NORTHERN & SHELL LIMITED

(FORMERLY NORTHERN & SHELL PLC)

GROUP ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

NORTHERN & SHELL LIMITED

ANNUAL REPORT

For the year ended 31 December 2025

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NORTHERN & SHELL LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr. R.C. Desmond (Chairman)
Mr. R. Sanderson
Mr. M.S. Ellice
Mr. R. Martin
Mr. D. Rancombe

SECRETARY

Mr. R. Sanderson

COMPANY NUMBER

04086466 (England)

AUDITOR

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London, E14 5GL
United Kingdom

BANKERS

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Union Bancaire Privée (UK) Limited
Marylebone Place
129-137 Marylebone Road
London, NW1 5QD
United Kingdom

Goldman Sachs
Plumtree Court
25 Shoe Lane
London, EC4A 4AU
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25 Knightsbridge
London, SW1X 7LY
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REGISTERED OFFICE

The Northern & Shell Building
Number 10 Lower Thames Street
London, EC3R 6EN
United Kingdom

NORTHERN & SHELL LIMITED

STRATEGIC REPORT

For the year ended 31 December 2025

PRINCIPAL ACTIVITIES

Northern & Shell Limited is the ultimate holding company of the Northern & Shell group of companies. It owns a group of companies which are principally engaged in property development, lottery management services and other investment interests.

It is the intention of the Group to continue trading in these areas for the foreseeable future.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The consolidated statement of comprehensive income is set out on page 12.

The financial year 2025 represented a year of steady progress for the Group across its various activities.

The Group's portfolio of current asset investments, comprising of equities, structured products and funds, including commodities and gold, performed satisfactorily during the year, recording income and gains of £10.9 million (2024: £53.7 million). Despite geopolitical tensions heightening uncertainty in global financial markets in the early months of 2026, which has impacted returns, the directors are confident of a further year of positive performance for the Group's current asset investments in 2026.

In our lottery division, The Health Lottery has been successfully established in Great Britain as a highly visible lottery product with strong brand recognition.

The Health Lottery, through its brand, provides lottery management services for The Health Lottery Foundation (the 'Foundation'), a Community Interest Company, which raises monies for health related good causes throughout Great Britain. To date, in excess of £137.2 million has been raised for good causes, with donations awarded and distributed through the Foundation and previously, until January 2025, through the People's Health Trust. The Health Lottery reported an operating loss for the year of £1.4 million (2024: £2.4 million), after a charge for a provision against amounts owed by group companies of £350,000 (2024: £nil). However, with further efficiency measures and other planned initiatives, the directors anticipate a further reduction in operating losses in 2026 as the business progresses towards profitability. Supported by the Foundation, with its more efficient operating structure in place, together with The Health Lottery's significant and loyal customer base, the directors consider the business to be well placed to take advantage of opportunities in the retail and online lottery markets, as well as in related draw based and instant win gaming products.

To date, more than 3,500 grants have been made to local health projects throughout England, Scotland and Wales which has directly aided more than 770,000 people. Among the charities that have benefitted are national charities, such as Crisis, FoodCycle and St John Ambulance. However, in 2025, as in recent years, assistance has been focused on many worthy local community projects such as Tapping House in East Anglia, England, Sparkle Appeal in Abergavenny, Newport and Caerphilly, Wales, and Edinburgh Children's Hospital Charity, Scotland. Organisations interested in, or enquiring about, funding should apply to The Health Lottery Foundation, PO Box 8109, Daventry, NN11 1JA, or online at www.thehealthlotteryfoundation.org.uk.

The directors take great pride in the philanthropic work that has been enabled through the efforts and activities of The Health Lottery and the truly positive effects that it has already had on so many people's lives in this country.

The New Lottery Company Limited, a subsidiary undertaking, was actively engaged in bidding for the 4th UK National Lottery licence, which commenced in February 2024. The Group incurred total costs of £17.8 million on the bid process, which were recorded in prior periods. The award decision was made by the Gambling Commission in March 2022 and unfortunately, after what they describe as a 'fair, open and robust competition', the Group was not selected to be the 'Preferred Applicant'. Having reviewed the competition decision, the Group legally challenged the fairness and integrity of the bid process on a number of grounds and extended the action to encompass a claim alleging unlawful modifications to the lottery contract upon which the applicants had bid and on which the Group was effectively denied the opportunity to re-tender. The Group also made a separate claim that the Gambling Commission had granted Camelot (the previous National Lottery operator) an unlawful subsidy. A full trial in the High Court was held between October 2025 and January 2026 and, in a judgement handed down in early 2026, the Court determined that the Group had been unsuccessful in its claim. Accordingly, in addition to its own legal costs to date of £19.3 million, the Group will be liable for a proportion of the costs of both the Gambling Commission, as defendant, and Allwyn, as an Interested Party. The precise costs are yet to be determined, however, at a hearing held on 22 May 2026, the Court ordered that the Group, as unsuccessful claimants, should pay £29.0 million as a payment on account, representing 75% of the Gambling Commission's costs and 70% of Allwyn's costs, respectively (notes 22,

BUSINESS REVIEW AND FUTURE DEVELOPMENTS (Continued)

26 and 28). On 12 June 2026, the Group applied to the Court of Appeal seeking permission to appeal part of the judgement relating to the modification claim.

In relation to our property interests, in previous years work had been undertaken to implement a consented planning scheme on the Group's site in London's Docklands, near Canary Wharf. To date, certain packages of work have been completed, including the demolition of the old printworks and associated buildings, the excavation of the common basement tub, the piling mat installation and the delivery of utilities diversion, surface water discharge and drainage across the site. As at 31 December 2025, the Group had invested £103.6 million (2024: £100.6 million) in the development of the site. These costs, less costs written-off, are included in stocks - work in progress, in the balance sheet (note 17).

Encouraged by public policy to seek to optimise development on derelict brownfield sites and following extensive discussions with the London Borough of Tower Hamlets' (LBTH) planning officers and consultations with all relevant local stakeholders, in December 2023 the Group submitted a further planning application designed to significantly improve on the consented scheme, which should support more than 1,500 construction jobs at the peak of the development and provide in excess of 1,300 much needed new homes for Londoners, in a vibrant new waterfront neighbourhood just minutes from Canary Wharf.

The new scheme is a comprehensive mixed-use redevelopment comprising 1,358 residential units, shops, offices, flexible workplaces, restaurants, cafes and bars, community uses, a creche, car and cycle basement parking, associated landscaping, new public realm and all other necessary enabling works. As part of our S106 obligations, the development would also facilitate a 1,200-place secondary school with extensive outdoor amenities and recreational sports facilities on site. In August 2024, the scheme was presented to the local authority's Strategic Development Committee and, following the Committee's approval, full planning permission for the scheme (PA/23/02375) was granted in February 2025.

Subsequently, during the year and, following receipt of several unsolicited enquiries, the Group engaged Savills to run a sale process for the Westferry development, which may possibly result in the sale of this part of the Group's business. As at the date of this report, talks are continuing with interested parties with a view to bringing in joint venture partners to deliver either the consented development or a new scheme based on an evolution of the existing masterplan.

In parallel, and given the context of the Government's temporary emergency measures to encourage the bringing forward of currently stalled developments, in April 2026 the Group submitted a S73 application on viability grounds to reduce the level of affordable housing in the consented scheme from 35% to 10%. This application was refused by LBTH and the Group is currently considering its appeal options.

Given the resources of the Group, its positioning in the various markets in which it operates and the clear strategic focus that underlies its corporate development, the directors are optimistic on the future prospects of the Group's businesses.

The Group's net assets were £397.6 million at 31 December 2025 (2024: £427.4 million).

The directors feel that the Group is well placed to build on its established activities and broader interests to take advantage of improved market conditions and new opportunities as they arise.

KEY PERFORMANCE INDICATORS

A range of key performance indicators (KPI's) are used to monitor the performance of the operating entities and the Group and their progress towards strategic objectives. The principal KPI's vary according to division and include lottery draw ticket sales, profitability by business segment, year on year variance analysis and cash flows.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's operations expose it to a variety of financial risks that include credit, liquidity, interest rate, foreign exchange and market risks. The Group has mechanisms in place that seek to limit the impact of the adverse effects of these risks on the financial performance of the Group.

PRINCIPAL RISKS AND UNCERTAINTIES (Continued)

Credit risk
The Group has implemented policies that require appropriate credit checks to be performed on potential customers before sales are made.

Liquidity risk
The Group actively manages its finances to ensure that the Group has sufficient funds available for its operations.

Interest rate cash flow risks
The Group has both interest bearing assets and liabilities. The interest bearing assets are cash balances and current asset investments subject to floating and fixed interest rates. Where appropriate, the Group utilises interest rate swaps with a fixed rate to manage its liabilities. The directors keep these measures under constant review.

Foreign exchange risk
The Group has foreign currency assets and liabilities. Where appropriate, the Group utilises financial instruments to manage the risk of fluctuating exchange rates. The directors keep these measures under constant review.

Market risk
The Group has current asset investments which are subject to financial market risk. The Group manages a mixed portfolio of assets, including holding structured investments, to help mitigate financial market risk.

The Group's lottery division actively looks to maintain and improve product quality and customer offerings, which together with established strong customer relationships combine to mitigate lottery market risk. The lottery division also operates in a regulated environment and the Group is committed to maintaining robust regulatory risk management and control processes to ensure compliance with all applicable laws and regulations.

Geopolitical risk
The global geopolitical landscape has raised short-term economic uncertainty, with ongoing conflicts and other economic and political tensions, presenting risks to market stability. The Group's financial market positions are monitored and kept under review.

Consideration of climate change risk
In preparing the financial statements, the directors have considered the impact of climate change, particularly in the context of the risks identified in the TCFD disclosures. There has been no material impact identified on the financial reporting judgements and estimates. In particular, the directors considered the impact of climate change in respect of the following areas:

- going concern and viability of the Group over the next three years;
- cash flow forecasts used in the impairment assessments of fixed asset investments; and
- carrying value and useful economic lives of tangible fixed assets.

Whilst there is currently no short or medium-term impact expected from climate change, the directors are aware of the ever-changing risks attached to climate change and will regularly assess these risks against judgements and estimates made in preparation of the Group's financial statements.

On behalf of the Board:

Mr. R. Sanderson
Director

Date: 16 June 2026

NORTHERN & SHELL LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2025

The directors present their report and the audited financial statements of the Group and Company for the year ended 31 December 2025.

RESULTS AND DIVIDENDS

The Group recorded a loss before tax for the financial year of £32.7 million (2024: £42.7 million profit) after recording non-recurring overhead costs of £38.3 million (2024: £232,000) (note 6) and income from current asset investments of £10.9 million (2024: £53.7 million) (note 5).

The directors do not recommend the payment of a dividend (2024: £nil).

DIRECTORS

The membership of the board during the year is set out on page 2. These directors, and no others, held office throughout the entire year.

EMPLOYEE INVOLVEMENT

During the year, the Group and Company maintained their practice of keeping employees informed about current activities and progress of the business using various methods including formal briefings, e-mails and a corporate website. Consultation with employees or their representatives has continued at all levels, with the aim of ensuring their views are taken into account where decisions are likely to affect their interests. This practice is reviewed regularly. Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group and Company continues and the appropriate training is arranged. It is the policy of the Group and Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

POLITICAL AND CHARITABLE DONATIONS

Charitable donations were made during the year amounting to £1,000 (2024: £10,000).

Political donations were made during the year amounting to £nil (2024: £nil).

DISCLOSURE OF INFORMATION TO AUDITOR

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

AUDITOR

The auditor, KPMG LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of the Board:

Mr. R. Sanderson
Director

Date: 16 June 2026

The Northern & Shell Building
Number 10 Lower Thames Street
London, EC3R 6EN
United Kingdom

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period.

In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

NORTHERN & SHELL LIMITED (FORMERLY NORTHERN & SHELL PLC)

OPINION

We have audited the financial statements of Northern & Shell Limited (formerly Northern & Shell Plc) ("the Company") for the year ended 31 December 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's loss for the year then ended;

- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

GOING CONCERN

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and

- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

FRAUD AND BREACHES OF LAWS AND REGULATIONS - ABILITY TO DETECT

Ident*ifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.

- Reading board minutes.

- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Group is not listed, does not hold any external debt and internal performance indicators are not revenue-based which means there is limited pressure on management from sources inside or outside the Group to achieve certain revenue targets.

We did not identify any additional fraud risks.

We performed procedures identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, employment laws, anti-bribery, anti-money laundering, gambling regulation and responsible gambling legislation, recognising the financial nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiries of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

STRATEGIC REPORT AND DIRECTORS' REPORT

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

DIRECTORS' RESPONSIBILITIES

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the Group and parent 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Johnson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
United Kingdom
E14 5GL

Date: 18 June 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 £000	2024 £000
TURNOVER	4	**14,700**	14,091
Cost of sales		**(8,902)**	(8,890)
GROSS PROFIT		**5,798**	5,201
Income from current asset investments	5	**10,948**	53,666
Administrative expenses	6	**(50,284)**	(17,274)
OPERATING (LOSS)/PROFIT	3/7	**(33,538)**	41,593
Interest receivable and similar income	9	**933**	1,119
Interest payable and similar charges	10	**(49)**	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	**(32,654)**	42,712
Tax on (loss)/profit on ordinary activities	11	**2,836**	(4,966)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		**(29,818)**	37,746
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(29,818)**	37,746

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 18 - 41 form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET as at 31 December 2025

	Notes	2025 £000	2024 £000
FIXED ASSETS			
Intangible assets	13	**-**	-
Tangible assets	14	**5,620**	6,164
Investments	15	**2,228**	2,228
		7,848	8,392
CURRENT ASSETS			
Stocks	17	**88,633**	85,554
Debtors	18	**21,446**	14,125
Current asset investments	19	**297,199**	327,310
Cash at bank and in hand		**24,123**	16,719
		431,401	443,708
CREDITORS: amounts falling due within one year	21	**(8,419)**	(9,104)
NET CURRENT ASSETS		**422,982**	434,604
TOTAL ASSETS LESS CURRENT LIABILITIES		**430,830**	442,996
PROVISIONS FOR LIABILITIES AND CHARGES	22	**(33,266)**	(15,614)
NET ASSETS		**397,564**	427,382
CAPITAL AND RESERVES			
Called up share capital	24	**110**	110
Other reserves		**3,860**	3,860
Profit and loss account		**393,594**	423,412
TOTAL SHAREHOLDERS' FUNDS		**397,564**	427,382

The notes on pages 18 - 41 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors and signed on its behalf by:

Mr. R. Sanderson
Director
Date: 16 June 2026

Company registered number: 04086466

NORTHERN & SHELL LIMITED

COMPANY BALANCE SHEET as at 31 December 2025

	Notes	2025 £000	2024 £000
FIXED ASSETS			
Tangible assets	14	**5,293**	5,647
Investments	15	**162,561**	169,091
		167,854	174,738
CURRENT ASSETS			
Debtors	18	**55,003**	44,384
Cash at bank and in hand		**3,865**	3,665
		58,868	48,049
CREDITORS: amounts falling due within one year	21	**(135,073)**	(102,633)
NET CURRENT LIABILITIES		**(76,205)**	(54,584)
TOTAL ASSETS LESS CURRENT LIABILITIES		**91,649**	120,154
PROVISIONS FOR LIABILITIES AND CHARGES	22	**(58,324)**	(43,890)
NET ASSETS		**33,325**	76,264
CAPITAL AND RESERVES			
Called up share capital	24	**110**	110
Profit and loss account		**33,215**	76,154
TOTAL SHAREHOLDERS' FUNDS		**33,325**	76,264

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own Statement of Comprehensive Income. The Company's loss for the year amounted to £42.9 million (2024: £15.9 million).

The notes on pages 18 - 41 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors and signed on its behalf by:

Mr. R. Sanderson
Director
Date: 16 June 2026

Company registered number: 04086466

NORTHERN & SHELL LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Called up Share capital £000	Other reserves £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2024	110	3,860	385,666	**389,636**
Profit for the year	-	-	37,746	**37,746**
Other comprehensive income	-	-	-	**-**
Total comprehensive income for the year	-	-	37,746	**37,746**
Balance at 31 December 2024	**110**	**3,860**	**423,412**	**427,382**

	Called up Share capital £000	Other reserves £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2025	110	3,860	423,412	**427,382**
Loss for the year	-	-	(29,818)	**(29,818)**
Other comprehensive income	-	-	-	**-**
Total comprehensive loss for the year	-	-	(29,818)	**(29,818)**
Balance at 31 December 2025	**110**	**3,860**	**393,594**	**397,564**

Other reserves represent a merger reserve arising from the reorganisation of Northern & Shell Group Limited, a subsidiary undertaking, on 30 October 2000.

The notes on pages 18 - 41 form an integral part of these financial statements.

NORTHERN & SHELL LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2024	110	92,056	92,166
Loss for the year	-	(15,902)	(15,902)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(15,902)	(15,902)
Balance at 31 December 2024	**110**	**76,154**	**76,264**
	£000	**£000**	**£000**
Balance at 1 January 2025	110	76,154	76,264
Loss for the year	-	(42,939)	(42,939)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(42,939)	(42,939)
Balance at 31 December 2025	**110**	**33,215**	**33,325**

The notes on pages 18 - 41 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

	2025 £000	2024 £000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit for the financial year	(29,818)	37,746
Adjustments for:		
Amortisation of intangible fixed assets (notes 7 and 13)	-	320
Depreciation of tangible fixed assets (notes 7 and 14)	973	899
Impairment of tangible fixed assets (notes 7 and 14)	524	232
Interest receivable and similar income (note 9)	(933)	(1,119)
Interest payable and similar charges (note 10)	49	-
Income from current asset investments (note 5)	(10,948)	(53,666)
Taxation (note 11)	(2,836)	4,966
Interest received (including other income – notes 5 and 9)	3,344	11,173
Interest paid (note 10)	(49)	-
Increase in stocks (note 17)	(3,079)	(2,452)
Increase in debtors (note 18)	(4,412)	(520)
Increase/(decrease) in creditors (note 21)	655	(410)
Increase/(decrease) in provisions (note 22)	17,652	(1,180)
Taxation paid	(1,413)	(18)
NET CASH USED IN OPERATING ACTIVITIES	(30,291)	(4,029)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets (note 14)	(953)	(880)
Dividends received from current asset investments (note 5)	188	118
Investment in current asset investments (note 19)	(137,896)	(191,255)
Proceeds from current asset investments (note 19)	176,356	192,378
NET CASH FROM INVESTING ACTIVITIES	37,695	361
NET INCREASE/(DECREASE) IN CASH AT BANK AND IN HAND	7,404	(3,668)
CASH AT BANK AND IN HAND AT 1 JANUARY	16,719	20,387
CASH AT BANK AND IN HAND AT 31 DECEMBER	24,123	16,719

The notes on pages 18 - 41 form an integral part of these financial statements.

1. PRINCIPAL ACCOUNTING POLICIES

These Group and Parent Company financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”).

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

a) Basis of accounting

The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain tangible fixed assets and in accordance with the Companies Act 2006 and applicable accounting standards. The principal accounting policies are set out below.

b) Going Concern

The Group’s business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 3 to 5.

The directors believe that the Group is well placed to manage its business risk successfully. The directors made enquiries of, and considered the Group’s performance against its plans and objectives and satisfied themselves that the Group is performing as expected.

The Company and its subsidiaries are seen as significant market participants in their industries and the directors feel that they are well placed to build on their established activities to take advantage of improved market conditions and new opportunities as they arise.

The directors have prepared cash flow forecasts for the Group for a period of at least 12 months from the date of approval of these financial statements (“the going concern assessment period”). For the purposes of their assessment of the appropriateness of the preparation of the Group’s accounts on a going concern basis, the directors have considered the principal areas of uncertainty within the forecasts and the underlying assumptions, in particular those relating to market and customer risks, cost management and working capital management in this period. These forecasts, sensitised for reasonably possible and certain downside scenarios, indicate that the Group will have sufficient funds to meet its liabilities for that period. In assessing certain severe downside scenarios, the directors have allowed for a reduction in rental income of 50%, losses from current asset investments of 20% per annum and additional contingencies for operational and overhead costs, including a 10% increase in costs relating to the Group’s property development at its site in London’s Docklands and an increase in costs relating to the Group’s lottery legal claim. Having considered the downside risk, the directors note that they have significant cash, cash equivalent and current asset investments, that, if needed in extreme circumstances, could be realised to support the activities of the Group. As part of the forecasting, the directors have considered the financing required to continue to fund the development of the Group’s site in London’s Docklands and, if required, the Health Lottery, the Group’s rental commitments and the Group’s lottery legal claim. Based on the Group’s current cash, cash equivalent and current asset investments, it would be able to fund the development and the other activities in the going concern assessment period. However, the Group acknowledges that it had always anticipated partially funding the development using external financing as part of a balanced financing package and, although this will not be required for some time, early conversations with its bankers have indicated their support of this. In the event of unforeseen and more severe downsides than forecast, the Group has potential mitigating actions, including reducing the level of controllable costs, including capital expenditure on the development site in London’s Docklands, which would further increase the Group’s headroom.

The directors have also considered the Company’s ability to provide ongoing support to those subsidiaries which may require it, and have concluded that the Company has sufficient resources to provide the support required by those subsidiaries in the going concern assessment period.

The directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis of accounting in the preparation of the accounts.

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

c) Basis of consolidation

The consolidated statement of comprehensive income, balance sheet and cash flow statement include the results, financial position and cash flows of the Company and its subsidiary undertakings, and the Group's share of profits or losses and reserves of its associates, from the date of acquisition and until the date of disposal. Intra-group sales, profits/(losses) and balances are eliminated fully on consolidation.

The Parent Company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the Parent Company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time; and
- No separate Parent Company Cash Flow Statement with related notes is included.

d) Revenue recognition

Turnover represents the invoiced amount of goods dispatched and services provided (stated net of value added tax, or other applicable sales taxes and net of trade discounts).

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Lottery turnover represents the amount receivable for lottery management services and money transfer, money handling and administration services (stated net of value added tax or other applicable sales taxes). Turnover is recognised when the lottery game or draw to which the services relate has taken place.

Rental income is recognised on an accruals basis. Rental income is recognised on a straight line basis over the shorter of the entire lease term or the period to the first break option. Where a lease incentive does not enhance the property, it is amortised on a straight line basis over the period from the date of lease commencement to the earlier of the first rent review to the prevailing market rent, the first break option, or the end of the lease term. On new leases with rent free periods, rental income is allocated evenly over the period from the date of lease commencement to the earlier of the first rent review to the prevailing market rate and the lease end date.

Turnover and profit in respect to the sale of property is recognised on legal completion.

Group turnover includes sales made by group undertakings to associates, but excludes sales by associates.

e) Foreign currencies

Transactions denominated in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date with any differences being taken to the profit and loss account.

f) Intangible fixed assets

i. Goodwill

Goodwill represents the excess of the fair value of the consideration paid for acquisitions over the fair value of net assets acquired. Goodwill is amortised on a straight line basis over the estimated economic life of the acquisition.

Following the transition to FRS102 in 2014, the goodwill arising on acquisition of The Health Lottery group in 2011 has been amortised over its estimated economic life of 10 years until 31 December 2024.

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Goodwill arising on associate acquisitions is amortised over its estimated useful economic life of 10 years.

These periods are the periods over which the directors estimate that the value of the underlying businesses acquired are expected to match the value of the underlying assets.

Assets are reviewed for impairment at the level of income-generating units whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the difference between the carrying amount and the recoverable amount and taken immediately to the profit and loss account. The recoverable amount is the higher of the asset's net realisable value and its value in use.

On the subsequent disposal or termination of a business acquired since 1 January 1998, the profit or loss on disposal or termination is calculated after charging/(crediting) the unamortised amount of any related goodwill/(negative goodwill).

g) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible fixed assets represents the purchase cost together with any incidental costs of acquisition (including interest costs). Depreciation is provided on all tangible fixed assets to write off the cost of each asset, less any estimated residual value, evenly over its expected useful life, as follows:

Leasehold land and buildings	50 years, estimated useful life or period of the lease, whichever is the shorter
Plant, computer and office equipment	3 to 10 years
Websites and game development	3 years

Assets in the course of construction are not depreciated.

The Group reviews its depreciation rates regularly to take account of technological changes, intensity of use over the life of the assets and market requirements.

The profit or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

h) Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and where the Group has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. An investment in an associate is accounted for under the equity method from the date on which it falls within the definition of an associate. On acquisition of the investment any difference between the cost of acquisition and the investor's share of the equity of the associate is described as goodwill. The Group's share of the profits and losses of the associate are disclosed separately in the Group's profit and loss account.

i) Impairment of fixed assets

At each reporting period end date, the Group and Parent Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and Parent Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

j) Stocks

Work in progress stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Costs comprise land and development costs including direct materials and, where applicable, subcontractor labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

k) Cash and liquid resources

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

l) Financial instruments

The Group and Parent Company have elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group and Parent Company's balance sheets when the Group or Parent Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets
Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except those investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Current asset investments are liquid resources which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying value or traded in an active market. Liquid resources comprise cash, equities, managed funds, corporate bonds and government securities.

Current asset investments are measured at fair value with the resultant gains or losses taken to the profit and loss account. Net gains and losses from current asset investments includes realised and unrealised fair value changes and foreign exchange gains and losses but excludes interest and dividend income.

Dividend income is recognised in the profit and loss account on the date at which the right to receive payment is established.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group or company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

m) Leases

Assets obtained under finance leases are capitalised and depreciated over the lesser of the period of the lease and the estimated useful life of the asset. Obligations relating to finance leases, net of finance charges in respect of future periods, are included in Creditors due within or after more than one year, as appropriate.

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Finance costs are charged to the profit and loss account and allocated to accounting periods during the lease term so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

Rental costs under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Assets leased to third parties under operating leases are capitalised and depreciated over the estimated useful life of the asset.

Rental income is recognised on a straight line basis over the shorter of the entire lease term or the period to the first break option. Where a lease incentive does not enhance the property, it is amortised on a straight line basis over the period from the date of the lease commencement to the earlier of the first break option, or the end of the lease term. On new leases with rent free periods, rental income is allocated evenly over the period from the date of lease commencement to the earlier of the first rent review and the lease end date.

n) Taxation

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

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

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted. The recoverability of tax losses is assessed by reference to forecasts, which have been prepared and approved by the directors.

Deferred tax assets and liabilities are not discounted and are calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on the tax rates substantively enacted at the balance sheet date.

o) Provisions

Provisions are recognised when the Group or Company has a legal or constructive present obligation as a result of a past event, it is probable that the Group or Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised in the profit and loss account in the period in which it arises.

Where the Parent Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

p) Employee benefits

Defined contribution plans:

Pension costs relating to defined contribution schemes are the amount of contributions payable for the year and are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's and Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The directors consider the judgement associated with these financial statements to be over the carrying value of investments (note 15), tangible fixed assets (note 14) and stocks (note 17), recoverability of debtor balances (note 18), including deferred tax assets (note 20), and provisions for liabilities and charges (note 22).

3. SEGMENTAL ANALYSIS

The Group's turnover and profit before taxation arise principally from its lottery management services, property development and other investment activities.

The Group's turnover, (loss)/profit before taxation and net assets are principally attributable to activities in the United Kingdom.

Segmental analysis is presented after elimination of intra-group sales, profits/(losses) and balances.

The abbreviations used below relate to the following segments:

LM	Lottery management
P&O	Property development and other

	LM 2025 £000	P&O 2025 £000	TOTAL 2025 £000
TURNOVER			
Turnover gross	5,553	9,258	**14,811**
Inter-segment sales	-	(111)	**(111)**
Third party sales	5,553	9,147	**14,700**
OPERATING LOSS	**(1,051)**	**(32,487)**	**(33,538)**
Common costs – net interest receivable			**884**
Loss on ordinary activities before taxation			**(32,654)**

3. SEGMENTAL ANALYSIS (Continued)

	LM 2024	P&O 2024	TOTAL 2024
	£000	£000	£000
TURNOVER			
Turnover gross	5,382	8,822	**14,204**
Inter-segment sales	-	(113)	**(113)**
Third party sales	5,382	8,709	**14,091**
OPERATING (LOSS)/PROFIT	**(2,717)**	**44,310**	**41,593**
Common costs – net interest receivable			**1,119**
Profit on ordinary activities before taxation			**42,712**

The common costs are the sum of other interest receivable and similar income of £884,000 (2024: £1.1 million).

Net operating assets/(liabilities)	**2025**	**2024**
	£000	**£000**
Lottery management	**(215,750)**	(213,957)
Property development and other	**280,189**	288,416
	64,439	74,459
Reconciliation of net operating assets to net assets		
Net operating assets	**64,439**	74,459
Investments (note 15)	**2,228**	2,228
Deferred tax asset (notes 18 and 20)	**9,575**	6,666
Current asset investments (note 19)	**297,199**	327,310
Cash at bank and in hand	**24,123**	16,719
	397,564	427,382

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2025	**2024**
	£000	**£000**
Provision of services	**5,425**	5,212
Commission	**128**	172
Rental income and other service charges	**9,147**	8,707
Total Group Turnover	**14,700**	14,091

5. INCOME FROM CURRENT ASSET INVESTMENTS

	2025 £000	2024 £000
Dividend income	**188**	118
Net fair value gain from current asset investments	**8,349**	43,494
Other income	**2,411**	10,054
	10,948	53,666

Other income includes realised gains from structured investments.

6. ADMINISTRATIVE EXPENSES

	2025 £000	2024 £000
Chairman's emoluments	**169**	195
Other administrative expenses	**50,115**	17,079
	50,284	17,274

Other administrative expenses include non-recurring overhead costs of £38.3 million (2024: £232,000), including an impairment of tangible fixed assets of £524,000 (2024: £232,000) (notes 7 and 14) and non-recurring legal costs relating to a legal claim of £37.8 million (2024: £nil). The legal costs include a provision of £22.0 million (2024: £nil) (notes 22 and 28).

7. NOTES TO THE PROFIT AND LOSS ACCOUNT

	2025 £000	2024 £000
(Loss)/profit on ordinary activities before tax is stated after charging/(crediting):		
Depreciation of tangible fixed assets (note 14)	**973**	899
Impairment of tangible fixed assets (note 14)	**524**	232
Amortisation of goodwill – acquisitions (note 13)	**-**	320
Operating lease rentals – land and buildings	**9,245**	9,233
Operating lease rentals – rental income	**(6,319)**	(6,053)
Foreign exchange loss/(gain)	**997**	(683)
Legal provision relating to legal claim (notes 22 and 28)	**22,044**	-
Legal costs relating to legal claim (note 28)	**15,751**	-

7. NOTES TO THE PROFIT AND LOSS ACCOUNT (Continued)

	2025 £000	2024 £000
Services provided by the Group's auditor and associated firms		
During the year, the Group (including its overseas subsidiaries) obtained the following services from KPMG LLP, at costs as detailed below:		
Audit services		
Fees payable to the Company's auditor for the audit of the Company and consolidated accounts	**57**	55
Other services		
Fees payable to the Company's auditor and its associates for the audit of associates to the Company pursuant to legislation	**263**	252

8. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

(a) Directors

	2025 £000	2024 £000
Emoluments	**1,345**	**1,321**
Company contributions to money purchase pension schemes	**10**	**10**
	1,355	**1,331**

Pension benefits are accruing to one director under money purchase pension schemes (2024: one director).

The above emoluments and pension contributions include the following amounts in respect of the highest paid director.

	2025 £000	2024 £000
Emoluments	**373**	357

(b) Staff costs (including directors)

	2025 £000	2024 £000
Wages and salaries	**2,874**	3,004
Social security costs	**381**	361
Contributions to defined contribution plans	**67**	65
	3,322	3,430

8. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (Continued)

Average number of people employed by activity:	2025 Number	2024 Number
Selling and distribution	-	1
Administration	39	40
	39	41

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2025 £000	2024 £000
Bank and term deposit interest receivable	933	1,119

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2025 £000	2024 £000
Other Interest payable	49	-

11. TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2025 £000	2024 £000
Current tax		
UK corporation tax on profit for the year at 25.0% (2024: 25.0%)	-	1,356
Adjustments in respect of previous periods	41	-
Foreign taxes suffered	32	18
Double taxation relief on profit on ordinary activities	-	(18)
Total current tax expense	73	1,356
Deferred tax		
Origination and reversal of timing differences (accelerated capital allowances and other)	(2,869)	3,938
Adjustments in respect of previous periods	(40)	(328)
Total deferred tax (income)/expense (note 20)	(2,909)	3,610
Total tax (income)/expense on profit on ordinary activities	(2,836)	4,966

Total tax analysed as:

	2025			2024		
	Current Tax £000	Deferred Tax £000	Total Tax £000	Current Tax £000	Deferred Tax £000	Total Tax £000
Recognised in profit and loss account	73	(2,909)	(2,836)	1,356	3,610	4,966
Total tax (income)/expense	73	(2,909)	(2,836)	1,356	3,610	4,966

11. TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES (Continued)

The tax assessed for the year differs from the rate of 25.0% (2024: 25.0%) and the differences are explained below:

	2025 £000	2024 £000
(Loss)/profit on ordinary activities before tax	**(32,654)**	42,712
(Loss)/profit on ordinary activities multiplied by the rate of 25.0% (2024: 25.0%)	**(8,164)**	10,678
Effects of:		
Net effect of expenses not deductible for tax and income not subject to tax	**296**	36
Excess of depreciation over capital allowances and other timing differences	**186**	148
Adjustments in respect of previous periods	**1**	(328)
Non tax deductible goodwill amortisation and other permanent differences	**-**	80
Movements in deferred tax assets not recognised	**4,813**	(5,648)
Foreign tax suffered	**32**	-
Total tax (income)/expense included in profit or loss	**(2,836)**	4,966

Factors that may affect future tax charges:

Based on current capital investment plans, the Group expects capital allowances to exceed depreciation in future years. Deferred tax assets not recognised relate to unutilised trading losses.

The Group has tax losses of £116.8 million (2024: £110.6 million) available to carry forward against future profits. Whilst the Group expects to be able to benefit from tax losses carried forward, a deferred tax asset has only been recognised in respect of £24.7 million (2024: £38.1 million) of the available losses as future benefit is not certain. The Group expects to be able to benefit from tax losses carried forward in the period to 2036 relating to future gains from current asset investments and profits from property development, although the timing of which is uncertain.

12. LOSS OF THE COMPANY

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own statement of comprehensive income. The Company's loss for the year amounted to £42.9 million (2024: £15.9 million), after a provision against amounts owed by group undertakings of £3.9 million (2024: £1.5 million), a charge for fixed asset investments impairment losses of £6.5 million (2024: £10.9 million) (note 15), a charge for tangible fixed assets impairments losses of £437,000 (2024: £132,000) (note 14), a release of a provision for onerous rental commitments at the main business premises, Number 10 Lower Thames Street, London of £4.4 million (2024: £1.2 million) (note 22), a release of a provision for other property related commitments of £3.2 million (2024: £3.2 million) (note 22) and non-recurring legal costs of £37.8 million (2024: £nil), including a provision £22.0 million (2024: £nil) for legal costs relating to a legal claim (notes 7 and 22).

13. INTANGIBLE FIXED ASSETS

	Goodwill £000
THE GROUP	
Cost:	
At 1 January 2025 and 31 December 2025	**3,988**
Amortisation:	
At 1 January 2025 and 31 December 2025	**3,988**
Net book amounts:	
At 31 December 2025	**-**
At 31 December 2024	-

14. TANGIBLE FIXED ASSETS

	Land and Buildings £000	Plant, Computer and Office Equipment £000	Websites and Game Development £000	Assets Under Construction £000	Total £000
THE GROUP					
Cost/valuation:					
At 1 January 2025	36,772	3,932	4,414	87	45,205
Additions	53	35	182	683	953
Disposals	-	-	-	(87)	(87)
At 31 December 2025	**36,825**	**3,967**	**4,596**	**683**	**46,071**
Depreciation:					
At 1 January 2025	31,197	3,830	4,014	-	39,041
Charge for the year	645	53	275	-	973
Impairment losses	437	-	-	87	524
Disposals	-	-	-	(87)	(87)
At 31 December 2025	**32,279**	**3,883**	**4,289**	**-**	**40,451**
Net book amounts:					
At 31 December 2025	**4,546**	**84**	**307**	**683**	**5,620**
At 31 December 2024	5,575	102	400	87	6,164

Land and buildings includes the following assets at net book value as at 31 December 2025:

- freehold land and buildings £nil (2024: £nil).
- short leasehold buildings – leasehold improvements £4.5 million (2024: £5.6 million).

The Group's policy is to carry out annual impairment reviews of its tangible fixed assets. Based on an assessment of cash generating units and future forecasts, including those directly associated with that of the onerous rental commitments provision (note 22), the directors consider that the carrying amount of land and buildings tangible fixed assets exceeded the recoverable amount by £437,000 (2024: £132,000), the carrying amount of plant, computer and office equipment tangible fixed assets exceeded the recoverable amount by £nil (2024: £100,000) and the carrying amount of assets under construction tangible fixed assets exceeded the recoverable amount by £87,000 2024: £nil). Consequently, the assets have been written down by this amount. The total impairment losses of £524,000 (2024: £232,000) have been recognised in administrative expenses in the profit and loss account (note 7).

14. TANGIBLE FIXED ASSETS (Continued)

	Land and Buildings	Plant, Computer and Office Equipment	Assets Under Construction	Total
	£000	£000	£000	£000
THE COMPANY				
Cost/valuation:				
At 1 January 2025	20,882	579	-	21,461
Additions	53	31	683	767
At 31 December 2025	**20,935**	**610**	**683**	**22,228**
Depreciation:				
At 1 January 2025	15,312	502	-	15,814
Charge for the year	644	40	-	684
Impairment losses	437	-	-	437
At 31 December 2025	**16,393**	**542**	**-**	**16,935**
Net book amounts:				
At 31 December 2025	**4,542**	**68**	**683**	**5,293**
At 31 December 2024	5,570	77	-	5,647

Land and buildings includes the following assets at net book value as at 31 December 2025:

- freehold land and buildings £nil (2024: £nil).
- short leasehold buildings – leasehold improvements £4.5 million (2024: £5.6 million).

The Company's policy is to carry out annual impairment reviews of its tangible fixed assets. Based on an assessment of cash generating units and future forecasts, including those directly associated with that of the onerous rental commitments provision (note 22), the directors consider that the carrying amount of land and buildings tangible fixed assets exceeded the recoverable amount by £437,000 (2024: £132,000) and consequently has been written down by this amount. The impairment losses of £437,000 (2024: £132,000) have been recognised in administrative expenses in the profit and loss account (note 12).

15. FIXED ASSET INVESTMENTS

THE GROUP

	2025 £000	2024 £000
Other investments – Unlisted	**2,228**	2,228

Other investments relate to minority interests in start-up ventures.

Impairment testing:

The Group's policy is to carry out annual reviews of its investments. Based on operating results for its other investments, future forecasts, their net assets and market comparables, the directors consider that the investments' recoverable amount is greater than its carrying amount and consequently no impairment is considered necessary.

THE COMPANY

	2025 £000	2024 £000
Investments in subsidiaries	**162,561**	169,091

Shares in group undertakings

	2025 £000	2024 £000
Cost:		
At 1 January	**385,776**	380,291
Additions	**-**	5,485
At 31 December	**385,776**	385,776
Provision for impairment:		
At 1 January	**216,685**	205,812
Impairment losses	**6,530**	10,873
At 31 December	**223,215**	216,685
Net book amounts:		
At 31 December	**162,561**	169,091

In prior periods, group companies surrendered tax losses for no consideration, but certain subsidiaries within the group did not have sufficient distributable reserves and so should have received consideration for the losses surrendered. The addition to investments of £nil million (2024: £5.5 million) represents the value of these losses surrendered in prior years, which has subsequently been fully impaired. In 2024, the impact of the above was not material to the prior year financial statements of the parent company, therefore it was adjusted during the year ended 31 December 2024. In 2024, the directors changed the policy and tax losses surrendered between group companies are now being paid for.

Investments in group undertakings are stated at cost less any provision for permanent diminution in value.

15. FIXED ASSET INVESTMENTS (Continued)

Impairment testing:

The Company's policy is to carry out annual reviews of its investments. Based on operating results for the subsidiary undertakings, future forecasts and their net assets, the directors consider that the investments' carrying amount exceeded the recoverable amount by £6.5 million (2024: £10.9 million) and consequently has been written down by this amount. The impairment loss related to the Group's lottery division and has been recognised within administrative expenses in the profit and loss account of the Company (note 12).

The recoverable amount of investments has been assessed with reference to its value in use which is calculated as the net present value of future cash flows using a post-tax discount rate of 10% (2024: 10%) as well as a terminal growth rate of 0% which the directors consider to be representative of the Group and the market in which it operates.

In relation to the lottery division, there are a number of different operational and strategic paths that the lottery business may follow. Therefore, given the range of potential outcomes the directors have prepared discounted cash flows for a number of scenarios, including a current base case scenario supported by additional investment in the business, together with variations on that with flexed operational, gaming and marketing strategies. The scenarios were also sensitised for variations in lottery ticket sales.

The Group is committed to the future success and longevity of The Health Lottery. However, due to uncertainty around some of the factors outlined above, there is ultimately uncertainty over the future forecasts and strategy of The Health Lottery. Therefore, in carrying out their impairment review, the directors assessed the range of forecasts covering each different strategy and applied probabilities against each scenario. The forecasts give a range of recoverable values, including certain downside scenarios which would indicate further impairments, but based on the available evidence and taking a balanced valuation, the directors consider that the investments' carrying amount for the lottery division exceeded the recoverable amount by £6.5 million (2024: £10.9 million) and consequently has been written down by this amount. The impairment loss has been recognised within administrative expenses in the profit and loss account of the Company (note 12).

The range of recoverable values under each scenario are sensitive to a number of factors, including discount rate, variations in lottery ticket sales and the operational strategy followed. For a one percentage point increase in the discount rate the impairment losses would increase by £457,000. For a one to three percentage point reduction in sales growth the impairment losses would increase by £940,000 and £3.4 million, respectively. The carrying amount assumes a base case scenario supported by additional investment in equal weighting to a base case scenario without additional investment. However, in the event that a base case scenario without the additional investment is more likely, then the impairment losses may increase by £752,000.

16. SUBSIDIARIES

At 31 December 2025, the Company held direct interests in the following subsidiary undertakings:

Company Name	Class of shares	Holding (%)	Country of incorporation	Principal Activity
LTS Rentals Limited	Ordinary	100	United Kingdom	Dormant
Northern & Shell Group Limited	Ordinary	100	United Kingdom	Dormant
Northern & Shell Lotteries Limited	Ordinary	100	United Kingdom	Holding company
Northern & Shell Properties Limited	Ordinary	100	United Kingdom	Holding company
Northern & Shell Services Limited	Ordinary	100	United Kingdom	Service Company
Northern & Shell Ventures Limited	Ordinary	100	United Kingdom	Media assets exploitation
NS Jersey Finance Limited	Ordinary	100	United Kingdom	Dormant
The New Lottery Company Holdings Limited	Ordinary	100	United Kingdom	Holding company

At 31 December 2025, the Company held indirect interests in the following subsidiary undertakings:

Company Name	Class of shares	Holding (%)	Country of incorporation	Principal Activity
Health Lottery ELM Limited	Ordinary	100	United Kingdom	Lottery management services
Health Lottery Financial Limited	Ordinary	100	United Kingdom	Money handling, money transfer and administration services
Health Lottery Trustee Company Limited	Ordinary	100	United Kingdom	Dormant
Northern & Shell Broadcasting (CI) Limited	Ordinary	100	Jersey	Holding company
Northern & Shell Enterprises Limited	Ordinary	100	United Kingdom	Dormant
The Health Lottery Limited	Ordinary	100	United Kingdom	Lottery management services
The New Lottery Company Limited	Ordinary	100	United Kingdom	Lottery management services
Westferry Developments Limited	Ordinary	100	United Kingdom	Property development

All of the above companies are consolidated within the Group’s financial statements.

17. STOCKS

	2025 £000	2024 £000
Work in progress	**88,633**	85,554

Movements in work in progress:

	£000
At 1 January	85,554
Additions	3,079
At 31 December	**88,633**

The Group's policy is to carry out an annual impairment review of its stock. In 2023, the Group submitted a revised scheme for planning approval to seek to improve the current consented scheme and full planning permission was granted in February 2025. In carrying out their impairment review, there are a number of different variants to consider, including the development costs, sales price per sq.ft. and deliverability of the scheme. Following receipt of several unsolicited enquiries, the Group engaged Savills to run a potential sale process for the development. A range of indicative offers were received, which the directors consider indicate that the stock's recoverable amount is greater than its carrying amount and consequently no impairment is considered necessary.

Work in progress is expected to be recoverable during the period in more than one year.

18. DEBTORS

	The Group 2025 £000	The Group 2024 £000
Trade debtors	**1,172**	345
Other debtors	**3,012**	864
Prepayments and accrued income	**7,687**	6,250
Deferred tax asset (note 20)	**9,575**	6,666
	21,446	14,125

	The Company 2025 £000	The Company 2024 £000
Trade debtors	**1,172**	259
Amounts owed by group undertakings	**42,041**	37,189
Amounts owed by group undertakings in respect of group relief	**4,209**	854
Other debtors	**108**	2
Prepayments and accrued income	**7,579**	6,080
	55,109	44,384

Debtors include deferred tax assets of £9.6 million (2024: £6.7 million) for the Group and amounts owed by group undertakings of £42.0 million (2024: £37.2 million) for the Company, which are expected to be recoverable during the period in more than one year.

Amounts owed by group undertakings carry interest at 2.0% above base rate, are unsecured and repayable on demand. Amounts owed by group undertakings in respect of group relief are non-interest bearing.

19. CURRENT ASSET INVESTMENTS

THE GROUP

	2025 £000	2024 £000
Listed equity investments	**44,982**	30,772
Structured products based on listed equities	**205,857**	224,328
Structured products based on commodities and other	**-**	10,342
Digital funds	**29,103**	46,481
Equity funds	**11,535**	15,387
Commodities and other funds	**5,722**	-
Total investments	**297,199**	327,310

The Group holds a mixed portfolio of current asset investments. The fair value of the investments is recorded based on the value of the investments reported by the investment administrator, which is determined from the underlying listed equity, commodity or, in the case of investments in funds, using the net asset value of the fund at the reporting date.

Short term cash deposits of three months or less are recognised within cash at bank and in hand. Included within the digital funds balance of £46.5 million as at 31 December 2024 is an asset of £4.0 million classified as 'in transit'. The asset was contractually committed to and funds transferred in December 2024, with a dealing date on 1 January 2025.

The Group mitigate the risk of loss of capital through diversification of its investment portfolio, including holding structured investments which have downside protection to limit losses. Portfolio exposure, including in relation to digital funds, is actively monitored with key risks managed through appropriate investment horizons, maintaining a diversified portfolio and use of regulated, reputable investment managers. Digital funds include cryptocurrencies.

The movement during the year in current asset investments is:

	2025 £000	2024 £000
At 1 January	**327,310**	284,939
Additions	**137,896**	191,255
Disposals	**(176,356)**	(192,378)
Net fair value gain on revaluation	**8,349**	43,494
At 31 December	**297,199**	327,310

20. DEFERRED TAX ASSET

THE GROUP

	£000
At 1 January 2025 – asset	**6,666**
Credited to the profit and loss account (note 11)	**2,909**
At 31 December 2025 – asset	**9,575**

The deferred taxation recognised in these financial statements is as follows:

	2025 £000	2024 £000
Deferred tax recognised		
Accelerated capital allowances	**2,149**	2,592
Other timing differences	**1,255**	(5,447)
Losses	**6,171**	9,521
Total deferred tax asset recognised	**9,575**	6,666
1 January	**6,666**	10,276
Deferred tax income/(expense) in profit and loss account (note 11)	**2,909**	(3,610)
At 31 December	**9,575**	6,666

Based on current capital investment plans, the Company and the Group expect capital allowances to exceed depreciation in future years. Deferred tax is measured on a non-discounted basis at the rates that are expected to apply in the period when the liability is settled or the asset is realised, based on the tax rates substantively enacted at the balance sheet date. Other timing differences include a liability of £6.8 million (2024: £13.5 million) relating to unrealised gains on current asset investments (note 19) and an asset of £7.8 million (2024: £7.8 million) relating to the difference in carrying value and tax base for work in progress included in stocks (note 17).

The Company has tax losses of £29.9 million (2024: £31.0 million) available to carry forward against future profits. Whilst the Company expects to be able to benefit from tax losses carried forward, no deferred tax asset has been recognised as future benefit is not certain.

21. CREDITORS: amounts falling due within one year

	The Group	
	2025 £000	2024 £000
Trade creditors	**696**	1,798
Corporation tax	**-**	1,340
Other creditors	**3,442**	3,484
Taxation and social security	**103**	98
Accruals and deferred income	**4,178**	2,384
	8,419	9,104

21. CREDITORS: amounts falling due within one year (Continued)

	The Company	
	2025	**2024**
	£000	**£000**
Trade creditors	**208**	1,135
Amounts owed to group undertakings	**130,654**	99,189
Other creditors	**795**	803
Taxation and social security	**74**	12
Accruals and deferred income	**3,448**	1,494
	135,179	102,633

Amounts owed to group undertakings carry interest at 2.0% above base rate, are unsecured and repayable on demand.

22. PROVISIONS FOR LIABILITIES AND CHARGES

The Group	**Property £000**	**Other £000**	**Total £000**
At 1 January 2025	**15,614**	**-**	**15,614**
Utilised or released during the year	**(4,392)**	**-**	**(4,392)**
Additions	**-**	**22,044**	**22,044**
At 31 December 2025	**11,222**	**22,044**	**33,266**

Property provisions of £11.2 million (2024: £15.6 million) relate to the provision for onerous rental commitments at the main business premises, Number 10 Lower Thames Street, London. Other provisions of £22.0 million (2024: £nil) relate to the provision for legal claims (notes 7 and 28). The property provisions and other provisions are expected to be utilised during the period to 31 December 2033 and 31 December 2026, respectively.

The Group was actively engaged in bidding for the 4th UK National Lottery licence. The award decision was made by the Gambling Commission in March 2022 and unfortunately, after what they describe as a 'fair, open and robust competition', the Group was not selected to be the 'Preferred Applicant'. Having reviewed the competition decision, the Group legally challenged the fairness and integrity of the bid process on a number of grounds and extended the action to encompass a claim alleging unlawful modifications to the lottery contract upon which the applicants had bid and on which the Group was effectively denied the opportunity to re-tender (the 'Modification Claim'). The majority of the trial proceedings were completed prior to 31 December 2025. However, a further hearing took place in January 2026 in relation to certain aspects of the Modification Claim.

In April 2026, the Court determined that the Group had been unsuccessful in its claim. Accordingly, the Group will be liable for a proportion of the costs of both the Gambling Commission, as defendant, and Allwyn, as an Interested Party. The precise costs are yet to be determined, however, at a hearing held on 22 May 2026, the Court ordered that the Group, as unsuccessful claimants, should pay £29.0 million as a payment on account, representing 75% of the Gambling Commission's costs and 70% of Allwyn's costs, respectively. The amounts were paid in June 2026, in accordance with the due dates.

The directors have assessed the extent to which the subsequent judgement provides evidence of conditions existing at the reporting date. Accordingly, a provision of £22.0 million has been recognised at 31 December 2025 in respect of the estimated adverse costs associated with the elements of the proceedings that had concluded before the reporting date. The provision represents the directors' estimate of the costs required to settle the obligation, taking into account the court order received and the information available at the time of signing the financial statements. The remaining potential obligation associated with aspects of the proceedings that continued after the reporting date has not been recognised and is disclosed as a contingent liability (notes 26 and 28). The final determination of costs remains subject to further court assessment.

On 12 June 2026, the Group applied to the Court of Appeal seeking permission to appeal part of the judgement relating to the Modification Claim.

22. PROVISIONS FOR LIABILITIES AND CHARGES (Continued)

The Company	**Property £000**	**Other £000**	**Total £000**
At 1 January 2025	**43,890**	**-**	**43,890**
Utilised or released during the year	**(7,610)**	**-**	**(7,610)**
Additions	**-**	**22,044**	**22,044**
At 31 December 2025	**36,280**	**22,044**	**58,324**

Property provisions of £36.3 million (2024: £43.9 million) relate to the provision for onerous rental commitments of £11.2 million (2024: £15.6 million) and other property related commitments of £25.1 million (2024: £28.3 million) at the main business premises, Number 10 Lower Thames Street, London. Other provisions of £22.0 million (2024: £nil) relate to the provision for legal claims (note 28). Refer to the section above for details on the legal claim, which relate to the Company and the Group. The property provisions and other provisions are expected to be utilised during the period to 31 December 2033 and 31 December 2026, respectively.

The property provisions calculated for the Company and Group reflect market, credit and occupancy risks and were calculated using a discount rate of 4.5% (2024: 4.6%) which the directors consider to be representative of the Group and market in which it operates.

23. OPERATING LEASE COMMITMENTS

At 31 December 2025, the Group had total commitments under non-cancellable operating leases as follows:

	2025 £000	**2024 £000**
Within one year	**9,246**	9,246
Between two and five years	**39,927**	38,454
More than five years	**29,746**	40,465
	78,919	88,165

24. SHARE CAPITAL

	The Group & Company			
	Authorised		**Allotted and Fully Paid**	
	2025 £000	**2024 £000**	**2025 £000**	**2024 £000**
110,000 Ordinary shares of £1 each	**110**	110	**110**	110

25. PENSION SCHEMES

The Group participates in a defined contribution scheme for its employees. Contributions are charged to the profit and loss account to reflect amounts payable under the scheme. The charge for the year was £67,000 (2024: £65,000). At 31 December 2025, contributions of £6,000 were outstanding (2024: £5,000). These have been paid in full after the year end.

26. GUARANTEES AND CONTINGENT LIABILITIES

In 2014, Westferry Developments Limited, a subsidiary undertaking, acquired freehold interest in property for the total sum of £18.1 million, included in stock (note 17). Under the terms of the acquisition deed, further amounts may become due payable to the seller, a third party. Accordingly, as at 31 December 2025, Westferry Developments Limited held in place a bank guarantee. The bank, subject to the terms of the guarantee but otherwise unconditionally, undertakes to pay to the seller on demand any sum or sums due under the terms of the guarantee to an amount not exceeding £719,000. Westferry Developments Limited has also pledged cash balances to an amount of £719,000 in a restricted account as security for the bank guarantee facility. These amounts are included in ‘cash at bank and in hand’ in the Group’s balance sheet.

As at 31 December 2025, Westferry Developments Limited held in place bank guarantees totalling £719,000 (2024: £719,000). After the year end, Westferry Developments Limited and the seller entered into a deed to release the company from any obligations pursuant to the terms of the acquisition deed. Under the terms of the deed of release, Westferry Developments Limited paid a consideration of £500,000 to the seller. Accordingly, the bank guarantee was cancelled and the cash balances were no longer held in a restricted account as security.

As described in notes 22 and 28, judgement was issued in April 2026 in respect of claims brought by the Group against the Gambling Commission. The directors have concluded that a portion of the potential adverse costs exposure relates to aspects of the proceedings that remained ongoing after 31 December 2025, with a further hearing after the reporting date. Based on the court order received and the information available at the time of signing the financial statements, the directors estimate that the Group’s exposure in respect of this matter is in the region of £7.0 million, although the final amount will depend upon completion of the court’s costs assessment process. Therefore, the ultimate liability may differ from this estimate. A payment on account of costs was made in June 2026 following the court’s order. On 12 June 2026, the Group applied to the Court of Appeal seeking permission to appeal part of the judgement relating to the claims (notes 22 and 28).

27. RELATED PARTY TRANSACTIONS

Badger Property Partners LLP, of which Mr. R.C. Desmond is a member, owns the Number 10 Lower Thames Street property which is the head office of the Northern & Shell Group. The Number 10 Lower Thames Street property is leased to the Group for a period of 20 years from 10 October 2013, for an annual rental of £9.2 million and with a rent review every 5 years. The charge for the year was £9.2 million (2024: £9.2 million). No amounts were due to Badger Property Partners LLP as at 31 December 2025 (2024: £nil).

The Company has taken advantage of the exemption available under FRS 102 from disclosing transactions with other group undertakings that form part of the wholly owned Group. The remuneration of key management personnel is the same as the directors remuneration as disclosed in note 8.

28. EVENTS AFTER THE REPORTING DATE

During the year, the Group was claimant in legal proceedings against the Gambling Commission in respect of the bidding process for the 4th UK National Lottery licence. In April 2026, the Court determined that the Group had been unsuccessful in its claim. Accordingly, the Group will be liable for a proportion of the costs of both the Gambling Commission, as defendant, and Allwyn, as an Interested Party. The precise costs are yet to be determined, however, at a hearing held on 22 May 2026, the Court ordered that the Group, as unsuccessful claimants, should pay £29.0 million as a payment on account, representing 75% of the Gambling Commission’s costs and 70% of Allwyn’s costs, respectively. The amounts were paid in June 2026, in accordance with the due dates.

The final determination of costs remains subject to further court assessment. However, based on the court order received and the information available at the time of signing the financial statements, the directors currently estimate the total adverse costs exposure to be £29.0 million. The directors have concluded that the judgement provides evidence of conditions existing at 31 December 2025 in respect of those matters heard before the reporting date and have therefore recognised a provision of £22.0 million in these financial statements. The remaining estimated exposure of £7.0 million relates to matters that continued to be heard after the reporting date and has therefore not been recognised at 31 December 2025 (notes 22 and 26). On 12 June 2026, the Group applied to the Court of Appeal seeking permission to appeal part of the judgement relating to the claims.

28. EVENTS AFTER THE REPORTING DATE (Continued)

After the reporting date, as part of the Group's increasingly international outlook, a new holding company was established. Accordingly, RCD Global Wealth Holdings Limited, a Jersey incorporated company, now owns 100% of the ordinary share capital of the Company. Additionally, the Company also re-registered as a limited company, changing its name to Northern & Shell Limited.

29. ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is RCD Global Wealth Holdings Limited, incorporated in Jersey (note 28).

The ultimate controlling party is Mr. R.C. Desmond, the Chairman of the Company.

RCD Global Wealth Holdings Limited was incorporated after the reporting date and therefore has not prepared consolidated financial statements for the year ended 31 December 2025.