

---

# STATES OF JERSEY



## PUBLIC LOTTERIES: REPORT FOR 2015

---

Presented to the States on 1st April 2016  
by the Minister for Economic Development, Tourism, Sport and Culture

---

STATES GREFFE

## **REPORT**

### **Introduction**

The 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 2015 up to the 31st December 2015, including the Christmas Draw of 17th December 2015, together with an income and expenditure account and balance sheet.

### **Overview of the Channel Islands Lottery**

Policy for the Lottery in 2015 was decided in Jersey by the Assistant Minister for Economic Development, Tourism, Sport and Culture, Deputy M.J. Norton of St. Brelade, and in Guernsey by the Culture and Leisure Board Member, Deputy F. Quin.

### **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 2015.

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 2015, is £453,996, a decrease of £657,926 on 2014. Payments in 2014 were higher as a result of a higher distribution from reserves which accounts for the majority of this decrease. The remaining difference is the result of accounting adjustments made in 2015.

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.

### **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, 250,000 more than in 2014.

The Assistant Minister reports that 1,099,250 tickets were sold from a Jersey issue of 1,300,000.

Guernsey sold 615,850 tickets out of an allocation of 700,000.

The Channel Islands Christmas Draw achieved a top prize of £1,161,750, below the £1,220,600 achieved in 2014.

Finally, special mention must be made of the part played by the Islands' media for broadcasting and publishing the regular first prize updates, which played an invaluable part in the promotion of the Draw.

### **Marketing and promotion**

Merchandising for the Channel Islands Lottery was undertaken by Wilkinsons C.I. Ltd. in Jersey. Special efforts continued in Jersey during 2015 to work with an expanded retail network to increase the prominence of lottery products at point of sale.

### **Ticket sales in 2015**

Ticket sales for the year inclusive of the Christmas Draw totalled £15,676,850, with £6,716,850 being spent in Jersey and £8,960,000 in Guernsey.

### **[www.gov.je](http://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 313 Jersey charities. The Assistant Minister continues to support their efforts for local charitable causes. The provision of the States' grant is governed through a Service Level Agreement.

Grant applications from members up to a maximum of £30,000 are considered by the Executive Committee at their quarterly meetings.

The grants approved in 2015 by the Association of Jersey Charities are listed in the following table, and illustrate the very real benefits accrued by Lottery profits for Jersey good causes.

**List of applications approved in 2015**

<b>Application from:</b>	<b>Reason for application:</b>	<b>£</b>
Jersey Child Care Trust	Special needs project	30,000.00
Les Amis	Convert a garage into a bedroom	30,000.00
NSPCC	Two midwives salaries	30,000.00
Headway Jersey	OT salary and minibus running costs	30,000.00
The Bailiwick of Jersey RAYNET Group	For equipment	5,460.72
Jersey Youth Trust	Youth worker salaries	30,000.00
National Trust for Jersey	A new truck	20,000.00
Triumph Over Phobia	Send 2 to a conference	1,600.00
Jersey Dyslexia Association	Admin assistant salary for one year	14,500.00
Brook in Jersey	Increase in staff hours, resources and training	15,018.00
The Shelter Trust	Refurb of Aztec House	29,868.48
Friends of Samares School	Half cost of a minibus	13,773.50
Little Sisters of the Poor	To continue major refurb of home	15,000.00
Jersey Association of Cancer Nurses	To host a conference	5,000.00
Jersey Heritage Trust	To produce 'The Annual' for schools	8,660.00
Jersey Heritage Trust	Towards an 'Ice Age' exhibition	7,318.00
Jersey Action Against Rape (JAAR)	Half cost of office manager's salary	12,000.00
Caring Cooks of Jersey	Admin salary for one year	18,720.00
Brighter Futures	To deliver 'Growing Together' project	30,000.00
St John Ambulance	New Ambulance	30,000.00
Good Companions Club	Replacement minibus	30,000.00
NCT Jersey	Ante-natal Training	25,560.00
St Peter's School PTA	Half cost of a minibus	12,500.00
Jersey Employment Trust	Second hand truck	20,000.00
Jersey Arts Centre	Theatre in Education project	30,000.00
SMILE Jersey	rebranding/website/room hire	4,350.00
Jersey Mencap	Manager's Salary	30,000.00
Greyhound Rescue Jersey	Replacement van	27,500.00
Maison des Landes	Refurbishment of the hotel	30,000.00
Age Concern Jersey	Rebranding	15,000.00
Le Congres de Parlers Normand St. Jerriais	Teacher's Salary	30,000.00
Super Smiles	Educator/literature	11,700.00

<b>Application from:</b>	<b>Reason for application:</b>	<b>£</b>
Jersey Hospice Care	Website update/heated trolley/shower chair	18,834.63
National Ankylosing Spondylitis Jersey	Physiotherapist costs	700.00
George V Residents Association	Coach trips and catering	1,000.00
Family Nursing & Home Care	Tablets for nursing/caring staff	30,000.00
NSPCC	Baby Steps Project	30,000.00
Beach Ability	Seasonal co-ordinator salary	4,734.50
Silkworth Lodge	Community Day Programme Manager salary	30,000.00
Triumph Over Phobia	For books and room hire	2,000.00
SMILE Jersey	Administrator salary	12,480.00
Durrell	Refurb of Tamarin Accommodation	30,000.00
Convent Court Community Room	12 Laptops	1,000.00
La Moye School PTA	Artificial Grass and an oven	20,571.42
Autism Jersey	Office Manager salary	30,000.00
Freedom Church	Youth Team salaries	30,000.00
Caring Cooks of Jersey	CEO Salary	11,000.00
Freedom for Life Ministries	Replacement windows	30,000.00
		<b>925,849.25</b>

### **States of Jersey recharges**

The Economic Development, Tourism, Sport and Culture Department administer, operate and manage the Channel Islands Lottery in Jersey. For this, a nominal figure of £3,542 was recharged to the Lottery in 2015.

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 £39,995.

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 2015 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.

### Summary Snapshot

Fund Position	<b>£100,000</b>	<b>44.5%</b> decrease from 2014
Net Revenue Expenditure	<b>£ 80,172</b>	<b>80.5%</b> decrease from 2014

### Fund Performance

#### 1. Income

Actual 2014	Actual 2015
<b>£11.3 million</b>	<b>£12.9 million</b>

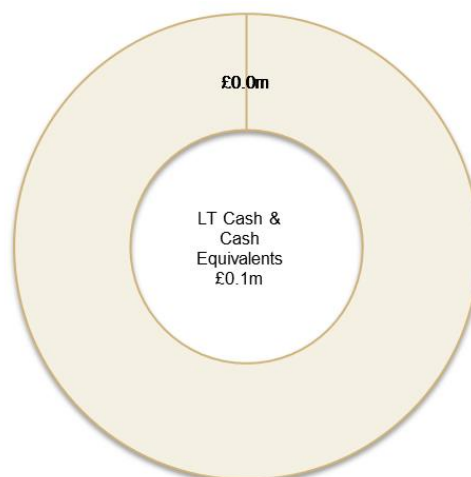
Ticket sales accounted for the overwhelming majority of income at £12.8 million (99.2%). The Christmas Draw and Super Red Hot 7s contributed the most revenue jointly accounting for £8.2 million (64.1%) of sales. Other income from investment returns and time expired prizes amounted to £0.1 million (0.8%).

Combined Jersey and Guernsey sales grew by £2.0 million (14.5%) in 2015. Sales of Super Red Hot 7s recorded the greatest increase at £1.2 million, whilst the Red Hot 7s sales grew by £0.4 million. Income from investments was in line with 2014 whilst time expired prizes declined by £0.1 million (58.4%) reflecting an increase in proportion of prizes being claimed, particularly in relation to the Christmas Lottery.

## Performance of CIF Investments

---

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 Fund.

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

	2014 £'000	2015 £'000
Income	(1)	(1)
Expenditure	-	-
Losses on Investments	-	-
<b>Total Gains recognised</b>	<b>(1)</b>	<b>(1)</b>

## 2. Expenditure

---

Actual 2014	Actual 2015
£11.7 million	£13.0 million

Prize payments and commission to distributors were the principal costs in 2015. Together they accounted for expenditure of £10.9 million (84.1%) and £1.3 million (9.7%) respectively.

Overall expenditure grew by £1.4 million (10.8%) in 2015. Prize payments showed the largest absolute increase at £1.4 million (15.1%) whilst other increases were offset by a decline in the amounts paid to the Association of Jersey Charites (AJC).

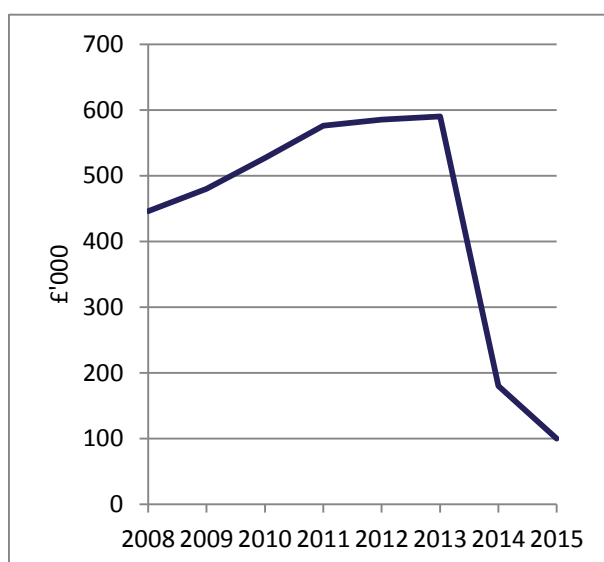
Total amounts paid to the AJC declined by £0.6 million (54.5%) in 2015. Payments in 2014 were inflated by an extraordinary one-off distribution from reserves of £0.4 million, which accounts for the majority of this decrease. The remaining difference is the result of accounting adjustments made in 2015, which are partly offset by a further extraordinary distribution of £0.1 million.

### 3. Changes in Fund Net Asset Value

Fund Balance 2014	Fund Balance 2015
£0.2 million	£0.1 million

The Channel Islands Lottery (Jersey) Fund maintains a positive net asset value in order to protect against the financial risk associated with running public lotteries. As result of changes to the sales approach, which reduced the Fund's risk exposure, special distribution of £0.4 million was made in 2014. After further analysis, it was determined that an additional extraordinary distribution of £0.1 million should be made to the Association of Jersey Charites reducing in the net asset value to £0.1 million.

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





## Financial Statements

---

### Statement of Comprehensive Net Expenditure

---

	2014 Actual £'000	2015 Actual £'000
<b>Revenue</b>		
Sales of Goods and Services	(11,139)	(12,833)
Investment Income	(11)	(14)
Other Income	(176)	(73)
<b>Total Revenue</b>	<b>(11,326)</b>	<b>(12,920)</b>
<b>Expenditure: Near Cash</b>		
Supplies and Services	1,113	1,607
Other Operating Expenditure	9,508	10,939
Grants and Subsidies Payments	1,112	454
Impairments of Financial Assets	3	-
<b>Total Expenditure: Near Cash</b>	<b>11,736</b>	<b>13,000</b>
<b>Net Revenue Expenditure</b>	<b>410</b>	<b>80</b>
<b>Total Comprehensive Expenditure</b>	<b>410</b>	<b>80</b>

## Statement of Financial Position

	2013 Actual £'000	2014 Actual £'000	2015 Actual £'000
<b>Non-Current Assets</b>			
Investments held at Fair Value through Profit or Loss	142	143	144
<b>Total Non-Current Assets</b>	<b>142</b>	<b>143</b>	<b>144</b>
<b>Current Assets</b>			
Non-Current Assets classified as held for sale	-	-	-
Trade and Other Receivables	1,117	1,816	1,905
Balance due from the Consolidated Fund	1,636	2,683	1,222
<b>Total Current Assets</b>	<b>2,753</b>	<b>4,499</b>	<b>3,127</b>
<b>Total Assets</b>	<b>2,895</b>	<b>4,642</b>	<b>3,271</b>
<b>Current Liabilities</b>			
Trade and Other Payables	(2,305)	(4,462)	(3,171)
<b>Total Current Liabilities</b>	<b>(2,305)</b>	<b>(4,462)</b>	<b>(3,171)</b>
Other Financial Liabilities	-	-	-
<b>Assets Less Liabilities</b>	<b>590</b>	<b>180</b>	<b>100</b>
<b>Taxpayer's Equity</b>			
Accumulated Revenue Reserves	590	180	100