What is a Lottery?

A lottery is where persons pay to participate in an arrangement to win one or more prizes. The prizes must be allocated by a process which relies wholly on chance. Examples are prize draws or Christmas Raffles where tickets are sold in advance of the date of the draw.

Small Society Lotteries

Small societies such as a school or a charity are able to operate lotteries by holding a Small Society lottery Registration, issued by their local authority providing they meet the following criteria:

(a) Society status – the society in question must be 'non-commercial'.

A society is defined as non-commercial 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
- For any other non-commercial purpose other than that of private gain.

(b) Size of lottery - the total value of tickets to be put on sale per single lottery must be £20,000 or less, or the aggregate value of tickets to be put on sale for all their lotteries in a calendar year must not exceed £250,000. If the organisation running the lottery plans to exceed either of these values then they will be classed as a large lottery operator, and must be licensed with the Gambling Commission.

The society will be required to be registered with their Local Authority in the area where their principal office is located.

Limits placed on Small Society Lotteries

- At least 20% of the lottery proceeds must be applied to the purposes of the society;
- No single prize may be worth more than £25,000
- Every ticket in the lottery must cost the same and the ticket fee must be paid to the society (i.e. the society must take payment) before entry into the draw is allowed.
Regulations under the Act

The Act requires that following a small society lottery a returns form, showing financial information, must be completed by the small society and:

- Be sent to the Licensing Authority no later than 3 months after the date of the lottery draw;
- Signed by two members of the Society who are appointed for the purpose in writing by the Society, or if it has one it’s governing body.
- Accompanied by a copy of the written agreement of members appointment.

Once registered with the Licensing Authority the Gambling Commission will be notified and the Society’s details will be added to their register.

Lottery/Raffle tickets

Lotteries may involve the issuing of a physical or virtual ticket to participants (a virtual ticket being non-physical, for example in the form of an email or text messages - if it is a virtual ticket the participant must be able to retain the message or print it out). The purchaser of a small society lottery/raffle ticket must receive a document which identifies:

- The name of the promoting society
- The price of the ticket (must be the same for all tickets);
- The name and address of the member of the society who is designated as having the responsibility at the society for promoting small lotteries, or (if there is one) the external lottery manager; and
- The date of the draw.

Raffle tickets should not be sold in the street (this includes shopping malls).

Lottery tickets may not be sold by, or to, children under the age of 16 years

It is an offence to invite, cause or permit a child to participate in a lottery.

Small societies should therefore avoid selling lottery tickets to children or giving tickets to children to sell and should implement effective procedures to minimise the risk of lottery tickets being sold to children.

Application Forms and Annual Fees – for a Lottery Registration

If you would like to apply for a Lottery Registration you need to submit an application form and pay the fee for a new application - £40.

The forms are available on our website: [https://www.stroud.gov.uk/business/licensing-permits/gambling-permits-and-lotteries-gambling-act-2005/apply-for-a-lottery-registration](https://www.stroud.gov.uk/business/licensing-permits/gambling-permits-and-lotteries-gambling-act-2005/apply-for-a-lottery-registration) or contact the Licensing Section – 01453 754440 – for a copy of the application form.
Once a Registration has been made it will be of unlimited period unless cancelled by the Society or the Licensing Authority. There will not be a renewal application process and you will not be issued with a new Permit each year. There will however be an annual fee to be paid each year which is currently £20. If the annual fee is not paid the Registration will lapse. The Licensing Section will write to you when the annual fee is due.

**Exempt Lotteries**

Incidental lotteries are exempt from needing a lottery registration.

An incidental lottery is one that is promoted wholly for a purpose other than that of private gain i.e. the lottery can only be promoted for charitable or other “good cause” purposes and cannot be run for private or commercial gain and which is incidental to a non-commercial event and the tickets are sold and prizes drawn at the event. Examples may include a raffle using cloakroom tickets held at a school fete, or at a social event such as a dinner dance. An event is deemed non-commercial if all the money raised at the event, including entrance fees, goes entirely to purposes that are not for private gain. Therefore a fundraising social event with an entrance fee would be non-commercial if all the profits went to the society but would be commercial if some of the profits were retained by the organiser.

These incidental lotteries are exempt under the Gambling Act 2005 and therefore can take place without the need for a Small Society Registration providing they meet the following requirements:

- **The results of the lottery can be drawn during or after the event has finished** (until 6 April 2016 they had to be drawn at the event)
- **The promoters of lottery may not deduct more than £500 from the proceeds in respect of the cost of prizes** (but other prizes may be donated to the lottery).
- **The promoters of lottery may not deduct more than £100 from the proceeds in respect of the cost of other expenses**, such as printing tickets or hire of equipment.
- **The lottery cannot involve a roll over**
- **All tickets must be sold at the location during the event**
- **Tickets can be cloakroom tickets or printed tickets especially created for the draw.**

**Further Exempt Lotteries**

- Private society lotteries – only members of the society and those on society premises can participate in the lottery;
- Work lotteries – only people who work together on the same premises may participate;
- Residents lotteries – only people who live at the same premises may participate;
- Customer lotteries – only customers at the business premises may participate.

**Further Information**

Licensing Section, Stroud District Council, Ebley Mill, Ebley Wharf, Stroud, Gloucestershire, GL5 4UB.; Phone: 01453 754440; Email: Licensing@stroud.gov.uk
Website: [www.Stroud.gov.uk](http://www.Stroud.gov.uk)

For more information on the Gambling Act 2005 you may wish to view the Gambling Commission’s website at [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk) or contact them on 01212306666