

# **STATES OF JERSEY**



## **PUBLIC LOTTERIES: REPORT FOR 2008**

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**Presented to the States on 17th March 2009  
by the Minister for Economic Development**

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**STATES GREFFE**

# REPORT

## Introduction

The 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 2008 up to and including the Draw of 16th December 2008, together with an income and expenditure account and balance sheet.

## Overview of the Channel Islands Lottery

Policy for the Lottery in 2008 was decided by the then Assistant Minister for Economic Development in Jersey, Deputy A.J.H. Maclean, and the Culture and Leisure Member in Guernsey, Deputy F.W. Quin. [\[JL1\]](#)

## 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 advising the Minister on general matters connected with the Lotteries and for conducting the Draw held in Jersey. Its Members in 2008 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 Assistant Minister. The Board meets quarterly and without the individual contribution of its Members, the C.I. Lottery would not have been able to continue.

## The Policy of the Minister for Economic Development

In keeping with recent practice, the former Minister brought a Report and Proposition to the States in 2007 asking for approval that the total Jersey portion of the profits of the Channel Islands Lottery should be paid to the Association of Jersey Charities for the benefit of the community and the charitable needs of the Island. The Proposition also asked States approval to retain 20% of the 2008 profits in order to boost the Accumulated Fund as a contingency measure, generating a reserve of £111,354.

The balance (subject to confirmation by audit) to be transferred to the Association of Jersey Charities is thus £445,414 for 2008.

Having undertaken a public consultation on the future of the lottery, it is clear that there is 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 strategy in 2008 was to –

- Continue the ‘Two Super Scratch Games’ from January 2008, until the Christmas Bumper Draw in December 2008;
- 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.

Policy for 2009 onwards will be decided by Connétable L. Norman of St. Clement, Assistant Minister for Economic Development.

### **Main Agents**

The Assistant Minister maintained 2 appointed Main Agents to act on his behalf in distributing tickets in the Island.

The Main Agents were –

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

The 2 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 Regulation and Licensing Manager 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 records its appreciation to the Main Agents for their hard work and enthusiasm during the year.

### **The Lottery Game**

The prize structure for the games introduced in January 2008, were as follows –

#### **Super Scratch Game 3**

Prize structure per 200,000 tickets –

2 Prizes of	£20,000	=	£40,000
10 Prizes of	£500	=	£5,000
50 Prizes of	£100	=	£5,000
200 Prizes of	£25	=	£5,000
500 Prizes of	£10	=	£5,000
2,000 Prizes of	£5	=	£10,000
5,000 Prizes of	£2	=	£10,000
40,000 <b>Free Tickets</b>		=	£40,000
Total Prizes			£120,000 = 60% return

Win ratio = 1:4.19

Sales for these games were very successful throughout the year, selling out at a rate of approximately one game every 2 months. Two different design games were on sale at the same time with the same prize structure for each game.

### **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, both the Assistant Minister in Jersey and the Culture and Leisure Member in Guernsey were strongly of the opinion that the First Prize had to be seen to be rising steadily; and it was agreed that the minimum First Prize would start at £250,000 as in 2007.

One and a half million tickets were printed in 2007, selling out several days before the Draw, giving optimism that raising the number of available tickets in 2008 could be justified. This was agreed and a total of 1,700,000

tickets were printed for 2008. As hoped for, this proved successful and tickets remained available in Jersey up until the day before the Draw. In Guernsey sales were somewhat disappointing, as 42,300 tickets were left unsold.

The Assistant Minister is delighted to report that all tickets were sold from a Jersey issue of 1,060,000 tickets, representing an increase of 160,000 (18%) on Jersey sales over the previous year.

Guernsey had a harder time of it, selling 597,700 tickets, but with 42,300 tickets left unsold, amounting to a joint sales level of 1,657,700 tickets by Lottery Day. This represented an increase of 157,700 tickets on the previous year. The Channel Islands Lottery achieved a top prize of £553,000, exceeding the £505,000 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. The appreciation of the Assistant Minister goes to the Managing Director (Broadcast) and the staff at Channel Television for their continued support.

### **Marketing and promotion**

Marketing for the Lottery was undertaken by the Departments' Officers in both Islands. 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) showed a modest decline over the previous year, with Jersey sales 1.37% down over the previous year. Guernsey by contrast was down 10.15%, giving a combined sales decline of 5.1% year on year. Of the total 3,369,700 tickets sold across the Islands, 2,016,000 were sold in Jersey and 1,353,700 in Guernsey.

There were 9 scratch card games promoted throughout the year. 1,712,000 tickets were sold in total (956,000 tickets in Jersey and 756,000 in Guernsey).

### **The Lottery website at [www.gov.je](http://www.gov.je)**

With the assistance of the Executive 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 248 Jersey charities. The Assistant Minister 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. The provision of the States grant is governed through a Service Level Agreement.

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, 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 and undergo strict scrutiny.

The relationship whereby the Assistant Minister is able to delegate awards to the Association, who are then able

to assist its membership, works well. The grants approved in 2008 by the Association of Jersey Charities are listed below and illustrate the very real benefits accrued by Lottery profits for local good causes.

**List of applications approved in 2008 (from the 2007 Grant)**

Jersey Child Care Trust – Revolving Resources	£18,000.00
Silverstar Community Playgroup – Hardship fund	£11,868.00
Centre Point Trust – Hardship fund	£12,000.00
Gorey Youth Project – Part salary of youth worker	£19,621.50
Art in the Frame Foundation – Lighting	£6,932.00
NSPCC – Equipment for Pathways	£10,000.00
SOBS (Survivors of Bereavement by Suicide) – Running costs	£2,500.00
Jersey Art and Therapy Group – Running costs	£3,660.00
Grace Trust – Grocery distribution project	£20,000.00
Jersey Hyperbaric Treatment Centre – Gas Monitor	£4,595.50
Trinity Youth Centre Trust – Refurbishment and furniture	£3,829.96
Causeway Association – Refurbishment	£7,947.00
Music in Action – Instruments	£11,740.00
St. Martin’s School PTA – Outdoor play equipment	£19,059.88
Jersey Art and Therapy Group – Computer and software	£885.53
Raising the Standard – the Museum	£20,000.00
Jersey Ankylosing Spondylitis Society – Physiotherapist costs	£600.00
Victim Support (Witness Service) – Running costs	£7,500.00
Life Savers Jersey Branch – Training fund	£13,500.00
Art in the Frame Foundation – Materials and equipment for workshops	£4,690.00
Jersey Heritage Trust (museum) – stair lift	£1,500.00
Jersey Heritage Trust (archive) – Book scanner	£18,500.00
Caesarea Association – People carrier	£14,500.00
Jersey Sports Association for the Disabled – Sports wheelchair wheels	£8,533.42
Arts in Health Care Trust – Running costs	£8,000.00
Jersey Homeless Outreach Group – Part payment for new car	£4,688.00
Little Sisters of the Poor – Roof repairs	£13,565.00
Family Nursing and Home Care – Minibus	£20,000.00
Jersey Art and Therapy Group – Running costs	£1,800.00
Scott Gibaut Homes Trust – Major refurbishment	£20,000.00
Jersey Family Mediation Service – Mediator training	£2,174.00
Relate Jersey – Refurbishment of office	£8,377.00
Centre Point Trust – Hardship fund	£20,000.00
Friends of St. Thomas’ Church – Refurbishment of kitchen	£16,000.00
The Grace Trust – One year storage rental	£3,000.00
Jersey Council on Alcoholism – Major refurbishment	£20,000.00
Silkworth Lodge – Major refurbishment	£20,000.00
Maison Des Landes – Major refurbishment	£20,000.00
Jersey Women’s Refuge – Running costs for Outreach Project	£20,000.00

Jersey Scout Association – Refurbishment of St. Ouen Hall	£20,000.00
Durrell Wildlife Conservation Trust – New Meerkat enclosure	£20,000.00
National Childbirth Trust – Breastfeeding counsellor training	£7,400.00
<b>TOTAL</b>	<b>£486,966.79</b>

### **The administration charge**

A charge of £10,000 is made to the Culture and Leisure Department in Guernsey as a contribution in respect of work undertaken for the administration and management of the Lottery.

### **States Treasury recharges**

The Department has a Service Level Agreement with the Shared Services Division of Treasury and Resources for financial, administrative and audit support with the C.I. Lottery. This includes services such as preparing accounts on behalf of both Islands, reconciling winning tickets, paying commissions, auditing accounts and being present at the Christmas Lottery Draw and for which the Treasury charges the Department a fee.

The Board would like to thank the Advisory Unit, States Treasury and the Finance Director for their advice throughout the year.

The final accounts for the C.I. Lottery (unaudited) up to December 2008 are noted overleaf.

**Income and Expenditure Account for the year ended 31st December 2008**  
**Figures for Annual Accounts**

	2008		2007	
	£	£	£	£
Revenue				
Sale of tickets in Jersey	2,016,000		2,043,988	
Sale of tickets to Guernsey	1,340,800		1,422,100	
Prize Expired Prize Income	119,219		47,213	
Bank Interest	15,021		6,705	
Other Lottery Income	1,580		12,367	
		3,492,620		3,532,371
<b>Expenditure</b>				
Prize money paid and accrued	(1,993,710)		(2,075,741)	
Guernsey's discount on ticket	(536,320)		(568,840)	
Agents' commission on winning tickets	(267,773)		(272,765)	
Previous year's unclaimed prize money	(19,001)		(24,946)	
Supplies and Services	(58,184)		(103,073)	
Administrative Costs	(60,864)		(63,683)	
Funds due to Association of Jersey	(445,414)		(358,616)	
Gratuities				
Grant to Education, Sport and Culture			(30,000)	
		(3,381,266)		(3,497,664)
<b>Surplus for the Year</b>		111,354		34,707

Ticket income is shown gross of discounts (13% to Jersey agents, 40% for Guernsey sales).  
 In 2007, £30,000 was transferred from the Fund to Education, Sport and Culture in recognition of historic balances held on their behalf.  
 Previous years' unclaimed prize money is shown as expenditure to reflect an apportionment to Guernsey in line with their sales.

**Balance Sheet as at 31st December 2008 – for Annual Accounts**  
**Figures for Annual Accounts**

	2008		2007	
	£	£	£	£
<b>Liabilities</b>				
Accrued Prepayments	951,054		1,084,119	
Accrued to Consolidated Fund	<u>796,943</u>		<u>80,932</u>	
		1,747,997		1,165,051
<b>Assets</b>				
Accrued prizes	788,688		289,338	
Accrued for Association of Jersey	445,414		358,616	
Accrued	<u>67,801</u>		<u>182,358</u>	
		1,301,904		830,312
<b>Assets</b>		<u>446,093</u>		<u>334,739</u>
		<u>446,093</u>		<u>334,739</u>
<b>Net:</b>				
Accrued Fund		446,093		334,739
		<u>446,093</u>		<u>334,739</u>



## **Channel Islands Lottery (Jersey) Fund**

The Channel Islands Lottery is administered and governed by the Public Lotteries Board, which is constituted in accordance with the Channel Islands Lottery (Jersey) Regulations 1975.

Profits for 2008 totalled £556,768. As in 2007, 20% of the annual surplus is retained in reserves as a contingency measure. For 2008, this figure is £111,354. The balance for 2008 (subject to confirmation by audit) to be transferred to the Association of Jersey Charities is £445,414.

Total ticket sales for the year (inclusive of the Christmas Draw) were 5% down on the previous year. Of the 3,356,800 tickets sold across the Islands, 2,016,000 (60%) were sold in Jersey and 1,340,800 (40%) in Guernsey.