



## GAMBLING ACT 2005

### SMALL SOCIETY LOTTERY REGISTRATION GUIDANCE NOTES

***These notes summarise the provisions of the above Act and are intended to help a club, organisation or society with the registration and conduct of a small society lottery. They are not intended to be a comprehensive statement of the law.***

#### **What is a lottery?**

A lottery is a kind of gambling that has three essential ingredients:

- You have to pay to enter the game
- There is always at least one prize
- Prizes are awarded purely on chance

A typical small lottery is a raffle where players buy a ticket with a number on it; the tickets are randomly drawn and those holding the same numbered ticket win a prize. Other versions include sweepstakes and 100 clubs. Whilst there is no maximum price for a ticket, in each lottery all tickets must cost the same. That way, everyone has the same chance of winning for the same outlay.

#### **What is a Society?**

A Society must be a non-commercial organisation and the Act describes a Society if it is established and conducted for:

- Charitable purposes
- For the purpose of enabling participation in, or of supporting, sport, athletics or a cultural activity or
- Any other non-commercial purpose other than that of private gain.

A Society must not be set up purely for the purpose of holding a lottery – it must have some other purpose.

#### **What is a Small Society Lottery?**

A small society lottery has a maximum limit of £20,000 in ticket sales and is registered with a Local Authority.

Some lotteries do not require permission – a brief explanation of these is:

***Private society lotteries-*** any group or society except those set up for gambling. The proceeds of the lottery must go to the purposes of the society itself. Tickets may only be sold to members or guests on the premises.

***Work lotteries*** – These can only be run and played by colleagues at a particular place of work. The lottery cannot make a profit.

***Residents' lotteries*** – These can only be run and played by people living at a particular address. The lottery cannot make a profit.

**Customer lotteries** – These can only be run by a business, at its own premises, and for its own customers. No prize can be more than £50.00 in value and the lottery cannot make a profit. The draw cannot take place within 7 days of a previous draw in the lottery or another customer lottery promoted on the premises.

**Incidental non-commercial lotteries** – These are held at non-commercial events such as school fetes etc. All the ticket sales and the draw must take place during the main event, which may last more than a single day. Prizes cannot total more than £500.

## LIMITS

- At least 20% of the lottery proceeds must be applied to the purpose of the society.
- No single prize may be worth more than £25,000. Prizes may be cash or non-monetary.
- Rollovers between lotteries are only permitted where every lottery affected is also a small society lottery promoted by the same society and the maximum single prize is £25,000
- Every ticket in the lottery must cost the same – the ticket fee must be paid to the society before entry into the draw is allowed.
- The maximum amount that can be deducted for expenses and prizes must not exceed 80%. Donated prizes are not included as part of the 80% but should still be declared on the 'return' form following the lottery.
- Prizes involving alcohol are not licensable under the Licensing Act 2003, subject to conditions.

## TICKETS

Tickets may involve the issuing of physical or virtual tickets, e.g. in the form of an e-mail or text message. The purchaser of a ticket must receive \*confirmation which identifies:

- The name of the promoting society
- The price of the ticket
- The name and address of the member of the society who is designated as having responsibility for promoting the lottery (The Promoter).
- The date of the draw, or information which enables the date to be determined.
- Tickets can only be sold by persons over the age of 16 to persons over the age of 16.
- Tickets should not be sold in a street, but may be sold from a kiosk, in a shop or door to door

\*this can be satisfied by providing an opportunity for the participant to retain the message or print it.

## 'RETURN' FORMS

Within 3 months of the date of each lottery draw the promoter must submit the following information, on the 'return' form provided by the Licensing Authority. This must be signed by two members of the society who are aged eighteen or older and who are appointed in writing by the Society for that purpose. (Electronic signatures are acceptable if the form is submitted electronically)

- The arrangements for the lottery – specifically the date on which tickets were available for sale or supply, the dates of any draw and the value of prizes, including donated prizes and any rollover.
- The proceeds of the lottery
- The amount deducted in providing prizes.
- The amount deducted in respect of costs incurred in organising the lottery.
- Details of any expenses incurred in connection with the lottery which were not paid for from the proceeds including the amount and the source from which they were paid.
- The amount applied to the purpose of the promoting society (this must be at least 20% of the proceeds).

## FEES

A fee of **£40.00** is payable with the application plus an annual fee thereafter of **£20.00**. Registrations run for an unlimited period unless cancelled with the Local Authority. An invoice will be sent to the registered promoter for the annual fee and must be paid in the two months prior to the anniversary. Failure to do so may result in the cancellation of the registration. All cancellations will be notified to the Gambling Commission.

## OTHER REQUIREMENTS

- The society is required to register with the Local Authority in whose area its principal office is situated.
- Applications must be in the form prescribed by the Secretary of State; the application form is available from the Council's website [www.southhams.gov.uk/residents/licensingandregulation/lotteries](http://www.southhams.gov.uk/residents/licensingandregulation/lotteries) and must be submitted together with the required fee of **£40.00**. The form includes a requirement for the applicant to provide a declaration in connection with the application.
- When a Society changes its promoter, details of the new promoter must be advised to the Licensing Department and the registration document returned for amendment.
- The Local Authority has a duty to notify the Gambling Commission of all lottery registrations, cancellations and amendments.

## TO CANCEL THE REGISTRATION

Please advise the Licensing Department in writing or e-mail [licensing@southhams.gov.uk](mailto:licensing@southhams.gov.uk)

## OTHER USEFUL LINKS AND CONTACTS:

[www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk)  
[www.lotteriescouncil.org.uk](http://www.lotteriescouncil.org.uk)

Telephone: 0121 230 6677

Licensing Department  
 South Hams District Council  
 Follaton House  
 Plymouth Road  
 TOTNES, TQ9 5NE.

Telephone No: 01803 861234

## Quick guide to small lotteries

| Type of Lottery  | Fund raising?                 | Who can play?                       | Who can run one?                         | Limits on time                   | Limits on place  | Can I claim my costs                                     |
|--|-------------------------------|-------------------------------------|--|----------------------------------|--|--|
| <b>Types of lottery that require permission from the Local Authority</b> |                               |                                     |  |                                  |  |  |
| Small Society  | Yes, at least 20% of proceeds | Over 16s                            | Society members or nominated fundraisers | None                             | None   | Yes, for prizes and expenses. Up to 80% of ticket sales. |
| <b>Types of lottery that do not require permission</b>                   |                               |                                     |  |                                  |  |  |
| Private Society  | Yes                           | Members or guests on the premises   | Society members                          | One-off. No rollovers            | Members or guests must be on the premises                    | Yes, for prizes and reasonable lottery running costs.    |
| Work   | No profit can be made         | Employees at a single premises only | Any employee                             | One-off. No rollovers            | No sales, or adverts off the premises. Single premises only. | Yes, for prizes and reasonable lottery running costs.    |
| Residents'   | No profit can be made         | Residents at a single premises only | Any resident                             | One-off. No rollovers            | No adverts off the premises                                  | Yes, for prizes and reasonable lottery running costs.    |
| Customer   | No profit can be made         | Your customers                      | Occupier of business premises            | 7 days between. No rollovers     | No sales or adverts off the premises                         | Yes, for prizes and reasonable lottery running costs.    |
| Incidental Non-commercial e.g. School or Church fete                     | Yes                           | Anyone at the event                 | Anyone                                   | One-off. Sales only at the event | Only at the event  | £100 max.  |

## Guide to offences applicable to lotteries under the Act

|       |   |
|-------|---|
| s.258 | Promoting a non-exempt lottery without a licence  |
| s.259 | Facilitating a non-exempt lottery without a licence   |
| s.260 | Misusing the profits of a lottery   |
| s.261 | Misusing the profits of an exempt lottery   |
| s.262 | Purporting to operate a small society lottery when not registered, or failing to make the required, or making false or misleading returns in respect of such lotteries. |
| s.326 | Without reasonable excuse, obstructing or failing to co-operate with an authorised person exercising his/her powers   |
| s.341 | Without reasonable excuse, giving false or misleading information to the Gambling Commission or a licensing authority   |