

STATES OF JERSEY



PUBLIC LOTTERIES: REPORT FOR 2005

**Presented to the States on 11th April 2006
by the Minister for Economic Development**

STATES GREFFE

REPORT

Introduction

The Assistant Minister for Economic Development, 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 2005 up to and including the Draw of 20th December 2005, together with an income and expenditure account and balance sheet.

Overview of the Channel Islands Lottery

Policy for the Lottery is decided by the Assistant Minister for Economic Development in Jersey and the Culture and Leisure Minister in Guernsey. During 2005, however, the Lottery was administered in Jersey by the former Economic Development Committee –

Deputy F.G. Voisin – President
Deputy L.J. Farnham – Vice-President
Senator L. Norman
Deputy P.J.D. Ryan
Deputy M.A. Taylor

Public Lotteries Board

The Public Lotteries Board is constituted in accordance with Regulation 3 of the Channel Islands Lottery (Jersey) Regulations 1975, as amended, for the purpose of advising the Minister on general matters connected with the Lotteries and for conducting the Draw held in Jersey. Its Members in 2005 were –

Mr. I.T. Barnes (Chairman)
Mr. P.S. Cruickshank
Mr. D.A. Wallis
Mr. G.J. Roscouet
Ms M. Horton
Mr. A.J. Arnold
Dr. J. Lane (Secretary)

The Board retains a vital function, providing continuity of experience to the new Assistant Minister as it did for the former Committee. The contribution of the Board is often overlooked, but without the individual contribution of its Members, the C.I. Lottery would not have been able to continue. Even with the goal of extension of the U.K. National Lottery now looking more likely, the position and value of the Board remains. Should the C.I. Lottery be discontinued and the National Lottery extended, it will be the Board, on behalf of the Assistant Minister, who will take responsibility for distribution of lottery funding to good causes within the Bailiwick.

The policy of the former Committee

While the Committee successfully brought a Report and Proposition to the States regarding the allocation of profits of the Channel Islands Lottery in 2004, it decided not to do so for 2005. This was no reflection upon the Association of Jersey Charities, the main beneficiary of lottery profits for the previous 5 years. Rather, it was felt that major decisions, such as the use of lottery profits, should be decided by the new Minister after the change to the machinery of Government. Accordingly, the Assistant Minister for Economic Development will be bringing a Report and Proposition to the States in the near future to agree provision of the 2005 and 2006 profits.

The former Committee had a strong belief that the Islands should continue their own public lottery until there was a clear indication from both the States and Parliament that extension of the U.K. National Lottery was a realistic proposal.

To that end, the Committee's strategy in 2005 was to –

- Continue the ‘Super Scratch and Lucky Scratch Games’ from January 2005, until the Christmas Bumper Draw in December 2005;
- Ensure that any future modernisation of the Island’s gambling legislation should take account of the needs of charitable and other good causes; and
- Continue the information gathering process on the potential for the extension of the National Lottery to the Islands.

Main Agents

The former Committee maintained three appointed Main Agents to act on its behalf in distributing tickets in the Island. The Main Agents were –

Mrs. S. Le Brocq
 Mr. J. Toudic
 Mr. and Mrs. M. Vowden

The three Main Agents purchased tickets at a discount of 13% for all the Games including the Christmas Draw.

All agents, including sub-agents, were offered an additional commission equal to 1% of any winning ticket sold by them of a value of £750 or more. The agents, however, had to register with the Gambling Controller and purchase a special stamp number to stamp the reverse side of all tickets sold by them, in order to receive the ex-gratia payment.

The Assistant Minister, on behalf of the former Committee records its appreciation to the Main Agents for their hard work and enthusiasm during the year.

The Lottery Game

At the beginning of 2005 a new £5,000 game was introduced to replace the £2,000 game.

The prize structure for the games introduced in January 2005, were as follows –

Super Scratch Game

Prize structure per 200,000 tickets –

3 Prizes of	£10,000	=	£30,000	
5 Prizes of	£500	=	£2,500	
20 Prizes of	£250	=	£5,000	
300 Prizes of	£50	=	£15,000	
300 Prizes of	£25	=	£7,500	
1,000 Prizes of	£10	=	£10,000	
6,000 Prizes of	£5	=	£30,000	
20,000 Prizes of	£1	=	£20,000	
Total Prizes			£120,000	= 60% return

Win ratio = 1:7.23

Lucky Scratch Game

Prize structure per 200,000 tickets –

3 Prizes of	£5,000	=	£15,000	
20 Prizes of	£1,000	=	£20,000	
200 Prizes of	£100	=	£20,000	
100 Prizes of	£50	=	£5,000	
10,000 Prizes of	£2	=	£20,000	
40,000 Free Superscratch				
Tickets		=	£40,000	
Total Prizes			£120,000	= 60% return

Win ratio = 1:3.97

Sales for these two games were very successful throughout the year, selling out at a rate of approximately one game per month.

The Christmas Charity Draw

The planning and promotion of the Christmas Charity Draw remains the most important of the year and continues to draw significant public interest and support. In order to maintain this, the Committee was strongly of the opinion that the First Prize had to be seen to be rising steadily.

The Assembly may recall the pleasure of the former Committee in 2004 when all tickets were sold in Jersey by the day of the Draw. Nevertheless, there was a body of opinion that suggested that the Committee should have printed a supply of tickets far in excess of demand. The former Committee did not believe that this was in the public interest, as large numbers of unsold tickets would have had to be destroyed at extra cost and so reduce the amount available to charity. It did, however, recognise that additional supply was warranted and, as a result, printed an extra 275,000 tickets for the 2005 Draw.

The Assistant Minister is delighted to report that all tickets were sold from a Jersey issue of 631,000 tickets, an increase of 161,500 (34%) of Jersey sales over the previous year. Even with this increase between the Islands, the Draw was again a total sell-out. Obviously demand has continued to outstrip supply and even greater numbers of tickets will be printed for the 2006 Draw.

Guernsey also experienced excellent ticket sales, selling 469,000 tickets, amounting to a joint sales level of 1,100,000 tickets by Lottery Day. This represented an increase of 275,000 tickets on the previous year. The Channel Islands Lottery achieved a top prize of £373,500, beating the £291,000 achieved the previous year.

Finally, special mention must be made of the vital part played by the Islands' media for broadcasting and printing the daily press releases, which played an invaluable part in the successful promotion of the Draw.

The Lottery Show

The only Lottery Draw to be broadcast by Channel Television was the Christmas Charity Bumper Draw, which was sponsored by William Hill. The appreciation of the Committee goes to William Hill for this important contribution to Island life and also to Michael Lucas, Managing Director of Channel Television and his staff for their continued help.

Marketing and promotion

Marketing for the Lottery was undertaken by Committee Officers. The result was an imaginative and colourful campaign transmitted through poster, press and television that provided a very positive message.

The year's ticket sales

Ticket sales for the year (inclusive of the Christmas Draw) were exceptionally good, with Jersey sales increasing by 23% over the previous year. Of the total 3,506,000 tickets sold across the Islands, 1,975,000 were sold in

Jersey and 1,531,000 in Guernsey.

There were 13 scratch card games promoted throughout the year, 9 Super Scratch games and 4 Lucky Scratch games. 2,406,000 tickets were sold in total (1,344,000 tickets in Jersey and 1,062,000 in Guernsey).

Ticket sales for the period recorded a rise of 23% in Jersey and 8% in Guernsey. Joint sales rose by 16% year on year.

The Lottery Website at www.gov.je

With the assistance of Andrew Jones, Strategic Development Officer of the Economic Development Department, the Lottery results for the Christmas Draw were made available through the States of Jersey Website.

The Association of Jersey Charities

Founded in 1971, the Association of Jersey Charities now represents approximately 200 Jersey charities. The former Committee continued to support their efforts for local charitable causes and recognised the importance of Channel Islands Lottery profits as the mainstay of the Association's funding. As part of the drive to make States' funding more accountable, the Committee introduced a Service Level Agreement to cover the administration and distribution of the States Grant.

Grants by the Association are ordinarily only available to its members from the second year of membership and are considered at each of its Quarterly Meetings. Applicants must first make formal written application describing the use to which the grant would be applied and then, at the meeting, have to give a short presentation and answer questions from the membership. No grant is made in excess of £20,000 to any member during the same financial year in order that the greatest possible number of charitable causes may benefit from the funding.

Not all applications are successful, however, as they undergo strict scrutiny. The relationship whereby the Committee is able to delegate awards to the Association, who are then able to assist its membership, works well. The grants approved in 2005 by the Association of Jersey Charities are listed below and well illustrate the very real benefits accrued by Lottery profits for the benefit of local good causes.

List of applications approved in 2005 (from the 2004 Grant)

Trinity Youth Centre Incorporated – for refurbishment and equipment	£11,465
Jersey Council on Alcoholism – for property repairs and upgrading	£20,000
Jersey Child Care Trust – for special needs inclusion project	£9,000
JSPCA – to start a welfare clinic	£20,000
Arts in Health Care Trust – to provide art programmes in residential care setting	£8,000
Relate Jersey – for the purchase of books	£500
Jersey Arts in Health Care Trust – to support their programmes	£12,000
Jersey Women's Refuge – for part funding of an outreach project worker	£20,000
Jersey Cheshire Home – for creation of sterile laundry and an isolation room	£20,000
Headway Jersey – to fund a project of assessment	£20,000
Band of the Island of Jersey – for new uniforms	£20,000

Jersey Association of Carers Inc. – to increase opening hours	£15,000
G.O.S.H. – to furnish the ‘Jersey Floor’ of the hospital ‘Hotel’	£20,000
Community Charitable Trust – for upgrade of computer, phone and purchase of a safe	£1,770
Riding for the Disabled Jersey Group – for a second-hand horse transporter	£7,050
Eating Disorders Action Group – to fund seminars and speakers	£3,000
Jersey Victim Support Scheme – towards operational costs for 2006	£20,000
Art in the Frame Foundation – for the installation of a stair-lift	£4,580
ACET – contribution to operational costs for work with ethnic minority groups	£20,000
The Glass Rainbow Trust – to commission the framing of cartoons created by Henry Bosdet	£8,000
The National Autistic Society – contribution to the operational costs of the new Befriending Scheme	£20,000
Brig-Y-Don Children’s Home – contribution to staffing costs in 2006	£20,000
Mencap – for a wheelchair vehicle	£20,000
TOTAL	£320,365

The administration charge

The charge, equal to 1.5% of the tickets sold by the Culture and Leisure Department in Guernsey and paid to the Department, is a contribution made in respect of work undertaken for the administration and management of the Lottery. This payment rose to £22,656 in 2005 from £19,443 in 2004 reflecting the increased sales and administration during the year.

States Treasury recharges

Included in the total Draw Expenses for the period is the sum of £29,143 [£25,899 in 2004] which refers to charges made to the Department for the many services provided by Treasury and Resources, including the administration of the Lottery (Jersey) Fund, preparing accounts on behalf of both Islands, reconciling winning tickets, paying commissions, auditing accounts and being present at the Christmas Lottery Draw. This service is now administered through a Service Level Agreement between the Department and the Shared Services Division of Treasury and Resources.

The final accounts for the C.I. Lottery (unaudited) up to December 2005 are noted below.

Income and Expenditure Account for the year ended 31st December 2005

	2005		
	£	£	£
of tickets in Jersey (net of 13% discount)	(1,728,690)		(1,728,690)
of tickets to Guernsey (at 60% of cost and less admin.)	(917,590)		(917,590)
:-expired prize income	(29,150)		(29,150)
:-Interest	(7,703)		(7,703)
:-administration charges received from Guernsey	(22,656)		(22,656)
:-miscellaneous	(23)		(23)
		(2,705,812)	
Prize			
:-total prize money paid for Jersey sales	866,784		866,784
:-total prize money paid for Guernsey sales	391,957		391,957
:-unclaimed prize money	857,069		857,069
:-total commission on winning tickets	11,842		11,842
:-power	-		-
:-salaries and services	110,112		110,112
:-administrative costs	29,143		29,143
:-miscellaneous	-		-
:-total charges and expenses	26,100		26,100
		2,293,007	
Surplus		(412,805)	

Balance sheet as at 31st December 2005

	2005		
	£	£	£
Current Assets			
:-Cash and prepayments	1,031,942		1,031,942
	507,307		507,307
		1,539,249	
Current Liabilities			
:-Collected prizes	939,211		939,211
:-Creditors	18,533		18,533
		957,744	
		581,505	
Related Revenue and Reserve Balances			
:-Reserve Fund		133,920	
:-Prize held on behalf of the Education, Sport and Culture Committee		34,780	
:-Prize held for distribution		412,805	
		581,505	

15th March 2006