
STATES OF JERSEY



PUBLIC LOTTERIES: REPORT FOR 2017

**Presented to the States on 27th March 2018
by the Minister for Economic Development, Tourism, Sport and Culture**

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 2017 up to 31st December 2017, including the Christmas Draw of 19th December 2017, together with an income and expenditure account and balance sheet.

Overview of the Channel Islands Lottery

Policy for the Lottery in 2017 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 2017.

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 2017, is £1,399,097, an increase of £148,615 from 2016. This increase was driven by a number of factors, including a further reduction in administrative costs and improvements to the approach taken to estimate prize liabilities following review.

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 2017

	£
Jersey Sales	7,949,000
Guernsey Sales	10,725,000
Total:	18,674,000

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 2016.

The Assistant Minister reports that 977,050 tickets were sold from a Jersey issue of 1,300,000.

The Channel Islands Christmas Draw achieved a top prize of £1,008,410 below the £1,120,220 achieved in 2016.

Marketing and promotion

A new logo and associated marketing and merchandising material to increase awareness of the Channel Islands Lottery continued to be rolled out during 2017. Merchandising for the Channel Islands Lottery in Jersey was undertaken by Wilkinsons C.I. Ltd.

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, 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 the 2016 proceeds to the Association of the Jersey Charities in 2017 was governed by a Service Level Agreement.

List of applications approved in the 4th Quarter of 2016 by the Association of Jersey Charities (omitted from previous year's Report)

Date	£	Applicant	Reason for application
06/12/2016	30,000.00	Autism Jersey	Fundraiser's Salary
06/12/2016	4,959.50	Beach Ability	Co-ordinator's Salary
06/12/2016	11,700.00	Pain Support Jersey	2 x admin. salaries
06/12/2016	30,000.00	Headway	Half for minibus costs; half for physio salary
06/12/2016	10,000.00	Jersey Heritage Trust	To digitise old film footage
06/12/2016	15,000.00	Gorey Youth Project	Youth Worker's Salary
06/12/2016	30,000.00	Freedom Church	Refurbishment of Centre retrospective
06/12/2016	–	Jersey Employment Trust	Re-use project – cancelled
06/12/2016	9,749.36	Silkworth Lodge	Refurbishment of office
Total: 141,408.86			

The grants approved by the Association of Jersey Charities in 2017 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 2017 by the Association of Jersey Charities

Date	£	Applicant	Reason for application
07/03/2017	10,000.00	Jersey Sea Cadets	To purchase an R.I.B.
07/03/2017	19,500.00	Jersey Brain Tumour Charity	Head of Patient Support salary
07/03/2017	4,999.00	Grouville School PTA	To purchase an OWL House
07/03/2017	30,000.00	Wetwheels	Running costs
07/03/2017	15,000.00	Jersey Seasearch	Educational costs
07/03/2017	30,000.00	Elim Rock Community Centre	Manager's salary
07/03/2017	4,999.00	Jersey Early Years Association	Emergency Nursery Places Fund
07/03/2017	14,000.00	Words & Numbers Matter	Teacher's salary and educational supplies
07/03/2017	15,000.00	Jersey Arts Trust	Funding teachers/equipment for Paper Cuts
07/03/2017	29,709.56	Brook in Jersey	Nurses' salaries
05/06/2017	29,783.52	Youth Arts Jersey	Assistant Youth Worker salary
05/06/2017	30,000.00	Les Amis	Towards 'nursing care' facilities
05/06/2017	30,000.00	Grace Trust Jersey	Towards 3 x salaries
05/06/2017	1,000.00	Triumph Over Phobia	For books
05/06/2017	4,350.00	JCRAG	Educational component of Refugee Week
05/06/2017	30,000.00	Silkworth Lodge	Exterior maintenance and roof garden
05/06/2017	30,000.00	Love Matters	Educator's Salary
05/06/2017	27,810.00	Relate Jersey	Training and supervision
05/06/2017	4,142.00	Jersey Heritage Trust	Culture Map for schools
05/06/2017	9,929.95	Jersey Heritage Trust	Replacement book scanner
05/09/2017	9,948.95	Jersey Heritage Trust	To produce a Peace Trail guide & video
05/09/2017	15,368.82	Jersey Marine Conservation	To purchase an R.I.B.
05/09/2017	2,820.00	Jersey Child Care Trust	For training
05/09/2017	30,000.00	Les Congrès	For a Jèrriais teacher's salary
05/09/2017	24,900.00	Music in Action	Development Manager's salary and educational programme
05/09/2017	24,000.00	Lymphoedema Jersey	For a therapist's salary for 2 years
05/09/2017	30,000.00	Jersey Council on Alcoholism	To refurbish West Park properties
05/12/2017	49,032.00	Family Nursing & Home Care	Various items of equipment
05/12/2017	14,935.98	Jersey Child Care Trust	Fundraiser salary

Date	£	Applicant	Reason for application
05/12/2017	30,000.00	Caring Cooks of Jersey	CEO salary
05/12/2017	30,000.00	Autism Jersey	Fundraiser salary
05/12/2017	7,000.00	Jersey Mencap	Second-hand van
05/12/2017	22,000.00	Every Child Our Future	Admin. salary
05/12/2017	50,000.00	Jersey Cheshire Home	Lift
05/12/2017	50,000.00	Headway Jersey	Therapist, education, website
05/12/2017	20,000.00	Les Amis	Wheelchair vehicle
05/12/2017	30,000.00	Aspire CT	Fundraiser salary
05/12/2017	50,000.00	Jersey Employment Trust	New build re-use centre
05/12/2017	11,500.00	Jersey Eisteddfod	Replacement display boards
05/12/2017	30,000.00	Normandy Rescue	Second-hand ambulance
05/12/2017	25,005.00	Street Pastors Jersey	Admin salary, admin. costs, uniform, training
05/12/2017	30,000.00	Jersey Youth Trust	Rent and utilities
05/12/2017	29,753.25	Abbeyfield Jersey Society	New kitchen
Total: 986,487.03			

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 2017.

The Shared Services Division of Treasury and Resources provides 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 £27,300.

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 2017 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	£100,000	0.0% increase from 2015
Net Revenue Expenditure	£0	£80,172 in 2015

Fund Performance

1. Income

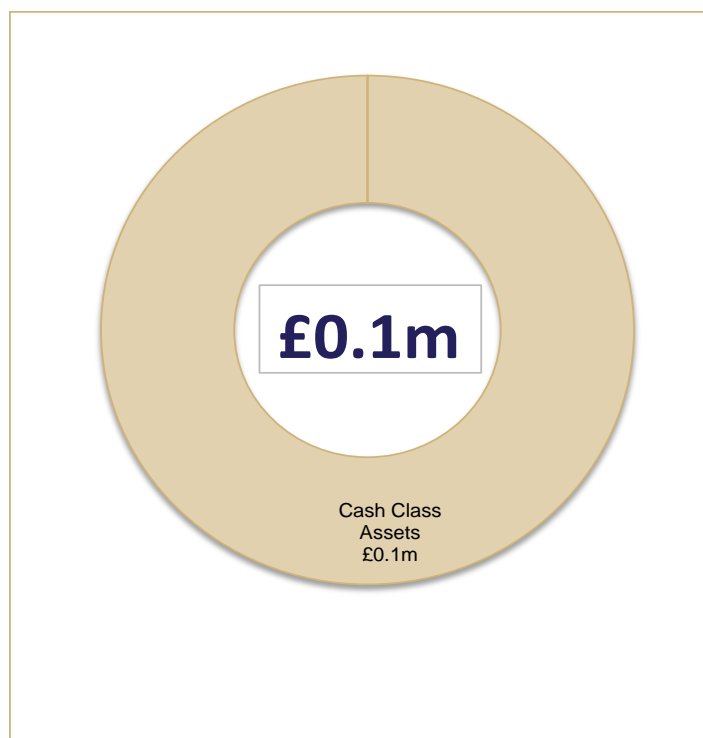
Actual 2016	Actual 2015
£14.7 million	£12.9 million

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

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	–	–
Total Gains recognised	(1)	(1)

2. Expenditure

Actual 2016	Actual 2015
£14.7 million	£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%).

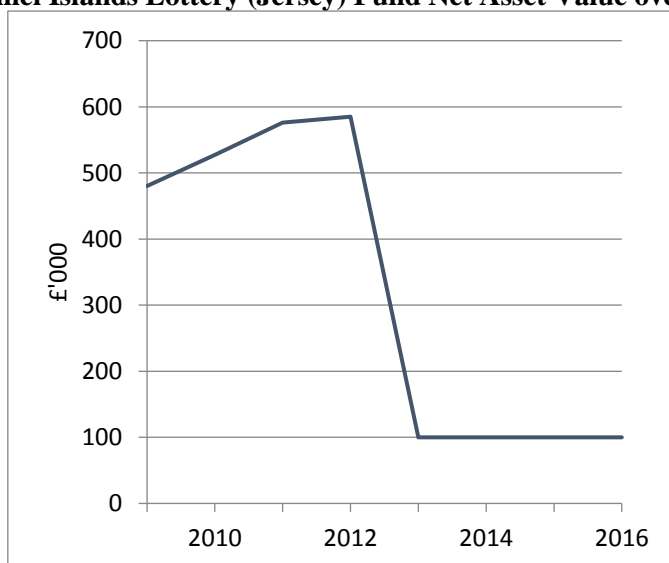
The amount raised for distribution to good causes increased by £0.8 million (175.4%) in 2016. This increase was driven by a number of factors, including: a reduction in administrative costs; improvements to the approach taken to estimate prize liabilities following review; and a re-negotiation of the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

3. Changes in Fund Net Asset Value

Fund Balance 2016	Fund Balance 2015
£0.1 million	£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

Statement of Comprehensive Net Expenditure

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

Statement of Financial Position

	2016 Actual £'000	2015 Actual £'000	2014 Actual £'000
Non-Current Assets			
Investments held at Fair Value through Profit or Loss	145	144	143
Total Non-Current Assets	145	144	143
Current Assets			
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
Total Current Assets	3,717	3,127	4,500
Total Assets	3,862	3,271	4,643
Current Liabilities			
Trade and Other Payables	3,762	3,171	4,462
Total Current Liabilities	3,762	3,171	4,462
Other Financial Liabilities	–	–	–
Assets Less Liabilities	100	100	180
Taxpayer's Equity			
Accumulated Revenue Reserves	100	100	180
Total Taxpayer's Equity	100	100	180