

## **STATES' TRADING SUPERVISORY BOARD**

### CHANNEL ISLANDS LOTTERY – 2018 REPORT AND ACCOUNTS

#### **1 States' Trading Supervisory Board Members, Principal Officers and Professional Advisers**

##### 1.1 States' Trading Supervisory Board Members:

- Deputy Charles Parkinson (resigned 27 June 2018);
- Deputy Peter Ferbrache (appointed 27 June 2018);
- Deputy Jeremy Smithies;
- Deputy Jan Kuttelwascher (appointed 25 September 2018);
- Mr Stuart Falla MBE;
- Mr John Hollis.

The constitution of the States' Trading Supervisory Board ("STSB") provides that the membership of the STSB shall be a President and two members who shall be members of the States and two members who shall not be members of the States. If and when the STSB is inquorate and an urgent decision is required, the States' Rules of Procedure allow for the insufficiency of members to be replaced by members of the States chosen, in the first instance, from members of the Policy & Resources Committee.

##### 1.2 Principal Officers to the States' Trading Supervisory Board:

- Mr Simon Elliott, Managing Director, States of Guernsey Trading Assets;
- Mr Richard Evans, Deputy Managing Director, States of Guernsey Trading Assets;
- Mr Simon Gardiner, Finance Business Partner, States of Guernsey Trading Assets;
- Mr Alastair Ford, Head of Shareholder Executive, States of Guernsey Trading Assets.

1.3 The Organisation of States' Affairs (Transfer of Functions) Ordinance 2016 directs that the Gambling (Channel Islands Lottery) (Bailiwick of Guernsey) Ordinance, 1975 is transferred from the Culture and Leisure Department to the STSB. Specifically, the STSB have responsibilities and oversight of the delivery of the administration and promotion of the Channel Islands Lottery.

#### 1.4 Channel Islands Lottery Sub-Committee:

- Deputy Jeremy Smithies, Chair (appointed 15 February 2018);
- Deputy Charles Parkinson (appointed 15 February 2018, resigned 27 June 2018);
- Deputy Peter Ferbrache (appointed 26 July 2018);
- Mr Richard Evans, non-voting member (appointed 15 February 2018);
- Mr Simon Gardiner, non-voting member (appointed 15 February 2018);
- Mr Jon Taylor, non-voting member (appointed 1 May 2018).

#### 1.5 Principal Officers of the Channel Islands Lottery Sub-Committee:

- Mr Richard Evans, Deputy Managing Director, States of Guernsey Trading Assets;
- Mr Simon Gardiner, Finance Business Partner, States of Guernsey Trading Assets;
- Mrs Catriona Edwards, Senior Finance Manager, States of Guernsey Trading Assets;
- Mr Jon Taylor, Senior Lottery Officer, States of Guernsey Trading Assets.

1.6 In these Report and Accounts any reference to "President" refers to the President of the STSB and any reference to "Chairman" refers to the Chairman of the Channel Islands Lottery Sub-Committee.

## 2 Chairman's Report - Overview

2.1 I am pleased to be able to provide a report on the Bailiwick of Guernsey's performance within the Channel Islands (CI) Lottery for 2018. The requirement to report is contained within section 2(5) of The Gambling (Channel Islands Lottery) (Bailiwick of Guernsey) Ordinance, 1975 (as amended). The report is included as an appendix to a Billet d'Etat.

2.2 Over the last twelve months, the CI Lottery has become increasingly scrutinised by States' Members and the community at large. In observing local social media conversations, media reports and general discussions about the CI Lottery, there is still some work for the STSB to do in communicating how the lottery works, who benefits and what we are doing to run the series of scratch card games responsibly. Ultimately, we are here to generate much needed funds for the purpose of helping our community through local charities and good causes.

2.3 The STSB's vision for the CI Lottery is quite clear in that it wishes to ensure the instant lottery games continue to be a positive experience for participants, providing the best return to the charity sector and other notable good causes,

whilst carrying out operations in a responsible manner.

- 2.4 The STSB operates the lottery in Guernsey but it is effectively a joint operation between the States of Guernsey and States of Jersey. Its foundation is tied up in legislation and States of Guernsey Resolutions. In its infancy, Jersey and Guernsey utilised the revenues towards helping fund the operations of their respective leisure centres at Fort Regent and Beau Sejour. By 1980 a Charity Christmas Draw was introduced and remains popular today, albeit with declining sales over the last few years.
- 2.5 In 2003 the instant-win format replaced the fortnightly draws, however sales declined and in 2011 the States entered into a strategic partnership with Scientific Games International (SGI). The CI Lottery has experienced significant growth (scratch card games) with our game maker partner SGI.
- 2.6 The CI Lottery at present has two component formats: firstly, there are the regular instant-win games (at any one time there are six paper based instant win scratch games in circulation); the second game is the CI Christmas Lottery which is a draw/instant game with a rising drawn top prize, a range of significant secondary drawn prizes and an instant element.
- 2.7 In May 2016, the STSB took over responsibility for the Guernsey Bailiwick side of the Lottery from the Culture & Leisure Department. Since that time the CI Lottery has been managed on a daily basis by a small Lottery Team led by the Senior Lottery Officer. The CI Lottery Sub-Committee has responsibility for the strategic direction of the lottery.
- 2.8 Following the transfer to the STSB, the Lottery Team initiated a two phase CI Lottery review.
- 2.9 Phase one of this review focused on the short-term future of the lottery, taking into consideration its operational and governance arrangements and mitigating immediate risks. This part of the review has been completed and appropriate actions have been accomplished. Phase two has focused on the long-term future of the lottery taking into consideration its strategic purpose and objectives, in particular increasing the return to good causes.
- 2.10 Furthermore, the review provided the opportunity to formalise governance structures and align contracts to ensure the CI Lottery continues to be a well-regulated and appropriately managed operation.
- 2.11 The review proposed that consideration be given towards the future target operating model to ensure the continued operational success of the lottery.
- 2.12 The STSB's mandate is the oversight of the administration and promotion of the

CI Lottery and it wishes to do this in a responsible manner. Therefore, over the next year and beyond, it will be helping where able, to support the Committee for Health and Social Care in its plans for a gambling health impact assessment and a broader gambling prevalence survey into all types of gambling.

### **3 Chairman's Report – Business Performance**

- 3.1 The CI Lottery continues to perform well. Sales in the scratch game have grown in Guernsey by 21.2% over the last 12 months to £13.0 million. The biggest prize in the instant game portfolio is £100,000 on the 'Casino' game £10 scratch card. A set percentage of the sales value of tickets in each game is assigned to prizes (72% is the highest on the £10 game, 60.5% is the average across the various price points).
- 3.2 The large prize percentage makes the scratch card games a very popular form of gambling in Guernsey due to the prevalence and frequency of prizes paid out. In particular, the £10 games contributed to 36% of sales having grown by 104% on 2017 sales. However, the £5 tickets still contribute the most to sales, generating approximately 41% of total sales (£5.4m).
- 3.3 In 2019 there will be an expansion of the game portfolio with an increase from six to eight instant games at any one time.

### **4 Chairman's Report – Raising Funds Towards Good Causes**

- 4.1 The Guernsey Lottery was established in 1971 as a means of providing funding for special States led projects of benefit to the community. In the following year the States of Deliberation agreed to refine the objective of the Lottery in order for it to contribute only to the Beau Sejour Leisure Centre, which was then under development. When the Lotteries of Guernsey and Jersey merged to form the Channel Islands Lottery in 1975, a States' Resolution determined that the Guernsey portion of the proceeds should continue to be directed towards the operation of Beau Sejour in recognition of its value to the local people. This has evolved over time and now net proceeds from the annual Christmas Draw are donated to the Association of Guernsey Charities (AGC). £218k was distributed to charities via the AGC from Christmas Lottery revenues in 2018, an increase of 14.8% on 2017.
- 4.2 The annual net proceeds of the CI Lottery Instant Games, continues to be transferred to the Beau Sejour Leisure Centre up to the level of the Centre's operating deficit, in 2018 this was £616k (2017: £493K).

- 4.3 Any scratch card net proceeds exceeding the operating deficit of Beau Sejour, excluding the Christmas Draw, are retained within the States of Guernsey Appropriation Account and are used for major projects that will enhance Education, Sport and Culture Committee's (ESC) properties or for the funding of events which have a particularly special significance to the Island's heritage and unique cultural identity or (as approved at the November 6th 2018 States meeting) to fund initiatives designed to help and support individuals experiencing gambling problems locally.
- 4.4 The Lottery continues to provide important funding and since 2013 £6.8m has been raised in Guernsey which then goes towards charity, to funding Beau Sejour's operating deficit and to good causes that benefit the Island's community. £1.4m of this has been distributed to charities via the AGC over the last five years from the proceeds of the Christmas Draw.

## **5 Chairman's Report – CI Christmas Lottery 2018**

- 5.1 The 2018 Christmas Lottery was reviewed and a new prize structure introduced to include more drawn prizes than in previous years. In Guernsey, 395,000 tickets were sold in 2018 contributing £1.2m to total sales (9.1%) compared with 538,750 draw tickets sold in 2017 contributing £1.0m to total sales. This represents a 26.6% drop in ticket sales to generate a 9.9% uplift in sales revenues with a ticket price increase from £2 to £3.
- 5.2 A total of 666,160 tickets were sold in Jersey contributing £2.0m to total sales (21.9%) compared with 977,050 draw tickets sold in 2017 generating £2.0m sales. This represents a 31.8% drop in ticket sales to generate a 2.2% uplift in sales revenues.
- 5.3 For the first time in its history the draw was made 'live' as part of the Channel TV Broadcast on Thursday 20th December at Beau Sejour Centre in Guernsey. The draw was carried out by a team of lottery officers and officials and adjudicated by the States Auditor. Chair of the Guernsey Community Foundation performed the new role of 'peoples' observer'. Assistant Minister for Economic Development, Tourism, Sport and Culture represented the States of Jersey at the draw.
- 5.4 As part of the continued efforts to maintain the Christmas draw's popularity, an Island-wide public survey will be launched in 2019 to gather feedback which in turn will help shape the Christmas game in years to come.

## **6 Chairman's Report – The CI Lottery and our Community**

- 6.1 The STSB is committed to contribute to the Policy & Resource Plan's vision that: "We will be among the happiest and healthiest places in the world, where everyone has equal opportunity to achieve their potential. We will be a safe and inclusive community, which nurtures its unique heritage and environment and is underpinned by a diverse and successful economy."
- 6.2 The CI Lottery continues to distribute much needed funds towards charity and good causes throughout the Bailiwick of Guernsey and Jersey.
- 6.3 The CfHSC with the support of other committees including STSB, will now lead the problem gambling research.
- 6.4 The work being carried out by the CfHSC into problem gambling in Guernsey and Alderney recognises that, whilst most people who gamble do so responsibly most of the time, problem gambling can be harmful for some. This includes binge gambling, excessive gambling, periods of loss of control and a more serious gambling addiction. The resulting harm impacts not only on the gambler, but also on families, friends, communities and employers. It is therefore important we understand the prevalence of the problem so we can develop services to address identified areas of concern.

## **7 Chairman's Report – The Future**

- 7.1 Following the conclusion of a two phase internal review of the CI Lottery operation there is ongoing work to make further efficiencies to ensure a greater proportion of the revenues generated through the scratch card game is available to charity and good causes. These initiatives will focus on achieving greater value through negotiating new contract arrangements with the Game Maker and the lottery distribution agents. A tender to procure one or more main lottery agents will be announced in 2019. This is intended to further improve the efficiencies of the lottery and in turn result in more funding available for charity and good causes.

## **8 Senior Lottery Officer's Report – Lottery Proceeds and How They Are Distributed**

- 8.1 In September 2014, the States considered a report from the Culture and Leisure Department (Billet d'Etat XX, dated 15th August 2014) to change a number of

operational arrangements from which nine resolutions arose. The majority of these resolutions concerned changes to the distribution of Lottery proceeds or to provide flexibility to conduct special draws, namely:

- To agree that the proceeds from the annual Christmas Draw be donated to registered, local charitable bodies as authorised by the Treasury and Resources Department upon the recommendation of the Culture and Leisure Department;
- To confirm that the annual proceeds of the Channel Islands Lottery, aside from the annual Christmas Draw, continue to be transferred to the Beau Sejour Centre up to the level of the Centre's operating deficit for that same calendar year;
- To direct that any Channel Islands Lottery proceeds exceeding the operating deficit of the Beau Sejour Centre, excluding the Christmas Draw, is to be retained within the Appropriation Account to be used either for major projects that will enhance the Department's properties or for the funding of events which have a particularly special significance to the Island's heritage and unique cultural identity;
- To delegate authority to the Treasury and Resources Department to approve use of the Appropriation Account;
- To direct the preparation of an Ordinance under the Gambling (Guernsey) Law, 1971 to enable additional public lotteries to be conducted by the Culture and Leisure Department in support of such community, sporting or other events, or such public purposes for the benefit of Guernsey and its inhabitants, as the Department may determine with the approval of the Treasury and Resources Department, without necessitating the involvement of the States of Jersey and the banner of the Channel Islands Lottery; and
- To direct that the operating surplus from any such additional public lotteries be transferred to the Appropriation Account.

## **9 Senior Lottery Officer's Report – Sale of Tickets**

- 9.1 Five main distribution Agents are appointed to sell Lottery tickets within the Bailiwick of Guernsey; three in Guernsey, one in Alderney and one in Sark. The Agents purchase tickets from the States of Guernsey and ensure that the tickets are on sale as widely as possible through a chain of sub-agents and retail outlets.
- 9.2 There has been, substantial year-on-year growth in scratch card sales revenue in Guernsey since 2011, coinciding with the commencement of the partnership agreement with Scientific Games and returning a higher percentage back to players as prizes.
- 9.3 Guernsey scratch card sales have exceeded Jersey in 2018 for the eight consecutive year, however Jersey sells more Christmas Tickets than Guernsey. A

ratio of 65% sold in Jersey to 35% sold in Guernsey.

9.4 Ticket revenue since 2007 has been as follows:

Year	Scratch Card Revenue £000s		Christmas Draw Revenue £000s	
	Bailiwick of Guernsey	Jersey	Bailiwick of Guernsey	Jersey
2007	822	1,144	600	900
2008	756	956	598	1,100
2009	686	864	760	1,240
2010	640	796	880	1,420
2011	891	795	927	1,380
2012	2,815	1,934	815	1,308
2013	4,199	2,014	1,177	1,785
2014	6,789	3,423	1,226	2,260
2015	7,726	4,518	1,232	2,199
2016	8,603	5,837	1,200	2,122
2017	9,648	7,949	1,077	1,954
2018	11,815	7,102	1,185	1,998

## 10 Senior Lottery Officer's Report – CI Lottery Profits Disbursed Towards Charity and Good Causes

- 10.1 Over a period of six years, a total of £6.7m has been raised for charity and good causes. Local charities have received £1.4m over this period. Beau Sejour Centre receives a significant amount which is utilised for the centre's operating deficit. In 2018 this equated to £616k. The Island Games Association has received £200k over the last two years to be used for the operation of Guernsey's 2021 Island Games, a total of £600K has been committed to this event in total, with the outstanding commitment now £400k.
- 10.2 The profits from the Christmas Charity Draw are paid to the Association of Guernsey Charities (AGC) for distribution to charitable groups. In 2018, due to the restructured ticket and increase in ticket price, sales revenues increased and the donation to AGC was up by 14.8% to £218k. With the STSB's agreement the AGC has distributed the funds as detailed in Appendix 2 at the end of this document.

10.3 Summary of all amounts distributed or retained since 2013, all retentions are accumulated within the Appropriation Account:

£000's	Christmas	Scratch Cards			Retained
	AGC	Beau Sejour	Island Games	Liberation Day	
Brought Forward					242
2013	209	550			73
2014	389	550			132
2015	220	672		50	176
2016	213	651			298
2017	190	493	100		538
2018	218	616	100		473
<b>Total</b>	<b>1,439</b>	<b>3,352</b>	<b>200</b>	<b>50</b>	<b>1,932</b>

Notes:

- (i) The 2014 distribution to the AGC included £97k from the forfeited prizes account which was closed with effect from 1 January 2014 with its balance distributed proportionately to the AGC, Alderney, Sark and the appropriation account. .
- (ii) The remaining commitment to Island Games 2021 is £400k

10.4 Prizes which are not claimed are forfeited after a given period of time, usually 12 months after the final issue of tickets for each game/draw. The total value of prizes unclaimed in the Bailiwick of Guernsey amounted to £87k in 2018 (2017: £118k). These forfeited prizes contribute to the proceeds available for good causes.

## 11 Senior Lottery Officer's Report – Impact of Gambling – Review Planned

11.1 The CfHSC will be working in partnership with the CfHA and the STSB to conduct a health impact assessment of gambling. The aim of the review is to look at gambling participation and behaviours locally, with a focus on problem gambling.

11.2 Like many countries throughout the world, problem gambling is becoming an increasing challenge. While internet based platforms remain a common form of gambling, in particularly relating to sports betting, the CI Lottery Scratch Card

game is under continued scrutiny from States Members and the general public alike.

11.3 Problem Gambling is sometimes described as gambling to a degree that compromises, disrupts or damages family, personal or recreational pursuits. An understanding of the magnitude and type of gambling, including problem gambling, will enable CfHSC to use this evidence base to inform local service provision for problem gamblers.

11.4 In correspondence to the STSB, the President, CfHSC, has said:

*“The Committee for Health & Social Care is planning to work in partnership with the Committee for Home Affairs and the States’ Trading Supervisory Board, subject to the availability of funding, to conduct a health impact assessment of gambling. The aim of the review is to look at gambling participation and behaviours locally, with a focus on problem gambling. Once HSC have secured an evidence-base, scoping the prevalence, type and severity of gambling-related problems locally, they can then use this to customise a service provision. This will ensure maximum clinical and cost-efficacy of services to support problem gambling. The aim is to complete this work by the end of the fourth quarter of 2019. ”*

The proposed project deliverables of the impact assessment are as follows:

- the collection and collation of information of gambling prevalence and type through the conducting of a population-based survey;
- the identification within the population-based survey, using a standard screening instrument based on the American Psychiatric Association Diagnostic and Statistics Manual — IV (DSM-IV) or equivalent tool, of the severity of problems experienced by individuals, including those at-risk of experiencing gambling-related harm;
- a comparison of gambling patterns locally with those in similar jurisdictions, for example the Isle of Man, Jersey and England;
- a collation of the qualitative information obtained from stakeholder interviews, including gamblers;
- an assessment of the impact of gambling on the health and wellbeing of local gamblers, with a focus on problem gambling;
- a consideration of the effect of problem gambling on family members;
- an appraisal of current services available and an analysis of service gaps; and
- an analysis of scratch card use and methods of sale in Guernsey, with a comparison to other jurisdictions; a specific consideration of the health impact of scratch card use in Guernsey.

## **12 Corporate Governance**

- 12.1 The purpose of the CI Lottery Sub-Committee is to support the delivery of the STSB's mandate, ensuring the efficient and effective management of the CI Lottery games. The CI Lottery Sub-Committee is accountable to the STSB.
- 12.2 Sub-Committee membership consists of two STSB Members, plus the Deputy Managing Director, STSB, Senior Finance Business Partner STSB, and Senior Lottery Officer.
- 12.3 The Sub-Committee will normally focus attention on strategic issues and a number of critical items, in particular those with potential to have the greatest impact on, and risk to, lottery operations whether financial, regulatory, environmental or reputational.
- 12.4 The key roles and responsibilities of the Sub-Committee include:
- Oversight of the lottery operation;
  - To work with CI Lottery Jersey political representation with a view to continue improvement in the way the CI Lotteries are delivered across both islands;
  - To work with the lottery management team to ensure that the appropriate level of governance is established and working effectively; and
  - To oversee and monitor policies and procedures for the CI Lottery (Guernsey) within the States objectives and policies.
- 12.5 The Chairman of the Sub-Committee is responsible for:
- The proper observance of the Terms of Reference;
  - Overseeing and facilitating the conduct of the Sub-Committee meetings;
  - Ensuring all Sub-Committee members have an opportunity to participate in discussion in an open, respectful and encouraging manner;
  - Seeking consensus from the whole Sub-Committee for matters that may be referred to the STSB or when acting as a subcommittee; and
  - Setting agenda items in conjunction with the Senior Lottery Officer.
- 12.6 The Sub-Committee does not hold any fiduciary responsibility.
- 12.7 The Sub-Committee will take into account the States' political direction with regard to the operation of CI Lottery, as directed from time to time by the STSB. It must ensure that the CI Lottery operation and operational policies align with the wider strategy and policy framework of the States of Guernsey and/or the

STSB. The Sub-Committee may generate policy for endorsement by the STSB and onward to the States of Guernsey as required.

- 12.8 The Sub-Committee should operate by challenging established practices and assumptions, and creating, developing and critically reviewing, long-term business plans and budgets to be set before the STSB for approval.
- 12.9 The STSB specifically confers the following responsibilities and delegated authority to the Sub-Committee:
- To approve capital and revenue annual budgets in line with the long-term budgets approved by the STSB;
  - To approve annual business plans in line with long-term strategy and planning approved by or directed by the STSB;
  - To approve and issue annual reports; and
  - To guide and steer the Channel Islands Lottery Management Team.
- 12.10 In carrying out these responsibilities the Sub-Committee is bound and enabled by States of Guernsey rules for financial and resource management and the rules, directives, policies and procedures of the States of Guernsey, such as, but not limited to: Finance; Procurement; Property; Human Resources; Data Protection; Health and Safety Management; Risk and Issue Management; Managing Matters of Litigation and Relevant Legislation.
- 12.11 The Sub-Committee has the authority delegated by the STSB to direct the CI Lottery Senior Officer in the day-to-day operation of the CI Lottery in line with approved budget and business plans.
- 12.12 In fulfilling this purpose, the Sub-Committee will:
- Receive regular operational, sales/management information and financial reports from the Senior Lottery Officer and, as appropriate, reports from the Lottery management team, with a view to directing the CI Lottery as appropriate or recommending a course of action to the STSB;
  - Receive and review regular financial performance reports;
  - Receive updates on significant projects;
  - Prioritise and ensure work streams progress in order to meet objectives and key performance indicators;
  - Consider, advise and make recommendations on aspects of CI Lottery operations and provision of service;
  - Provide challenge and guidance within the capital investment and capital approvals process and approve capital expenditure within the Sub-Committee's delegated authority;

- Submit annual budgets and business plans in line with the States of Guernsey budgeting process to STSB;
  - Consider and agree long-term business plans, budgets, forecasts (capital and revenue) prior to submission to the STSB for approval;
  - Advise on and agree prices and pricing policy in relation to the games operated by the CI Lottery;
  - Consider any regulatory authority reports in relation to CI Lottery, including the Guernsey Problem Gambling Steering Group, review options and take action to ensure compliance;
  - Own the CI Lottery risk register and report risks in line with agreed policy; and
  - Receive, review and recommend action from other reports as may be requested by the Sub-Committee.
- 12.13 A recommendation by the Sub-Committee to the STSB to amend the Terms of Reference must be made by majority of all Sub-Committee members.
- 12.14 The STSB can supplement the defined Sub-Committee membership at any time with non-voting advisers.
- 12.15 The Sub-Committee will meet on an 'as and when' required basis, and in any event once a quarter. One such meeting shall be the equivalent of an Annual General Meeting, which all members of the STSB, the Managing Director, States of Guernsey Trading Assets and the Finance Business Partner shall attend.
- 12.16 In the event of due process not being followed, the Sub-Committee must render itself unable to make a decision until such time process has been followed.
- 12.17 Within five days of the meeting, the relevant Executive Assistant who attended the meeting, will prepare and circulate a confidential copy of the minutes for approval by members. Reports are distributed for consideration by the Sub-Committee not less than five days prior to the meeting.
- 12.18 The Sub-Committee acts as a political Sub-Committee of the STSB.

### 13 Accounts

13.1 The accounts for the CI Lottery (Guernsey) Fund for 2018 are included appendix 1. These reveal that the promotion of the Lottery in the Bailiwick of Guernsey produced proceeds of £1.4m in 2018 (2017: £1.3m) (scratch cards and Christmas Draw combined), which was shared within the Bailiwick in proportion to the number of tickets sold on each Island as follows:

<i>All figures in £000s</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>
<i>States of Guernsey</i>	1,407	1,321	1,168
<i>States of Alderney</i>	3	3	3
<i>Chief Pleas - Sark</i>	4	3	2
<i>Totals</i>	1,414	1,328	1,163

The balance of the appropriation account amount as at the end of 2018 is £1.9m.

13.2 See Appendix 1 for detailed analysis of the Operating Account and the Appropriation Account.

**APPENDIX 1 - CHANNEL ISLANDS LOTTERY (GUERNSEY) FUND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**Operating Account**

	<b>2018</b>	<b>2017</b>
	<b>Actual</b>	<b>Actual</b>
	<b>£'000s</b>	<b>£'000s</b>
Sale of Tickets	13,000	10,725
Forfeited Prizes	87	118
Contribution to prize fund inc. forfeited prizes	(9,011)	(7,357)
Distribution Agent Commission	(1,776)	(1,452)
Game maker Commission	(714)	(584)
Staff Costs	(106)	(47)
Handling and Storage Charges	(49)	(46)
Grant re: problem gambling	0	(15)
Other expenses	(17)	(14)
	-----	-----
Gross surplus	1,414	1,328
	-----	-----
<b>Lottery Proceeds Share</b>		
Chief Pleas of Sark	(4)	(3)
States of Alderney	(3)	(3)
	-----	-----
Net surplus transferred to Appropriation Account for Guernsey	<b>1,407</b>	<b>1,321</b>

### Appropriation account

	<b>2018</b>	<b>2017</b>
	<b>Actual</b>	<b>Actual</b>
	<b>£'000s</b>	<b>£'000s</b>
Balance at 1 January	1,459	921
Net surplus transferred from Operating Account	1,407	1,321
Contribution towards 2021 Island Games	(100)	(100)
Donation to Association of Guernsey Charities	(218)	(190)
Transfers to Beau Sejour Centre	(616)	(493)
	-----	-----
Balance at 31 December	<b>1,932</b>	<b>1,459</b>
	-----	-----

#### Notes:

The remaining commitment to the Island Games 2021 is £400,000

In accordance with the States resolutions of 26 September 2014 made following consideration of the Culture and Leisure Department's Report entitled "Channel Islands Lottery – Administration Arrangements, Forfeited Prizes Account and 2011-13 Accounts" (Billet d'Etat XX, 2014) and the States Resolutions of 9 November 2018 Budget Billet XXIV, 2018:

1. The Forfeited Prizes Account was closed, with effect from 1 January 2014 and its balance was distributed proportionately to the Association of Guernsey Charities, Alderney, Sark and the Appropriation Account;
2. The Guernsey proceeds of the Channel Islands Lottery Christmas Draw are donated to the Association of Guernsey Charities for subsequent distribution to registered, local charitable bodies;
3. A transfer is made from Guernsey's proceeds of the Channel Islands Lottery (excluding the Christmas Draw) to the Beau Sejour Leisure Centre up to the level of the Centre's operating deficit for that same calendar year;

4. Guernsey proceeds of the Channel Islands Lottery (excluding the Christmas Draw) which exceed the operating deficit of the Beau Sejour Leisure Centre are retained within the Appropriation Account to be used for major projects that will enhance the Culture and Leisure Department's properties or for the funding of events which have a particularly special significance to the Island's heritage and unique cultural history or (as approved at the November 6th 2018 States meeting) to fund initiatives designed to help and support individuals experiencing gambling problems locally.

## APPENDIX 2 - Channel Island Christmas Lottery - 2018

Guernsey Charitable Grant Allocation - The Association of Guernsey Charities

CHARITY	AGC MEMBER	GRANT	PURPOSE
Access for All	446	£950.00	Funding to enable an Access for All Rep to visit Alderney and for the accessible town project
Alderney Broadcasting Company	441	£750.00	To pay for central heating and offset some electricity charges
Alderney Performing Arts Festival Foundation	371	£4,500.00	Pay for technical services, performer costs, marketing, website maintenance
Amalgamated Boxing Club	404	£5,000.00	Towards rebuilding costs for boxing club, itemised works that will be spent within 12 months
Amherst Primary School PTA	295	£2,150.00	Match funding for purchase of Chromebook to aid and enhance children's learning
Autism Guernsey LBG	373	£6,295.00	To provide Early bird Teen Life programme to families
Bailiwick of Guernsey Victim Support and Witness Service	211	£1,000.00	Towards training costs to raise public awareness of fraud
CLIC Sargent	321	£5,586.00	Accommodation for families of young cancer patients from Guernsey
Cystic Fibrosis Guernsey	437	£5,000.00	To purchase new airway clearance device for those with chronic respiratory conditions
Drug Concern	153	£7,650.00	Training costs for service provisions towards problem gambling.
Girl Guiding Guernsey	012	£1,500.00	Match funding for an off-island trip to take part and complete Baden Powell badge
Grow Limited	052	£15,000.00	To purchase growing equipment, and garden trolleys, for 100 flood trays and towards uniform lockers.
GSPCA	003	£7,500.00	New wildlife cages
Guernsey (ATC) Air Cadets	413	£800.00	Purchase of 20 camp beds for overnight courses

Guernsey Botanical Trust LBG	285	£5,000.00	Toward the build of the Gatehouse and Learning Centre, itemised works that will be completed within 12 months.
Guernsey Cardiac Action Group	222	£2,834.00	To install two PAD sites strategically placed to give access to large numbers of the general public
Guernsey Cheshire Home	035	£26,549.62	To cover utility costs of the home, gas/electricity/water and petrol
Guernsey Child Contact Centre	232	£3,500.00	To provide "Children First Course" to parents who are separating or divorcing
Guernsey Disability Alliance (GDA)	306	£1,500.00	Redevelop the gda website www.gda.org.gg
Guernsey DriveAbility	310	£7,500.00	To fit out a new disability driving assessment vehicle
Guernsey Multiple Myeloma Support Group	444	£3,000.00	To provide on-Island training to medical profession on this incurable cancer
Guernsey Multiple Sclerosis Society	011	£7,800.00	To pay for weekly specialised exercise classes at Beau SejourBeau Sejour
Guernsey Sailing Trust	117	£2,600.00	To purchase various sailing gear and equipment
Guernsey Sports Commission	260	£1,200.00	To replace flood lights and pop up goals
Guernsey Voluntary Service	057	£19,014.00	Funding for running of Meals-on-wheels cars and mini buses that are used for day centre client transportation
Helping Wings Guernsey	376	£1,500.00	To fund the flying day for disabled and disadvantaged young persons of the Bailiwick
Home-Start Guernsey LBG	305	£10,000.00	To cost of training volunteers
Le Rondin School Parents, Staff and Friends Association	278	£7,000.00	Match funding for an off-Island residential trip for all year 6 pupils to Calvert trust, Exmoor
Les Bourgs Hospice	141	£10,000.00	Towards general running costs
Orca Charitable LBG	424	£1,000.00	To fund the cost of the annual fundraising event
Paws for Support	573	£3,000.00	Training costs and promotional material
Philippi Guernsey LBG	270	£7,000.00	To assist with costs of training Counsellors

Relate Guernsey Ltd	024	£9,000.00	To cover the costs of various training courses
Set Sail Trust	323	£6,000.00	Herm weekend for vulnerable or disadvantaged families
St Mary & St Michael Catholic School PTFA	363	£1,600.00	Match funding for updating sound equipment and to procure lighting for school and outside user events.
Styx Centre LBG	130	£2,108.51	Manufacture and fit handrails for disabled safety
Town Centre Partnership	234	£2,500.00	21 Sunday afternoon concerts in Candie Garden
Trustees of the Guille-Alles Library	184	£5,000.00	To install a chair lift
Wellbeing Animals Guernsey (WAG)	575	£400.00	To fund a recruitment campaign
Youth Commission for Gsy and Alderney	368	£10,000.00	Towards replacement of minibuses
<b>TOTAL</b>		<b>£220,287.13</b>	<b>Grant from Channel Island Christmas Lottery 2018 £218,117.80. The difference is funded from AGC reserves.</b>