

A small society lottery is a lottery that is promoted on behalf of a non-commercial society to raise funds for any of the purposes for which the society or organisation is set up. A non-commercial society can 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.

An application to register a small society lottery must be made to the Council in the area where the society's principle premises is situated. It should be on the relevant application form, (available from the Licensing Team) and be accompanied by any necessary documents and the appropriate fee. The current fee for new registration is £40.

As from 1 September 2007 the Gambling Act 2005 has governed the registration of society lotteries. The 2005 Act allowed for a relaxation of some areas of the previous lottery law, in particular it:

- Allowed rollovers of the prize fund from one lottery to another;
- Removed the maximum price for a lottery ticket.

A small society lottery is one where £20,000 (or less) worth of tickets are put on sale and where the society's aggregate proceeds from lotteries do not exceed £250,000 a year. The maximum prize per ticket in either money or monies worth is £25,000. If the society exceeds the aforementioned amounts then the lottery is a large lottery and will require a lottery operating licence issued by the Gambling Commission. You are reminded that all lotteries must comply with the Gambling Commissions code of practice.

The following points must be borne in mind when promoting a small lottery:

- At least 20% of the gross proceeds of each lottery must be applied directly to the purpose for which the society is conducted.
- It must not be possible for the purchaser of a ticket to win whether in money, moneys worth or partly in one, or partly in the other more than £25,000.
- Prize rollovers can be included as long as the total prize paid out does not exceed £25,000.
- The prize paid for each ticket must be the same but there is no longer a maximum price for tickets.
- Lotteries may be linked but are subject to the maximum prize limits.
- Each ticket must identify the society promoting the lottery and the fact that it is registered with the Council. The price of the ticket, the name and address of the promoter, or the lottery manager promoting the lottery must be shown. The ticket must also give the date of the draw.
- Lottery promoters should have in place measures to prevent fraud such as the sending of unsolicited mail to non-members and limits to the number and value of tickets sold to any one address.
- The promoter of the lottery must send to the Council a statement of the results of the draw within 3 months of the draw taking place. Such a statement must be signed by two adult members of the society who have been appointed in writing to do so. The Licensing Team will provide lottery promoters with copies of the necessary statement form.

The Council must refuse applications for registration in certain circumstances. The Council may refuse to grant the registration if they think the applicant is not a non-commercial society, or a person connected with a lottery promotion has been convicted of a relevant offence, or information provided in the application was false or misleading.

If the Council is minded to refuse the application the applicant can make representations to a licensing hearing (consisting of Councillors).

The Council may revoke a registration but it must give reasons for doing so and specify them when such revocation takes place. In such a case the society can appeal to the local Magistrates Court.

Fees – The annual fee for a lottery registration is £20 and this is payable in the two months prior to the anniversary of the registration. Failure to pay the annual renewal fee will result in the registration becoming invalid. All new registrations cost £40 on application.

Ticket prices – there are no restrictions on ticket prices, but they must be all the same price. Tickets cannot be bought or sold by anyone who is under 16.

Prizes – you are able to have a rollover of prize funds as long as the total for any single prize does not exceed £25,000. The Council can inspect records for any lottery so it is advisable to keep records for all unsold and returned tickets for a year after the draw.

Some societies seek to operate lotteries often called "Hundred Clubs ". These are legal provided they are within the above limits and requirements.

Records – please note the Council is required to retain records for at least 18 months of all statements of the amounts raised. Such records are available for public inspection at any reasonable time and copies can be provided on request, but such copies may be subject to a fee.

For more detailed information you may wish to contact the Licensing Team on 01507 601111. Other information can be found on the following websites www.gamblingcommission.gov.uk and www.culture.gov.uk.

Please note exemptions still exist for lotteries held at non-commercial events such as school fetes or dinner dances and advice is available on request.