

LOTÉRIE ROMANDE FINANCIAL REPORT

2015

EN

FR



CONTENTS

2	Balance sheet
3	Income statement
4	Cash flow statement
5	Statement of movements in equity & Breakdown
6	Breakdown of profit by canton
7	Notes to financial statements
18	Auditors' report

BALANCE SHEET

(in CHF)

		Notes	2015	2014
ASSETS				
Current assets	Cash and liquid assets	3	174,014,632	181,304,724
	Short-term deposits	4	40,549,002	40,278,946
	Retailers	5	12,411,201	12,397,831
	Other short-term receivables	6	15,768,491	17,391,068
	Net inventories	7	3,337,757	3,027,937
	Pre-paid expenses and accrued income	8	5,521,281	7,519,930
			251,602,363	261,920,435
Fixed assets	Tangible fixed assets	9	60,029,951	49,792,910
	Financial fixed assets	10	23,085,809	23,086,204
	Intangible fixed assets	11	14,612,220	17,931,044
			97,727,980	90,810,157
TOTAL ASSETS			349,330,343	352,730,592
LIABILITIES				
Current liabilities	Winnings and prizes payable	12	16,078,331	15,066,135
	Players' wallets	13	2,688,202	2,858,947
	Trade accounts payables	14	3,233,547	5,850,878
	Profit to be paid out	15	46,343,367	42,713,545
	Other liabilities	16	4,814,463	6,103,341
	Short-term provisions	17	2,803,592	2,871,884
	Accrued charges and deferred income	18	20,623,711	19,110,423
			96,585,213	94,575,154
Equity	Guarantee fund		862,000	862,000
	Free reserve		47,348,868	45,848,868
	Net profit		204,534,261	211,444,570
			252,745,130	258,155,439
TOTAL LIABILITIES			349,330,343	352,730,592

INCOME STATEMENT

(in CHF)

		Notes	2015	2014
GROSS GAMING REVENUES		20	376,822,634	387,641,965
Other operating income	Regulatory duties and adjustments		5,225,013	5,250,151
	Income from rebilling		437,567	494,257
Operating costs	Comlot supervision fees		-775,755	-762,660
	Levy for prevention of excessive gambling		-1,884,113	-1,938,210
	Commission fees	21	-70,463,545	-71,874,502
	Retailers' expenses		-632,087	-666,000
	Producing games		-4,962,429	-5,047,702
	Operating games		-13,136,853	-14,493,180
	IT		-19,053,989	-18,653,355
	Personnel costs		-27,734,261	-27,392,353
	General overheads & administrative costs		-7,567,842	-7,053,482
	Marketing, publicity & communications		-13,817,968	-15,235,390
	Sales & promotional events		-2,497,721	-2,695,550
	Depreciation & impairment		-15,365,692	-16,554,431
	Operating costs	22	-104,768,843	-107,791,442
OPERATING PROFIT			204,592,958	211,019,560
	Financial costs & income	23	291,053	265,565
PROFIT FROM ORDINARY OPERATIONS			204,884,011	211,285,125
	Non-operating costs & income	24	-349,750	159,445
NET PROFIT			204,534,261	211,444,570

CASH FLOW STATEMENT

(in CHF)

		2015	2014
CASH AS OF 1 JANUARY		181,304,724	191,068,390
Cash flow from operating activities	Net profit	204,534,261	211,444,570
	+ Depreciation & impairment	15,365,692	16,554,431
	+ / - Allocation to/release of provisions	-	-
	+ / - Other non-cash items	404	86
	+ / - Proceeds from sale of fixed assets	-	93
	Cash flow from operating activities	219,900,358	227,999,180
	+ / - Trade accounts receivable	-13,370	4,576,390
	+ / - Inventories	-309,821	-816,989
	+ / - Other receivables and accrued assets	3,621,226	889,579
Cash flow from investing activities	+ / - Trade accounts payables	-2,617,331	-399,750
	+ / - Other short-term debts and accrued liabilities	997,569	-4,160,294
	Increase/decrease in working capital	1,678,273	88,936
	Net cash from operating activities	221,578,631	228,088,116
	+ / - Short-term deposits	-270,066	-10,000,070
	- Investment in tangible fixed assets	-18,250,525	-17,847,839
	- Investment in intangible fixed assets	-4,033,384	-6,144,727
	+ Disposal of fixed assets	-	185
	Net cash from investments	-22,553,975	-33,992,451
Cash flow from financing activities			
	- Distribution of prior-year profits	-206,314,748	-203,859,331
	Net cash used in financing activities	-206,314,748	-203,859,331
CHANGE IN CASH POSITION		-7,290,092	-9,763,666
NET CASH AS OF 31 DECEMBER		174,014,632	181,304,724

STATEMENT OF MOVEMENTS IN EQUITY

(in CHF)

	Guarantee fund	Profit to be paid out	Free reserve	Net profit
Equity as at 1 January 2014	862,000	209,008,722	42,848,868	
Profit to be paid out		-206,008,722		
Allocation to/Use of free reserve		-3,000,000	3,000,000	
Net profit for the year				211,444,570
EQUITY AS AT 31 DECEMBER 2014	862,000	-	45,848,868	211,444,570
Equity as at 1 January 2015	862,000	211,444,570	45,848,868	
Profit to be paid out		-209,944,570		
Allocation to/Use of free reserve		-1,500,000	1,500,000	
Net profit for the year				204,534,261
EQUITY AS AT 31 DECEMBER 2015	862,000	-	47,348,868	204,534,261

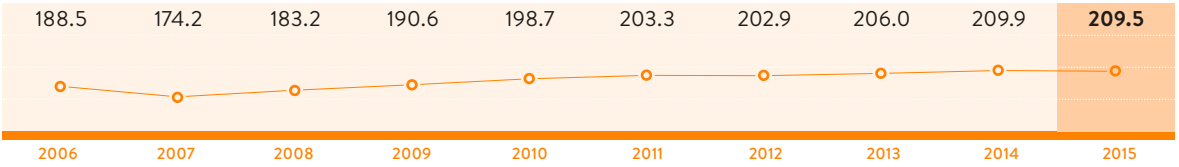
BREAKDOWN

(in CHF)

Profits in 2015	204,534,261
- Allocation to/+ Use of free reserve	5,000,000
TOTAL PROFIT FOR DISTRIBUTION	209,534,261
ADEC (Equestrian sport)	-3,829,008
TOTAL PROFIT FOR DISTRIBUTION	205,705,253
5/6ths TO DISTRIBUTING BODIES AND AGENCIES	171,421,044
1/6th ALLOCATED TO SPORT	34,284,209
Detailed breakdown	
- Swiss Olympic	
Swiss Football Association; National football and ice-hockey leagues	6,592,762
- Share allocated to cantonal distributing bodies for sport	27,691,446

DISTRIBUTION

(in CHF million)



BASIS FOR DISTRIBUTION OF PROFITS

(in CHF)

GROSS GAMING REVENUES (GGR)

	Vaud	Fribourg	Valais	Neuchâtel	Geneva	Jura	Total
Instant/scratch-card games	40,763,211	10,648,139	22,447,054	11,078,348	15,580,462	4,629,305	105,146,517
Draw-based games	53,815,199	18,525,390	29,101,367	11,488,057	25,335,412	5,008,159	143,273,582
Sports betting	1,968,012	755,147	1,057,744	531,674	1,635,037	139,320	6,086,934
Loterie électronique	34,591,001	6,007,804	15,763,731	8,277,465	21,224,516	3,034,901	88,899,419
PMUR	13,168,548	1,934,921	4,066,547	3,509,440	9,076,286	1,660,441	33,416,182
TOTAL	144,305,971	37,871,400	72,436,443	34,884,984	72,851,712	14,472,125	376,822,634

POPULATION

	Vaud	Fribourg	Valais	Neuchâtel	Geneva	Jura	Total
POPULATION	761,446	303,377	331,763	177,327	477,385	72,410	2,123,708

BREAKDOWN OF PROFITS BY CANTON

(in CHF)

SHARE ALLOCATED TO CANTONAL DISTRIBUTING BODIES AND AGENCIES

	Vaud	Fribourg	Valais	Neuchâtel	Geneva	Jura	Total
Population	30,731,124	12,243,962	13,389,590	7,156,723	19,266,734	2,922,388	85,710,522
GGR	32,823,241	8,614,072	16,476,095	7,934,795	16,570,550	3,291,770	85,710,522
TOTAL	63,554,365	20,858,035	29,865,685	15,091,518	35,837,284	6,214,158	171,421,044

SHARE ALLOCATED TO CANTONAL DISTRIBUTING BODIES FOR SPORT

	Vaud	Fribourg	Valais	Neuchâtel	Geneva	Jura	Total
Population	4,964,322	1,977,896	2,162,962	1,156,101	3,112,358	472,084	13,845,723
GGR	5,302,284	1,391,522	2,661,557	1,281,791	2,676,815	531,754	13,845,723
TOTAL	10,266,606	3,369,418	4,824,519	2,437,892	5,789,174	1,003,838	27,691,446

NOTES TO ANNUAL FINANCIAL STATEMENTS

(With comparable 2014 data / expressed in Swiss francs (CHF))

1. General information

Société de la Loterie de la Suisse Romande is a private-law non-profit-making association. It is governed by Articles 60ff of the Swiss Civil Code. Loterie Romande has its registered head office in Lausanne. Its business object is to organise and operate, with the due authorisations as laid down in legislation, lottery games and betting involving draws in money and in kind, and to redeploy net profits generated from this to public-service institutions and associations – social-welfare, cultural, research or sporting – working for the community in the cantons of French-speaking Switzerland.

2. Accounting and valuation principles

Basis on which the accounts have been compiled

The annual accounts for the 2015 financial year have been compiled in compliance with all Swiss GAAP Accounting & Reporting Recommendations (ARR), as applied since 2013. As a result, the company's annual accounts represent a true and fair view of the company's assets, financial position and results.

These accounts have been drawn up on the basis of the 'going concern' principle. The accounts are prepared according to the historical cost principle. The accounting years are defined in accordance with the accrual basis of accounting.

Transactions in foreign currencies

Transactions in foreign currencies are converted at the exchange rate at the end of the previous month. Currency gains and losses resulting from completion of such transactions, as well as the revaluation of balance-sheet items in foreign currencies to the exchange rate on the period-closing date, are booked in the income statement for the period.

Transactions with associated parties

No transaction of any significance was undertaken with associated parties.

Cash and liquid assets

This item includes cash in hand and liquid assets held in postal accounts and at banks that can be readily converted into cash. Cash and liquid assets are valued at their nominal value. Assets in foreign currencies are valued at the exchange rate applicable on the period-closing date.

Short-term deposits

Financial investments extend up to a maximum duration of one year. These are valued at their nominal value.

Retailers' current-account balances

Current-account balances of retailers marketing our lottery games represent, at nominal value, the total stake money cashed on the company's behalf, after deduction of winnings paid out by retailers and retailers' commission fees. A provision for losses on accounts receivable is calculated each year. The principle for calculating this is as follows:

% of amount receivable

15%	up to 30 days
50%	up to 60 days
100%	over 60 days

Other short-term receivables

Other short-term receivables are booked at nominal value with due account being taken of any requisite value adjustments.

Inventories

Inventories bought are valued at acquisition cost after correction for any necessary value adjustments. Discounts or rebates are treated as reductions in the acquisition cost.

Pre-paid expenses and accrued income

This item covers costs paid in advance chargeable to the following financial year, together with income relating to the current financial year that will only be cashed at a later date. Prepaid expenses and accrued income are valued at their nominal value.

Tangible and intangible fixed assets

Tangible and intangible assets are valued at their acquisition cost, less any required depreciation charges. Depreciation of fixed assets is calculated using the straight-line method over their economically useful lifetimes.

Lifetimes for various assets:

Buildings	33 years
Installations & equipment	10 years
IT hardware	4-8 years
Furniture, fixtures & fittings	2-10 years
Fixtures & fittings at points of sale	5 years
Audiovisual equipment	4 years
Vehicles	4 years
Software	4-6 years

Depreciation commences as soon as the fixed asset starts being used.

The value of tangible and intangible fixed assets is subject to examination if signs are noticed indicating the asset's book value might be lower than its recoverable value. The detailed examination is presented in Notes 9 and 11.

Financial fixed assets

Financial fixed assets include a single participation and a long-term loan secured by property. These fixed assets are valued at acquisition cost after deduction for economically necessary value adjustments. Those denominated in foreign currencies are booked at the exchange rate applicable on the period-closing date. Balances in bank accounts acting as collateral for rent guarantees also come under this heading.

Current liabilities

These liabilities are booked at their nominal value. Current liabilities comprise all debts with maturities of less than 12 months.

Pension liabilities

Pension liabilities are calculated on the basis of the balance sheet of the occupational retirement benefit plan established in accordance with Swiss GAAP/ARR Standard No. 26.

Provisions

Probable liabilities based on a past event and the amount of which, the probability of it happening and when, cannot be stipulated with any certainty, but can be estimated reliably, are booked under provisions. For instance, this could relate to liabilities connected with legal or other such proceedings.

Accrued charges and deferred income

This item comprises expenses or costs chargeable to the current financial year, but which will only be paid at a later stage, as well as any income received in advance, but relating to the subsequent financial year. Accrued charges and deferred income are valued at their nominal value.

Equity – Guarantee fund

This item corresponds to the sum at historical cost paid by the five French-speaking cantons when the Loterie Romande was set up in 1937. It also includes the sum paid in by the Canton of Jura when it was created in 1979.

Free reserve

The free reserve corresponds to a fund the Board of Directors and the General Assembly may decide to pay into or draw down. Allocated from profits generated in the annual accounts, sums considered appropriate are set aside for the free reserve necessary for sound long-term management of the company's funds. Redeploying this free reserve must meet this long-term management goal. The Board of Directors submits a proposal to set aside or use these free reserves for approval by the General Assembly.

Gross gaming revenues

Gross gaming revenues (GGR) constitute the difference between the money staked by players and the winnings paid out, adjusted for the theoretical payout ratio as defined in the draw schedule.

Approval of accounts

The annual accounts were approved by the Board of Directors at its meeting on 29 March 2016.

Significant events that occurred after the year-end closing date

The value of assets and liabilities is adjusted when and if significant events, which were generated or conditions for which existed at the time of the balance-sheet date, would modify values as of the year-end closing date. Such adjustments can occur up to the date when the financial accounts are approved by the Board of Directors. Events not altering balance-sheet values are presented in these Notes to the accounts.

For the 2015 financial year, no significant event occurred after the year-end closing date.

3. Cash/liquid assets

	2015	2014
Cash in hand	22,701	17,402
PostFinance	66,172,150	79,109,613
Cash held at banks	107,819,780	102,177,709
	174,014,632	181,304,724

The striking feature of 2015 was the Swiss National Bank's decision to impose negative interest rates. In response, banks set thresholds for assets and, above those ceilings, negative

interest rates were applied. These interest expenses amounted to a charge of around CHF 33,142 for Loterie-Romande.

4. Short-term deposits

	2015	2014
Short-term deposits	40,549,002	40,278,946
	40,549,002	40,278,946

Such deposits are contracted with financially sound counterparties in accordance with a stringent in-house procedure ratified by the Board of Directors. There are no deposits held in foreign currencies.

The rates of interest are calculated on the basis of going rates on the interbank market (LIBOR). Some loans were contracted with a rate of 0% so as to reduce the impact of negative interest rates on Loterie Romande's assets.

5. Retailers' current-account balances

	2015	2014
Retailers' current-account balances	12,811,201	12,797,831
Provision for losses on receivables	-400,000	-400,000
NET RETAILERS' BALANCES	12,411,201	12,397,831

Invoicing is done weekly, except for sales outlets operating horse-race betting (PMU), for which billing is done three times a week. Payments are collected at the end of the week,

except for sizeable accounts, where the payment deadline is 30 days.

6. Other short-term receivables

	2015	2014
Société simple Euro Millions	5,495,405	6,623,443
Distributing bodies and ADEC	7,968,490	9,534,240
Withholding tax paid at source	951,235	329,512
Other receivables	1,353,360	903,873
	15,768,491	17,391,068

The current account of the Société simple Euro Millions, relating to the Euro Millions game, is denominated in euros and valued at the euro/Swiss franc exchange rate in force on the last day of the financial year. This is mainly money paid into banks in connection with the Euro Millions game.

Receivables for the distributing bodies include primarily contributions allocated directly to various associations for which financing is drawn down from profits for the current year. Such amounts are subsequently deducted from the profits to

be distributed once the accounts are definitively approved. The allocation to ADEC is also an advance on profits which is reconciled once the profit distribution is determined.

This ‘Withholding tax paid at source’ item constitutes withholding tax calculated on winnings paid and won during the draws (online games). Withholding tax is then paid to the Swiss Federal Tax Administration (FTA) in the month following the month in which the draws take place, regardless of whether the winner has claimed their winnings or not.

7. Inventories

	2015	2014
Consumables	1,551,605	1,354,837
Value adjustments on inventories	-	-50,000
Finished products	1,786,152	1,723,100
	3,337,757	3,027,937

Inventories are comprised of the following:

1. consumables, in particular spare parts needed for repairing and maintaining gaming machinery and terminals on our retailers’ premises, as well as rolls of paper and blank tickets for the gaming equipment;

2. finished products, i.e. batches of cards/tickets already printed and waiting to be put on sale (their value comprises the cost of printing and the paper).

Value adjustments on inventories

No value adjustments were made under this heading in 2015.

8. Pre-paid expenses and accrued income

	2015	2014
Winnings calculated on stakes booked in advance (multi-draws)	1,166,695	1,075,113
Adjustments to GGR	1,539,203	3,171,326
Pre-paid expenses	1,809,861	2,312,182
Accrued interest and other income to be booked	322,005	36,797
Other accrued assets	683,517	924,512
	5,521,281	7,519,930

This item covers, in particular, invoiced charges paid in advance by the closing date for the accounts, but relating to the following financial year. Adjustments to GGR are also included under this item. These adjustments constitute the difference between the actual rate of payout on winnings and

the theoretical payout ratio as defined in the draw schedule. This amount can also be found in the Income statement under the ‘Prizes’ item. The GGR figure in the operating account is thus the theoretical GGR from games.

9. Tangible fixed assets

	Property & buildings	Installations & equipment	Furniture, fixtures & vehicles	IT hardware	Fixed assets under construction	Total
GROSS VALUES						
Position as of 01.01.2014	12,802,701	9,097,927	13,077,710	54,032,660	14,159,963	103,170,960
Additions	345,000	9,365	369,090	5,043,797	12,080,587	17,847,840
Disposals	-	-	-877,404	-21,939,975	-	-22,817,379
Reclassification	-	27,217	699,479	9,593,358	-10,330,581	-10,527
Position as of 31.12.2014	13,147,701	9,134,509	13,268,875	46,729,840	15,909,969	98,190,894

ACCUMULATED DEPRECIATION

Position as of 01.01.2014	-4,158,513	-7,498,188	-9,557,814	-40,010,384	-	-61,224,899
Depreciation	-371,101	-377,616	-1,508,025	-5,960,732	-	-8,217,473
Disposals	-	-	877,404	21,939,696	-	22,817,101
Reclassification	-	-	6,487	-1,925	-	4,562
Impairment	-110,591	-550,507	-314,385	-	-801,791	-1,777,274
Position as of 31.12.2014	-4,640,205	-8,426,311	-10,496,332	-24,033,345	-801,791	-48,397,984
NET VALUES AS OF 31.12.2014	8,507,497	708,197	2,772,542	22,696,496	15,108,178	49,792,910

GROSS VALUES

Position as of 01.01.2015	13,147,701	9,134,509	13,268,875	46,729,840	15,909,969	98,190,894
Additions	-	17,923	218,739	744,202	17,269,662	18,250,525
Disposals	-	-1,910,319	-792,251	-1,109,387	-	-3,811,956
Reclassification	-	-	142,249	821,766	-993,554	-29,539
Position as of 31.12.2015	13,147,701	7,242,113	12,837,611	47,186,422	32,186,076	112,599,923

ACCUMULATED DEPRECIATION

Position as of 01.01.2015	-4,640,205	-8,426,311	-10,496,332	-24,033,345	-801,791	-48,397,984
Depreciation	-371,101	-196,984	-1,060,980	-6,319,063	-	-7,948,127
Disposals	-	1,910,319	792,251	1,109,387	-	3,811,956
Reclassification	-	-	-	8,369	-	8,369
Impairment	-	-	-30,912	-13,275	-	-44,187
Position as of 31.12.2015	-5,011,305	-6,712,976	-10,795,973	-29,247,927	-801,791	-52,569,972
NET VALUES AS OF 31.12.2015	8,136,396	529,136	2,041,638	17,938,495	31,384,285	60,029,951

Impairment on asset values

In 2014, some items underwent a revaluation reappraisal and the length of their useful lifetimes was reassessed. The main reason related to the renovation of the building in Avenue de Provence, enabling Loterie Romande to bring together its two office sites at present, Provence and Marterey, under one roof.

The total amount of writedowns on values of fixed assets came to CHF 1,777,274.

In 2015, no category of fixed asset required any significant value writedown.

Property and mortgages

		2015	2014
Total value of buildings in the balance sheet		8,136,396	8,507,497
Mortgage notes on such property assets are as follows:			
First-ranked mortgage notes	Provence 14-20 ground floor	2,500,000	2,500,000
Second-ranked mortgage notes	Provence 14-20 ground floor	500,000	500,000
TOTAL OF GUARANTEE-FREE MORTGAGE NOTES		3,000,000	3,000,000

10. Financial fixed assets

	2015	2014
Long-term loan (9 years)	23,000,000	23,000,000
Participation in SLE Euro Millions, 0.9% capital (EUR 3,401.70)	3,686	4,090
Rent guarantee & securities	82,124	82,114
	23,085,809	23,086,204

The long-term loan was contracted in 2011 with an initial term of 10 years. The loan's terms and conditions were reviewed in 2015, with the duration being shortened to 9 years. It is secured by property and bears interest in accordance with the revised contract terms.

11. Intangible fixed assets

		Software
GROSS VALUE	Position as of 01.01.2014	68,490,214
	Additions	6,144,727
	Disposals	-2,065,488
	Reclassification	10,527
	Position as of 31.12.2014	72,579,980
ACCUMULATED DEPRECIATION	Position as of 01.01.2014	-50,150,179
	Depreciation	-5,381,571
	Disposal	2,065,488
	Reclassification	-4,562
	Impairment	-1,178,113
	Position as of 31.12.2014	-54,648,936
NET VALUE AS OF 31.12.2014		17,931,044
GROSS VALUE	Position as of 01.01.2015	72,579,980
	Additions	4,033,384
	Disposals	-
	Reclassification	29,539
	Position as of 31.12.2015	76,642,903
ACCUMULATED DEPRECIATION	Position as of 01.01.2015	-54,648,936
	Depreciation	-7,368,790
	Disposal	-
	Reclassification	-8,369
	Impairment	-4,588
	Position as of 31.12.2015	-62,030,684
NET VALUE AS OF 31.12.2015		14,612,220

Impairment on asset values

In 2014, some items underwent a revaluation reappraisal and the length of their useful lifetimes was reassessed. The useful lifetimes of online games systems on the Internet platform were reappraised and shortened.

The total amount of writedowns on values of intangible assets came to CHF 1,178,113.

In 2015, no category of intangible fixed asset required any significant value writedown.

12. Winnings and prizes payables

	2015	2014
Winnings and prizes payables	16,078,331	15,066,135
	16,078,331	15,066,135

Winnings and prizes payables represent those winnings and prizes that can still be claimed by the winners in the six months following the date of the draw, as well as the jackpot reserve fund.

13. Players’ wallets (Internet)

	2015	2014
Players’ wallets (Internet)	2,688,202	2,858,947
	2,688,202	2,858,947

The ‘Players’ wallets’ item is the balance on accounts of players using the online games platform. Funds for these accounts are supplied by the players themselves who use the money in their accounts to play the various games offered by Loterie Romande on its Internet platform. Once their accounts are

credited, the players can access the games offered by Loterie Romande. Winnings of up to CHF 1,000 are directly credited to players’ wallets whereas winnings in excess of that figure are paid into their bank accounts.

14. Trade accounts payables

	2015	2014
Trade accounts payables	3,233,547	5,850,878
	3,233,547	5,850,878

15. Profit to be paid out

	2015	2014
Profit to be paid out	46,343,367	42,713,545
	46,343,367	42,713,545

Profits are paid out in four quarterly instalments once the accounts have been finally validated by the General Assembly. Payments start from the second half of the year following the

accounting year. As of the year-end closing date, the final quarter of profits for the 2014 financial year still remained to be paid out, which will be disbursed in March 2016.

16. Other liabilities

	2015	2014
Withholding tax payable	2,653,255	2,388,692
VAT payable	574,243	1,014,706
Partner companies’ current-account balances	1,482,849	2,476,439
Other debts	104,117	223,504
	4,814,463	6,103,341

The ‘Withholding tax payable’ item consists of withholding tax to be paid for winnings in the month of December. Partner companies’ current-account balances relate to services undertaken related to joint running of various games.

17. Short-term provisions

	Provisions for legal costs	Other provisions	Total
POSITION AS OF 01.01.2014	2,000,000	925,028	2,925,028
Allocation	-	-	-
Use	-	-53,144	-53,144
Release	-	-	-
POSITION AS OF 31.12.2014	2,000,000	871,884	2,871,884
Allocation	-	-	-
Use	-	-68,292	-68,292
Release	-	-	-
POSITION AS OF 31.12.2015	2,000,000	803,592	2,803,592

As this pertains to a civil-law case as part of an application for dispute-resolution arbitration, the degree of uncertainty as regards the outcome of the legal case cannot be estimated.

18. Accrued charges and deferred income

	2015	2014
Stakes booked in advance	2,227,493	2,055,917
Other accrued liabilities	3,308,228	3,750,912
Provision for invoices to be received	3,214,145	2,329,787
Adjustments to GGR	11,873,845	10,973,807
	20,623,711	19,110,423

Adjustments to GGR constitute the difference between the actual rate of payout on winnings and the theoretical payout ratio as defined in the draw schedule. The GGR figure in the Income statement is thus the theoretical GGR from games. This disparity, on the liabilities side, implies that winnings paid out effectively compared to sales for the period are lower than the theoretical payout ratio.

This stems primarily from new tickets and games being launched at the end of the year, as well as the time-lag between the sale of a ticket/card and payment of any winnings relating to it. The most striking example of this is the Billet Le Million scratch-card, when the bulk of the sales occur at the end of Year N whereas the major prizes can only be cashed in at the start of Year N+1.

19. Pension liabilities

IPP LoRo surplus cover 2015	Economic benefit 2015	Economic benefit 2014	Change during the year	Personnel costs 2015	Personnel costs 2014
-	-	-	-	2,434,555	2,078,184

As of 31 December 2015, the provisional position showed surplus cover. However, this cover did not reach the targeted fluctuation reserving rate as defined in the Foundation’s regulations. Nor are there any employer contribution reserves.

20. Gross gaming revenues (GGR)

	2015	2014
Gross gaming revenues (GGR)	376,822,634	387,641,965
	376,822,634	387,641,965

Gross gaming revenues (GGR) constitute the money staked by players less the winnings paid out, adjusted for theoretical winnings, so as to reflect the theoretical level of GGR as defined in the draw schedule published in the Official Gazettes.

Owing to Loterie Romande's weekly invoicing period, the 2015 financial year books sales from 28 December 2014 to 26 December 2015 (2014: from 29 December 2013 to 27 December 2014).

21. Commission fees

	2015	2014
Commission fees	70,463,545	71,874,502
	70,463,545	71,874,502

These constitute commission fees paid out to our retailers from sales of lottery products and games.

22. Operating costs

	2015	2014
Retailers' expenses	632,087	666,000
Producing games	4,962,429	5,047,702
Operating games	13,136,853	14,493,180
IT	19,053,989	18,653,355
Personnel costs	27,734,261	27,392,353
General overheads & administrative costs	7,567,842	7,053,482
Marketing, publicity & communications	13,817,968	15,235,390
Sales & promotional events	2,497,721	2,695,550
Depreciation & impairment	15,365,692	16,554,431
	104,768,843	107,791,442
OPERATING COSTS / GGR RATIO	27.8%	27.8%

Operating costs are all expenses and costs needed to operate Loterie Romande's games and run its business.

23. Financial costs and income

	2015	2014
Financial costs	639,425	173,522
Financial income	-930,478	-439,087
	-291,053	-265,565

Financial costs and income include interest on bank and postal accounts, interest on the long-term loan and on fixed-term

placements. Also included under this item are currency gains/losses on accounts denominated in foreign currencies.

24. Non-operating costs and income

	2015	2014
Non-operating & exceptional costs	452,840	103,988
Non-operating & exceptional income	-103,091	-263,432
	349,750	-159,445

In some financial years, some income and/or costs may not be directly charged to the operation of lottery games. This might relate to one-off expenses which will not recur.

In 2015, exceptional costs were booked, these charges being related to the Game Print SA company ceasing trading; Loterie Romande gave assistance to the company with its closure programme.

25. Off-balance-sheet operations

	2015	2014
Total amount of guarantees, deposits and other pledges in favour of third parties	100,000	100,000
Leasing debts of less than 1 year	632,518	591,705
Leasing debts between 1 and 4 years	814,987	721,646
TOTAL SUM OF LEASING DEBTS	1,447,505	1,313,352

The pledges are collateral security with a bank acting as cover for exchange-rate risks on forward currency purchases to pay our European suppliers.

Leasing debts relate to the company's fleet of vehicles.

26. Fees for auditors' services

	2015	2014
Auditing fees	70,800	57,000
Fees for other services	20,925	24,418
	91,725	81,418

27. Number of full-time-equivalent employees (FTEs)

	2015	2014
Number of full-time-equivalent employees	236	237
	236	237

Lettre en attente

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Rapport de l'organe de révision

A l'Assemblée générale des sociétaires de
Société de la Loterie de la Suisse Romande, Lausanne

Rapport de l'organe de révision sur les comptes annuels

En notre qualité d'organe de révision, nous avons effectué l'audit des comptes annuels ci-joints de la Société de la Loterie de la Suisse Romande, comprenant le bilan, le compte de résultat, le tableau de financement, le tableau des fonds propres et l'annexe pour l'exercice arrêté au 31 décembre 2014.

Responsabilité du Conseil d'administration

La responsabilité de l'établissement des comptes annuels, conformément aux Swiss GAAP RPC, aux dispositions légales, aux conventions intercantionales et aux statuts, incombe au Conseil d'administration. Cette responsabilité comprend la conception, la mise en place et le maintien d'un système de contrôle interne relatif à l'établissement des comptes annuels afin que ceux-ci ne contiennent pas d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs. En outre, le Conseil d'administration est responsable du choix et de l'application de méthodes comptables appropriées, ainsi que des estimations comptables adéquates.

Responsabilité de l'organe de révision

Notre responsabilité consiste, sur la base de notre audit, à exprimer une opinion sur les comptes annuels. Nous avons effectué notre audit conformément à la loi suisse et aux Normes d'audit suisses. Ces normes requièrent de planifier et réaliser l'audit pour obtenir une assurance raisonnable que les comptes annuels ne contiennent pas d'anomalies significatives.

Un audit inclut la mise en œuvre de procédures d'audit en vue de recueillir des éléments probants concernant les valeurs et les informations fournies dans les comptes annuels. Le choix des procédures d'audit relève du jugement de l'auditeur, de même que l'évaluation des risques que les comptes annuels puissent contenir des anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs. Lors de l'évaluation de ces risques, l'auditeur prend en compte le système de contrôle interne relatif à l'établissement des comptes annuels, pour définir les procédures d'audit adaptées aux circonstances, et non pas dans le but d'exprimer une opinion sur l'efficacité de celui-ci. Un audit comprend, en outre, une évaluation de l'adéquation des méthodes comptables appliquées, du caractère plausible des estimations comptables effectuées ainsi qu'une appréciation de la présentation des comptes annuels dans leur ensemble. Nous estimons que les éléments probants recueillis constituent une base suffisante et adéquate pour fonder notre opinion d'audit.

Audit.Fiscalité.Conseil.Corporate Finance.
Member of Deloitte Touche Tohmatsu Limited

Lettre en attente

Deloitte.

Société de la Loterie de la Suisse Romande
Rapport de l'organe de révision pour
l'exercice arrêté au 31 décembre 2014

Opinion d'audit

Selon notre appréciation, les comptes annuels pour l'exercice arrêté au 31 décembre 2014 donnent une image fidèle de la situation financière ainsi que de sa performance financière et de ses flux de trésorerie, conformément aux Swiss GAAP RPC et sont conformes à la loi suisse, aux conventions intercantionales et aux statuts.

Rapport sur d'autres dispositions légales

Nous attestons que nous remplissons les exigences légales d'agrément conformément à la loi sur la surveillance de la révision (LSR) et d'indépendance (art. 728 CO) et qu'il n'existe aucun fait incompatible avec notre indépendance.

Conformément à l'art. 728a al. 1 ch. 3 CO et à la Norme d'audit suisse 890, nous attestons qu'il existe un système de contrôle interne relatif à l'établissement des comptes annuels, défini selon les prescriptions du Conseil d'administration.

Nous recommandons d'approuver les comptes annuels qui vous sont soumis.

Deloitte SA


Annik Jaton Hüni
Expert-réviseur agréé
Réviseur responsable


Jürg Gehring
Expert-réviseur agréé

Lausanne, le 26 mars 2015

Annexes

- Comptes annuels (bilan, compte de résultat, tableau de financement, tableau des fonds propres et annexe)



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