

**Gambling Act 2005**

**Guidance for Small Society Lotteries**

**What are small society lotteries?**

A lottery is a sweepstake, draw or raffle run by a non-commercial society, i.e. the society must be established and conducted:

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

A lottery is where people pay to take part, one or more prizes can be won and the winners are chosen wholly by chance (not skill).

The Licensing Authority may ask a society to provide copies of their terms and conditions, or their constitution, to establish that they are a non-commercial society.

**General rules for small society lotteries**

Societies which run small society lotteries must be registered by the local authority for the area where their principal office is located. Registrations run for an unlimited period, unless the registration is cancelled. An annual fee is required to maintain the registration.

The total value of tickets to be put on sale per single lottery must be £20,000 or less, and the aggregate value of tickets to be put on sale for all lotteries in a calendar year must not exceed £250,000. No single prize may be worth more than £25,000. Prizes can be cash or non-monetary.

Every ticket in the lottery must cost the same and the fee must be paid to the society before entry into the draw is allowed. Tickets cannot be sold in a street but they may be sold from a kiosk or door-to-door. Tickets may be sold by an automated process. The minimum age for participation in a lottery is 16 years old.

All tickets must state:

* the name of the society on whose behalf the lottery is being promoted
* the price of the ticket
* the address of the society
* the date of the draw, or the means by which the date will be determined

Societies must submit a return for each lottery which shows:

* date on which tickets were available for sale
* date of draw
* value of prizes
* total proceeds of lottery
* amount deducted for prizes and costs of organising the lottery, which should be no more than 80% of the proceeds (donated prizes do not count as part of the 80% but should still be declared)
* amount applied directly to the purpose for which the society is conducted, which should be at least 20% of the proceeds
* if any expenses were not paid from the proceeds, the amount of expenses and the source from which they were paid

This return must be submitted within three months of the draw taking place. It must be signed by two members of the society appointed in writing for that purpose by the society’s governing body and accompanied by a copy of that appointment.

Lottery operators should maintain written records of any unsold and returned tickets for a period of one year from the date of the draw.

**What are exempt lotteries?**

The types of lottery detailed below are exempt from requiring a registration.

Incidental lotteries

Incidental lotteries may be held at both non-commercial and commercial events but may only be held for purposes other than commercial or private gain. Tickets may only be sold or supplied on the premises where the event takes place, and while the event is taking place. The results of incident lotteries are no longer required to be announced during the event.

The maximum sum able to be deducted in respect of prizes awarded in the lottery is £500 and the maximum sum able to be deducted in respect of costs incurred in organising the lottery is £100. The lottery cannot involve a rollover of prizes from one lottery to another.

Private lotteries

Private lotteries may be promoted for any charitable or non-commercial purpose. Private lotteries must comply with conditions relating to advertising which state that no advertisement for a private society, work or residents’ lottery may be displayed or distributed except at the society or work premises, or the relevant residence, nor may it be sent to any other premises.

Private lotteries must also comply with conditions set out in Schedule 11 of the Gambling Act 2005 relating to tickets. In summary, these are:

* A ticket in a private lottery may be sold or supplied only by or on behalf of the promoters
* Tickets (and the rights they represent) are non-transferable
* The price for each ticket must be the same and must be paid to the promoters of the lottery before anyone is given a ticket.

The arrangements for private lotteries must not include a rollover of prizes from one lottery to another.

There are three types of private lotteries permitted by the Gambling Act 2005 as follows:

Private society lotteries

A private society lottery can only be promoted by members of a society and tickets must be sold only to members of the society or on premises wholly or mainly used for the administration of the society. The society can be any group or society, provided it is not established and conducted for purposes connected to gambling; for example private members clubs can organise such lotteries. A private society lottery may be promoted for any of the purposes for which the society is conducted or for any other purpose other than that of private gain.

Work lotteries

Promoters of a work lottery must work on a single set of premises, and tickets may only be sold or supplied to persons working at the same premises. An arrangement such as the Grand National sweepstake held in an office is an example of a work lottery. Work lotteries must not be run for profit and all the proceeds (gross ticket sales) must be used for prizes or reasonable expenses incurred in organising the lottery.

Residents’ lotteries

The promoters of residents’ lotteries must live in a single set of residential premises, and tickets may only be sold or supplied to persons living at the same premises. Residents’ lotteries must not be run for profit and all the proceeds must be used for prizes or reasonable expenses.

**Social Responsibility**

Lotteries are a form of gambling and as such societies and local authorities are required to ensure that children and other vulnerable people are not exploited by lotteries.

The minimum age for participation in a lottery is 16 years of age. A person commits an offence if they invite or allow a child to enter a lottery other than certain classes of exempt lottery (for example, incidental non-commercial lotteries, private lotteries, work lotteries and residents’ lotteries).

Further information on lotteries can be obtained from the Gambling Commission’s website at [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk)

If you have any queries, please contact the Licensing team on 01235 422556 or email licensing.unit@whitehorsedc.gov.uk