to 18 years of age in 2021.

Elsewhere, Camelot's healthy play mystery shopping initiative involved over 4,000 additional store visits, helping to educate retailers on the signs of potential unhealthy play among their customers. As a result of this and other initiatives, 94% of retailers visited in 2022/23 successfully passed a healthy play knowledge check – underlining the success of Camelot's regular communication with retailers on this important aspect of their role as the face of The National Lottery.

- Updating the 'add funds' page, which players use to deposit funds into their online National Lottery account, following research by the Behavioural Insights Team which highlighted that deposit limit tools should not present any predetermined minimum or maximum amounts that could act as financial 'anchors'. Camelot removed references to the weekly deposit limits and updated the page so that a free-text box is now presented to players to enter the amount of funds they wish to add (within Camelot's overall limits).
- Independently evaluating the effectiveness of the current digital interventions programme for at-risk players and updating it in line with recommendations. Building on the previous iteration, which was found to be successful in encouraging at-risk players to change their behaviour, the interventions programme was refined further to include more positive reinforcement and references to spend in addition to depositing. The refreshed set of interventions will again be evaluated for their effectiveness in the coming year, the outcome of which will support further development of the interventions programme. This will ensure that Camelot continues to evolve its approach to promoting healthy play, particularly among players demonstrating risky play behaviours.

STRATEGIC REPORT (CONTINUED)

Strategy and Outlook (continued)

2. Putting Players at the Heart (continued)

- Undertaking a comprehensive review of National Lottery marketing, advertising, communications collateral and games to remove potential risks of appeal to those under 18 following changes to the Committee for Advertising Practice (CAP) Code. The new rules require that all lottery advertising must not include any content (imagery, themes and characters) which is likely to be of strong appeal to under-18s – with the new ‘strong appeal’ test replacing the previous ‘particular appeal’ one. As a result, Camelot removed – or didn’t extend the licensing for – games such as Monopoly and Scrabble, and modified the artwork on the ‘£300k Fruity Bingo’ and ‘Winter Wonderlines’ online IWGs.

The Company believes that this approach is having a positive impact on its players. The number and proportion of at-risk players playing via online channels are at their lowest levels since the introduction of Camelot’s behavioural analytics model – Mercury – in December 2019. In addition, retailers are achieving extremely high pass rates for healthy play knowledge checks and the ‘Operation 18’ mystery shopper programme.

The Company has also added a new option for players to initiate a conversation on the topic of healthy play via webchat which can, at certain times of the day, be accessed on The National Lottery’s healthy play webpage. Crucially, it is available to any user of the website – players do not need to be logged in to access it. These webchats are routed to a dedicated team whose members have had additional training to offer support in any healthy play scenario.

The Company believes that the approach it has continued to take aligns with the perspective of the Gambling Commission, and differentiates Camelot and The National Lottery from other operators.

3. Operating with the Highest Integrity

Maintaining high levels of trust in the operational integrity of The National Lottery requires continuous improvement and investment – both of which have played a core role in everything that the Company has delivered during the year. Camelot’s overall aim is to continue to assure and improve the operational integrity of the business, and reduce both risk exposure and the likelihood and impact of incidents. To achieve this, there are four areas of focus:

- continuing to invest in cyber security to maintain the Company’s capabilities in the face of evolving threats;
- continuing to invest in maintaining technology systems and infrastructure as they reach the end of their lives to ensure that the Company’s technology operation remains fit for purpose and meets the requirements for transition to the new operator;
- ongoing continuous improvement in the maturity of operational processes and the internal control environment; and
- embedding operational integrity into all operational aspects of Camelot’s work.

Key Performance Indicators (KPIs)

The Company’s primary financial KPIs are gross ticket sales, returns to Good Causes, net income, profit after tax and cash flows from operating activities. In addition, Camelot maintains and reports on specific non-financial KPIs assessing standards of performance on player accessibility, including terminal sales availability and the service provided to players, as well as healthy play and operational integrity metrics. All of these KPIs are monitored on a regular basis by the Executive Team and Board. In addition, they are submitted to the Gambling Commission as required. Further information on these KPIs can be found in the Financial Performance section on the following pages.

Financial Performance

Gross Ticket Sales

Gross ticket sales for the year ended 31 March 2023 were £8,190.3m (2022: £8,090.7m).

Within this amount, sales for draw-based games totalled £4,739.4m (2022: £4,647.5m), an increase of 2.0%. Underlying draw-based game performance was broadly in line with the prior year and was further boosted by high EuroMillions jackpots.

Sales of Instants games (Scratchcards and online IWGs) exceeded expectations despite macroeconomic pressures, with sales 0.2% higher than the prior year at £3,450.9m (2022: £3,443.2m).

Financial Performance (continued)

Gross Ticket Sales (continued)

At the end of 2021/22 when Covid restrictions were lifted, increased mobility had an adverse impact on Scratchcard sales. A strong focus on ranging and availability – as well as the series of huge EuroMillions rollover jackpot draws – has aided the recovery and growth of the Instants category. The majority of the prior year’s growth in IWGs was maintained through the continued development of The National Lottery’s app and improvements to the range of games.

Sales in retail continue to be impacted post-Covid-19 which, combined with increasing macroeconomic pressures, are showing signs of longer-term changes in player behaviour. The channel shift to digital has been maintained, leading to underlying digital sales growth this year, and, as a result, has increased as a proportion of overall sales, in line with Camelot’s strategy, accounting for 45.1% of all sales (2022: 42.2%).

Camelot operates the world’s largest digital lottery in terms of revenue and, with 10.7 million active registered players (2022: 10.1 million), national-lottery.co.uk is one of the leading e-commerce sites in the UK.

Lottery Duty

Lottery Duty has remained at 12% of sales, and totalled £982.8m for the year (2022: £970.9m).

Prizes

Total prizes were £4,694.0m in the year (2022: £4,612.3m). This represents 57.3% of sales (2022: 57.0%), with the sales mix between draw-based games and Instants remaining stable year on year.

In any lottery, there are prizes which remain unclaimed. If National Lottery prizes are not claimed 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, they are paid over to the National Lottery Distribution Fund (NLDF).

Camelot continues to make every effort to publicise unclaimed draw-based game prizes worth £50,000 or more, either via local or national publicity. Unclaimed prizes, which are paid to the NLDF, for the financial year amounted to

0.9% (2022: 1.4%) of sales and totalled £70.3m (2022: £111.0m), with the year-on-year decrease predominantly driven by lower unclaimed prizes on Scratchcards and the channel shift towards digital draw-based games where low tier prizes are automatically paid into players’ wallets.

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. In aggregate, the total raised for Good Causes amounted to £1,877.3m, representing 22.9% of sales (2022: £1,911.8m; 23.6%) for the year.

This included £1,807.0m (2022: £1,800.8m) in returns from ticket sales and other payments due from relevant income, as specified in the operating licence, and a further £70.3m (2022: £111.0m) in unclaimed prizes. This amount has been reduced by £76.1m (2022: £76.8m), which has been retained by Camelot for necessary marketing expenditure to support the long-term health of The National Lottery, as agreed with the Gambling Commission.

The amount of money returned to Good Causes is determined by the mix of games sold, as every game has a different percentage return. Draw-based games return more in percentage terms than Scratchcards and IWGs. As a result, the changing sales mix between these products will result in a change in the percentage of sales that is returned to Good Causes.

Camelot is subject to a profit-capping mechanism. Where its profits exceed a certain threshold, which depends on sales levels achieved, the additional profits are shared with Good Causes in the form of Secondary Contributions.

Total Secondary Contributions for the year were £6.1m (2022: £11.1m), a decrease of 45%. This is based on an ‘adjusted profits’ calculation as defined under the third licence.

Net Income

Net Income for the year remained broadly consistent at £706.5m (2022: £706.7m), with higher sales being offset by higher Lottery Duty, prize payout and Good Cause payments.

STRATEGIC REPORT (CONTINUED)

Financial Performance (continued)

Retailers' and Other Commission

Total sales, validation and other commissions for the year totalled £268.3m, representing 3.3% of total sales (2022: £276.5m; 3.4%). This includes both commission paid to retailers and bank fees paid on interactive sales transactions.

The commission rate paid to retailers for Scratchcard sales is 6% and, for draw-based game sales, 5%. In addition, retailers receive 1% commission for prizes paid out above £10 for Scratchcards and £30 for draw-based games, both up to and including £500. The Post Office is able to validate prizes between £500 and £50,000, for which it continues to receive an annual payment, the quantum of which is subject to meeting contractual commitments.

Gaming Systems and Data Communication Costs

Gaming systems and data communication costs decreased to £126.4m for the year (2022: £127.1m). These 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.

Administrative Expenses

Administrative expenses were £228.0m (2022: £218.1m), and consisted of advertising and marketing expenditure, depreciation, impairment, staff, facilities and all other administrative costs. The increase was driven primarily by fourth licence legal challenge costs, inflationary increases and continued fourth licence staff costs, which resulted in operating profit of £87.3m, a reduction of £4.0m compared with the prior year.

Finance Income and Costs

Net finance income during the year amounted to £1.6m (2022: £1.1m). Finance income increased to £3.9m in the year (2022: £3.3m), and primarily consists of interest receivable on bank deposits and interest received from the previous parent company, Premier Lotteries UK Limited, on a £26.0m loan which was repaid during the year (2022: £26.0m). The finance costs of £2.3m were consistent with the prior year (2022: £2.2m), primarily consisting of interest costs on leases.

The average yield on investment was approximately 1.48% (2022: 0.04%). Strict controls apply to treasury operations, which are reviewed regularly.

The Company's treasury policy is approved by Camelot's Audit, Risk and Security Committee, and the Board. Funds are only deposited with banks which hold an investment grade credit rating by S&P, Moody's or Fitch, and which meet the Company's treasury policy criteria.

Profit

The Company's profit before income tax was £88.9m (2022: £92.4m). Profit after taxation for the financial year was £73.9m, 0.90% of gross ticket sales (2022: £81.6m; 1.01%).

Taxation

The corporation tax charge of £15.0m for the year (2022: £10.8m) represents an effective tax rate of 17% (2022: 19.0%). Further detail is provided in note 7 to the financial statements.

VAT

Sales of lottery tickets are exempt from VAT. Therefore, VAT is not normally recoverable on the Company's costs and is a charge against profits. The VAT cost for the year, including that arising on capital expenditure, was £50.0m (2022: £48.1m).

Dividends

The Company's profit for the financial year was £73.9m (2022: £81.6m), as disclosed in the Statement of Comprehensive Income on page 190. As detailed in note 8, total dividends paid in the year under review were £102.3m (2022: £81.6m), all of which was paid to the Company's former parent company, Premier Lotteries UK Limited, during the year and £7,000 to Fourmoront Corporation (2022: £7,000).

Financial Position at the Year End

The Balance Sheet reflects the continuing financial stability of the business. Total equity was £49.6m as at 31 March 2023 (2022: £78.0m).

The value of property, plant and equipment, right-of-use assets and intangible assets has decreased to £23.5m in the current year (2022: £60.3m).

The decrease is in line with expectations, caused by the amortisation and depreciation of assets as the business approaches the end of the current licence when materially all assets in those classes will have a net book value of £nil.

Financial Performance (continued)

Financial Position at the Year End (continued)

Current trade and other receivables have increased to £578.0m from £513.3m in 2022, mainly due to increased levels of prizes won but not yet claimed.

The cash and cash equivalents balance increased to £212.7m (2022: £173.3m) as a function of working capital cash flows, which is discussed in more detail in the 'Cash Flows, Cash and Debt' section below.

Non-current financial liabilities and borrowings have decreased to £0.5m (2022: £9.9m), representing a reduction in lease liabilities as most lease liabilities have been classified as current as the business nears the end of the third licence, and no additional leases were entered into in the year.

Current financial liabilities and borrowings have decreased to £9.5m (2022: £10.6m). This balance represents the current portion of lease liabilities.

Current trade and other payables have increased to £746.7m (2022: £669.5m), due to an increase in prize payment liability driven by the timing of prize claims and utilisation of promotional prize funds.

Total provisions have increased to £28.3m, from £23.1m in 2022, primarily due to additional provisions relating to long-term staff retention incentives.

Investment in Technology

During the current year, Camelot has maintained the infrastructure to run The National Lottery and, at the end of the financial year, 43,041 lottery terminals were in operation across its retail footprint (2022: 44,564).

As the Company approaches the end of the third licence, it is committed to delivering new digital and Scratchcard games, and increasing one-to-one player communications. To meet these commitments, the Company continues to invest in technology and back office systems to support these initiatives, drive operational efficiencies and maintain the technology infrastructure required for a successful transition into the fourth licence period.

Terminal sales availability, a key performance indicator monitored monthly by the Gambling Commission, was 99.95% (2022: 99.96%), ahead of the operating licence target of 99.50%. In addition, system availability for playing games on the internet was 100% (2022: 100.00%), ahead of the operating licence target of 99.50%.

Cash Flows, Cash and Debt

Net cash generated from operations was £148.6m (2022: £109.0m). The increase was due predominantly to a higher cash impact from movements in working capital than in the prior year, primarily driven by higher sales. Cash outflows primarily include dividend payments of £75.5m (2022: £81.6m), net taxation-related payments of £17.0m (2022: £16.4m) (including an element for group relief), £7.8m (2022: £12.7m) of investment in property, plant and equipment and intangible assets, and principal lease payments of £10.5m (2022: £11.3m). The closing cash balance was £212.7m (2022: £173.3m).

Cash flow from operating activities represented gross ticket sales less prize payments, Lottery Duty, payments to the NLDF and operating expenditure. Cash is received from retailers net of prizes paid by them and commission due to them. Settlement of retailers' debts is on a weekly basis, as are payments due to the NLDF and payments into trust for the benefit of players.

In order to protect prize-winners and players, Camelot has set up certain trust accounts operated by The Law Debenture Trust Corporation plc, which acts as an independent trustee. An amount equivalent to prizes is deposited into a trust account on a weekly basis, as well as monies taken in advance and money held by interactive players in their online wallets. This money is held in trust until paid as a prize, or entered into a draw, and is under the control of the trustees until this time. Interest earned on these accounts, after accounting for trust expenses, is for the benefit of the NLDF.

At 31 March 2023, Camelot had on deposit £5.2m (2022: £4.8m) of funds in a restricted cash trust account as a reserve related to Camelot's share of EuroMillions community sales. Camelot holds a Surety Bond with HCC International Insurance Company PLC to the value of £21.0m (2022: £21.0m). The provisions for Camelot to be able to satisfy its security for players' funds obligations under the licence, by way of a Surety Bond, are set out in Condition 19.3 of the licence.

The Company maintains a £45.4m committed Revolving Credit Facility (2022: £55m), which runs until 30 October 2023. The amount drawn down under this facility at 31 March 2023 was £nil (2022: £nil).

STRATEGIC REPORT (CONTINUED)

Statement describing how the Directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006

Overview

The Strategic Report is required to include a statement describing how the Directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 during the year ended 31 March 2023 when performing their duty under section 172 of the Act.

Section 172(1) of the Companies Act 2006 states:

“A Director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to –

- (a) the likely consequences of any decision in the long term,*
- (b) the interests of the company's employees,*
- (c) the need to foster the company's business relationships with suppliers, customers and others,*
- (d) the impact of the company's operations on the community and the environment,*
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and*
- (f) the need to act fairly as between members of the company.”*

All activity and decision-making by the Directors is undertaken in the context of a single shareholder, the constitution of the Board, the length of Camelot's licence to operate The National Lottery, the Company's strategic and annual planning cycle, and the monitoring by the Directors of its performance against its annual plan and budget.

The Promotion of the Success of Camelot for the Benefit of its Members as a Whole

From 1 April 2022 until 5 February 2023, Ontario Teachers' Pension Plan (OTPP) was Camelot's sole beneficial shareholder. At one second past midnight on 5 February 2023, all shares in the Company were purchased by Allwyn UK Holding B Ltd, a subsidiary of the Allwyn group.

Before and after the sale, the Directors included among their number senior representatives of the shareholder (OTPP until 5 February 2023 and then Allwyn), others of whose staff also attended meetings of the Board. The Directors, therefore, were (and continue to be) able to perform their duty under section 172(1) with unique and direct access to the perspectives and interests of the successive shareholders, which themselves during the period of their respective ownership fully endorsed and supported the importance of the Board having due regard to a broad range of matters including those referred to in section 172(1)(a) to (f).

As all of the Directors are aware, the Chair, the Executive Directors and other members of the senior management team also continued throughout 2022/23 to have regular discussions with OTPP's and, subsequently, Allwyn's staff on a variety of matters relating to Camelot's business outside the scope of formal Board activity.

a) The Likely Consequences of Any Decision in the Long Term

Allwyn and the Directors take the view that Camelot should ensure as far as possible that The National Lottery will be best placed to continue to flourish after the expiry of Camelot's third licence and the successful transition to a new operator. However, during 2022/23, the Directors' regard for the likely consequences of any decision in the long term in relation to their duty under section 172(1) was necessarily undertaken in the overarching context of the remaining period of Camelot's current licence and its responsibilities to support a smooth transition to Allwyn Entertainment Limited as the fourth licence operator. This context is reflected in the Directors' Going Concern and Viability Statements on pages 163 to 165 of this Annual Report and Accounts.

Statement describing how the Directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 (continued)

The Promotion of the Success of Camelot for the Benefit of its Members as a Whole (continued)

a) The Likely Consequences of Any Decision in the Long Term (continued)

Under the governance arrangements approved by the shareholder and the Camelot Board, Camelot's strategy and related business plans (setting out all significant product, channel, operational and organisational initiatives for each year) and the year's annual budget require the Board's express approval. Any additional business cases during the year relating to any significant game, channel or other operational changes above levels of investment or expenditure specified by the Board also require the approval of the Board. Any such additional approvals during the year are supported by information and advice prepared for the Directors' consideration by Camelot's senior management, including as to how the relevant initiative will contribute to Camelot's strategy and business plans.

The Annual Budget and associated Annual Business Plan for 2022/23 were prepared by senior management and considered by the Board on an iterative basis, and the plan was finally considered and approved by the Board at its meeting in April 2022.

Similar to previous years, the Directors were then able to monitor Camelot's performance against the 2022/23 Annual Budget and Annual Business Plan regularly throughout 2022/23. Monitoring took place in respect of a range of detailed key milestones and performance indicators – by means of weekly and monthly reporting to Directors (and, in addition, others of OTPP's and subsequently Allwyn's staff) of Camelot's performance against defined key milestones and performance indicators, and by a more detailed business update (which includes significant findings of post-implementation reviews of key initiatives) presented by the senior management team for scrutiny at each meeting of the Board throughout 2022/23.

Taken together, these governance arrangements enable the Directors to assess on a continuing basis the extent to which the consequences of any particular decision are consistent with what was expected at the time it was taken, and, accordingly, whether it is appropriate to consider any corrective or alternative action (including all of the business initiatives referred to in the Chair's Statement and Co-Chief Executive Officers' Review on pages 18 to 21 and 22 to 27 respectively).

All remaining long-term decisions relate to transition and Camelot, as the outgoing licensee, continues working with Allwyn Entertainment Limited to prepare for the fourth licence which commences on 1 February 2024.

b) The Interests of Camelot's Employees

Retaining the talent and experience within the Company was a pillar of the 2022/23 Annual Business Plan, which the Board monitored on a regular basis throughout the year in accordance with the governance arrangements described in the preceding section (“The likely consequences of any decision in the long term”).

Camelot continues to promote hybrid ways of working, encouraging staff to balance the time they spend in the office and working from home. The Company has carried out regular surveys with staff to collect their views and insights on engagement, and also on working arrangements.

Performance against key performance indicators relating to that part of the 2022/23 Annual Business Plan, and against milestones for related activities, was included in monthly reports to Directors and in the business update given by senior management at each meeting of the Board throughout the year. The business update to the Board also included more detailed information on staff-related activities through the year, including engagement survey results, initiatives focusing on leadership and learning, all-staff update meetings, talent reviews and succession planning. This also included close monitoring of retention metrics like staff turnover and resignations, open vacancies and exit interview results.

STRATEGIC REPORT (CONTINUED)

Statement describing how the Directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 (continued)

The Promotion of the Success of Camelot for the Benefit of its Members as a Whole (continued)

b) The Interests of Camelot's Employees (continued)

In addition, the 2022/23 annual bonus scheme for all staff was reviewed, approved and monitored throughout the year by the Board's Remuneration Committee, which met during the year to discuss and agree retention planning. To support people through the increased cost of living crisis, the Committee also approved cost of living relief payments to employees earning less than £50,000.

Succession planning for Camelot's senior Leadership Team continued to be considered by the Nominations Committee of the Board during 2022/23, meetings of which are also attended by Camelot's People Director. Other matters overseen by the Committee included Camelot's Board and Company policies on diversity and inclusion.

Further information on activity relating to Camelot's employees during 2022/23 is included in "Our People" on pages 122 to 141.

c) The Need to Foster Camelot's Business Relationships with Suppliers, Customers and Others

Specific initiatives relating to Camelot's relationships with its players and National Lottery retailers, and engagement with stakeholders, were at the heart of its 2022/23 Annual Budget and Annual Business Plan. Performance against key performance indicators relating to those parts of the Annual Business Plan, and against milestones for related activities, was included in monthly reports to Directors and in the business update given by senior management at each meeting of the Board throughout the year. The business update to the Board also included more detailed information on these activities throughout the year.

The key risks (and mitigations) identified by Camelot with respect to these business relationships include fourth licence transition;

staff retention and recruitment; management of key supplier and partnership relationships; the regulatory environment; management of healthy play; player engagement; impact of the macroeconomic environment; the retailer environment; the digital channels; failure of key technology or systems; and failure to manage the risk of unauthorised access to systems or data or cyber attack.

The Audit, Risk and Security Committee of the Board (which was typically attended by all Directors, including those who are not members of the Committee) considered the status of all of these risks at each of its meetings during the year. Further information relating to the principal risks is included in this Strategic Report on pages 146 to 161.

Up until the sale of the Company in February 2023, each of the Independent Non-Executive Directors continued to have responsibility for oversight of particular aspects of Camelot's activities and reflecting any issues at Board level – all of which, to a greater or lesser extent, included oversight of Camelot's relationships with suppliers, customers and other stakeholders:

Sir Hugh Robertson – external relations (resigned 5 February 2023)

Jane Rowe – relations with OTPP (resigned 5 February 2023)

Rob Rowley – finance, risk and audit operations (resigned 5 February 2023)

Jennelle Tilling – marketing and engagement with Camelot's workforce, and healthy play

Robert Walker – operations (including retail operations) (resigned 5 February 2023)

Gill Whitehead – digital and technology (resigned 21 April 2022)

David Kelly – digital and technology (resigned 5 February 2023)

Three new Independent Non-Executive Directors have been appointed to the Board following the sale to Allwyn and resignation of the previous Non-Executive Directors as indicated above:

Lord Sebastian Coe (appointed 5 February 2023)

Amanda Horton-Mastin (appointed 5 February 2023)

Sir Keith Mills (appointed 5 February 2023)

Three new Shareholder-Nominated Non-Executive Directors – Katarina Kohlmayer, Robert Chvátal and Kenneth Morton – were also appointed on 5 February 2023.

Statement describing how the Directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 (continued)

The Promotion of the Success of Camelot for the Benefit of its Members as a Whole (continued)

c) The Need to Foster Camelot's Business Relationships with Suppliers, Customers and Others (continued)

In addition, a new Executive Director, Neil Brocklehurst, was appointed to the Board as Co-Chief Executive Officer (with Clare Swindell) on 5 February 2023.

Further information on Camelot's business relationships with suppliers, players and others is included in "Doing Business Responsibly" on pages 96 to 121.

d) The Impact of Camelot's Operations on the Community and the Environment

Doing business responsibly means operating with integrity, and this underpins all activity undertaken by the Directors. Camelot delivers on its aim to maximise returns to Good Causes by selling National Lottery products in a socially responsible way, with a lot of people playing a little. Promoting healthy play and being the safest place to play remain strategic objectives, while raising as much money as possible to enable the National Lottery distribution bodies to continue to fund local and national community and environmental projects throughout the UK.

The Board duly considered and approved the Annual Business Plan for 2022/23, and then monitored it throughout the year (including in relation to protecting players and returns to Good Causes) in accordance with the governance arrangements described earlier in the section on "The likely consequences of any decision in the long term" (pages 154 to 155).

During 2022/23, corporate responsibility was again central to how Camelot operated – from the way it trained and protected its employees, advised big winners and treated suppliers, to how it safeguarded data, supported its local

communities through volunteering and considered its environmental footprint. Any significant issues or developments were included in reporting to the Board during the year in accordance with the governance arrangements referred to previously.

Further information on Camelot's work relating to its local communities and the environment is included in "Doing Business Responsibly" on pages 96 to 121.

e) The Desirability of the Company Maintaining a Reputation for High Standards of Business Conduct

The protection of National Lottery players and promotion of healthy play, operating with the highest integrity and ensuring that Camelot maintains an excellent reputation for how it operates continued as some of the pillars of the 2022/23 Annual Business Plan. Performance against key performance indicators relating to specific initiatives, and against milestones for related activities, was included in monthly reports to Directors and in the business update given by senior management at each meeting of the Board throughout the year. The business update to the Board also included more detailed information on these matters throughout the year.

More broadly, led by the Board, Camelot has a high-integrity culture, with appropriate policies, training and processes relating to anti-bribery and corruption and whistleblowing, together with substantial business control functions such as Programmes, Security Operations, Business Assurance (which includes Internal Audit), Finance, Legal (which includes the Company Secretarial function and the Data Protection Officer), Procurement and Regulation. The Board continued to oversee these aspects of Camelot throughout the year through the Audit, Risk and Security Committee.

Further information on Camelot's work in contributing to maintaining its reputation for high standards of business conduct is included in "Doing Business Responsibly" on pages 96 to 121.

f) The Need to Act Fairly as Between Members of Camelot

Camelot continues to have only one sole beneficial shareholder and, therefore, the Directors were not required to have regard to this particular matter during 2022/23.

STRATEGIC REPORT (CONTINUED)

Risks, Uncertainties and Opportunities

The third operating licence provides Camelot with significant opportunities, as well as some significant risks and uncertainties, and these are managed through the Company's enterprise risk management framework, further details of which are provided in the Report on Corporate Governance.

The risks which the Board considers may have a significant impact on the results of Camelot and its ability to achieve its strategic objectives are defined as the Company's principal risks. The principal risks can occur independently from each other or in combination.

During the year, the Audit, Risk and Security Committee (ARSC) and Board conducted reviews of Camelot's principal risks. Throughout the year, the Board of Directors continued to assess the risk definitions with regard to the uncertainty occasioned by the outcome of the fourth licence competition and the subsequent legal challenge during the year.

Mitigation and Controls

Camelot adopts mitigation activities in the form of internal controls for all key principal risks, as part of quarterly internal reviews. Compliance activities related to these internal controls include reporting to the Compliance & Risk Committee, the Board, the ARSC, Executive management team, and monitoring compliance with Camelot's policies. The effectiveness of risk mitigations against risk definitions are supported through a suite of risk metrics.

The Company identifies its key principal risks and mitigations as follows:

Fourth Licence Transition

Camelot is unable to fulfil its obligations (eg providing certain information/data at key milestones, providing Transition Assistance Services (TAS) or undertaking the Asset Survey) under the Cooperation Agreement (which governs the transition to the fourth licence operator) to time and/or quality.

During the year, the Board reviewed management's detailed assessment of outgoing licensee risks, and monitored the preparation and related activities within Camelot to meet outgoing licensee responsibilities under transition.

People

Due to the period of uncertainty for the remainder of the third licence and beyond February 2024, there is a risk of unwanted attrition, difficulty in recruiting key roles and a fall in engagement levels. The Company may therefore have difficulty in ensuring the right skill-sets exist in the organisation, which, along with lower levels of engagement, could impact organisational performance.

The Company maintains an organisational health dashboard which tracks and monitors key metrics such as attrition, absences and levels of engagement. In addition, succession and retention plans for key roles across the business are subject to regular review at Operational and Executive level.

Camelot's ongoing programme of pulse and annual engagement surveys enables it to regularly measure engagement levels across the Company and to implement appropriate actions in a timely manner.

Key Supplier/Partnership Relationships

Service disruptions from key suppliers and operational failures could be experienced due to the inability of suppliers to provide their services or the inability of Camelot to maintain robust and effective working relationships with key suppliers/partners.

The Company maintains ongoing working relationships with key suppliers and partners, and conducts regular reviews to assess operational performance and resilience. Through its designated Relationship Managers, Camelot continues to monitor and regularly engage with key suppliers to assess the adequacy of their Business Continuity Plans (BCPs).

Camelot's BCPs are created, assessed and maintained to ensure minimal business disruptions, and it aligns with ISO 22301: Business Continuity Management System by operating the same framework, management systems and plans that were successfully audited against last year.

Risks, Uncertainties and Opportunities (continued)

Mitigation and Controls (continued)

Regulatory Environment

The regulatory environment might not ensure licence compliance or support an effective working relationship and operating model with the Gambling Commission: specifically, the risk that the delivery of Camelot's Annual Business Plan and Outgoing Licensee Plans are impacted by the Gambling Commission's low-risk appetite and approach to issues and other approvals resulting from challenges associated with the end of licence and exit from the third licence.

The Company has a high-integrity culture and has identified accountable people against each of its licence requirements, and reviews and updates this on a regular basis. Licence compliance is also embedded in Company processes and procedures. Business control functions – such as the Regulatory Affairs, Risk, Compliance and Internal Audit, Procurement and Process Governance Teams – monitor compliance through their activities.

The Company maintains regular senior management meetings between Camelot and the Gambling Commission, along with regular engagement with key business control functions, such as Regulatory Affairs and Risk, Compliance and Internal Audit. The Company also proactively shares performance data, as well as strategic plans and proposals requiring approval, so that it is able to work effectively with the Gambling Commission and be held to account.

Management of Healthy Play

Camelot neither adopts an appropriate healthy play strategy, nor has suitable operational activities and metrics to protect players and provide early warnings of at-risk and problem play.

The proportion of at-risk players remains at all-time low levels since the Company's interventions programme was updated in November 2021 and subsequently November 2022 (and since inception in December 2019). The company continues to exceed its target of at-risk players changing their overall play behaviour after receiving interventions. Retailer knowledge checks on excessive play are well above target, while the first visit pass rate on the 'Operation 18' mystery shopper programme exceeded the annual target and was the best since the scheme launched.

Player Engagement

The relevance of The National Lottery remains critical to the success of the business. Failure to ensure that games remain relevant and that players remain engaged when there is significant pressure on consumers' discretionary spend could lead to a decline in sales and returns to Good Causes.

As mentioned earlier in the Strategic Report, the Company addresses this risk by ensuring that The National Lottery's brand and portfolio of games continue to remain relevant to a wider player base through marketing communications, channel initiatives, game propositions and events. The Company adapts its marketing and communications plans, which help to ensure that The National Lottery remains relevant to players with a focus on the impact of Good Causes on society.

The macroeconomic environment remains uncertain, with consumers remaining pessimistic about their financial situation as the economic backdrop becomes more challenging. Growing pressure on disposable income is making consumers more value-led and spend-conscious. As a result, keeping The National Lottery top of mind becomes more challenging.

Macroeconomic Environment

Camelot is unable to respond to uncertain macroeconomic conditions (such as increasing fuel, energy and food costs, rising interest rates and low consumer confidence) impacting players' disposable income, as well as placing cost pressures on the business. This could result in lower sales and returns to Good Causes, and decreased financial performance by the company.

Significant economic headwinds remain. Economic forecasts for 2023 anticipate GDP to remain either flat or to see a slight decline. The outlook remains challenging, as pressure on disposable income persists and is expected to grow further as water companies increase their rates, home-owners face increased mortgage costs and fixed rate mortgages come to an end.

STRATEGIC REPORT (CONTINUED)

Risks, Uncertainties and Opportunities (continued)

Mitigation and Controls (continued)

Macroeconomic Environment (continued)

This pressure on disposable income is increasingly likely to exacerbate competitive intensity, with The National Lottery's share of marketing 'voice' coming under increased pressure from rising media spend from direct lottery competitors and the indirect wider gaming and gambling market. Cash flow forecasts are based on the Company's econometric modelling and recognise the significant degree of uncertainty in the economic outlook.

The risk of an increasing number of players facing economic hardship will sharpen the focus of the spotlight on healthy play and affordability.

Retailer Environment

As retail remains a critical channel, failure to maintain standards, advocacy and support for The National Lottery across the retailer estate could lead to poor in-store execution, lack of confidence and poor support for The National Lottery brand. Camelot also needs to be agile, mindful and able to adapt to the changing retail environment.

There is clear evidence that the macro context remained challenging for our retailers and shoppers, with ongoing extensive inflationary pressures causing shoppers to reduce volumes, switch to own label products and/or switch to discounters.

The Company's focus remains on excellent in-store standards to make The National Lottery unmissable across the retail estate.

Digital Channels

The failure to maintain a fit-for-purpose digital platform could lead to poor customer engagement and loss of sales. In addition, strong commercial performance achieved through the delivery of the Company's digital strategy may not be maintained, which could lead to reduced customer satisfaction, and lost sales and returns to Good Causes.

The Company closely monitors the performance and capacity of its digital channels, as well as delivering key digital projects and continuous improvement initiatives to enhance the stability of the platform and improve customer engagement. For example, email personalisation has enabled new onboarding and lapsing programmes to improve overall player satisfaction and retention rates.

Technology/Systems

As Camelot moves towards the end of the current licence period, there is a risk associated with a number of systems which are nearing the end of life. Additionally, there is a risk to the information systems estate that, as we near the end of the licence term, systems may no longer be fit for purpose and could lead to a failure to execute and deliver an effective technical solution.

Licence Condition 5.9 requires Camelot to maintain all licensee assets to ensure that they are adequately supported and have a life expectancy of two years from the end of the third licence. The Company maintains a secure, fit-for-purpose technology solution to enable employees to work effectively. In continuing to provide operational integrity to the end of the licence and for technology required beyond the end of the licence, the ongoing management of end-of-life technology is essential, particularly components for the key gaming and corporate systems.

The Company regularly evaluates the adequacy of its infrastructure and IT security controls, tests its contingency and recovery processes, and undertakes employee awareness and training. Controls testing and security patching around core systems is also performed regularly. The Company continues to invest heavily in safeguarding IT infrastructure, with the security of player information and funds being a key priority.

Risks, Uncertainties and Opportunities (continued)

Mitigation and Controls (continued)

InfoSec/Cyber

Unauthorised access to Camelot's systems or data, from either an external or internal source, could result in unauthorised access to personal or financial data, gaming systems or commercially sensitive information and/or service disruption due to the loss/unavailability of key operational systems; or a loss of integrity of gaming systems, or gaming, financial, personal or other data. This could lead to reputational and/or commercial damage, and potential regulatory penalties.

The Company complies with the ISO 27001 Information Security Standard and World Lottery Association Standards. Similar to other organisations, it continuously monitors the cyber landscape, and assesses and deals with emerging threats. It continues to invest in its Information Security Team, and in raising cyber risk awareness across its business and with its partners.

Work on optimising the Company's security culture and increasing colleague awareness of security risks has continued this year, building further on the focus in this area.

The Strategic Report was approved by the Board of Directors on 22 June 2023 and was signed on its behalf by:



Sir Keith Mills GBE DL
Chair

Camelot UK Lotteries Limited
Company Number: 02822203

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 2023.

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, Tolpits Lane, Watford, Hertfordshire, United Kingdom, WD18 9RN.

Principal Activities

The principal activity of the Company is the operation of The National Lottery in a socially responsible manner for the benefit of a number of good cause areas: arts, education, environment, health, heritage, sport and community/charity (the 'Good Causes'). The establishment of The 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 Gambling Commission.

The third operating licence was granted on 1 February 2009 to run until 31 January 2019, with a possible extension for a period of up to five years. In the 2011/12 financial year, the National Lottery Commission (subsequently merged with the Gambling Commission) granted an extended licence through to 31 January 2023, a four-year extension. This had an impact on intangible assets and property, plant and equipment, as economic lives have been lengthened where they previously ran to the end of the original third operating licence on 31 January 2019.

In May 2020, the Gambling Commission formally notified the Company of an extension of the licence by an additional six months until 31 July 2023.

In December 2021, the Gambling Commission formally extended the licence by an additional six months until 31 January 2024. The Company expects to pursue this principal activity until the end of the current third licence.

In March 2022, the Gambling Commission named Allwyn Entertainment Limited as the Preferred Applicant to operate The National Lottery for the fourth National Lottery licence and, in September 2022, it formally awarded the licence to Allwyn

Entertainment Limited. Camelot is committed to supporting a smooth transition and has been working hard to fulfil its responsibilities to make this happen. This has included activities as the outgoing licensee, subject to the obligations under the third licence and those of the transition Cooperation Agreement.

In February 2023, the Company was acquired by Allwyn UK Holding B Ltd, a subsidiary of the wider Allwyn group.

The Company's performance and outlook are discussed in the Strategic Report set out on pages 146 to 161 as permitted under s414C(11).

Shareholdings

The following share structure was in place at the end of the year under review:

	Number of 'A' shares	Number of 'C' preference shares	Total % holding of shares
Allwyn UK Holding B Ltd	1,000	10	100%

Further details of the rights and obligations of each class of share are given in note 21 to the financial statements.

The Company's ultimate shareholder is Valea Foundation. The largest group of undertakings in which the results of the Company are consolidated is that headed by KKCG AG, whose registered office 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 of Allwyn International a.s., whose registered office is Evropská 866/71, 160 00 Prague 6, Czech Republic. The consolidated financial statements of this group are available to the public at www.allwynentertainment.com/investors/sazka-group-debt-investor-hub/financial-reports.

Directors

The names of the Directors who served during the year and up to the date of signing the financial statements were:

Chair

Sir Keith Mills GBE DL (appointed 5 February 2023)

Sir Hugh Robertson KCMG PC DL (resigned 5 February 2023)

Executive Directors

Clare Swindell

Neil Brocklehurst (appointed 5 February 2023)

Nigel Railton (resigned 5 February 2023)

Non-Executive Directors (officers of OTPP)

Nick Jansa (resigned 5 February 2023)

Jane Rowe (resigned 5 February 2023)

Non-Executive Directors (officers of Allwyn group entities)

Robert Chvátal (appointed 5 February 2023)

Katarína Kohlmayer (appointed 5 February 2023)

Kenneth Morton (appointed 5 February 2023)

Independent Non-Executive Directors

Lord Sebastian Coe CH KBE (appointed 5 February 2023)

Amanda Horton-Mastin (appointed 5 February 2023)

Jennelle Tilling

Robert Walker (resigned 5 February 2023)

David Kelly (resigned 5 February 2023)

Rob Rowley (resigned 5 February 2023)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Gill Whitehead (resigned 21 April 2022)

Insurance for Directors and Officers

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

Activities pre-5 February were covered by a policy which expired at midnight on 4 February 2023, with a replacement policy put in place to cover activities post-transaction, which was incepted at 00.01 on 5 February 2023. The Company also established a run-off policy to cover the historic liabilities of the Company and its directors pre-transaction.

Going Concern

Management has prepared a detailed budget and cash flow forecast which considers the appropriateness of the basis of preparation of the financial statements, including the going concern assumption. This budget and cash flow forecast has been evaluated and reviewed in significant detail.

The wider macroeconomic climate continues to result in an increase to the credit and financial liquidity risk of the Company. Management has assessed the controls in place to minimise Camelot's exposure to this increased level of risk, which are set out in note 16, and considers them to be effective. This view has been supported by stress testing as described on the next page.

The Company's licence to operate The third National Lottery is due to expire on 31 January 2024. At this point, the Company will cease to trade and will transition the operation of The National Lottery to the incoming licensee, Allwyn Entertainment Limited. There are contractual arrangements in place to manage this transition, including facilitating the transfer of any continuing obligations and any required licensee assets to Allwyn. The third licence and contractual arrangements with suppliers also create a number of end-of-licence obligations.

DIRECTORS' REPORT (CONTINUED)

Going Concern (continued)

The Directors have considered the impact of all end-of-licence activity and contractual obligations on the budget and cash flow forecast. As a result, they have an expectation that the Company has adequate resources to meet its obligations as they fall due for at least one year from the date of the financial statements being signed. However, as the Company is ceasing to trade, these financial statements have been prepared on a basis other than going concern. Although an alternative basis has been applied, this has not necessitated any write down of assets nor the recognition of any additional liabilities as a result. More detail on the impact of preparing the financial statements on a basis other than going concern can be found in note 2.

Viability Assessment

Taking account of the Company's current position and principal risks, the Directors have assessed the prospects of the Company for the purposes of provision 31 of the UK Corporate Governance Code covering a period until 31 March 2024. The Company's current licence to operate The National Lottery expires on 31 January 2024. The 12-month assessment period covers until 31 March 2024, which includes the finalisation and settlement of cash flows relating to the end of the third licence, including the anticipated cash flows at the point of transfer to a new operator, and accounts for the various (albeit limited) obligations following expiry of the licence.

It is anticipated that the Company will therefore effectively cease operations by the end of the period under review, although the assessment of it remaining viable throughout that same period remains applicable.

There is some inherent uncertainty in planning for the next year, given the difficult macroeconomic environment and its impact on the Company's performance until the licence expiry.

However, due to the strong foundations that the Company, under its Executive Team, has put in place over recent years across The National Lottery's games, channels and brand – combined with its ability to adapt quickly – the Company's business model has proved to be strong and resilient.

The forecast reflects a resilient sales performance in line with underlying marketing support. Company profits and cash flows are forecast to be generated in line with sales performance.

The Annual Business Plan and Annual Budget for 2023/24 were approved by the Board in March 2023 for the final 10 months of the licence, and also include all cash flows relating to transferring continuing obligations to the fourth licence operator and all third licence commitments following the licence expiry.

The Company maintains a £45.4m committed Revolving Credit Facility (2022: £55m), which runs until 30 October 2023. The amount drawn down under this facility at 31 March 2023 was £nil (2022: £nil). Cash flow projections reflect that this facility will not be required and it serves only as an additional safeguard, in particular helping to categorically ensure that the Company maintains the minimum headroom required by the third licence. After 30 October 2023, as in the period until this time, there will be sufficient cash headroom and this safeguard is not expected to be required.

The Company is operating comfortably within the interest cover and gearing ratios set out in its Revolving Credit Facility and the Directors consider that this will continue over the term of that facility.

A number of sensitivities were run to stress test the cash flow forecast and, even in downside scenarios, the Company remains comfortably within its loan covenants, with sufficient liquidity to meet its liabilities as they fall due and the licence requirements for cash and/or facility headroom. The Company's covenants are based on Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) pre-IFRS 16, which would have to fall by over 88% (a decrease in sales of over £5.9bn) from their current level across the remainder of the licence for the Company to have liquidity issues and covenants to be breached. This is considered highly unlikely. The forecast also shows only insignificant net interest charges and, therefore, the interest cover covenant ratio is easily maintained.

Viability Assessment (continued)

The Board confirms that it carries out a robust assessment of the principal risks and uncertainties facing the Company, including those that could threaten its business model, future performance, solvency and liquidity.

The Board also monitors the Company's risk management and internal control systems. The assessment and monitoring is carried out on a rolling basis, with senior management reviewing and updating the Company's principal risk register quarterly, which is then reviewed by the ARSC at every meeting (the 'Committee'). The Committee is also informed of, and considers, all material risks and internal control systems issues (including, for example, any significant control failings).

Among the identified key risks are people, key supplier/partner relationships, the regulatory environment, management of healthy play, player engagement, macroeconomic environment, the retailer environment, digital channels, technology/systems and InfoSec/cyber. During the year, the Board reviewed management's detailed assessment of transition risks, and monitored the preparation and related activities within Camelot to meet its outgoing licensee responsibilities under transition. The risks are set out in more detail on pages 158 to 161.

The Company continues to invest heavily in safeguarding IT infrastructure, with the security of player information and funds being a key priority.

The Chair of the Committee reports the proceedings of the Committee to the full Board, and copies of minutes of the Committee are distributed to all members of the Board who are not Committee members. Revocation of the Company's licence to operate The National Lottery would clearly be catastrophic and the Company is very clearly focused on mitigating the risks of committing any licence breach which could form the basis of such revocation.

Taking into account the Company's performance, the existence of the Company's licence to operate The National Lottery until 31 January 2024, the existence of the business strategy, and the principal risks and uncertainties facing the Company, the Directors have a reasonable expectation that the Company will be able to continue in operation and

meet its liabilities as they fall due over to cover the complete period of the third licence to run The National Lottery, including obligations in a post-expiry period.

Corporate Governance

The Report on Corporate Governance is set out on pages 170 to 181.

Streamlined Energy and Carbon Reporting

The Company's streamlined energy and carbon reporting is set out in the "Environmental Impact" section on pages 120 to 121, and is included in this Directors' Report by cross-reference.

Research

To secure the long-term success of The National Lottery and to ensure continued sales growth alongside increasing returns to Good Causes, the Company has continued to spend on research during the year. The Company's spend totalled £4.3m in 2023 (2022: £4.4m), primarily in the area of brand and market research.

Employees

The Company places a high priority on ensuring that its employment policies respect the individual, and offer training, career and personal development opportunities regardless of racial or ethnic origin, gender, age, religion, nationality, disability, sexual orientation or marital status.

A continued key focus over the last year has been to encourage an inclusive working culture which values difference, and enables people to be themselves, participate fully and meet their full potential.

Full and fair consideration is given to the employment of all individuals and reasonable adjustments are made to accommodate the disabilities of Camelot employees, whether those disabilities arose before or during their employment with the Company.

DIRECTORS' REPORT (CONTINUED)

Employees (continued)

The Company's Employee Forum is sponsored by a member of the Executive Team and extends across all employees in Camelot. It continues to be consulted on all significant policy proposals and initiatives affecting employees and, in turn, gathers group-wide reactions to such proposals, as well as giving regular feedback on other employee matters.

The Company believes that delivering consumer and player satisfaction is key to its success, and strives to reward the contribution made by motivated and high-performing staff. The main reward mechanism for doing this is via a performance-related annual bonus scheme.

For 2022/23, bonuses will be paid on two key performance criteria – profitability and operational performance integrity – with a multiplier awarded based on performance against objectives. When reflecting on-target performance, these bonuses start from 5% of base salary, increasing for senior management. During the year, a retention scheme, approved by the Remuneration Committee, was launched to mitigate against the risk of loss of critical staff.

To support its people through the increased cost of living crisis, the Company also paid cost of living relief payments in 2022/23 to employees earning less than £50,000.

Employees pay contributions into the Company Personal Pension Plan, a defined contribution scheme. In line with UK legislation, the Company auto-enrols employees into the pension scheme. The first payroll deductions for automatically enrolled employees were made in January 2014.

Employee Engagement

Camelot has a well-established structure for communicating and listening to its employees through a variety of channels, including Company-wide emails, webcasts, all-employee meetings, the Company's intranet site and regular engagement surveys. With hybrid ways of working now embedded, these channels have been adapted to be inclusive of employees regardless of their working location. They are also the medium through which the Company communicates economic and financial factors which impact its performance. The Company achieved upper quartile engagement scores in its surveys throughout the year.

During 2022/23, Camelot continued to:

- provide employees systematically with information on matters of concern to them, such as trading updates, commercial strategy and progress updates, as well as inviting representatives from organisations that have received National Lottery funding to share their stories to ensure employees are connected to the Company's purpose. There continues to be a regular cycle of Company-wide communication through 'All Together' briefings, Leadership Team briefings, the intranet and monthly leadership newsletters for cascade;
- consult employees as a whole and via the Employee Forum on a bi-monthly (and then bi-weekly) basis so that their views can be taken into account in making decisions which are likely to affect their interests, including the outcomes of employee surveys, input to people policies, input to the wellness strategy, input to the impact of any organisational change, and input into diversity and inclusion plans;
- encourage the involvement of employees in Camelot's performance through the all-employee annual bonus scheme, ensuring quarterly performance conversations take place with individuals, and regular briefings on trading performance and progress against the Annual Business Plan;

Employee Engagement (continued)

- provide a listening strategy through regular engagement surveys and conversations with the Employee Forum, and reviewing feedback from the Company's People Business Partners;
- achieve a common awareness on the part of all employees of the financial and economic factors affecting the performance of Camelot through 'All Together' sessions and monthly Leadership Team cascades, as well as local team cascades; and
- activate a diversity and inclusion and wellbeing strategy throughout the year, encouraging employees to be their best and be themselves at work.

Following the announcement of the departures of the previous Chairman, Chief Executive Officer and Executive Director, a Company-wide event was held to introduce the new Co-Chief Executive Officers (Co-CEOs). The Co-CEOs will continue to lead the quarterly 'All Together' sessions throughout the year, keeping the whole Company informed about business performance. Enabled by a leadership visibility plan, they continue to be accessible and visible to employees. Following the acquisition of the Company by Allwyn, the Allwyn Group Chief Executive Officer and Chief Financial Officer have also been introduced to the Company.

The Directors have visibility of the people priorities and initiatives for the year via the People section of the Annual Business Plan, which sets out specific initiatives relating to employees. In addition, employee engagement scores and feedback are shared annually, and employee engagement and performance are considered as part of the all-employee annual bonus scheme, which is approved by the Remuneration Committee. Any risks relating to employees also form part of the Principal Risk updates to the Board.

Business Relationships

In performing its duties, the Board gives due consideration to its key stakeholder groups as it ensures that the activities of the Company align with its strategic plan, as well as the Company's cultures and values.

In assessing its activities, the Board aims to act fairly, transparently and in the best interests of the Company over the long term, and assesses the impact of activities on the Company's business relationships and, in particular, with its regulator, industry bodies, distribution partners, retailer base and suppliers. The Company acknowledges that every decision the Board has made will not necessarily result in a positive outcome for all of its stakeholders.

As noted in the Chair's Statement and the Co-Chief Executive Officers' Review, the Board and Executive management have regular engagement with their counterparts at the Gambling Commission and with the National Lottery distribution partners which distribute Good Cause funding. Executive management has a regular programme of engagement across the retailer base (from large multiple retailers through to independent, owner-managed businesses), which is monitored and assessed by the Board through its regular review of the Annual Business Plan.

DIRECTORS' REPORT (CONTINUED)

Suppliers

Suppliers are critical to the success of the Company and, for all of the major suppliers, there is a dedicated Camelot relationship manager. They work closely with the supplier to ensure not only the delivery of their product/service, but that there is a strong working relationship with regular dialogue that allows both parties to operate fairly and transparently with each other.

The Company's policy is to pay all fully-approved supplier invoices within 30 days after the end of the month in which the invoice is received (or 30 days from the date of invoice for small suppliers with 50 or fewer employees). During the year, Camelot paid 93% (2022: 92%) of its supplier invoices in line with the agreed terms and, on average for the year, invoices are being paid within 27 days (2022: 27 days) from date of receipt. The Company's latest figures show that only 1% (2022: 1%) of supplier invoices are paid in excess of 60 days, with 71% (2022: 76%) being paid in 30 days or less.

Camelot's payment practice and performance are made publicly available, and processes are in place to improve these metrics. In April 2021, the Company became a signatory to the Prompt Payment Code – the UK's voluntary code of conduct that sets the standard for best practice with regards to payments from large companies to smaller ones.

Financial Risk Management

The Company has a clear and specific investment policy which is followed for all cash deposits placed to mitigate against short and long-term cash flow risk.

The Company continually monitors its banking facilities, as well as regularly forecasting and reviewing its cash flow requirements. For the next financial year, the cash flow forecasts anticipate surplus cash levels, that the Revolving Credit Facility will remain undrawn and that sufficient headroom will be maintained such that all liabilities are capable of being met as they fall due.

In addition, Camelot has an established process, set out in The National Lottery Retailer Agreement, which ensures exposure to retailer bad debt is minimised, as detailed in note 16. Camelot is, therefore, confident that it has appropriately mitigated the additional credit and financial risks linked to its retailer footprint.

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

Related Party Transactions

During the current financial year, the Company has, in the ordinary course of its business, had transactions of significance with its previous parent company and fellow UK group entities. Details of related party transactions are given in note 27 to the financial statements.

Independent Auditors

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

Dividends

As detailed in note 8, total dividends paid in the year under review were £102.3m (2022: £81.6m), of which £102.3m (2022: £81.6m) was paid to the Company's previous parent company, Premier Lotteries UK Limited, during the year and £7,000 to Fourmoront Corporation (2022: £7,000). The Company does not recommend payment of a final dividend.

Donations

During the year, no political donations were made (2022: £nil).

Post-Balance Sheet Events

Refer to note 29 to the financial statements for Post-Balance Sheet Events disclosures.

Statement of Directors' Responsibilities in Respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and Accounts 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 UK-adopted international accounting standards. The Company has also prepared the financial statements in accordance with International Financial Reporting Standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

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 period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards and IFRS adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union 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.

In addition, the Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all of the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.



On behalf of the Board
Sir Keith Mills GBE DL
 Chair
 22 June 2023

REPORT ON CORPORATE GOVERNANCE

While not required by law, Camelot UK Lotteries Limited has undertaken, so far as it is practical having regard to its corporate structure, to comply with the principles of good governance and code of best practice as set out in 'The UK Corporate Governance Code' (the 'Code'), published by the Financial Reporting Council in July 2018, in line with its requirements under the third licence. The Board's commitment to business integrity, high ethical values, corporate responsibility and professionalism in all of its activities remains undiminished following the Company's transition from plc to limited company status in July 2010.

This report outlines the approach adopted in relation to the principles contained within the Code and provides an explanation of any current departure from the provisions of the Code.

Board of Directors

On 5 February 2023, Ontario Teachers' Pension Plan sold its interest in the Company to Allwyn UK Holding B Ltd, a member of the Allwyn group of companies. At that point, Sir Hugh Robertson KCMG PC DL, Nigel Railton, Robert Walker, Rob Rowley, David Kelly, Jane Rowe (and her alternate, Ilya Kachko) and Nick Jansa resigned from the Board, and Sir Keith Mills GBE DL, Neil Brocklehurst, Robert Chvátal, Katarína Kohlmayer, Kenneth Morton, Lord Sebastian Coe CH CBE and Amanda Horton-Mastin were appointed to the Board.

At 31 March 2023, the Board comprised nine members: the Chair (Sir Keith Mills GBE DL), three additional Independent Non-Executive Directors (Lord Sebastian Coe CH CBE, Amanda Horton-Mastin and Jennelle Tilling), three Shareholder-Nominated Non-Executive Directors (Robert Chvátal, Katarína Kohlmayer and Kenneth Morton) and two Executive Directors (the Co-Chief Executive Officers – Neil Brocklehurst and Clare Swindell). The Board is currently seeking an additional Independent Non-Executive Director.

There is a clear delineation of responsibility between the Chair and the Co-Chief Executive Officers, which is set out formally in a written description of the role of the Board and written descriptions for the Chair's and the Co-Chief Executive Officers' roles (and also for the roles of the Deputy Chair/Senior Independent Director and the Independent Non-Executive Directors).

The Chair leads the Board, ensuring that each Director, particularly each of the Non-Executive Directors, is able to make an effective contribution. He monitors, with assistance from the Company Secretary, the information distributed to the Board to ensure that it is sufficient, accurate, timely and clear. Board papers are sent to Directors in good time before Board meetings.

These cover key areas of the Company's affairs, including overall strategy, key commercial partnerships, approval of budgets, major capital expenditure programmes, significant transactions and financing issues. The Board approves all major capital and revenue expenditure over specified amounts, which vary depending on the nature of the expenditure.

The Co-Chief Executive Officers maintain day-to-day management responsibility for the Company's operations, implementing Company strategies and policies agreed by the Board.

Regular Board meetings were held during the year under review. Board meetings follow a formal agenda which includes regular reports from the Co-Chief Executive Officers, matters for which the Board's approval is required (including, in particular, the Company's Annual Business Plan and Annual Budget), deep dives into business topics of importance and other matters for the Board's information. The Strategic Report for the year can be found on pages 146 to 161.

Board of Directors (continued)

At the beginning and end of each Board meeting, the Chair usually meets with the Non-Executive Directors for a private session in the absence of the Co-Chief Executive Officers and other senior management. At the end of each meeting, a further private session is usually held with the Co-Chief Executive Officers without other senior management.

The written description of the role of the Board sets out matters specifically reserved for decision by the Board, but all Board members are free to raise other issues at Board meetings. Where Directors have concerns that cannot be resolved about the running of the Company, or a proposed action, these are recorded in the Board minutes. Upon resignation, a Non-Executive Director with any such concerns is able to circulate them to the Board via a written statement to the Chair.

During the year, a number of additional Board meetings were held as a result of the Company's activity in relation to the outcome of the fourth licence competition and the sale of the Company.

The Board has delegated certain functions to committees, as set out below. However, the Board takes direct responsibility for the review and monitoring of key areas, such as risk management. All Directors have access to the Company Secretary, who is responsible for ensuring that Board procedures are followed.

There is a procedure in place enabling any Director, in the furtherance of their duties, to seek independent professional advice at the Company's expense.

In addition to their attendance at meetings of the Board and of those committees of which they are members, all Directors are encouraged to attend meetings of those committees of which they are not members. Attendance of Directors at Board and Committee meetings during the year was as follows:

	Board (9 meetings) Number attended while a Director	Audit, Risk and Security Committee (4 meetings) Number attended while a Director	Remuneration Committee (3 meetings) Number attended while a Director	Nominations Committee (1 meeting) Number attended while a Director	Transition and Reserve Applicant Committee (4 meetings) Number attended while a Director
Neil Brocklehurst	2/2	¹ (1/1)	¹ (1/1)	¹ (0/0)	-
Robert Chvátal	2/2	¹ (1/1)	¹ (1/1)	¹ (0/0)	-
Lord Coe CH KBE	0/2	¹ (0/1)	¹ (0/1)	¹ (0/0)	-
Amanda Horton-Mastin	2/2	¹ (1/1)	¹ (1/1)	¹ (0/0)	-
Nick Jansa	7/7	¹ (2/3)	¹ (2/2)	¹ (1/1)	2/4
David Kelly	5/5	2/2	¹ (0/2)	¹ (0/1)	4/4
Katarína Kohlmayer	2/2	¹ (1/1)	1/1	¹ (0/0)	-
Sir Keith Mills GBE DL	2/2	¹ (1/1)	1/1	¹ (0/0)	-
Kenneth Morton	2/2	1/1	¹ (1/1)	¹ (0/0)	-
Nigel Railton	7/7	¹ (3/3)	¹ (2/2)	¹ (1/1)	4/4
Sir Hugh Robertson KCMG PC DL	7/7	¹ (3/3)	¹ (2/2)	1/1	4/4
Jane Rowe	7/7 ²	2/3 ²	2/2 ²	1/1 ²	¹ (2/4)
Rob Rowley	6/7	3/3	¹ (2/2)	¹ (1/1)	¹ (2/4)
Clare Swindell	9/9	¹ (4/4)	¹ (3/3)	¹ (1/1)	4/4
Jennelle Tilling	9/9	¹ (3/3) and 1/1	¹ (2/3)	0/1	¹ (2/4)
Robert Walker	7/7	3/3	2/2	¹ (1/1)	¹ (2/4)
Gill Whitehead	0/1	0/0	¹ (0/0)	¹ (0/0)	¹ (0/0)

REPORT ON CORPORATE GOVERNANCE (CONTINUED)

Board of Directors (continued)

The table shows the number of meetings attended by each Director as against the number of meetings he/she was entitled to attend while a Director.

¹ Indicates that the named individual is not appointed to the Committee, followed (in brackets) by the number of meetings attended as against the number of meetings that individual was entitled to attend while a Director.

² Nick Jansa attended the following meetings as Jane Rowe's alternate when she was unable to attend: (1) two Board meetings, (2) one Audit, Risk and Security Committee meeting, (3) one Remuneration Committee meeting and (4) one Nominations Committee meeting.

Under the terms of the third licence, all Directors have to be security-vetted before they can be formally appointed to the Board, unless the Gambling Commission has issued a temporary waiver of that requirement in individual cases. Pending this clearance or waiver, those to be appointed are permitted to attend Board and Committee meetings as observers.

During the year under review, the Board delegated its authority to the following Committees:

Audit, Risk and Security Committee

Chair: **Rob Rowley** (resigned 5 February 2023), **Kenneth Morton** (appointed 9 March 2023)

Members: **Rob Rowley** (resigned 5 February 2023), **Jane Rowe** (resigned 5 February 2023), **Robert Walker** (resigned 5 February 2023), **Gill Whitehead** (resigned 21 April 2022), **David Kelly** (appointed 23 June 2022, resigned 5 February 2023), **Kenneth Morton** (appointed 9 March 2023) and **Jennelle Tilling** (appointed 9 March 2023)

Usual Attendees

The Chief Executive Officer (since 5 February 2023, the Co-Chief Executive Officers) and other functional managers, including the Chief Financial Officer (Clare Swindell, also Co-Chief Executive Officer), the Director of Finance, the Head of Assurance – Risk & Compliance, the Head of Internal Audit, other functional heads and representatives of the Company's external auditors and shareholders. The composition and independence of the Board is discussed on page 170.

The Committee met four times in the year under review.

Its duties are as follows:

Audit

The Committee is responsible for ensuring that the system and quality of internal control within the Company, and, in particular, of financial reporting, are to the highest standards, and for ensuring that the interests of the Company's shareholders are safeguarded. The Committee is also responsible for considering how the Company should apply its financial reporting and internal control principles, for maintaining an appropriate relationship with the Company's external auditors (including assessing their independence), and ensuring the independence and effectiveness of the internal audit function.

It also reviews the Company's financial and accounting policies, any formal announcements relating to its financial performance, and final financial statements and Annual Report (including significant financial reporting judgements contained in them) prior to their submission to the Board, together with management reports on accounting and internal control matters.

Where requested by the Board, the Committee provides advice on whether the final financial statements, taken as a whole, are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Audit (continued)

It also reviews the appointment and terms of reference of the external auditors, and their management representation letter, and considers any other matters raised by the external auditors. In respect of non-audit services, the Committee reviews the objectivity of the external auditors by reviewing the scope of work for such services to ensure that their independence is safeguarded. It monitors the effectiveness of the Company's financial controls, and internal control and risk management systems. At least once a year, the Committee meets separately with the external auditors and the Head of Internal Audit, without any Executive Board members present. The Committee is also responsible for reporting to the Board on how it has discharged its responsibilities.

PricewaterhouseCoopers LLP (PwC) have been the Company's external auditors since 1993.

The Committee considers the relationship with its external auditors is working well and remains satisfied with its effectiveness (taking into consideration relevant UK professional and regulatory requirements). The external audit partner is rotated regularly and the current partner is in his sixth year. The external auditors attended all four Committee meetings in the financial year ended 31 March 2023, and the Committee assesses their effectiveness through this regular interaction.

Reporting of Significant Issues

As part of its work, the Committee focused on the following significant accounting areas in relation to the financial statements:

Revenue Recognition

Camelot's revenue recognition policy, set out in note 2(d) to the financial statements, is reviewed annually, to ensure it properly reflects the nature of transactions and is in accordance with accounting standards. Internal controls are designed to mitigate against revenue being recorded in the incorrect period. PwC performed detailed audit procedures on revenue recognition and the

relevant internal controls, and reported its findings to the Committee. Having reviewed the policy and considered the controls in place, the Committee has concluded that the timing of revenue recognition continues to be in line with International Financial Reporting Standards (IFRS) requirements.

Provisions

In accounting for provisions, judgement is required to assess the probability of outcome, maturity and level of risk. Judgement and estimation are required in the provision methodology and, for certain provisions, consideration of external information on which to base the provision. Details of the accounting policy relating to provisions are set out in note 2(s) to the financial statements.

Provisions made, and the basis on which they have been calculated, are disclosed in note 20. The Committee has confirmed the appropriateness of accounting policies relating to provisions and the quantum of provisions held at 31 March 2023, in particular those relating to long-term incentive plans and end of licence obligations. PwC performed detailed audit procedures on provisions, including the appropriateness of any assumptions and reliance on external information, and reported its findings to the Committee.

Capitalisation and Impairment of Assets

The Company continues to make investments in capital assets. The Committee has reviewed the appropriateness of capitalisation and impairment decisions adopted by management, and concluded that current processes are sufficient to ensure capitalised assets are correctly captured, valued and reported. Assets are capitalised and impaired in accordance with IFRS, as set out in the accounting policies disclosed in note 2 to the financial statements.

Licence Compliance

The Committee has also continued to focus on, and monitor the controls surrounding, compliance with the operating licence granted by the Gambling Commission and the financial implications of licence non-compliance.

REPORT ON CORPORATE GOVERNANCE (CONTINUED)

Risk

The Committee assists the Board in fulfilling its responsibilities for managing the risk associated with the business and markets within which the Company operates, overseeing the internal control framework, and determining the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives. The two core responsibilities of the Committee in respect of risk are to ensure an appropriate framework is provided for managing risks throughout the Company, and to provide an appropriate forum through which the detailed status of risk management is reported to the Board.

During the year, the Committee spent time discussing the risks associated with the various ongoing major programmes, as well as other principal risks including the threat of cyber attack, technology, people and the retailer environment. The Committee also reviewed management's detailed assessment of the risks for the operation of the third licence around transition to the fourth licence in the Company's role as outgoing licensee.

The Committee discusses significant issues with management, both independently and with external auditors.

Security

The Committee is responsible for approving and ensuring adherence to a set of security policies for the implementation and operation of The National Lottery. The Committee is regularly informed of any potential security issues within the Company (including physical, logical and personnel security, and disaster planning). It is also responsible for overseeing the activities undertaken by the Company's Chief Information Officer in respect of security, and for reviewing any major security breaches that are brought to the attention of the Chair of the Committee immediately after they are identified. The Committee also has a standing agenda item relating to data protection matters presented by the Data Protection Officer.

Remuneration Committee

Chair: **Jane Rowe** (resigned 5 February 2023), **Katarína Kohlmayer** (appointed 23 February 2023)

Members: **Jane Rowe** (resigned 5 February 2023), **Robert Walker** (resigned 5 February 2023), **Katarína Kohlmayer** (appointed 23 February 2023) and Sir **Keith Mills GBE DL** (appointed 23 February 2023)

The Committee is responsible for establishing a formal and transparent procedure for developing the framework and broad policy for determining the remuneration of the Company's Co-Chief Executive Officers, Independent Non-Executive Directors and employees in management with a senior role in the Company, using both Willis Towers Watson and external market data. In determining those matters, the Committee is required to review workforce remuneration and related policies, and the alignment of incentives and rewards with culture, and take these, and all other factors which the Committee deems necessary (including different incentives needed in different scenarios), into account.

The Committee is also required to address the need for remuneration arrangements to be clear, simple, proportionate, predictable, aligned to culture, and appropriate in the light of reputational and other risks. The objectives of the broad policy are required to ensure a range of outcomes, including supporting the strategy and promoting the long-term sustainable success of the Company, ensuring remuneration is aligned to the Company's purpose, values and long-term strategy, enabling the use of discretion to override formulaic outcomes, and avoiding rewarding poor performance. The Committee met three times during the year.

The Committee, which includes representation by the shareholder, reviewed and approved the annual bonus arrangements for the financial year ended 31 March 2023, with Executive Directors' and senior managers' performance metrics based on profitability and operational integrity – an approach which is consistent and aligned with all employees. Through the inclusion of performance metrics, the Committee ensures that reputational and other risks arising from a target-based incentive plan are mitigated.

Remuneration Committee

(continued)

The Employee Forum receives communication and updates on the remuneration arrangements in place for employees each year, and the wider Leadership Team is briefed annually on the details of the scheme. This includes how remuneration aligns with the wider Company pay policy. Bonus awards are capped with a maximum payout, and the scheme has provisions to reduce bonus awards for any under-performance.

In approving arrangements, the Committee reviewed and considered total remuneration for the Executive Directors and senior management. The gender pay gap data was considered by the Committee as part of the regular agenda and progress tracked. The Committee also reviewed retention arrangements this year and the cost of living payments to certain employees.

Willis Towers Watson continues as an advisor to the Company and, in the course of the year, advised it in relation to all staff remuneration (including Co-Chief Executive Officers and Executive Directors) and provided ad hoc support to the HR Team. Willis Towers Watson Health & Benefits (part of Willis Towers Watson) acts as the Company's brokers for Life Assurance, PHI and PMI benefits, and dental scheme, and is also the provider of the Company's occupational health/managed care service (the support link between PHI and PMI claims).

Nominations Committee

Chair: **Sir Hugh Robertson KCMG PC DL** (resigned 5 February 2023), **Robert Chvátal** (appointed 9 March 2023)

Members: **Sir Hugh Robertson KCMG PC DL** (resigned 5 February 2023), **Jane Rowe** (resigned 5 February 2023), **Jennelle Tilling**, **Robert Chvátal** (appointed 9 March 2023) and **Amanda Horton-Mastin** (appointed 9 March 2023)

Camelot recognises the vital role that Non-Executive Directors play in ensuring high governance standards.

The Committee is responsible for adopting a formal, rigorous and transparent procedure for the recommendation of new Directors, and for considering and recommending suitable candidates for appointment by the C preference

shareholder who have the time to commit to the Company, are of appropriate experience, age, qualifications, background and reputation, will provide constructive challenge, strategic guidance and specialist advice, and will hold management to account.

The Committee is required to consider candidates from a wide range of backgrounds, paying due regard to the Board's diversity and inclusion policy. This policy recognises the importance of diversity and inclusion; records the Company's commitment to promoting equality of opportunity and inclusion within its organisation, as well as for its players, retailers and wider society; and also confirms the Company's commitment to have due regard to the benefits of diversity and inclusion on the Board, and the making of appointments based on merit, measured against objective criteria and the aptitude, skills and ability individuals can bring to the business. The Committee comprises a majority of Independent Non-Executive Directors, under the chairmanship (since 9 March 2023) of a Shareholder-Nominated Non-Executive Director.

During the financial year ended 31 March 2023, the Committee met only once, in the light of the unusual circumstances prevailing throughout the year (including the Company's legal challenge in respect of the fourth licence competition and the sale of the Company to the Allwyn group). Its work centred on Board and senior management succession planning, which are standing items on the Committee's meeting agenda. The members of the Board appointed on 9 March 2023 were identified by Allwyn in its capacity of sole incoming shareholder during the period leading up to completion of the sale of the Company, and so the Committee was not required to be involved in that process.

Consideration of Board succession provides clarity to the Board as to when new appointments to the Board will need to be addressed. When considering such appointments, typically the Committee consults with shareholder representatives, the Co-Chief Executive Officers and other members of the Board (including, where relevant, the results of the most recent review of the effectiveness of the Board and its Committees), and appoints an external agency in relation to the search.

REPORT ON CORPORATE GOVERNANCE (CONTINUED)

Nominations Committee (continued)

At its meeting this year, the Committee reviewed and monitored the pipeline of individuals who have been identified as potential emergency and/or permanent successors to all members of the Executive Team and other senior management roles. The Committee's focus on Board and senior management succession planning signals the Board's recognition of, and commitment to, the importance of the development of a diverse and inclusive pipeline of succession to the Board and Camelot's senior management team.

The Committee's work at the meeting also included diversity reporting. The Board's diversity and inclusion policy recognises the importance of diversity and inclusion, and aims to attract, engage and retain a workforce as diverse as Camelot's players, customers and the communities that Camelot's work supports. It seeks to encourage an inclusive working culture and environment which values difference, enables people to be themselves, and supports Camelot's ambition to have a highly engaged and high-performing team.

It also commits the Board to ensuring that Camelot values and respects people of all cultures, nationalities, races and religions, regardless of characteristics such as gender, gender identity and/or expression, age, disability, marital or parental status, or sexual orientation. In addition, it continues to recognise the benefit of diversity on the Board and in Camelot's senior Leadership Team, and the importance of creating an inclusive environment. It states that all Board appointments – while being based on merit, measurement against objective criteria and the aptitude, skills and ability individuals can bring to the business – will also give regard to diversity and inclusion.

The Board's policy is implemented, in particular, by virtue of its being taken into account by the Nominations Committee in its work in relation to Board and senior management succession planning; by ensuring that Camelot's more detailed Company policy is consistent with the Board's policy; and by monitoring implementation of related activities in Camelot during the year.

As at:	Female Board Members
31 March 2023	44% <small>(four of the nine members)</small>
31 March 2022	44% <small>(four of nine)</small>
24 June 2021	44% <small>(four of nine)</small>
25 June 2020	50% <small>(four of eight)</small>
27 June 2019	38% <small>(three of eight)</small>
1 April 2018	14% <small>(one of seven)</small>
As at:	Female Executive Team Members
31 March 2023	33% <small>(four of the 12 members)</small>
31 March 2022	25% <small>(three of 12)</small>
24 June 2021	25% <small>(three of 12)</small>
25 June 2020	25% <small>(three of 12)</small>
27 June 2019	27% <small>(three of 11)</small>
1 April 2018	23% <small>(three of 13)</small>
As at:	Senior Management Gender Balance
<small>(ie the Executive Team and their direct reports from grades 3 to 5)</small>	
31 March 2023	54%/46% <small>male/female</small>
31 March 2022	58%/42% <small>male/female</small>
5 May 2021	67%/33% <small>male/female</small>
11 May 2020	64%/36% <small>male/female</small>
30 May 2019	64%/36% <small>male/female</small>
1 April 2018	64%/36% <small>male/female</small>
As at:	Employees
31 March 2023	51%/49% <small>male/female</small>
31 March 2022	50%/50% <small>male/female</small>
24 June 2021	51%/49% <small>male/female</small>

Transition and Reserve Applicant Committee

Chair: **Sir Hugh Robertson KCMG PC DL** (resigned 5 February 2023)

Deputy Chair: **Nigel Railton** (resigned 5 February 2023)

Members: **Nick Jansa** (resigned 5 February 2023),

David Kelly (resigned 5 February 2023),

Nigel Railton (resigned 5 February 2023),

Sir Hugh Robertson KCMG PC DL (resigned 5 February 2023), **Clare Swindell**

During the financial year ended 31 March 2023, the Board established an additional Committee of the Board to supervise the Company's consideration of, preparation for and conduct of the Company's participation as outgoing licensee in the transition to the fourth licence (and, for a period, as reserve applicant in respect of the fourth licence). Given the confidential nature of the fourth licence process and transition, no further information is provided here. On 9 March 2023, the Board resolved to disband the Committee, the direct supervision of those matters reverting to the Board.

Board Effectiveness Review

An externally facilitated review of the Board and its Committees was undertaken in February and March 2022. The review was facilitated by Dr Tracy Long of Boardroom Review Limited. An internally facilitated review was due to be undertaken in February and March 2023, but, in the circumstances, was neither feasible nor appropriate given the replacement of most of the Board on 5 February 2023 on completion of the sale of the Company to Allwyn.

However, the Board and its Committees continued to meet regularly and effectively throughout the financial year ended 31 March 2023. Allwyn gave due consideration to the composition, diversity and effectiveness of the Board when making the appointments to the Board on 5 February 2023, and the Chair will continue to be mindful throughout the remainder of the third licence of his key role in ensuring the Board's effectiveness.

Independent Non-Executive Directors

The Independent Non-Executive Directors are independent of both management and the shareholder, and are initially appointed for a three-year term. Thereafter, their appointment may be extended for further terms, subject to mutual agreement and shareholder approval. The Independent Non-Executive Directors have full access to management, and are encouraged to stay fully abreast of the Company's business through site visits and meetings with senior management.

Appropriate induction briefings are available to all Directors on appointment, and subsequent training is offered, as necessary, taking into account qualifications and experience.

Relations with Shareholders

The Group's ultimate parent undertaking and controlling party is Valea Foundation, which also owns the Allwyn group of companies (note 1). The Company maintains close links with Allwyn, which has representation on the Board, and also has direct lines of access to the Chair, the Co-Chief Executive Officers, the Independent Non-Executive Directors and the Company Secretary.

Licence Compliance

The Directors are responsible for establishing an adequate system of control so that assurance is provided over compliance with the provisions of the third operating licence and Section 6 game licences, and any other provisions imposed by or under any statute which relate to the running of The National Lottery or the promotion of any constituent lottery. The system of internal control includes the reporting of regulatory matters to the Audit, Risk and Security Committee by the Head of Internal Audit and Director of Regulatory Affairs. Internal audits and reviews performed by the Internal Audit function also provide assurance.

Risk Management and Internal Control

Managing Risks

Under its National Lottery operating licence, Camelot is required to establish and maintain an effective system of corporate governance, internal control and risk management.

Camelot operates a 'three lines of defence' model, with the first line of defence being functions that own and manage risks, Risk & Insurance and Compliance functions acting as the second line of defence, and Internal Audit acting as the third line.

The purpose of the Risk & Insurance function is to ensure that the Company maintains an enterprise risk management (ERM) process that demonstrates the effective risk management and effective corporate governance processes and compliance expected under its licensing requirements. In addition, it ensures that there are adequate insurances in place to protect the assets of the business. The key outputs from the Risk & Insurance function are the principal risk registers and the functional risk registers to give top-down and bottom-up views of risk.

The Compliance function is responsible for documenting and assessing the effectiveness of compliance activities, as well as conducting internal checks to support an effective control environment across the business. During the year, Camelot continued to embed the Self-Assessment programme.

REPORT ON CORPORATE GOVERNANCE (CONTINUED)

Risk Management and Internal Control (continued)

Managing Risks (continued)

Within Camelot, the review of risk and internal controls is an integrated, embedded management process, and is designed to support management's decision-making.

The purpose of the Internal Audit function is to provide independent and objective assurance by assessing the effectiveness and adequacy of Camelot's internal controls and risk management. This is achieved through a programme of reviews based on a continuous assessment of business risks and controls across Camelot.

Roles and Responsibilities

Board of Directors

The Board has carried out a robust assessment of Camelot's emerging and principal risks during 2022/23, by means of the governance described below.

The Board provides oversight of the ERM process to ensure that it is used to help inform, develop and achieve the strategic objectives of the Company.

All Board members are invited to attend all meetings of the Audit, Risk and Security Committee, at which all key risks are reviewed, together with how they are being controlled and monitored by management.

Audit, Risk and Security Committee (ARSC)

The ARSC reviews management's identification of the significant risks (principal risks) of the Company in accordance with the ERM policy, and the controls in place and being developed to mitigate exposures in line with the agreed risk appetite and tolerance.

The ARSC considers the Company's key risk profile, and the actions taken and controls in place or planned to mitigate exposures. If required, the Committee can request deep dives to be performed into significant risks to ensure that management focus and mitigations remain appropriate.

Compliance and Risk Committee (CRC)

The CRC is a sub-committee of the Executive Committee, where the risk appetite and tolerance statement is proposed, the overall risk position of the Company is considered, the effectiveness of the current ERM process is assessed and changes are driven forward. The CRC meets regularly, and prior to each ARSC meeting, to review and assess the Company's key risks for communication to the Executive and then ARSC. The Committee also provides a forum for sharing strategic decisions that could impact risk management, and for improving the overall Company control environment.

Risk Owners

Risk Owners are typically the senior managers responsible for the Company's functions/operational teams and are responsible for ensuring that the ERM process is followed.

Risk Management Process

The ERM process and systems of internal control are designed to manage, rather than eliminate, risk and to ensure that the Company's strategic objectives are achieved. The high level of risk awareness in Camelot, together with risk reporting to the Board, allows the Board to ensure that focused steps are taken to address risk exposures.

The ERM process applies the principle of identifying risk from a strategic, operational and external perspective (top-down), along with an understanding of the department risk registers (bottom-up). This approach is summarised in the five steps below. These steps require input from all departments within the Company, and facilitate management's understanding of the risks facing their departments, and managing these risks within the risk appetite/tolerance established by senior management and agreed by the Board and ARSC.

1. Risk Identification

Risks are identified by each function, classifying risks into eight main risk categories under a common taxonomy (see Risk Categories and Risk Appetite section). Each identified risk is recorded in a risk mitigation plan, and assessed for impact on the organisation and likelihood of occurrence.

Risk Management and Internal Control (continued)

Risk Management Process (continued)

2. Risk Assessment and Measurement

Risk assessment includes consideration of (a) the likelihood of the risk and (b) the impact of the risk occurring on the achievement of Camelot's objectives within a specified timeframe.

3. Risk Response and Action

For each identified risk, the business unit/function should establish a 'response' to manage the risk based upon the agreed risk appetite and tolerance for that risk category.

4. Monitoring

Risk and response activities should be monitored by the Risk Owner on a regular basis to ensure that their risks remain within tolerance.

5. Reporting

The Board, ARSC and CRC require the results of the ERM process to be periodically reported to them in their oversight capacity, and to gain assurance that risks are being proactively managed (and mitigated) within the approved risk tolerance levels.

Risk Categories and Risk Appetite

All risks identified are allocated to one or more of the risk categories below:

- Strategic
- Financial
- Commercial
- Operations
- Security (including information security)
- People
- Legal and Regulatory
- Reputation and Brand

The Company's risk appetite, which has been set by the Board, clearly articulates the amount of acceptable risk within which the Company can operate. This risk appetite provides direction and boundaries for consistent, measured, risk-aware decision-making throughout the business, and guides the Company in taking the right level of risk. A scale of low to extreme illustrates the range of risk appetite, as well as risk tolerance, across each of the eight categories of risk. For example, the Company may take more risk in the pursuit of commercial objectives than it would with respect to legal or regulatory requirements.

Internal Control

There were no changes in the Company's internal control over financial reporting that occurred during the year that have materially affected, or are reasonably likely to materially affect, the Company's quality of financial reporting.

UK Corporate Governance Code

The Board of Camelot is committed to the principles of good governance set out in the UK Corporate Governance Code and has adopted those that are relevant to its circumstances.

In doing so, the Board has been mindful of the broad stakeholder responsibilities of the Company arising from the operation and promotion of The National Lottery, alongside its responsibility to its shareholder. More details of how Camelot consults with its stakeholders are set out in the "Doing Business Responsibly" section on pages 96 to 121 and in the section 172 statement on pages 154 to 157.

In adopting the principles and practice of the Code, the Board has taken account of the fact that the Company's principal (and following the sale to Allwyn, sole) shareholder is represented on the Board. Accordingly, the Board considers that many of the Code's provisions relating to a public company's responsibilities to protect shareholders' interests and to communicate to shareholders are not relevant to the Company, and it believes that robust governance has been maintained appropriately in the context of its ownership.

Those areas where the Board has chosen to depart from the provisions of the Code during the year are set out below.

Provision 3 states that "in addition to formal general meetings", the chair should seek regular engagement with major shareholders in order to understand their views on governance and performance against the strategy. The Company is effectively owned by one shareholder, which has representation on the Board and has determined that the Company will not hold an annual general meeting. The Gambling Commission has waived the requirement of Condition 14.2 of the third operating licence that the Company should comply with provision 3 of the Code.

REPORT ON CORPORATE GOVERNANCE (CONTINUED)

Risk Management and Internal Control (continued)

UK Corporate Governance Code (continued)

Provision 11 states that at least half the board, excluding the chair, should be non-executive directors whom the board considers to be independent. From 5 February 2023, excluding the Chair, only three of the remaining eight Directors are Independent Non-Executive Directors.

With effect from 5 February 2023, the Gambling Commission has waived the requirement of Condition 14.2 of the third operating licence that the Company should comply with provision 11 of the Code. Steps are being taken to recruit an additional Independent Non-Executive Director to the Board.

In addition, the Company's articles of association are being amended so as to provide that each Non-Executive Director participating in a meeting will have two votes, and each Executive Director (being the current Co-Chief Executive Officers) will have one vote, so that, following appointment of the additional Independent Non-Executive Director, the independent Directors as a group will have a majority of votes (the independent Chair also having an additional casting vote in that capacity).

Provision 18 states that all Directors should be subject to annual election by shareholders. Because Camelot's C preference shareholders have the exclusive right to appoint or remove each of the Company's Directors, these provisions are not appropriate. The Gambling Commission has waived the requirement of Condition 14.2 of the third operating licence that the Company should comply with provision 18 of the Code.

Provision 21 states that there should be a formal and rigorous annual evaluation of the performance of the board, its committees, the chair and individual directors. An internally facilitated review was due to be undertaken in February and March 2023, but, in the circumstances, was neither feasible nor appropriate given the replacement of most of the Board on 5 February 2023 on completion of the sale of the Company to Allwyn. The Gambling Commission has waived the requirement of Condition 14.2 of the third operating licence that the Company should comply with provision 21 of the Code in relation to 2022/23.

Provision 30 requires a board to report in annual and half-yearly financial statements whether it considers it appropriate to adopt the going concern basis of accounting in preparing them, and identify any material uncertainties to the company's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements. Given the Company's existing reporting obligations, it being owned ultimately by a single shareholder and the high degree of oversight of its operations by the Gambling Commission, it is not appropriate for the Directors to report on a half-yearly basis. The Gambling Commission has waived the requirement of Condition 14.2 of the third operating licence that the Company should comply with provision 30 of the Code.

Risk Management and Internal Control (continued)

UK Corporate Governance Code (continued)

Provisions 32 and 24 relate to the composition of the Remuneration and Audit Committees respectively. The provisions set out that the Remuneration and Audit Committees should comprise Independent Non-Executive Directors.

- During 2022/23, until 5 February 2023 the Remuneration Committee comprised two Non-Executive Directors, one of whom was an employee of Ontario Teachers' Pension Plan and therefore was not deemed to be independent under the terms of the Code (though she was independent of management). A new Remuneration Committee was appointed on 23 February 2023, including a Non-Executive Director who is the CFO of a parent undertaking of the Company and a director of another such parent undertaking, and therefore is not deemed to be independent (though she is independent of management). Under the Company's Articles of Association, the right to appoint the members of the Remuneration Committee is reserved exclusively to the C preference shareholders and so the provision is not relevant to the Company.
- During 2022/23, until 5 February 2023 the Audit, Risk and Security Committee comprised three Independent Non-Executive Directors and one Non-Executive Director, who was not deemed to be independent under the terms of the Code; she was, however, independent of management. Since 9 March 2023, the Committee comprises two Non-Executive Directors, one of whom is independent and the other of whom (who also chairs the Committee) is an officer of the Allwyn group and therefore not independent under the terms of the Code (though he is independent of management). In addition, steps are being taken to recruit an additional Independent Non-Executive Director to the Board, who would also then join the Committee as its chair.

- Neither of the Executive Directors nor any other member of Camelot staff is a member of these committees. This structure has been put in place in order to enable the sole owner to have an appropriate level of engagement in the work of these two committees and has been agreed by the Board as a whole, which believes that the Remuneration and Audit Committees are appropriately resourced. The Gambling Commission has waived the requirement of Condition 14.2 of the third operating licence that the Company should comply with these two provisions of the Code in respect of the presence of non-independent Non-Executive Directors on these committees, and the number of Non-Executive Directors (two rather than three) on the Remuneration Committee; and a formal waiver has been sought in respect of there currently being only one Independent Non-Executive Director (and, following appointment of the additional director referred to above, two rather than three Independent Non-Executive Directors) on the Audit, Risk and Security Committee.

The Gambling Commission's waivers referred to above are subject to two conditions:

- the Commission must be promptly notified by the Chair, or his nominee, if a Board decision is taken which is voted against by two or more of the Independent Non-Executive Directors; and
- any proposed changes to the Company's Board structure require the Commission's prior written consent.

In previous years, the Chair met the Chair of the Gambling Commission twice a year to discuss performance, but, owing to the Covid-19 pandemic and the fourth licence competition, their direct engagement was limited to one call during the 2020/21 financial year and a subsequent call in April 2021 (both also attended by Commission officials) to discuss performance and National Lottery support for Covid-related initiatives. The Commission declined the offer of direct engagement between Chairs during the 2021/22 and 2022/23 financial years.

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 2023 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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 & Accounts (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2023; the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Separate opinion in relation to international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union

As explained in note 2 to the financial statements, the company, in addition to applying UK-adopted international accounting standards, has also applied international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

In our opinion, the company financial statements have been properly prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

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 2a to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

Our audit approach

Overview



- The scope of our audit covers a single legal entity, whose operations are solely in the UK.

- Implications of the end of the licence to operate the UK National Lottery

- Overall materiality: £7.1 million (2022: £7.1 million) based on 1% of net income.
- Performance materiality: £5.3 million (2022: £5.3 million).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Implications of the end of the licence to operate the UK National Lottery is a new key audit matter this year. Accounting and disclosure implications of the Gambling Commission's announcement on 15 March 2022 that Camelot is the Reserve Applicant to operate the fourth licence and the third licence extension to 31 January 2024, which was a key audit matter last year, is no longer included because of the Gambling Commission's decision to award the fourth National Lottery Licence to Allwyn Entertainment Limited.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAMELOT UK LOTTERIES LIMITED (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
<p>Implications of the end of the licence to operate the UK National Lottery</p> <p>The Director's going concern conclusion was updated to include that, in light of the Gambling Commission's decision to award the fourth National Lottery licence to Allwyn Entertainment Limited, it is anticipated that the Company will cease to trade within 12 months of signing the financial statements. Management has therefore prepared the financial statements on a basis other than going concern.</p> <p>Fixed assets capitalised after April 2021 are depreciated to the end of the extended third licence period (31 January 2024). Fixed assets in use before April 2021 continue to be depreciated to the end of the original third licence extension period (31 January 2023). Depreciation for these assets has not been extended to the updated licence period (31 January 2024) as the impact is not considered to be material. Under the terms of the third licence, the terminal assets need to be available for use for two years post the end of the licence. Accordingly, the directors have considered whether there should be any residual value associated with the assets. On the basis that the applied policy period represents the economic useful life to Camelot, they consider the depreciation period to be appropriate.</p> <p>Non-current assets and non-current liabilities have been reclassified to current with the exception of fixed assets as these are required to be presented as non-current in the financial statements.</p> <p>The Directors have considered whether an impairment of assets was required to reflect the recoverable amount of the assets. They also concluded that all obligations associated with the end of the licence and liabilities which have arisen as a result of the decision to cease trading have been fully provided for. These facts have been disclosed as part of the going concern paragraph in the basis of preparation.</p>	<p>We have confirmed that the new National Lottery licence, that runs from February 2024, has been awarded to Allwyn Entertainment Limited. We have also confirmed that, given the Directors expect the company will cease trading after 31 January 2024, the disclosures appropriately highlight the company's current situation, and are compliant with the applicable accounting standards.</p> <p>We have confirmed that the depreciation and amortisation expense for the year is calculated in line with this policy, and that the impact of not extending the depreciation period for fixed assets in use before April 2021 to the updated third licence end date is not material.</p> <p>We have confirmed that non-current assets and non-current liabilities have been reclassified to current, and, when this was not possible, the current nature of the balances was disclosed in the notes to the financial statements.</p> <p>We have not found any impairment triggers for the material balances as at 31 March 2023, and noted, accordingly, no impairment of assets were recorded in the financial statements.</p>

Our audit approach (continued)

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The scope of our audit covers a single legal entity, whose operations are solely in the UK, with the audit conducted by one team.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on Camelot's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on Camelot's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	£7.1 million (2022: £7.1 million).
How we determined it	1% of net income
Rationale for benchmark applied	We have applied this benchmark as it is our understanding that net income is a principal measure monitored by the company's shareholder in assessing the financial performance of the company.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to £5.3 million (2022: £5.3 million) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £350,000 (2022: £353,000), as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAMELOT UK LOTTERIES LIMITED (CONTINUED)

Reporting on other information

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

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

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on 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 2023 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.

Corporate governance statement

ISAs (UK) require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code, which the Listing Rules of the Financial Conduct Authority specify for review by auditors of premium listed companies. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Report on Corporate Governance is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

Corporate governance statement (continued)

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the audit committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAMELOT UK LOTTERIES LIMITED (CONTINUED)

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the requirements of the third National Lottery licence, granted by the UK Gambling Commission and employment legislation, 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 the 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 financial results and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Making enquiries of management, including consideration of known or suspected instances of non-compliance with laws and regulations or fraud;
- Consideration of ongoing discussions and review of correspondence with the company's regulators;
- Review of meeting minutes of the Audit, Risk and Security Committee, Board of Directors and other committees, and review of internal audit reports
- Challenging assumptions and judgments made by management in significant accounting estimates, to address the risk of management bias; and
- Testing unusual or unexpected journal entries, particularly those impacting revenue to ensure they are appropriate.

Responsibilities for the financial statements and the audit (continued)

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

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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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. In our engagement letter, we also agreed to describe our audit approach, including communicating key audit matters.

Use of this report

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

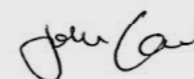
Other required reporting

Companies Act 2006 exception reporting

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

- we have not 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.



Jonathan Lambert (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 June 2023

STATEMENT OF COMPREHENSIVE INCOME

for the Year Ended 31 March 2023

	Note	2023 £m	2022 £m
Gross ticket sales	3	8,190.3	8,090.7
Lottery Duty		(982.8)	(970.9)
Prizes		(4,694.0)	(4,612.3)
National Lottery Distribution Funds		(1,807.0)	(1,800.8)
Net income		706.5	706.7
Retailers' and other commission		(268.3)	(276.5)
Gaming systems and data communication costs		(126.4)	(127.1)
Gross profit		311.8	303.1
Administrative expenses		(228.0)	(218.1)
Other operating income		3.5	6.3
Operating profit	4	87.3	91.3
Finance income	6	3.9	3.3
Finance costs	6	(2.3)	(2.2)
Profit before income tax		88.9	92.4
Income tax	7	(15.0)	(10.8)
Profit for the financial year and total comprehensive income attributable to owners of the Company after tax		73.9	81.6

The results detailed above are all derived from continuing operations.
The notes on pages 194 to 225 are an integral part of these financial statements.

BALANCE SHEET

as at 31 March 2023

	Note	2023 £m	2022 £m
ASSETS			
Non-current assets			
Intangible assets	9	15.0	30.4
Property, plant and equipment	10	0.4	9.7
Right-of-use assets	11	8.1	20.2
Deferred taxation	19	18.3	14.3
Trade and other receivables	13	-	31.3
		41.8	105.9
Current assets			
Inventories	12	1.8	1.9
Trade and other receivables	13	578.0	513.3
Current income tax receivable		0.3	-
Cash and cash equivalents	14	212.7	173.3
		792.8	688.5
Total assets		834.6	794.4
LIABILITIES			
Non-current liabilities			
Financial liabilities	17	0.5	9.9
Provisions for liabilities and other charges	20	-	20.5
		0.5	30.4
Current liabilities			
Financial liabilities	17	9.5	10.6
Trade and other payables	18	746.7	669.5
Current income tax liability		-	3.3
Provisions for liabilities and other charges	20	28.3	2.6
		784.5	686.0
Total liabilities		785.0	716.4
EQUITY			
Capital and reserves			
Share capital	21	0.0	0.0
Retained earnings	22	49.6	78.0
Total equity		49.6	78.0
Total equity and liabilities		834.6	794.4

The notes on pages 194 to 225 are an integral part of these financial statements.
The financial statements on pages 190 to 193, as well as the accompanying notes, were approved by the Board of Directors on 22 June 2023 and were signed on its behalf by:



Sir Keith Mills GBE DL
Chair

STATEMENT OF CHANGES IN EQUITY

for the Year Ended 31 March 2023

	Note	Share capital £m	Retained earnings £m	Total equity £m
Balance as at 1 April 2021		0.0	78.0	78.0
Comprehensive income				
Profit for the financial year		-	81.6	81.6
Total Comprehensive Income		-	81.6	81.6
Transactions with owners				
Dividends paid	8	-	(81.6)	(81.6)
Total transactions with owners		-	(81.6)	(81.6)
Balance as at 31 March 2022		0.0	78.0	78.0
Comprehensive income				
Profit for the financial year		-	73.9	73.9
Total Comprehensive Income		-	73.9	73.9
Transactions with owners				
Dividends paid	8	-	(102.3)	(102.3)
Total transactions with owners		-	(102.3)	(102.3)
Balance as at 31 March 2023		0.0	49.6	49.6

At 31 March 2023, the Company had £1,000 of ordinary 'A' class share capital (2022: £1,000) and £10 of preference 'C' class share capital (2022: £10), as disclosed in note 21 to these financial statements.

The notes on pages 194 to 225 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

for the Year Ended 31 March 2023

	Note	2023 Total £m	2022 Total £m
Cash flows from operating activities			
Cash generated from operations	23	148.6	109.0
Interest received		3.9	3.3
Interest paid		(2.3)	(2.2)
Income tax paid		(21.4)	(14.5)
Group relief payments received/(paid)		4.4	(1.9)
Net cash from operating activities		133.2	93.7
Cash flows used in investing activities			
Purchase of property, plant and equipment		(0.5)	(0.7)
Expenditure on intangible assets		(7.3)	(12.0)
Net cash used in investing activities		(7.8)	(12.7)
Cash flows used in financing activities			
Dividends paid to shareholders		(75.5)	(81.6)
Principal lease payments		(10.5)	(11.3)
Net cash used in financing activities		(86.0)	(92.9)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		39.4	(11.9)
Cash, cash equivalents and bank overdrafts at the beginning of the year		173.3	185.2
Cash, cash equivalents and bank overdrafts at the end of the year	14	212.7	173.3

The notes on pages 194 to 225 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Camelot UK Lotteries Limited ('the Company' or 'Camelot') operates and promotes The United Kingdom National Lottery. The Company operates in the United Kingdom and Isle of Man.

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

In February 2023, Camelot was acquired by the Allwyn group. Its immediate parent is Allwyn UK Holding B Ltd.

The Company's ultimate shareholder is Valea Foundation. The largest group of undertakings in which the results of the Company are consolidated is that headed by KKCG AG, whose registered office 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 a.s., whose registered office is Evropská 866/71, 160 00 Prague and whose financial statements are available at www.allwynentertainment.com/investors/sazka-group-debt-investor-hub/financial-reports.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements for the year ended 31 March 2023 are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with both UK-adopted international accounting standards and International Financial Reporting Standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 as it applied in the European Union.

The financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities at fair value through the Statement of Comprehensive Income.

In September 2022, Camelot withdrew its legal challenge relating to the Gambling Commission's decision to announce Allwyn Entertainment Limited as the preferred applicant to operate the fourth National Lottery licence. Subsequently the Gambling Commission formally awarded the fourth National Lottery licence to Allwyn Entertainment Limited. In February 2023, Camelot was acquired by the Allwyn group, with whom Camelot is working in collaboration on transition to the fourth licence which commences on 1 February 2024. The financial statements have been prepared on that basis.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the remaining term of the third licence, which was extended to 31 January 2024. The assessment has included the finalisation and settlement of all cash flows relating to the end of the third licence and accounting for the various (albeit limited) obligations following expiry of the licence. For more information on how the Directors have assessed viability, refer to the Viability Assessment section in the Directors' Report on pages 164 to 165. Further information on the Company's financial risk management is given in note 16.

2. Summary of Significant Accounting Policies (continued)

a) Basis of preparation (continued)

In light of the Gambling Commission's decision to award the fourth National Lottery licence to Allwyn Entertainment Limited, it is anticipated that the Company will cease to trade within 12 months of signing these financial statements. Therefore, in preparing its financial statements, the Company has adopted a basis other than going concern. The impact on the financial statements of adopting a basis other than going concern is as follows:

- Non-current assets and non-current liabilities have been reclassified to current, with the exception of fixed assets which have a useful economic life to the Company which is co-terminus with the end of the licence;
- Consideration has been 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 value being stated as if the going concern basis had been adopted; and
- Liabilities which have arisen as a result of the decision to cease trading have 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, the change in basis has not caused any additional liabilities to be recorded.

The Company's accounting policies were selected by management considering all applicable international accounting standards as at 31 March 2023.

i) Adoption of new and revised standards in the year:

There were no new accounting standards, or amendments to accounting standards that are effective for the year ended 31 March 2023, having a material impact on the Company.

ii) New standards, amendments and interpretations not yet adopted:

The following new standards, amendments to standards and interpretations are not yet effective for the year ended 31 March 2023. The Company has not early-adopted any standard, amendment or interpretation in the year. The Directors are currently evaluating the impact of these new standards on the financial statements but their adoption is not expected to have a material impact on the annual financial statements, and they will be planned for adoption in line with when they are effective. The new standards, amendments and interpretations are:

Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities (effective for 31 March 2025 year end).

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 (effective for 31 March 2024 year end).

Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction (effective for March 2024 year end).

Amendment to IFRS 16 – leases on sale and leaseback (effective for March 2024 year end).

b) Critical Accounting Judgements and Estimates

The preparation of financial statements in conformity with applicable international accounting standards requires the use of certain critical accounting assumptions, and it also requires management to exercise its judgement and to make estimates in the process of applying the Company's accounting policies. The areas requiring a higher degree of judgement, or areas where assumptions and estimates are significant to the financial statements, are discussed below and in the provisions section in note 2(s).

Judgements

The Directors have concluded that no critical judgements, apart from those involving estimates (which are dealt with separately below), have been made in the process of applying the Company's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Policies (continued)

b) Critical Accounting Judgements and Estimates (continued)

Estimates

Long-term incentive plans

Provisions are made for the Company's two long-term incentive plans (LTIP) when the Company has a present legal obligation to incur this cost. The first plan relates to an existing long-term incentive bonus scheme for senior management, which is provided for in line with the Company's performance criteria. During the year, a second long-term incentive plan was launched to mitigate against the risk of loss of critical staff. The provision at 31 March 2023 is £7.6m (2022: £5.6m).

c) Segmental reporting

The Company 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. The Company is, therefore, outside the scope of IFRS 8 'Operating Segments' and, as such, has not presented operating segment disclosures.

d) Gross ticket sales

Gross ticket sales comprise the wagers placed across a portfolio of games that include draw-based games, Scratchcards and interactive Instant Win Games.

For draw-based games, income is recognised on a draw-by-draw basis, at the point at which the draw takes place. Where players wager in advance, this income is deferred and only recognised in the Statement of Comprehensive Income once the draw has taken place.

Scratchcards ticket income is recognised at the point of settlement by the retailer, with the retailer having the option to pay Camelot for the pack upon the point the pack is opened or they can opt to settle the pack using an average ticket approach. Therefore, settlement is deemed to be the earlier of:

- payment by the retailer;
- when 60% of the lower value prizes have been claimed; or
- 30 days from the opening of a pack of tickets.

Interactive Instant Win Games income is derived from wagers placed on the National Lottery website and is recognised on the date of purchase as the game is played instantly.

e) Lottery Duty

Lottery duty is 12% of gross ticket sales.

f) Prizes

The draw-based games developed and managed by the Company operate under a prize pool mechanism under which a predetermined percentage of the ticket sales is allocated to prizes. The liability for prizes won is recognised in full at the time of the draw.

To the extent that the actual prizes won on Lotto and EuroMillions draws vary from the predetermined prize percentage, the relevant prize is carried forward under a rollover to subsequent draws, except in a 'Must Be Won' draw scenario.

Scratchcard prizes are recognised as a percentage of ticket sales in line with the theoretical prize payout for that game.

Interactive Instant Win Game prizes are based on the actual prizes won for each individual game, at the point at which the sale occurs.

If prizes remain unclaimed for 180 days from either the draw date for draw-based games, the close of a Scratchcard game or the date of play of an interactive Instant Win Game, they are paid to the National Lottery Distribution Fund. These amounts are not charged to the Statement of Comprehensive Income as they are already included as a prize liability. The amount causes a reduction in the prize liability on the balance sheet. There is also an equal reduction in the Operational Trust receivable balance, the account in which money in respect of prizes is held and from which the payment for unclaimed prizes is made.

2. Summary of Significant Accounting Policies (continued)

g) National Lottery Distribution Fund

The National Lottery Distribution Fund (NLDF) is the central fund from which the National Lottery distribution bodies draw down funds for distributing to Good Causes.

Amounts charged to the Statement of Comprehensive Income represent:

- The amounts arising due to the respective bodies based on cumulative gross ticket sales less Lottery Duty, prizes and commissions. The amounts recognised are calculated in line with the method set out in the third operating licence under which the Company has operated during the year; and
- The profits to be shared with the NLDF as a result of Camelot achieving certain profit targets. This distribution of profits is known as Secondary Contributions and the payments to be made are as set out in the third operating licence.

h) Net Income

Income arises across a portfolio of games that includes draw-based games, Scratchcards and interactive Instant Win Games.

All income is derived from and originates in the United Kingdom and the Isle of Man. The presentation of net income is consistent with common practice within the gaming industry and is accounted for under IFRS 9 'Financial Instruments'. The Company reports the gains and losses on gaming activities as Net Income. Gross ticket sales comprise the wagers placed across the portfolio of games. Once the game takes place and the outcome is known, Net Income is recognised as gross ticket sales net of Lottery Duty, prize costs and amounts due to the National Lottery Distribution Fund.

i) Retailers' and Other Commissions

The commission rate paid for Scratchcard sales is 6% and 5% for draw-based games. In addition, retailers receive 1% commission for prizes paid out above £10 for Scratchcards and £30 for draw-based games, both up to and including £500. The Post Office is able to validate prizes between £500 and £50,000, for which it continues to receive an annual payment.

Amounts charged to the Statement of Comprehensive Income represent commissions arising due to:

- retailers based on sales and in-store prize payments to date;
- the Company's agent in respect of fees paid for the processing of debit card payments which arise when players load or unload money to and from their interactive wallet to enable them to participate in The National Lottery using the interactive channel; and
- other sales-related commissions.

j) Gaming Systems, Data Communication Costs and Administrative Expenses

All gaming systems, data communication costs and administrative expenses are recorded on the Company's Statement of Comprehensive Income as expenses in the year when they were incurred on an accruals basis.

k) Other Operating Income

Other operating income primarily comprises an operating fee receivable from retailers who lease terminals in the estate and income relating to the subletting of a London office is also recognised in the current financial year. In 2022, other operating income included the settlement of a claim with Visa for historical transaction fee charges.

Income is only recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured. The operating fee income is recognised on a straight-line basis over the term of the operating lease in line with the Company meeting its performance obligations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Policies (continued)

l) Intangible Assets

All intangible assets are stated at cost less any accumulated amortisation and impairment losses.

Internally generated intangible assets

Costs relating to the development of software and the National Lottery website, including design and content development, are capitalised as intangible assets only when the future economic benefits expected to arise are deemed probable and the costs can be reliably measured. Development costs not meeting these criteria are expensed in the Statement of Comprehensive Income as incurred. Capitalised development costs are amortised on a straight-line basis over the period gaining economic benefit from the expenditure once the related product is available for use. Research costs are charged to the Statement of Comprehensive Income as incurred. Interactive development costs that relate to channels other than the website are also capitalised on the same basis.

Assets under construction are not amortised until they are brought into use. For assets capitalised prior to 1 April 2021, this is either over four years or the original third licence extension period which ran to January 2023 and has been applied prospectively. Following an additional extension to the third licence period, assets capitalised from 1 April 2021 are deemed to have a useful economic life through to the end of this extended third licence period and are being amortised to January 2024. Management has considered the impact of extending the amortisation period to the end of the new third licence extension date of January 2024 for assets capitalised prior to 1 April 2021 and has concluded that the impact would not be material to the financial statements. Amortisation for internally generated intangible assets is charged to administrative expenses.

Separately acquired intangible assets

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

Amortisation is provided on all intangible assets at such rates as to write off the cost of these assets in equal instalments. For assets capitalised prior to 1 April 2021, this is either over their expected useful lives or the original third licence extension period which ran to January 2023 and has been applied prospectively. Assets capitalised from 1 April 2021 are deemed to have a useful economic life through to the end of the extended third licence period and are being amortised to January 2024. Management has considered the impact of extending the amortisation period to the end of the new third licence extension date of January 2024 for assets capitalised prior to 1 April 2021 and has concluded that the impact would not be material to the financial statements. Amortisation for separately acquired intangible assets is charged to administrative expenses.

The value of separately acquired and internally generated intangible assets capitalised prior to 1 April 2021 is amortised in equal instalments as follows:

Central gaming software, Interactive software and Enterprise Resource Planning software – the period to the end of the original third operating licence extension or planned replacement date if earlier.

Other software – the shorter of four years and the period to the end of the original third licence extension.

Impairment of intangible assets

Intangible assets are assessed annually for indicators of impairment. If indicators exist, the Company will assess whether an impairment is required using forecast cash flow information and estimates of future earnings with reference to their useful economic lives. In addition, intangible assets under construction are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. All impairment charges are recognised immediately in the Statement of Comprehensive Income.

2. Summary of Significant Accounting Policies (continued)

m) Property, Plant and Equipment

Property, plant and equipment is stated at cost less depreciation. The cost of property, plant and equipment includes the estimated cost of removing and disposing of the terminal assets held at retailer sites. Assets under construction are not depreciated until they are brought into use.

Depreciation is provided on all property, plant and equipment on a straight-line basis to write off the cost of these assets in equal instalments. For assets capitalised prior to 1 April 2021, this is either over their expected useful lives or the original third licence extension period which ran to January 2023 and has been applied prospectively. Assets capitalised from 1 April 2021 are deemed to have a useful economic life through to the end of the extended third licence period and are being depreciated to January 2024. Management has considered the impact of extending the depreciation period to the end of the new third licence extension date of January 2024 for assets capitalised prior to 1 April 2021 and has concluded that the impact would not be material to the financial statements.

The depreciation basis for the principal asset categories for assets capitalised prior to 1 April 2021 is as follows:

Short leasehold improvements – the shorter of the lease period and the period to the end of the original third operating licence extension.

Plant and equipment

Computer hardware (excluding central gaming) – the shorter of four years or, in the case of leased assets, the lease period, and the period to the end of the original third operating licence extension.

Central gaming systems, Interactive hardware and Enterprise Resource Planning hardware – the period to the end of the original third operating licence extension or planned replacement date if earlier, or the lease term for leased assets and associated costs.

Fixtures and fittings – the shorter of five years and the period to the end of the original third operating licence extension.

Media screens – the shorter of three years and the period to the end of the original third operating licence extension.

Lottery terminals – the period to the end of the original third operating licence extension, the lease term or planned replacement date if earlier.

Permanent point of sale equipment (PPOS) – the shorter of two to five years and the period to the end of the original third operating licence extension.

Other plant and equipment – between two and five years, or planned replacement date or the period to the end of the original third operating licence extension.

n) Leases and Right-of-Use Assets

At the beginning of an arrangement, the Company assesses whether it is or contains a lease. An agreement is or contains a lease if it transfers the right to control the use of an asset identified by a period of time in exchange for consideration. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Company once again assesses if an agreement is or contains a lease only if the terms and conditions of the agreement change.

For an agreement that contains a lease component and one or more additional lease components or other components that are not leases, the Company will distribute the consideration for the agreement to each component of the lease based on the independent relative price of the lease component.

This is based on the price that a lessor or a similar supplier would charge an entity separately for this component or one that is similar and uses observable information and the contractual terms of the agreement.

The Company has opted not to apply the subsequent recognition and measurement requirements indicated in IFRS 16 to short-term leases and those in which the underlying asset has a low value, recognising the lease payments associated with the leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Policies (continued)

n) Leases and Right-of-Use Assets (continued)

Initial recognition

At the commencement date, the Company recognises a right-of-use asset and a lease liability.

The right-of-use asset is measured at cost which includes:

- (a) the initial measurement of the lease liability measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease. If that cannot be readily determined, the Company uses the incremental borrowing rate.

The Company has adopted the portfolio basis of determining discount rates for assets of similar characteristics and applied the following rates on initial recognition:

Property portfolio – 5.5% discount rate

Plant, Equipment and Vehicles portfolio – 11.0% discount rate

These are considered the incremental borrowing rates for these portfolios;

- (b) the lease payments made before or after commencement, less the lease incentives received if material;
- (c) any initial direct costs incurred by the Company.

Subsequent measurement of the right-of-use asset

Right-of-use assets are stated at cost less depreciation and accumulated impairment losses. Further right-of-use assets are recognised to adjust for extension options which are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Depreciation is provided on all right-of-use assets on a straight-line basis to write off the cost of these assets in equal instalments over the term of their lease or the remaining term of the extended third licence period, if shorter.

If an asset's carrying amount is greater than its estimated recoverable amount, the carrying amount is immediately written-down.

Subsequent measurement of the lease liability

The lease liability is measured:

- (a) increasing the carrying amount to reflect the interest on the lease liability;
- (b) reducing the carrying amount to reflect the lease payments made; and
- (c) measuring the carrying amount again should any changes in the lease be made or where extension options are reasonably certain to be extended (or not terminated).

Interest on the lease liability is charged to finance costs in the Statement of Comprehensive Income.

o) Inventories

Inventories consist of Scratchcards and consumables (ie terminal rolls, playslips and ribbons). Scratchcards are carried on a unit cost basis and are expensed when the Company recognises the net income for that stock. Consumables are valued at the lower of cost, calculated on the first-in, first-out basis, or net realisable value. Provisions are made for obsolete or slow-moving stock.

p) 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. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is credit impaired. The carrying amount of the asset is reduced through the use of a loss allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Income within administrative expenses.

2. Summary of Significant Accounting Policies (continued)

p) Trade and Other Receivables (continued)

When a trade receivable subsequently becomes uncollectible, it is written off against the loss allowance account, in the period in which this is identified. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the Statement of Comprehensive Income. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

In order to protect prize-winners and players, Camelot has set up certain trust accounts operated by The Law Debenture Trust Corporation plc ('the Trust'), which acts as an independent trustee. An amount equivalent to prizes is deposited into a trust account on a weekly basis, as well as monies taken in advance and money held by interactive players in their online wallets. This money is held in trust until paid as a prize, or entered into a draw, and is under the control of the trustee until this time. When a player claims a prize from the Trust, the prize payment is made by Camelot and then claimed back from the Trust. This is deemed to be a third-party transaction between Camelot and the Trust. As such, amounts held in trust reflect the receivable due from the Trust. Interest earned on these accounts, after accounting for trust expenses, is for the benefit of the NLDF.

q) Trade and Other Payables

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

r) 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 Camelot's policies and controls, as disclosed in note 16.

The following policies for financial instruments have been applied in the preparation of the Company's financial statements:

Cash and cash equivalents

For the purpose of preparation of the Statement of Cash Flows, cash and cash equivalents includes cash at bank and in hand, short-term deposits with an original maturity period of three months or less that are subject to insignificant changes in fair value and certain amounts, classified as borrowings, as detailed below. Short-term deposits invested in Money Market Funds are stated at fair value through the Statement of Comprehensive Income.

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

Borrowings

Borrowings comprise amounts drawn down against the Company's bank facilities, amounts (other than trade payables) due to Premier Lotteries UK Limited and any bank overdrafts as defined above. They are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Policies (continued)

s) 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.

Provisions are made for the cost of decommissioning terminals, communications equipment held at retailer sites, lottery point of sale equipment held at retailer sites, and the disposal of these assets. A further provision comprises amounts in respect of lost or destroyed terminals.

The dilapidation provision is the current best estimate of the cost of bringing certain premises, held under leases, back to their original state as required by the lease agreement.

Provisions are 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 provisions for 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.

t) Pensions

The Company operates the Company Personal Pension Plan, a defined contribution scheme. The cost of contributions is charged to the Statement of Comprehensive Income in the year to which it relates.

u) Current and Deferred Income Tax

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

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

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the asset can be offset. Deferred income tax assets and liabilities recognised are not discounted. Deferred income tax liabilities and assets are classified as non-current irrespective of the expected timing of the reversal of the underlying taxable temporary difference. Current income tax assets and liabilities are shown separately on the face of the Balance Sheet.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset current taxation assets with current taxation liabilities.

2. Summary of Significant Accounting Policies (continued)

v) Value Added Tax (VAT)

All costs include the attributable value added tax to the extent that it is not recoverable. Sales of lottery tickets are exempt from VAT. Therefore, VAT is not normally recoverable on the Company's costs and is a charge against profits.

w) Share Capital and Dividend Recognition

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.

x) Foreign Currency

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in GBP Sterling (£m), rounded to £0.1m, which is the Company's functional and the Company's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses are presented within administrative expenses in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Policies (continued)

y) 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 ('SOCl') as follows:

	2023 £m	2022 £m
Returns to or Amounts generated for Good Causes		
National Lottery Distribution Fund per the SOCl	1,807.0	1,800.8
plus unclaimed prizes that would have been previously recognised within Prizes	70.3	111.0
Returns to or Amounts generated for Good Causes	1,877.3	1,911.8
Returns to Society		
Amounts generated for Good Causes as above	1,877.3	1,911.8
plus Lottery Duty per the SOCl	982.8	970.9
Returns to Society	2,860.1	2,882.7
Returns to winners and society		
National Lottery Distribution Fund per the SOCl	1,807.0	1,800.8
plus Lottery Duty per the SOCl	982.8	970.9
plus retailer commission included in Retailers' and other commission in the SOCl	254.7	265.4
plus Prizes per the SOCl	4,694.0	4,612.3
Returns to winners and society	7,738.5	7,649.4
Percentage of gross ticket sales	94%	95%
The percentage of total revenue spent on Operating costs is calculated as follows		
Gaming Systems and data communication costs per the SOCl	126.4	127.1
plus Administrative expenses per the SOCl	228.0	218.1
less Other operating income per the SOCl	(3.5)	(6.3)
Operating costs	350.9	338.9
Percentage of gross ticket sales	4%	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	1,877.3	1,911.8
less Amounts received from the NLDF in respect of marketing for the long-term health of The National Lottery on an accruals basis (note 4)	(76.1)	(76.8)
less Other adjustments under the licence	(4.1)	(4.9)
(less)/plus Adjustment to recognise the amount below on a cash rather than accruals basis	(5.9)	8.7
Total Funds payable to Good Causes during the year as published on the Gambling Commission's website	1,791.2	1,838.8

3. Gross Ticket Sales

The Company is operated and managed as a single business segment in one geographical area, the United Kingdom and Isle of Man, across a portfolio of games designed to maximise the reach of The National Lottery. Gross ticket sales by type of game are analysed as follows:

	2023 £m	2022 £m
Draw-based games	4,739.4	4,647.5
Scratchcards and interactive Instant Win Games	3,450.9	3,443.2
	8,190.3	8,090.7

4. Operating Profit

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

	2023 £m	2022 £m
Other operating income ¹	3.5	6.3
Marketing expenses ²	(86.1)	(86.8)
Research	(4.3)	(4.4)
Amortisation on intangible assets (note 9)	(22.7)	(21.8)
Depreciation on property, plant and equipment (note 10)	(10.8)	(12.8)
Depreciation on right-of-use assets (note 11)	(12.1)	(12.7)
Fees payable to the Company's auditors and its associates for the audit of financial statements	(0.6)	(0.4)
Fees payable to the Company's auditors and its associates for audit-related assurance services	-	(0.2)

¹ Other operating income in the current year is primarily comprised of two components: operating fee income receivable from retailers (£3.3m) and income received for subletting a London office (£0.2m). Other operating income in the prior year primarily comprised operating fee income receivable from retailers (£3.3m) and income from the settlement of a claim with Visa for historical transaction fee charges (£3.0m).

Operating fee income receivable from retailers relates to retailers who lease Compact Lottery Terminals (CLT) in the estate and is recognised on a straight-line basis over the term of the agreement. All other operating income is only recognised to the extent that it is probable that the economic benefits will flow to the Company and the income can be reliably measured.

² Marketing is shown net of amounts received from the NLDF during the year of £76.1m (2022: £76.8m) in respect of marketing to support the long-term health of The National Lottery.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Employee Expenses and Numbers

	2023 £m	2022 £m
Employee expenses		
Wages and salaries	77.9	70.0
Social security costs	9.4	7.3
Other pension costs	3.5	3.3
	90.8	80.6

	2023 Number	2022 Number
Monthly average number of Camelot employees		
Retailer and consumer services	123	126
Sales and marketing	570	578
Information technology	170	189
Finance, administration and other	186	185
	1,049	1,078

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

	2023 £m	2022 £m
Key management personnel compensation		
Short-term employee benefits	10.4	6.5
Other long-term benefits	4.9	3.8
Post-employment benefits	0.5	0.5
	15.8	10.8

The amounts above include compensation for the 16 individuals who have been or are members of the UK Executive Board employed by Camelot UK Lotteries Limited during the reporting period.

5. Employee Expenses and Numbers (continued)

	2023 £m	2022 £m
Directors' emoluments		
Salaries and short-term employee benefits	6.7	2.4
Long-term incentive plans	3.2	1.5
Other pension costs	0.1	0.1
Payments to past Directors	-	0.4
Aggregate emoluments	10.0	4.4

	2023 £m	2022 £m
Highest-paid Director's emoluments		
Salaries and short-term employee benefits	3.7	1.1
Long-term incentive plans	3.1	1.2
Other pension costs	0.1	0.1
Aggregate emoluments	6.9	2.4

At 31 March 2023, the Board comprised nine members: the Chair (Sir Keith Mills GBE DL), three additional Independent Non-Executive Directors, three Shareholder-Nominated Non-Executive Directors and two Executive Directors (the Co-Chief Executive Officers).

Nigel Railton was the highest paid Director in 2022/23 and in 2021/22. In 2022/23, he received payments of £6.9m for his services as Director from Camelot UK Lotteries Limited (2022: £2.4m). Nigel was appointed Chief Executive Officer in November 2017 and, on leaving the Company, he resigned from the Board on 5 February 2023. His emoluments for the current year include the immediate vesting of long-term incentive plans.

At the end of the financial year, no Directors (2022: none) were members of the Group money purchase pension scheme.

Long-term incentive plans have been in place since 2009 and run through to 2024. Both short-term and long-term incentive plans follow industry best practice with stretching targets and measurable performance.

6. Finance Income and Costs

	2023 £m	2022 £m
Interest receivable from bank deposits	2.3	0.0
Interest receivable on loan due from Premier Lotteries UK Limited	1.6	3.3
Finance income	3.9	3.3
Interest payable on other loans	(0.5)	(0.4)
Interest payable on leases	(1.8)	(1.8)
Finance costs	(2.3)	(2.2)
Net finance income	1.6	1.1

Interest payable on leases relates to £1.8m interest on leases brought on to the Balance Sheet due to IFRS 16 (2022: £1.8m). Following the additional lease liabilities brought onto the Balance Sheet at 31 March 2022 due to the extension of the third licence, £1.0m (2022: Nil) relates to interest on leases being charged to the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Income Tax

a) UK corporation tax

	2023 £m	2022 £m
Current income tax for the year	19.9	17.5
Adjustments in respect of prior years	(0.9)	(2.6)
Total current tax	19.0	14.9
Deferred income tax credit for the year	(3.2)	(0.7)
Adjustments in respect of prior years	0.2	0.2
Changes in applicable tax rate	(1.0)	(3.6)
Total deferred tax	(4.0)	(4.1)
Income tax expense	15.0	10.8

The rate of UK corporation tax reflected in these financial statements is 19% (2022: 19%). From 1 April 2023, the corporation tax rate is 25%. The Company has calculated the deferred tax impact on temporary differences at 25%. All taxable temporary differences have been recognised and are reflected in the deferred taxation balance.

b) Reconciliation of tax expense

	2023 £m	2022 £m
Profit before income tax	88.9	92.4
Income tax on profit on ordinary activities at the standard rate of 19% (2022: 19%)	16.9	17.6
Permanent adjustments	(0.2)	(0.8)
Adjustments in respect of prior years	(0.7)	(2.4)
Effect of rate change	(1.0)	(3.6)
Income tax expense	15.0	10.8

8. Dividends

	2023 £m	2022 £m
Interim dividends paid to shareholders for aggregate ordinary class 'A' shares and class 'C' preference shares	102.3	81.6
	102.3	81.6

Dividend per share for the year was £101,292 (2022: £80,744). No final dividend was recommended (2022: none). From the total dividends paid to shareholders, £26.8m was settled as a non-cash dividend.

9. Intangible Assets

	Internally generated £m	Separately acquired £m	Total £m
Cost			
At 1 April 2021	15.0	111.2	126.2
Additions	0.1	11.9	12.0
Disposals	(0.1)	(0.5)	(0.6)
At 31 March 2022	15.0	122.6	137.6
Accumulated amortisation			
At 1 April 2021	13.1	72.9	86.0
Charge for the year	0.6	21.2	21.8
Disposals	(0.1)	(0.5)	(0.6)
At 31 March 2022	13.6	93.6	107.2
Net book value at 31 March 2022	1.4	29.0	30.4

	Internally generated £m	Separately acquired £m	Total £m
Cost			
At 1 April 2022	15.0	122.6	137.6
Additions	0.3	7.0	7.3
Disposals	(0.1)	(1.0)	(1.1)
At 31 March 2023	15.2	128.6	143.8
Accumulated amortisation			
At 1 April 2022	13.6	93.6	107.2
Charge for the year	1.0	21.7	22.7
Disposals	(0.1)	(1.0)	(1.1)
At 31 March 2023	14.5	114.3	128.8
Net book value at 31 March 2023	0.7	14.3	15.0

The intangible assets balance represents internally generated and separately acquired assets relating primarily to the development of software. No assets were impaired in the year (2022: £nil). Amortisation is charged to administrative expenses.

Intangible assets include £0.6m (2022: £6.2m) of assets which are under construction.

All intangible assets are classed as non-current despite being amortised until the end of the third licence period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Property, Plant and Equipment

	Short leasehold improvements	Plant and equipment	Total
	£m	£m	£m
Cost			
At 1 April 2021	3.2	213.5	216.7
Additions	-	3.2	3.2
Disposals	-	(0.1)	(0.1)
At 31 March 2022	3.2	216.6	219.8
Accumulated depreciation			
At 1 April 2021	3.2	194.2	197.4
Charge for the year	-	12.8	12.8
Disposals	-	(0.1)	(0.1)
At 31 March 2022	3.2	206.9	210.1
Net book value at 31 March 2022	-	9.7	9.7

	Short leasehold improvements	Plant and equipment	Total
	£m	£m	£m
Cost			
At 1 April 2022	3.2	216.6	219.8
Additions	-	1.5	1.5
Disposals	-	(0.5)	(0.5)
At 31 March 2023	3.2	217.6	220.8
Accumulated depreciation			
At 1 April 2022	3.2	206.9	210.1
Charge for the year	-	10.8	10.8
Disposals	-	(0.5)	(0.5)
At 31 March 2023	3.2	217.2	220.4
Net book value at 31 March 2023	-	0.4	0.4

Plant and equipment includes £0.3m (2022: £0.3m) of assets which are under construction.

Property, plant and equipment assets are classed as non-current despite being depreciated until the end of the third licence period.

11. Right-of-Use Assets

	Properties	Plant and equipment and motor vehicles	Total
	£m	£m	£m
Cost			
At 1 April 2021	17.8	32.4	50.2
Additions	3.7	5.9	9.6
Disposals	(0.1)	-	(0.1)
At 31 March 2022	21.4	38.3	59.7
Accumulated depreciation			
At 1 April 2021	9.2	17.7	26.9
Charge for the year	4.8	7.9	12.7
Disposals	(0.1)	-	(0.1)
At 31 March 2022	13.9	25.6	39.5
Net book value at 31 March 2022	7.5	12.7	20.2

	Properties	Plant and equipment and motor vehicles	Total
	£m	£m	£m
Cost			
At 1 April 2022	21.4	38.3	59.7
At 31 March 2023	21.4	38.3	59.7
Accumulated depreciation			
At 1 April 2022	13.9	25.6	39.5
Charge for the year	4.4	7.7	12.1
At 31 March 2023	18.3	33.3	51.6
Net book value at 31 March 2023	3.1	5.0	8.1

The right-of-use assets balance represents property, plant and equipment and motor vehicle assets held under leases. During the financial year ending 31 March 2022, additions in the year were due to the impact on expected lease periods following the extension of the third licence granted by the Gambling Commission in the year.

Depreciation of £6.9m (2022: £7.5m) is charged to administration expenses and £5.2m (2022: £5.2m) is charged to Gaming Systems and Data Communication costs. Of the total depreciation charge, £1.8m (2022: £2.1m) relates to those assets capitalised prior to 1 April 2019 and £10.3m (2022: £10.6m) to those brought onto the Balance Sheet due to IFRS 16. There is no depreciation charged to the Statement of Comprehensive Income in 2022/23 for the additional right-of-use assets brought onto the Balance Sheet at 31 March 2022 due to the extension of the third licence period.

Right-of-use assets are classed as non-current despite being depreciated until the end of the third licence period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Inventories

	2023 £m	2022 £m
Scratchcard tickets	0.7	0.7
Playslips, terminal rolls and other consumables	1.1	1.2
At 31 March	1.8	1.9

Inventory consumed during the year amounted to £24.0m (2022: £25.2m). No provision has been raised or reversed against the inventory balance in the current year (2022: £nil).

13. Trade and Other Receivables

a) Non-current assets

	2023 £m	2022 £m
Loan due from Group companies	-	26.0
EuroMillions Deposit	-	4.8
Reserve Trust	-	0.5
At 31 March	-	31.3

The loan due from Premier Lotteries UK Limited was £nil at 31 March 2023 (2022: £26.0m). The loan balance was repaid and interest settled on 23 September 2022. Prior to settlement, the loan incurred interest at 12.5%. At 31 March 2023, there was £nil interest accrued (2022: £0.8m) as the outstanding interest was settled along with the capital. This is included in current assets at 31 March 2023.

At 31 March 2022, Camelot had on deposit £4.8m of funds in a restricted cash trust account. This is now shown as current assets.

b) Current assets

	2023 £m	2022 £m
Trust receivables	530.4	472.3
EuroMillions Deposit	5.2	-
Trade receivables	32.0	23.8
Accrued income	0.7	0.4
Other receivables	-	3.0
Prepayments	9.6	7.5
Amounts due from related parties	0.1	6.3
At 31 March	578.0	513.3

13. Trade and Other Receivables (continued)

b) Current assets (continued)

Trust receivables comprise the amounts due from the Trust to Camelot for unpaid prizes of £436.7m (2022: £380.1m), together with amounts held in respect of future draws both in the form of advance sales and interactive wallet balances of £93.7m (2022: £92.2m).

At 31 March 2023, Camelot had on deposit £5.2m (2022: £4.8m) of funds in a restricted cash trust account as a reserve related to insurance arrangements for the protection of prize-winners under the EuroMillions Community agreements. Although Camelot cannot currently withdraw these amounts until the end of the third operating licence extension period, the interest on these accounts accrues to Camelot.

The Camelot Cash Reserve is a requirement under the UK Trust Deed for Camelot to maintain an aggregate balance of £5m between the Reserve Trust account and the EuroMillions Deposit.

Trade receivables primarily represent amounts due from retailers.

As of 31 March 2023, trade receivables of £32.0m (2022: £23.8m) were not yet due for payment in accordance with the normal payment cycle. The recoverability of trade receivables held with multiple retailers is assessed on the retailers' level of credit risk and a credit loss allowance is recognised accordingly. Balances due from independent retailers are credit impaired when the debt becomes more than one week past due.

Other receivables in 2022 related to other operating income and were non-recurring.

Amounts due from related parties are unsecured, interest-free and repayable on demand.

The ageing analysis of gross trade receivables and credit loss allowance is as follows:

	2023 £m	2022 £m
Current	32.3	24.1
7 days to 3 months	-	-
Credit loss allowance	(0.3)	(0.3)
At 31 March	32.0	23.8

The credit risk policy that the Company operates means that Camelot minimises its exposure to past due debt.

No trade receivables are more than 30 days past due (2022: £nil). Details of the credit risk policy are provided in note 15 and note 16.

Movements on the Company's credit loss allowance are as follows:

	2023 £m	2022 £m
At 1 April	0.3	0.3
Credit loss allowance recognised during the year	0.5	0.4
Utilised	(0.5)	(0.3)
Unused amounts reversed	-	(0.1)
At 31 March	0.3	0.3

All movements in the credit loss allowance have been included in administrative expenses in the Statement of Comprehensive Income.

The other classes within trade and other receivables do not contain credit impaired assets.

Expected credit losses are based on the probability of default in the retailer estate based on previous experience and changes in the wider economic environment.

The carrying amounts of the Company's trade and other receivables are denominated in GBP Sterling. Amounts due from fellow subsidiaries are interest-free and repayable on demand.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. With the exception of £8.4m (2022: £6.4m) in retailer bonds, the Company does not hold any collateral as security.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Cash and Cash Equivalents

Cash at bank and in hand comprise Camelot's bank accounts and short-term deposits. Fixed and floating charges have been given in respect of certain Camelot assets to the Trustee and to Camelot's syndicated lenders. Camelot's cash balances can be analysed as follows:

	2023 £m	2022 £m
Cash at bank and in hand	38.6	32.3
Short-term bank deposits	174.1	141.0
At 31 March	212.7	173.3

Amounts held in short-term bank deposits comprise amounts held in either deposit accounts, Money Market Funds or up to 40-day notice accounts with interest earned rates at 31 March 2023 of 0.00% to 4.17% (2022: 0.00% to 0.52%). Deposit accounts and Money Market Funds are redeemable on demand.

The Company has a £45.4m (2022: £55.0m) committed Revolving Credit Facility, which runs until 30 October 2023 having been extended in January 2023 from its previous termination date of 30 April 2023. The amount drawn under this facility at 31 March 2023 was £nil (2022: £nil).

15. Credit Quality of Financial Assets

External credit ratings are obtained for each trade receivable counterparty at the point at which the Company starts to trade with that retailer to confirm the creditworthiness of the retailer. See note 16 for details on the Company's credit control policy for trade receivables.

External credit ratings are obtained for banks where the Company holds cash and short-term bank deposits. At 31 March 2023, financial assets totalling £109.5m (2022: £99.4m) are held in deposit accounts with banks which have Moody's short-term credit ratings of P1; and £64.6m (2022: £41.6m) are held in an up to 40-day notice account which has a Moody's credit rating of at least P1. Cash at bank and the trust accounts are held with Royal Bank of Scotland plc, which has a Moody's short and long-term rating of P1 and A2 respectively.

None of the financial assets that are not yet due 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 financial assets mentioned above.

16. Financial Risk Management

Exposure to credit, interest rate, foreign exchange, liquidity and capital risks arise in the normal course of the Company's business. The likely impact of these risks on the Company's performance is deemed to be immaterial and, therefore, no sensitivity analysis has been presented in these financial statements.

a) Credit risk

Credit risk primarily arises from short-term credit extended to retailers. Credit insurance is held for the vast majority of the Company's multiple store retailers, and management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers at the point at which the Company starts to trade with that retailer. If the uninsured 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 Company's credit policy for late payments. Further information on expected credit losses is given in note 2(p) and note 13.

16. Financial Risk Management (continued)

a) Credit risk (continued)

Camelot continues to review its established credit policy and debt collection processes during the challenging economic climate. Reviews ensure that the policies and processes are appropriate, and address any additional exposures to increased credit risk. Management is confident that the current arrangements minimise the Company's exposure in this area, although this continues to be closely monitored.

At the Balance Sheet date, having reviewed the credit balances extended to retailers, no significant concentrations of credit risk were identified. The maximum exposure to credit risk is represented by the carrying amount of each class of financial assets in the Balance Sheet.

The Company's investment policy restricts investment to Money Market Fund deposits or up to 40-day notice accounts, and only with counterparties that have strong credit quality and a strong capacity for timely payment of short-term deposit obligations. Further information on credit quality of financial assets is given in note 15.

The carrying value of financial assets approximates to fair value.

b) Interest rate risk

The Company's £45.4m (2022: £55.0m) Revolving Credit Facility allows short-term borrowings at floating rates of interest (SONIA plus 2.0%). Financial covenants on the level of leverage and interest cover exist on this facility. At 31 March 2023, the facility was undrawn (2022: undrawn).

At 31 March 2023, the loan receivable from Premier Lotteries UK Limited was £nil (2022: £26.0m). The loan was repaid by Premier Lotteries UK Limited on 23 September 2022. In the year, interest on the loan was charged at a fixed rate of 12.5% and, therefore, there was no exposure to changes in interest rates.

Short-term bank deposits are predominately in fixed-rate deposit accounts which are redeemable on demand. The average rate of return on deposit accounts used by the Company during the year was 1.48% (2022: 0.04%).

Short-term bank deposits in 2023 and 2022 were predominately denominated in GBP Sterling.

c) Foreign exchange risk

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

Included within administrative expenses in the Statement of Comprehensive Income are £nil net foreign exchange gains (2022: £nil losses).

d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. This risk is managed to ensure that sufficient funding and liquidity is available to meet the expected needs of the Company, together with a prudent level of headroom to allow for cash flow variations.

In addition to its own free cash flow, the Company has a £45.4m (2022: £55.0m) syndicated Revolving Credit Facility disclosed in note 14. This facility, of which £nil was drawn down at 31 March 2023 (2022: £nil), contains covenants, tested quarterly, including a maximum level of leverage of less than or equal to 2.00 and a minimum level of interest cover of greater than or equal to 2.00, both of which the Company has met. The undrawn level of this facility, together with the Company's cash balances, are the key measures of the Company's liquidity. The Company's cash is subject to regular daily, weekly and monthly cycles that are factored into long-range cash flow forecasts, which are regularly updated and reviewed by management.

These forecasts determine adequacy of the Company's liquidity facilities, and the timing of drawings and repayments under the above facilities.

Liquidity is centralised through cash pooling arrangements and any surplus cash is deposited with well-rated banks or Money Market Funds, typically for a term of between one day and three months depending on projected cash flow requirements.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the Balance Sheet date to the contractual maturity date. The amounts disclosed are contractual undiscounted cash flows.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Financial Risk Management (continued)

d) Liquidity risk (continued)

	Mature in less than 1 year £m	Mature between 1 and 2 years £m	Mature between 2 and 5 years £m	Mature in greater than 5 years £m
At 31 March 2022				
Revolving Credit Facility	-	-	-	-
Lease liabilities	12.4	10.4	0.5	-
Trade and other payables	669.5	-	-	-
At 31 March 2023				
Revolving Credit Facility	-	-	-	-
Lease liabilities	10.4	0.5	-	-
Trade and other payables	746.7	-	-	-

Included in amounts under lease liabilities are amounts in respect of property, plant and equipment and motor vehicle leases.

e) Capital Risk

The Company defines capital as total equity. Camelot's objectives when managing capital are to safeguard its ability to trade and meet obligations as they fall due, so that it can continue to provide returns for shareholders and benefits to other stakeholders. The Company has had access to significant credit facilities during the year as disclosed in note 14. The Company has in place sufficient capital resources through its trading and banking facilities to meet its obligations as they fall due for at least the next 12 months (note 26).

f) Financial assets and liabilities at amortised cost and fair value

Financial assets are comprised of:

	2023 £m	2022 £m
Cash and Cash Equivalents	148.1	131.7
Trade and Other Receivables (excluding prepayments)	568.4	537.1
	716.5	668.8

The total carrying value of Financial assets at fair value through profit and loss is £64.6m (2022: £41.6m), comprising Cash and cash equivalents, specifically Money Market Funds. These Money Market Funds are classified as Level 1 under the fair value hierarchy defined in IFRS 13 'Fair Value Measurement.' The Directors believe that their carrying value equates to the fair value.

Financial liabilities are comprised of:

	2023 £m	2022 £m
Trade and Other Payables (excluding advance receipts)	698.4	619.7
Financial Liabilities	10.0	20.5
	708.4	640.2

17. Financial Liabilities

a) Current liabilities: amounts falling due within one year

	2023 £m	2022 £m
Lease liabilities	9.5	10.6
At 31 March	9.5	10.6

The carrying value of current financial liabilities approximates to fair value. Refer to the movement schedule for lease liabilities in note (c) and the maturity analysis of financial liabilities in note 16(d).

b) Non-current liabilities: amounts falling due after one year

	2023 £m	2022 £m
Lease liabilities	0.5	9.9

Of the lease liabilities held in non-current liabilities, £0.5m (2022: £9.9m) fall due after one year, but in not more than five years. No lease liabilities fall due after five years (2022: £nil). Refer to the movement schedule for lease liabilities in note (c) and the maturity analysis of financial liabilities in note 16(d).

c) Lease liabilities

	Properties £m	Plant and equipment and motor vehicles £m	Total £m
The Statement of Financial Position includes the following amounts related to leases:			
At 1 April 2021	8.8	13.0	21.8
Non-Cash Movements			
Additions	3.7	5.9	9.6
Disposals	(0.1)	-	(0.1)
Interest expense related to lease liabilities	0.5	1.3	1.8
Reclass balance from accruals	-	0.5	0.5
Cash Movements			
Repayment of lease liabilities (including interest)	(5.0)	(8.1)	(13.1)
At 31 March 2022	7.9	12.6	20.5

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Financial Liabilities (continued)

c) Lease liabilities (continued)

	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 2022	7.9	12.6	20.5
Non-Cash Movements			
Interest expense related to lease liabilities	0.4	1.4	1.8
Cash Movements			
Repayment of lease liabilities (including interest)	(4.9)	(7.4)	(12.3)
At 31 March 2023	3.4	6.6	10.0

The total cash outflow for leases in 2023 was £12.3m (2022: £13.1m). As outlined in note 2, extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). No leases contain a residual value guarantee clause. Please refer to note 11 for disclosure on the right-of-use assets.

18. Trade and Other Payables

a) Current liabilities

	2023	2022
	£m	£m
Prize liability	451.0	396.1
Lottery Duty payable	85.8	79.7
Amounts payable to the NLDF	32.9	18.6
Advance receipts for future draws	48.3	49.8
Accruals	44.6	51.6
Other payables	55.0	54.4
Trade payables	28.4	16.9
Amounts due to related parties	0.7	2.4
At 31 March	746.7	669.5

The Prize liability represents both unclaimed prizes and amounts planned for future prize payments at 31 March 2023, and the Company had transferred £436.7m into the relevant trust accounts to meet these liabilities (2022: £380.1m). Advance receipts for future draws represent multi-draw and subscription payments relating to future draws.

Other payables mainly represent deposits received from, and prizes won by, players which are held in their interactive wallets. It also includes retailer bonds of £8.4m (2022: £6.4m). Amounts due to related parties are unsecured, interest-free and repayable on demand.

19. Deferred Taxation

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset current taxation assets with current taxation liabilities. At 31 March 2023, the offset amounts are as follows:

	2023	2022
	£m	£m
Deferred tax assets:		
To be recovered after more than 12 months	-	14.3
To be recovered within 12 months	18.3	-
Deferred tax assets	18.3	14.3

	2023	2022
	£m	£m
Deferred tax liabilities:		
To be settled after more than 12 months	-	-
Deferred tax liabilities	-	-
Deferred tax assets (net)	18.3	14.3

The gross movement on deferred tax is as follows:

	Accelerated capital allowances	Provisions and accruals	Total
	£m	£m	£m
At 1 April 2021	5.6	4.6	10.2
Credit/(charge) to the Statement of Comprehensive Income	0.7	(0.2)	0.5
Changes in applicable tax rate	2.2	1.4	3.6
At 31 March 2022	8.5	5.8	14.3

	Accelerated capital allowances	Provisions and accruals	Total
	£m	£m	£m
At 1 April 2022	8.5	5.8	14.3
Credit to the Statement of Comprehensive Income	2.5	0.5	3.0
Changes in applicable tax rate	0.8	0.2	1.0
At 31 March 2023	11.8	6.5	18.3

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Provisions for Liabilities and Other Charges

	Terminal and data communication related £m	Property £m	Restructuring £m	Long-term incentive plan £m	Other £m	Total £m
At 1 April 2021	10.7	3.1	0.2	9.9	0.5	24.4
(Credit)/Charge to Statement of Comprehensive Income	(0.3)	0.3	0.7	2.5	-	3.2
Additions	2.5	-	-	-	-	2.5
Released	-	-	-	(0.6)	-	(0.6)
Utilised in the year	-	-	(0.2)	(6.2)	-	(6.4)
At 31 March 2022	12.9	3.4	0.7	5.6	0.5	23.1

	Terminal and data communication related £m	Property £m	Restructuring £m	Long-term incentive plan £m	Other £m	Total £m
At 1 April 2022	12.9	3.4	0.7	5.6	0.5	23.1
Charge to Statement of Comprehensive Income	0.2	0.4	-	8.2	0.3	9.1
Additions	1.0	-	-	-	2.4	3.4
Released	-	-	-	(0.5)	(0.4)	(0.9)
Utilised in the year	(0.3)	-	(0.3)	(5.7)	(0.1)	(6.4)
At 31 March 2023	13.8	3.8	0.4	7.6	2.7	28.3

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

	2023 £m	2022 £m
Current	28.3	2.6
Non-current	-	20.5
	28.3	23.1

Terminal and data communications-related provisions include: a provision for the cost of decommissioning existing terminals, communications and lottery point of sale equipment held at retailer sites, and disposing of these assets at the end of the third licence extension period; and amounts in respect of lost or destroyed terminals and associated contractual costs. Non-cash additions of £1.0m recognised in property, plant and equipment are due to contractual CPI clauses. The prior year increase of £2.5m was primarily as a result of the extension to the third licence including point of sale equipment.

These costs are based upon contractual commitments that are in place at the time of approving these financial statements.

In the absence of any formal arrangement with the incoming licensee for the transfer of some, or all, of the assets to which these costs relate and the transfer of the related obligations to dispose and decommission, this remains management's best estimate. Depending on the nature of this potential formal arrangement, it could result in the full release of the provision.

Property provisions comprise the dilapidation provision which is the current best estimate of the cost of bringing certain premises, held under leases, back to their original state as required by the lease agreements.

The restructuring provision relates to severance costs.

The long-term incentive plan provision relates to future amounts payable under two incentive plans. The first is the existing scheme for senior management, provided in line with the Company's performance criteria. The second is a new retention scheme launched in the year for critical staff. The value accrued in the current year related to the new scheme is £8.2m.

Payments under these schemes are all expected to be made in the next financial year and represent the Company's present legal obligation to incur this cost.

Other provisions primarily relate to provisions for future legal costs where there is a present legal or constructive obligation to incur this cost.

Due to the licence expiry, all provisions have been classified as current liabilities. Refer to Note 2a for more details.

21. Share Capital

a) Authorised and allotted share capital as at 31 March:

	2023 £	2022 £
Authorised		
1,000 (2022: 1,000) ordinary 'A' shares of £1 each	1,000	1,000
10 (2022: 10) preference 'C' shares of £1 each	10	10
	1,010	1,010

	2023 £	2022 £
Allotted, issued and fully paid		
1,000 (2022: 1,000) ordinary 'A' shares of £1 each	1,000	1,000
10 (2022: 10) preference 'C' shares of £1 each	10	10
	1,010	1,010

b) Analysis of shareholding

	Number of 'A' shares	Number of 'C' preference shares	Percentage holdings
Premier Lotteries UK Limited	1,000	3	99.3%
Fourmoront Corporation	-	7	0.7%
At 31 March 2022	1,000	10	100.0%
Allwyn UK Holding B Limited	1,000	10	100.0%
At 31 March 2023	1,000	10	100.0%

c) Rights and obligations

Income:

In the current year, a fixed dividend of £1,000 per share (2022: £1,000 per share) was distributed to the holders of the 'C' preference shares. The remainder is distributable pro rata among the ordinary 'A' shareholders.

Capital:

On a return of assets on liquidation, reduction of capital or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be distributed:

- first, in paying to the holders of 'C' preference shares, the sum of £1 in respect of each 'C' Preference share.
- second, to the holders of 'A' ordinary shares pro rata among them.

Class consents:

Except with the prior consent or approval in writing of the holders of all of the relevant class of shares, the Company shall not modify or vary the rights attaching to any class of its shares (unless the modification or variation affects all classes of shares similarly).

Voting and other rights:

In respect of the election of Directors, the holders of 'C' preference shares are entitled to receive notice of and to attend, speak and vote at all general meetings of the Company at which a Director is to be elected, and shall have one vote per 'C' preference share held with respect to the election of any Director. In respect of any other general meeting of the Company, the 'C' preference shareholders are entitled to receive notice of and to attend and speak but not vote.

The holders of 'A' ordinary shares are entitled to receive notice of and to attend, speak and vote at all general meetings of the Company save that, in respect of a general meeting at which a Director is to be elected, the 'A' ordinary shareholders shall not be entitled to participate in such part of the meeting as relates to the election of a Director and shall have no right to vote on such election.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. Reserves

	Note	Retained earnings £m	Total £m
At 1 April 2021		78.0	78.0
Profit for the financial year		81.6	81.6
Dividends paid	8	(81.6)	(81.6)
Net increase in shareholders' equity		-	-
At 31 March 2022		78.0	78.0

	Note	Retained earnings £m	Total £m
At 1 April 2022		78.0	78.0
Profit for the financial year		73.9	73.9
Dividends paid	8	(102.3)	(102.3)
Net decrease in shareholders' equity		(28.4)	(28.4)
At 31 March 2023		49.6	49.6

23. Cash Generated from Operations

	2023 £m	2022 £m
Profit for the financial year	73.9	81.6
Adjustments for:		
- Income tax	15.0	10.8
- Depreciation, amortisation and impairment	45.6	47.3
- Finance income	(3.9)	(3.3)
- Finance costs	2.3	2.2
	59.0	57.0
Changes in working capital:		
- Decrease/(Increase) in Inventories	0.1	(0.5)
- (Increase)/Decrease in trade and other receivables	(64.5)	68.8
- Increase/(Decrease) in trade and other payables	78.3	(94.1)
- Increase/(Decrease) in provisions for other liabilities and charges	1.8	(3.8)
	15.7	(29.6)
Cash generated from operations	148.6	109.0

24. Financial Commitments and Contingent Liabilities

At the year end, expenditure relating to the purchase of software development totalling £4.4m was contracted for in the year but not yet incurred (2022: £4.4m).

At 31 March 2022, a contingent liability of £13.6m existed between the Company and Camelot Business Solutions Limited (CBSL) whereby, in the event that Camelot was awarded the fourth National Lottery licence the Company would reimburse CBSL for all of CBSL's general business development activity undertaken prior to 1 April 2020. Following the Gambling Commission's decision to award the fourth National Lottery licence to Allwyn Entertainment Limited, this contingent liability has been extinguished.

In the course of doing business as a regulated entity, the risk can arise of potential legal or regulatory non-compliance action against Camelot. Where deemed necessary, the Company will obtain advice and make financial provisions as appropriate.

25. Pension Arrangements

In line with UK legislation, the Company auto-enrols employees into the Group Personal Pension Plan, which is accounted for as a defined contribution pension scheme. All amounts payable under these schemes are charged to the Statement of Comprehensive Income as they fall due, and totalled £3.5m in the current year (2022: £3.3m).

26. Contingency Financing

While under the ownership of Ontario Teachers' Pension Plan Board (OTPP), Camelot had a contingency financing arrangement in place. OTPP had made available to the Company funding up to £30.0m in one amount or in a series of amounts which may, at OTPP's option, be (in each case) either in the form of equity, loans or other instruments or securities.

As at 31 March 2023, no contingency financing arrangement has been put in place by Allwyn, as Camelot was deemed to have sufficient resources to continue operating the third licence with existing resources and financing.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. Related Party Transactions

The Company's immediate parent is Allwyn UK Holding B Ltd (incorporated in the UK), which owns all the Company's shares.

During the course of the year, Camelot entered into the following transactions with 'Services aux Loteries en Europe SCRL' (SLE), a société cooperative à responsabilité limitée incorporated in Belgium. Camelot has an investment in SLE. The main purpose of SLE is to provide services to lotteries in Europe which participate in the EuroMillions game. The head office is located in Belgium at Herrmann-Debrouxlaan 44-46, 1160 Oudergem, Belgium.

	2023 £m	2022 £m
Purchases	1.2	0.7
Amounts due to SLE	0.3	0.3
Sales	0.1	0.1
Amounts due from SLE	-	0.4

Due to the change in ownership of the Company during the year, Camelot had various fellow subsidiary relationships at different points in the year. It transacted with fellow subsidiary related parties, Camelot Global Lottery Solutions Limited (CGLSL), Camelot Business Solutions Limited (CBSL), Premier Lotteries Capital UK Limited (PLCUK) and Premier Lotteries UK Limited (PLUK) during the year. CGLSL is principally focused on managing a programme of projects to generate revenue for the Group companies.

Amounts due to and from related parties are unsecured in nature, and are due on demand. In 2022, the amounts due from related parties below included the £26.0m loan to PLUK (note 13) which was repaid during the year.

	2023 Sale of services £m	2023 Amounts due from related party £m	2022 Sale of services £m	2022 Amounts due from related party £m
Camelot Global Lottery Solutions Limited	0.4	0.1	0.4	1.1
Camelot Business Solutions Limited	-	-	-	2.2
Premier Lotteries UK Limited	-	-	-	28.3
Premier Lotteries Capital UK Limited	-	-	-	0.7

	2023 Purchase of services £m	2023 Amounts due to related party £m	2022 Purchase of services £m	2022 Amounts due to related party £m
Camelot Business Solutions Limited	8.9	-	15.2	1.7
Camelot Global Lottery Solutions Limited	6.1	0.7	10.7	0.7

27. Related Party Transactions (continued)

The value of sales and purchases in the table above includes operating expenses allocated between Group companies, as well as intercompany recharges (mainly payroll-related transactions).

Sales/Purchases of services between related parties are stated on an invoice basis.

During the year, the Company also paid dividends totalling £102.3m (2022: £81.6m). In addition, the following cash payments were received/(paid) in respect of group taxation relief during the year:

	2023 £m	2022 £m
Premier Lotteries UK Limited	0.2	(0.2)
Premier Lotteries Capital UK Limited	0.7	(1.4)
Camelot Business Solutions Limited	2.4	(0.2)
Camelot Global Lottery Solutions Limited	1.1	(0.1)
	4.4	(1.9)

Information regarding compensation paid to key management is disclosed in note 5.

All related party transactions are based on normal financial terms.

28. Subsidiary Undertakings

Camelot Lotteries Limited National Lottery Enterprises Limited CISL Limited

These subsidiaries have share capital, equal to the net assets, of £5 in total. This amount represents Camelot's cost of investment in these subsidiaries. They are not material for the purpose of giving a true and fair view for these financial statements, and therefore have not been consolidated in accordance with the Companies Act 2006 s. 393. These companies are exempt from preparing individual financial statements under s394A and from individual filing with the registrar by virtue of s.448A of the Companies Act 2006. The registered office for these companies is Magdalen House, Tolpits Lane, Watford, United Kingdom, WD18 9RN.

29. Post-Balance Sheet Events

On 20 April 2023, as part of the transition plans, it was announced Allwyn Entertainment Limited will work with Scientific Games International Limited (SGI) to operate the warehousing and distribution activity in the fourth licence. SGI's proposed distribution centre is based in Warrington and will take effect from 1 February 2024 (the start of the fourth licence). Camelot will continue to run distribution services from its Northampton Distribution Centre for the remainder of the third licence and Allwyn will bear all financial obligations as a result of this announcement.

Camelot UK Lotteries Limited
Registered and Head Office
Tolpits Lane
Watford WD18 9RN

Other Offices
Unit 5, Tiger Court, Kings Drive
Kings Business Park
Prescot, Knowsley
Liverpool L34 1BH

The Kestrel Centre
Salthouse Road
Brackmills Industrial Estate
Northampton NN4 7EX

Brettenham House
Lancaster Place
London WC2E 7EN

Registered in England and Wales
Company Number: 02822203
Incorporated and domiciled in the UK

Limited assurance of the 'Doing Business
Responsibly' and 'Our People' sections
(pages 96 to 141) was undertaken by
Corporate Citizenship (www.corporate-citizenship.com).



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

Bankers
The Royal Bank of Scotland PLC
250 Bishopsgate
London EC2M 4AA

Photography

Unless otherwise specified,
all photographs courtesy
of Camelot, the National
Lottery distribution bodies,
the National Lottery
Promotions Unit or National
Lottery-funded projects

2022/23 Annual Report
& Accounts ©2023 Camelot
UK Lotteries Limited

Design by Spinach



CAMELOT