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# STATES OF JERSEY



## PUBLIC LOTTERIES: REPORT FOR 2016

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**Presented to the States on 14th March 2017  
by the Minister for Economic Development, Tourism, Sport and Culture**

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**STATES GREFFE**

## REPORT

### Introduction

The Assistant Minister for Economic Development, Tourism, Sport and Culture, in accordance with the provisions of Regulation 4(4) of the Gambling (Channel Islands Lottery) (Jersey) Regulations 1975, is pleased to submit to the States a report of the Public Lotteries promoted from 1st January 2016 up to 31st December 2016, including the Christmas Draw of 20th December 2016, together with an income and expenditure account and balance sheet.

### Overview of the Channel Islands Lottery

Policy for the Lottery in 2016 was decided in Jersey by the Assistant Minister for Economic Development, Tourism, Sport and Culture, Deputy M.J. Norton of St. Brelade and the States' Trading Supervisory Board in Guernsey.

### Public Lotteries Board

The Public Lotteries Board is constituted in accordance with Regulation 3 of the Channel Islands Lottery (Jersey) Regulations 1975, for the purpose of conducting any Draws held in Jersey.

### The policy of the Assistant Minister for Economic Development, Tourism, Sport and Culture

The Assistant Minister will bring a Proposition to the States regarding the allocation of the Jersey portion of the profits from the Channel Islands Lottery for 2016.

The profit, according to the provisions of Regulation 4(5) of the Gambling (Channel Islands Lottery) (Jersey) Regulations 1975 would be applied in such a manner and for such purposes of public benefit as the States shall from time to time by Act direct.

The amount available for distribution from 2016, is £1,250,482, an increase of £796,486 from 2015. This increase was driven by a number of factors, including: a reduction in administrative costs; improvements to the approach taken to estimate prize liabilities following review; and a re-negotiation of the distribution agreement, leading to a marked increase in the underlying profitability of the Lottery.

The win ratio and percentage pay-out of each game was published on each scratch-card ticket reverse, save for the Christmas Lottery Draw, which is determined by the number of tickets sold.

### Total Lottery sales in 2016

Guernsey Sales	£9,803,100
Jersey Sales	£7,958,900
<b>Total:</b>	<b>£17,762,000</b> (an increase of £2,085,150 on 2015)

### **The Christmas Lottery Draw**

The planning and promotion of the Christmas Lottery remains the most important of the year, drawing significant public interest and support.

2,000,000 tickets at £2 each were printed for this Draw, replicating 2015.

The Assistant Minister reports that 1,061,100 tickets were sold from a Jersey issue of 1,300,000.

The Channel Islands Christmas Draw achieved a top prize of £1,120,220, below the £1,161,750 achieved in 2015.

### **Marketing and promotion**

A new logo and associated marketing and merchandising material to increase awareness of the Channel Islands Lottery was rolled out during 2016. Merchandising for the Channel Islands Lottery was undertaken by Wilkinsons C.I. Ltd. in Jersey.

### **www.gov.je and social media**

As previously, the winning numbers for the Christmas Draw were made available through the States of Jersey website, [www.gov.je](http://www.gov.je), the local media, and all social media channels.

### **The Association of Jersey Charities**

Founded in 1971, the Association of Jersey Charities now represents 312 Jersey charities. The provision of the distribution of proceeds to the Association of the Jersey Charities in 2016 was governed by a Service Level Agreement.

The grants approved by the Association of Jersey Charities in 2016 are listed in the following table, and continue to illustrate the very real benefits accrued by Lottery profits for Jersey good causes.

#### **List of applications approved in 2016 by the Association of Jersey Charities**

<b>Application from:</b>	<b>Reason for application:</b>	<b>£</b>
Friends of St. Thomas Church	To refurbish toilets	£5,000
St. John Ambulance	Towards a new ambulance	£30,000
Jersey Heritage	WWII poster for schools	£4,486
Durrell (Jersey Zoo)	To refurbish the classroom	£23,114
Les Amis	Recycling van and on-costs	£22,760
Jersey M.S. Therapy Centre	Rebranding	£15,000
Le Congres	To produce a second Jërriais CD	£3,750
Brighter Futures	To help 8 families journey into well-being	£28,800
National Trust for Jersey	Replacing fencing for sheep	£12,715
Centre Point Trust	To refurbish Le Hurel playground	£19,576

<b>Application from:</b>	<b>Reason for application:</b>	<b>£</b>
Maison des Landes	To refurbish dining-room	£30,000
Jersey Youth Trust	Senior Youth Worker salary	£30,000
Community Savings Ltd.	Towards office costs	£30,000
Jersey Child Care Trust	Website revamp and salary	£29,766
Caring Cooks of Jersey	Two salaries	£30,000
The Aspire Charitable Trust	To install a lift	£25,849
Silkworth Lodge	To refurbish the home	£17,323
Love Matters	Part-funding towards running costs	£15,000
Jersey Heritage Trust	To publish a book	£13,404
Caesarea Association	To replace a lift	£10,230
Le Marais Summer Fête	To refurbish Le Marais gardens	£10,000
JAAR	Part-funding for counsellor's salary	£9,000
Pain Support Jersey	Room rental for one year	£3,000
Sanctuary Trust	New water-tanks and refurbishment works	£14,986
Love Thy Neighbour	Salary and laptop	£26,300
Jersey Sea-search	Training and camera equipment	£6,614
National Trust for Jersey	Replacement tools and equipment	£11,300
Jersey Heritage Trust	To refurbish Mont Orgueil playground	£10,000
Music in Action	Educational workshops and admin salary	£20,300
Relate Jersey	Training and supervision of counsellor	£13,457
Les Amis	To refurbish Maison Allo	£30,000
Street Pastors Jersey	Salary and training	£25,640
		<b>£577,370</b>

### States of Jersey recharges

The Department for Economic Development, Tourism, Sport and Culture administer, operate and manage the Channel Islands Lottery in Jersey. For this, a nominal figure of £3,520 was recharged to the Lottery in 2016.

The Shared Services Division of Treasury and Resources provide vital support for the Channel Islands Lottery. This includes services such as preparing accounts on behalf of both Islands, reconciling winning tickets, and auditing accounts, for which the Treasury charged the Lottery a fee of £27,800.

The Assistant Minister for Economic Development, Tourism, Sport and Culture would like to extend his thanks to the relevant staff of the Shared Services Division of Treasury and Resources and the Reception of Cyril Le Marquand House for their dedication in support of the Channel Islands Lottery.

The final accounts for the C.I. Lottery (unaudited) up to December 2016 are noted overleaf.

## Channel Islands Lottery (Jersey) Fund

The purpose of the Channel Islands Lottery (Jersey) Fund is to promote and conduct public lotteries in aid of good causes.

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### Summary Snapshot

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Fund Position	<b>£100,000</b>	<b>0.0%</b> increase from 2015
Net Revenue Expenditure	<b>£0</b>	<b>£80,172</b> in 2015

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### Fund Performance

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#### 1. Income

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Actual 2016	Actual 2015
<b>£14.7 million</b>	<b>£12.9 million</b>

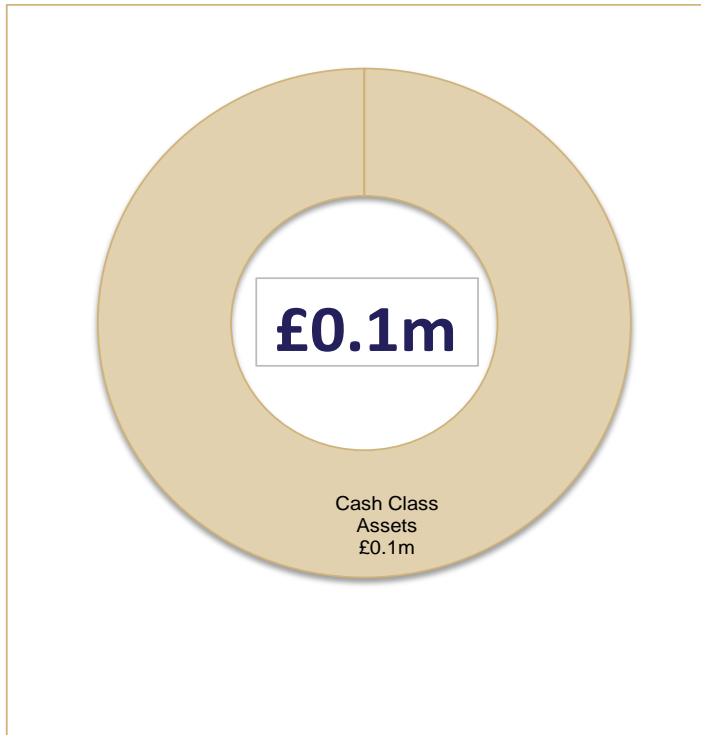
Ticket sales and Guernsey's contribution to the prize fund accounted for almost all income at £14.6 million (99.5%). The Christmas Draw and Super Red Hot 7s contributed the majority of that revenue, accounting for £8.6 million (58.8%) of sales. Other income from investment returns and time-expired prizes amounted to £0.1 million (0.5%).

Overall income from ticket sales grew by £1.8 million (14.3%) driven by a strong increase in Jersey. Sales of Super Red Hot 7s accounted for £1.5 million of that increase. Income from investments and time expired prizes was in line with 2015.

## Performance of CIF Investments

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The Channel Islands Lottery (Jersey) Fund participates in a range of CIF pools. Investments are held by the CIF, which recognises income, expenditure and gains/losses on Investments. The Fund recognises only gains or losses on the units held in the CIF.



The table below shows the share of transactions in the CIF attributable to the Fund.

### CIF Amounts Attributable to the Channel Islands Lottery (Jersey) Fund

	2016 £'000	2015 £'000
Income	(1)	(1)
Expenditure	–	–
Losses on Investments	–	–
<b>Total Gains recognised</b>	<b>(1)</b>	<b>(1)</b>

## 2. Expenditure

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Actual 2016	Actual 2015
<b>£14.7 million</b>	£13.0 million

Prize payments and commission to distributors were the principal costs in 2016. Together they accounted for expenditure of £11.8 million (80.2%) and £1.3 million (8.6%) respectively.

Overall expenditure grew by £1.7 million (13.4%) in 2016. Prize payments showed the largest absolute increase at £0.9 million (8.2%).

The amount raised for distribution to good causes increased by £0.8 million (175.4%) in 2016. This increase was driven by a number of factors, including: a reduction in administrative costs; improvements to the approach taken to estimate prize liabilities following review; and a re-negotiation of the distribution agreement, leading to an increase in the underlying profitability of the Lottery.

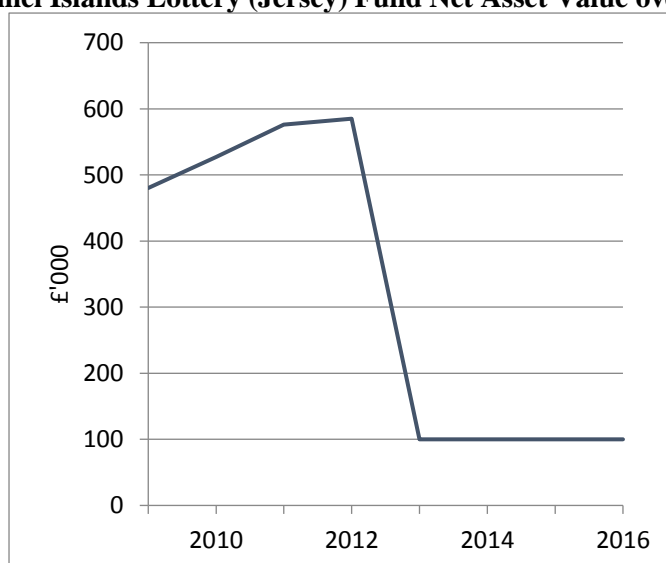
## 3. Changes in Fund Net Asset Value

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Fund Balance 2016	Fund Balance 2015
<b>£0.1 million</b>	£0.1 million

In 2016, all proceeds from the Channel Islands Lottery will be distributed. As a result, the net asset value of the Channel Islands Lottery (Jersey) Fund remained static at £0.1 million.

**Channel Islands Lottery (Jersey) Fund Net Asset Value over time**



## Financial Statements

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### Statement of Comprehensive Net Expenditure

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	2016 Actual £'000	2015 Actual £'000
<b>Revenue</b>		
Sales of Goods and Services	(14,668)	(12,833)
Investment Income	(11)	(14)
Other Income	(59)	(73)
<b>Total Revenue</b>	<b>(14,738)</b>	<b>(12,920)</b>
<b>Expenditure: Near Cash</b>		
Supplies and Services	1,655	1,607
Other Operating Expenditure	11,833	10,939
Grants and Subsidies Payments	1,250	454
<b>Total Expenditure: Near Cash</b>	<b>14,738</b>	<b>13,000</b>
<b>Net Revenue Expenditure</b>	<b>–</b>	<b>80</b>
<b>Total Comprehensive Expenditure</b>	<b>–</b>	<b>80</b>



## Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
<b>Non-Current Assets</b>			
Investments held at Fair Value through Profit or Loss	145	144	143
<b>Total Non-Current Assets</b>	<b>145</b>	<b>144</b>	<b>143</b>
<b>Current Assets</b>			
Non-Current Assets classified as held for sale	–	–	–
Trade and Other Receivables	1,618	1,905	1,817
Balance due from the Consolidated Fund	2,099	1,222	2,683
<b>Total Current Assets</b>	<b>3,717</b>	<b>3,127</b>	<b>4,500</b>
<b>Total Assets</b>	<b>3,862</b>	<b>3,271</b>	<b>4,643</b>
<b>Current Liabilities</b>			
Trade and Other Payables	3,762	3,171	4,462
<b>Total Current Liabilities</b>	<b>3,762</b>	<b>3,171</b>	<b>4,462</b>
Other Financial Liabilities	–	–	–
<b>Assets Less Liabilities</b>	<b>100</b>	<b>100</b>	<b>180</b>
<b>Taxpayer's Equity</b>			
Accumulated Revenue Reserves	100	100	180
<b>Total Taxpayer's Equity</b>	<b>100</b>	<b>100</b>	<b>180</b>