

<p style="text-align: center;">Gambling Act 2005 Guidance Notes for Small Society Lotteries</p>

These notes are designed to provide a general guidance only. The provisions of the Gambling Act 2005 must be complied with when conducting Small Society Lotteries. You are strongly advised to familiarise yourself with the detailed provisions of the legislation.

Definition of Lottery

A lottery is an arrangement, which satisfies all of the criteria contained within the statutory description of either a simple lottery or complex lottery, under section 14 of the Gambling Act 2005.

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 are allocated by a 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; and
- the first of those processes relies wholly on chance.

Definition of society

A society under Section 19 of the Gambling Act 2005 must have been established for one of the purposes permitted below, and the proceeds of any lottery must be devoted to those purposes.

- for charitable purposes (as defined by section 2 of the Charities Act 2006);
- for the purpose of enabling participation in, or of supporting, sport, athletics or a cultural activity; and
- for any other non-commercial purpose other than that of private gain.

Conditions of a Small Society Lottery

The conditions of a Small Society Lottery are as follows:

- proceeds must not exceed £20,000 for each lottery held
- the aggregate of the promoting society's proceeds from society lotteries promoted wholly or partly must not exceed £250,000 during a calendar year.

If any of these limits are exceeded then registration with the Gambling Commission will be required as a Large Society Lottery.

Purpose of a lottery

A small society lottery may be promoted for any of the purposes for which the promoting society is conducted.

Minimum distribution for fund-raising purpose

The arrangements of a small society lottery must ensure that at least 20% of the proceeds of the lottery are applied to a purpose for which the society is conducted.

Maximum Prize

It must not be possible for the purchaser of a ticket in a small society lottery to win by virtue of that ticket (whether in money, money's worth, or partly the one and partly the other) a prize of more than £25,000 in value.

Rollover

The arrangements for a small society lottery may include a rollover only if each lottery, which may be affected by the rollover, is a small society lottery promoted by or on behalf of the same society. (Subject to the maximum prize limit of £25,000).

Tickets

Where a person purchases a lottery ticket in a small society lottery they must receive a document (***including a message being sent or displayed electronically that can be retained or printed***) which:

- a) identifies the promoting society,
- b) states the price of the ticket (which must be the same for all tickets),
- c) states the name and address of – a member of the society who is designated, by persons acting on behalf of the society, as having responsibility within the society for the promotion of the lottery, or if there is one, the external lottery manager, and

- d) either – states the date of the draw (or each draw) in the lottery or enables the date of the draw (or each draw) in the lottery to be determined.

Price

The price payable for each ticket in a small society lottery –

- a) must be the same, and
- b) must be paid to the promoter of the lottery before any person is given the ticket or any right in respect of membership of the class among whom prizes are to be allocated.

Membership of the class among whom prizes in a small society lottery are allocated may not be dependent on making any payment (apart from payment of the price of a ticket).

Registration

The promoting society of a small lottery must, throughout the period during which the lottery is promoted, be registered with a local authority in accordance with Part 5 of Schedule 11 Gambling Act 2005.

Small Society Statement Return Forms

The promoting society of a small society lottery must send to the local authority with which the society is registered a statement of the following matters:

- a) the arrangements for the lottery (including the dates on which tickets were available for sale or supply, the dates of any draw and the arrangements for prizes (including any rollover),
- b) the proceeds of the lottery,
- c) the amounts deducted by the promoters of the lottery in respect of the provision of prizes (including the provision of prizes in accordance with any rollover),
- d) the amount deducted by the promoters of the lottery in respect of other costs incurred in organising the lottery,
- e) any amount applied to a purpose for which the promoting society is conducted, and
- f) whether any expenses in connection with the lottery were paid other than by deduction from proceeds, and, if they were –
 - The amount of the expenses, and
 - The sources from which they were paid

The statement must be sent to the local authority no later than three months after the date of the lottery draw, or in the case of 'instant lotteries' (scratch cards) **within three months of the last date on which tickets were on sale.**

The statement must be:

- a) signed by two members of the society who are appointed for the purpose in writing by the society or, if it has one, its governing body, and
- b) accompanied by a copy of the appointment letter authorising each signatory.

The statement must be signed by persons who are over the age of 18 years.

Application

A small society lottery may apply for registration under Part 5 of Schedule 11 Gambling Act 2005 with the local authority for the area in which the principal premises of the society are situated.

The application form:

- a) must be in the prescribed form,
- b) must specify the purposes for which the society is conducted,
- c) must contain such other information, and be accompanied by such documents, as may be prescribed, and
- d) must be accompanied by a fee of £40

Annual Fees

The annual fee payable to South Staffordshire Council is £20 and must be paid within the period of two months, which ends immediately before each anniversary of the registration.

Failure to pay the annual fee prior to the anniversary of the registration will result in cancellation of the registration.

Social Responsibility

Participation in a lottery is a form of gambling, and registered societies are required to conduct their lotteries in a socially responsible manner and in accordance with the Gambling Act 2005.

Failure to comply with any of the conditions will result in the small society lottery operating in an illegal manner, irrespective of whether it is registered with the licensing authority. Under these circumstances small society lottery operators may face prosecution by the Gambling Commission, the licensing authority, or the police.