

STATES OF JERSEY



PUBLIC LOTTERIES: REPORT FOR 2004

**Presented to the States on 15th March 2005
by the Economic Development Committee**

STATES GREFFE

REPORT

Introduction

The Economic Development Committee, 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 2004 up to and including the Draw of 16th December 2004, together with an income and expenditure account and balance sheet.

Oversight of the Channel Islands Lottery

Policy for the Lottery is decided by the Economic Development Committee in Jersey and the Culture and Leisure Minister in Guernsey.

The members of the Economic Development Committee are –

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 Economic Development Committee on general matters connected with the Lotteries and for conducting the Draw held in Jersey. Its Members in 2004 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
Miss C.M. Newcombe (resigned July 2004)
Dr. J. Lane (Secretary)

In July 2004, Miss Newcombe, who had served as a member of the Board since July 2003, resigned from office after her election as a Jurat of the Royal Court.

The Committee would like to record its appreciation for the time and effort given by Members of the Public Lotteries Board, without whom the Lottery could not take place. Although their participation at draws has now reduced with the introduction of the instant scratch-card games, their experience is still highly valued, especially as the Committee is reconsidering the future of the lottery in Jersey after the States' decision on 2nd March 2005 to approve paragraph (e) of P.62/2004 (Modernisation of Jersey's Gambling Legislation).

The policy of the Committee

The Committee successfully brought a Report and Proposition to the States regarding the allocation of profits of the Channel Islands Lottery. It was decided that all and any profits for the period would be given to the Association of Jersey Charities to distribute, on behalf of the Committee and the States, to deserving charitable causes on the Island. Subject to confirmation by audit, the Association of Jersey Charities can expect to receive a grant of £257,871 for 2004.

The Committee had a strong belief that the Islands should continue their own public lottery – one that could continue to provide funding for charitable and other projects as well as giving enjoyment to players. That said, the

Committee recognise the potential offered by the National Lottery to provide even greater funding for charities and good causes. To that end, the Committee's strategy for 2004 was to –

- introduce the 'Super Scratch and Lucky Scratch Games' from January 2004, until the Christmas Bumper Draw in December 2004;
- 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 Committee maintained 3 appointed Main Agents to act on its behalf in distributing tickets to the many hundreds of sub-agents in the Island, as well as selling tickets directly to the public.

The Main Agents were –

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

The 3 Main Agents purchased tickets at a discount of 13% for all the Games. All purchases for the Christmas Draw in excess of the initial guaranteed amounts were at 11%.

All agents, including sub-agents, were offered an additional commission equal to one per cent of any winning ticket sold by them of a value of £750 or more. The agents however, had to register with the Lottery 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 Committee records its appreciation to the Main Agents for their hard work and enthusiasm during the year.

The Lottery Game

The prize structure for the new-style games introduced in January 2004, were as follows –

Super Scratch Game

Prize structure per 200,000 tickets –

3 prizes of	£10,000	=	£30,000	
10 prizes of	£500	=	£5,000	
20 prizes of	£250	=	£5,000	
400 prizes of	£50	=	£20,000	
1,000 prizes of	£10	=	£10,000	
6,000 prizes of	£5	=	£30,000	
20,000 prizes of	£1	=	£20,000	
Total prizes			<u>£120,000</u>	= 60% return

Win ratio = 1:7.29

Lucky Scratch Game

Prize structure per 200,000 tickets –

3 prizes of	£2,000	=	£6,000
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34 prizes of	£1,000	=	£34,000	
200 prizes of	£100	=	£20,000	
10,000 prizes of	£2	=	£20,000	
10,000 prizes of	£1	=	£10,000	
30,000 Free Super Scratch Tickets		=	<u>£30,000</u>	
Total prizes		=	<u>£120,000</u>	= 60% return

Win ratio = 1:3.98

Sales for these 2 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. The Christmas Draw continues to draw significant public interest and support. In order to achieve this, the Committee was strongly of the opinion that the First Prize had to be seen to be rising steadily.

The Committee is delighted to report that all tickets were sold from a Jersey issue of 469,500 tickets, an increase of 12,500 (3%) of Jersey sales over the previous year. Even with this increase between the Islands, the Draw was a total sell-out nearly a week before the Draw.

Guernsey also experienced excellent ticket sales, selling 355,500 tickets, amounting to a joint sales level of 825,000 tickets by Lottery Day. This represented an increase of 25,000 tickets on the previous year. The Jersey Committee would like to place on record its appreciation to the Guernsey Culture and Leisure Department and its Officer, Mr. C. Wall, for his hard work in this cooperative effort. Working together, the Channel Islands Lottery Committee achieved a top prize of £291,000, beating the £283,500 achieved the previous year.

Finally, special mention must be made of the vital part played by the Islands' media for broadcasting and printing the Committee's 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 Stanley Racing. The appreciation of the Committee goes to Stanley Racing 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, ably assisted by the local representative of Scientific Games, Mr. Richard Eker. 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 34% up over the previous year. Of the total 3,000,300 tickets sold across the Islands, 1,595,500 were in Jersey and 1,404,800 in Guernsey.

There were 11 scratch-card games promoted throughout the year, 6 Super Scratch games and 5 Lucky Scratch games. 2,175,300 tickets were sold in total (1,126,000 tickets in Jersey and 1,049,300 in Guernsey).

Ticket sales for the period recorded a rise of 34% in Jersey and 53% in Guernsey. Joint sales rose by 42% year on year.

The Lottery Website at www.gov.je

With the assistance of Computer Services, Policy and Resources Department, the Lottery results for the Christmas Draw and past Draws 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 Committee is pleased to support their efforts for local charitable causes and recognises 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 is pleased to recognise the Association's assistance in becoming Code of Direction 26 compliant.

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 2004 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 grants approved in 2004

Glanville Home – for repairs and renewals	£19,870
Jersey Addiction Group – for ongoing work with substance misusers	£20,000
The Jersey Citizens Advice Bureau – towards updating computer hardware and software	£5,241
Silverstar Community Pre-School – for indoor and outdoor nursery equipment	£1,187
Arts in Health Care Trust – to provide art programmes in residential care settings	£8,000
Roseneath Trust for the Homeless – towards building repairs and replacements	£20,000
Jersey Scout Association – for new kitchen equipment, new band equipment and uniforms and refurbishment of exterior of building	£13,374
New commercial dishwashers	£4,000
Jersey Child Care Trust – to publish a Children's Network Directory	£1,976
The Shelter Trust – for CCTV and building refurbishment	£20,000
Jersey Youth Trust (Minden Base) – towards counselling service for young people	£10,000
Causeway Association – towards refurbishment of 8 rooms and new kitchen cookers	£6,570

Les Amis Inc. – for general repairs and refurbishment of Group Homes	£20,000
Caesarea Association – for redecoration and new fixtures and fittings for residential home	£18,190
TOTAL	£168,408

The administration charge

The charge, equal to 1.5% of the tickets sold by the Guernsey Committee and paid to the Committee, is a contribution made in respect of work undertaken for the administration and management of the Lottery. This payment rose to £19,443 in 2004 from £13,769 in 2003 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 £22,200 [£30,200 in 2003] which refers to charges made to the Committee for the many services provided by the Treasury, 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 all Lottery Draws. This service is now administered through a Service Level Agreement between the Department and the Shared Services Division of the Treasury.

Income and Expenditure Account for the year ended 31st December 2004 (unaudited)

	2004		
	£	£	£
of tickets in Jersey (net of 13% discount)	(1,388,087)		(1,388,087)
of tickets to Guernsey (at 60% of cost and less admin.)	(852,518)		
expired prize income	(22,408)		
Interest	(3,295)		
Administration charges received from Guernsey	(19,443)		
Other miscellaneous	(569)		
		(2,286,318)	
Revenue			
Prize money paid for Jersey sales	1,047,897		
Prize money paid for Guernsey sales	564,128		
Unclaimed prize money	208,180		
Agents' commission on winning tickets	9,697		
Power	36,692		
Utilities and services	111,551		
Administrative costs	25,899		
Depreciation	2,204		
Other charges and expenses	22,200		
	2,028,447		
Surplus		(257,871)	
Particulars:			
Transfer to Jersey Charities		(257,871)	
		(257,871)	

Balance sheet as at 31st December 2004

	2004		
	£	£	£
Fixed Assets			
Investments and prepayments	483,382		
	242,157		
		725,539	
Current Liabilities			
Accrued prizes	293,508		
Other liabilities	5,459		
		298,967	
		426,572	
Related Revenue and Reserve Balances			
Accumulated Fund		133,921	
Grants held on behalf of the Education, Sport and Culture Committee		34,780	
Grants held on behalf of the Association of Jersey Charities		257,871	
		426,572	

A surplus of **£257,871** (2003 – £209,576) has been made available to the Association of Jersey Charities.