

## **ROTHER DISTRICT COUNCIL – GAMBLING ACT 2005**

### **GUIDANCE FOR THE REGISTRATION OF SMALL NON-COMMERCIAL SOCIETY LOTTERIES**

#### **Definition of the Lottery**

The lottery is an arrangement which satisfies all the criteria contained with the statutory description of either a simple lottery or a complex lottery under Section 14 of The Act.

An arrangement is a simple lottery if:-

- persons are required to pay to participate
- one or more prizes are allocated to one or more members of a class and
- the prizes allocated by process which relies wholly on chance

An arrangement is a complex lottery if:-

- persons are required to pay to participate
- one or more prizes are allocated to one or more members of a class
- the prizes are allocated by a series of processes
- the first of those processes lies wholly on chance

#### **Definition of Society**

The Society or any separate branch of a Society on whose behalf a lottery is to be promoted must be a non-commercial organisation, conducted:

- for charitable purposes
- for the purpose of enabling participation in or supporting sport, athletics or cultural activity and
- any other non-commercial purpose other than that of private gain

It is inherent in this definition of Society, that it must have been established for one of the committed purposes and that the proceeds of any lottery must be devoted to those purposes. It is not permissible to establish a Society whose sole purpose is to facilitate lotteries, it must have some other purpose.

#### **Application and Registration process**

Rother District Council must be satisfied that Societies who want to register with them to operate lotteries must fall within a definition contained in The Act with a small society lottery:

- society status – the society in question must be non-commercial and
- lottery size

The total value of the tickets to be put on sale for a single lottery must be £20,000 or less, for the aggregate value of tickets to be put on sale for all their lotteries in a calendar year

must not exceed £250,000. If the operator plans to exceed either of these values, then they may need to be licensed with the Gambling Commission to operate large lotteries instead.

The maximum global amount that can be deducted for expenses and prizes is 80% with a minimum of 20% going to the purposes of the Society.

Rollovers of prize funds from one lottery to another promoted by the same Society are permitted provided that the maximum single prize does not exceed £25,000 or 10% of the gross proceeds. Tickets may be sold by an automatic process.

### **Declaration by Society**

All applications must be accompanied by a person authorised by the Society that they represent a bona-fide non-commercial Society.

### **Limits placed on Small Society Lotteries**

1. At least 10% of the lottery proceeds must be applied for the purposes of the Society.
2. No single prize may be worth more than £25,000.
3. Rollovers between lotteries are only permitted where every lottery effected is also a Small Society Lottery promoted by the same Society and the maximum single prize is £25,000.
4. Every ticket in the lottery must cost the same and the Society must take payment for the ticket fee before entry into the draw is allowed.

### **Information required from the Society**

Paragraph 39 of Schedule 11 of The Act sets out the information, the promoting Society of a Small Society Lottery must send a return to the licensing authority following each lottery held. This information allows Authorities to assess in particular where financial limits are being adhered to and to ensure any money raised is being applied for the proper purposes. The information that must be submitted is as follows:-

1. Arrangements for the lottery, specifically the date on which the tickets were available for the sale of supply, the dates of any draw and the value of prizes including any donated prizes and any rollover.
2. The total proceeds of the lottery.
3. The amounts deducted by the promoters of the lottery for providing prizes including prizes in accordance with any rollovers.
4. The amounts deducted by the promoters of the lottery in respect of costs incurred in organising the lottery, the amount applied to the purpose for which the promoting Society is conducted (this must be at least 20% of the proceeds) and were there any expenses incurred in connection with the lottery were not paid or by deduction from the proceeds and if so the amount of expenses and the sources from which they were paid.

Paragraph 13 of Schedule 11 of The Act also requires that returns must:-

- (a) be sent to the licensing authority no later than 3 months after the date of the lottery draw or in the case of instant lotteries (scratch cards) within 3 months of the last date of which the tickets were on sale and
- (b) to be signed (electronic signatures are acceptable if the return is sent electronically) by two members of the Society who must be aged 18 or older, are appointed for the purpose in writing by the Society or if it has one, its governing body and accompanied by copy of their letters or letters of appointment.

### **Lottery Tickets**

Lotteries may involve the issuing of physical or virtual tickets to a participant (a virtual ticket being non-physical for example in the form of an email or text message).

All tickets must state:-

1. the name of the promoting Society.
2. the price of the ticket (which must be the same for all tickets)
3. the name and address of the member of the Society who is designated as having responsibility of the Society for promoting small lotteries or (if there is one) the external lottery manager and
4. the date of the draw of information which enables the date to be determined.
5. Registration Number

All Small Society lottery operators should maintain a register to maintain written records of any unsold or returned tickets for a period of one year from the date of the lottery draw. The licensing authority is permitted to inspect records of the lottery for any purpose related to the lottery.

The Act requires that lottery tickets may only be sold by persons over the age of 16 to persons over the age of 16.

Tickets must not be sold in a street, a street includes any bridge, road, lane footways, subways, square, court or passage (including passages through enclosed premises such as shopping malls) but tickets may however be sold from a kiosk, in a shop or door to door.

### **Prizes**

Prizes awarded in Small Society Lotteries can either be cash or non-monetary. The value of prizes declared on returns must not exceed the limits and prizes set out by The Act ie. that combined with any expenses incurred with the running of the lottery such as managers fees, they must not comprise more than 80% of the total proceeds of the lottery. Donated prizes would not be counted as part of this 80% (as no money would be withdrawn from the proceeds to cover their purchase) but should still be declared on the return following the lottery draw.

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