



Rialálaí an Chrannchuir Náisiúnta  
Regulator of the National Lottery

Annual Report

2022

## OUR VISION

**A safe, sustainable,  
properly run National  
Lottery maximising funds  
for Good Causes.**

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# Report on Operations pursuant to Section 22(3) of the National Lottery Act 2013

# 1.1 | Regulator's Statement



**Carol Boate**  
Regulator of the  
National Lottery

**In accordance with Sections 22 and 44 of the National Lottery Act 2013, I am pleased to present the Annual Report and Accounts for the Office of the Regulator of the National Lottery and the National Lottery Fund for the year ended 31 December 2022.**

In 2022, €257.9 million was transferred from the National Lottery Fund to the Exchequer to support Good Causes. This represented a decrease of 11.0% compared to 2021 (2021: €289.7 million).

This year saw a step change in the National Lottery's online channel controls through the introduction of age and identity verification checks across the entire online player account base, as well as new and improved information for players to prevent problem gaming.

Mandatory verification of an account holder's age and identity provides increased protection against underage play and players attempting to circumvent the spend limits or a self-exclusion period. However, it also adds friction to setting up a new account or payment card and consequently contributed to lost sales in the year.

Online sales, for the first time, did not grow relative to retail sales in 2022; as consumers returned to retail and the jump in the growth of online activity due to the Covid-19 pandemic lockdown years came to an end. Online sales remained at 16% of total sales in 2022 (2021: 16.6%).

2022 is the first year that National Lottery sales and returns to Good Causes fell since the Licence commenced in 2014. Sales of National Lottery products as reported by the Operator, PLI, decreased by 16% compared with 2021. A decrease was not unexpected given (a) the unprecedented Lotto jackpot rollover that drove higher than normal sales over an extended period in 2021 and (b) the impact on all Irish household budgets of the rise in inflation in 2022. Sales for the year (€884.1 million) returned to pre-pandemic levels (2019: €884.5 million).

Notwithstanding this, returns to Good Causes exceeded the pre-pandemic levels of 2019, both in absolute terms (2022: €259.5m, 2019: €251.6m) and as a percentage of sales (2022: 29.35%, 2019: 28.45%).

Another key feature of 2022 was the exercise of the Regulator's statutory enforcement powers encompassing an investigation, a finding of a breach of the Licence, and a direction to the Operator to take certain actions to comply. Ultimately, monies were withheld from payments due to the Operator, for the first time, for the breach.

On foot of an IT incident report of a number of permanently self-excluded player accounts being deleted in error, I appointed an Investigator under section 32 of the National Lottery Act 2013 to conduct an investigation into this matter. The Operator was not required under the Licence to offer permanent self-exclusion to players but had introduced this new self-exclusion option in 2019 as a responsible gaming practice to prevent problem gaming. 126 accounts had been deleted in error in 2021 by an algorithm designed by the Operator to delete closed accounts after two years in order to comply with the General Data Protection Regulations (GDPR). These deleted accounts ought to have been maintained in a status of permanent closure and prevented the owners of these accounts from opening new accounts with similar details. Sixteen of the affected players had in fact opened a new account. Ten of these players purchased tickets through their new accounts, totalling €3,292 in sales, and four received marketing emails from the Operator.

After consideration of the Investigator's report, and the Operator's representations, I determined that the Operator had breached the Licence. Having offered a permanent self-exclusion facility as a responsible gaming measure, the Operator was obliged to put in place the operational means to determine that persons seeking to purchase tickets had not previously opted for permanent self-exclusion.

As I am empowered to do following a statutory investigation, and given the seriousness of the breach and the importance that it is not repeated, I issued a direction to the Operator under section 33(1) of the Act requiring it to carry out a set of specified actions. The effect of this statutory direction is (a) that the controls in place to detect and prevent any self-excluded player from opening another account have been enhanced and (b) the Regulator is empowered to seek a financial sanction by the High Court on the Operator for any future non-compliance with this direction which effectively creates a new sanction for future failures in self-exclusion controls. I also determined to withhold €150,000 from payments due to the Operator, following consideration of the specific factors set out in the Licence to be met when applying this contractual power. This amount was withheld and transferred to the Exchequer for use for Good Causes in 2023 and was the first withholding of monies from payments due to the Operator under the Licence.

I would like to acknowledge the work and diligence of my colleagues in the Office of the Regulator of the National Lottery in respect of 2022. Their commitment to achieve the highest standards and protect the National Lottery's players and its future is reflected in the pages of this report.



**Carol Boate**  
**Regulator of the National Lottery**  
**June 2023**

## 1.2 | The Regulator's Vision, Mission, and Values

### The Regulator's VISION



The Regulator's vision reflects the statutory objectives given to her by the Oireachtas. This vision is for:

**“a safe, sustainable, properly run National Lottery maximising funds for Good Causes”**

The Regulator's role in achieving this vision is by carrying out her functions in a manner consistent with the statutory objectives reflected in the vision. The Operator of the National Lottery has the responsibility to operate the National Lottery in compliance with the Act and the Licence. The financial model in the Licence incentivises the Operator to maximise funds for Good Causes.

### The Regulator's MISSION



The Regulator's mission is to achieve this vision by:

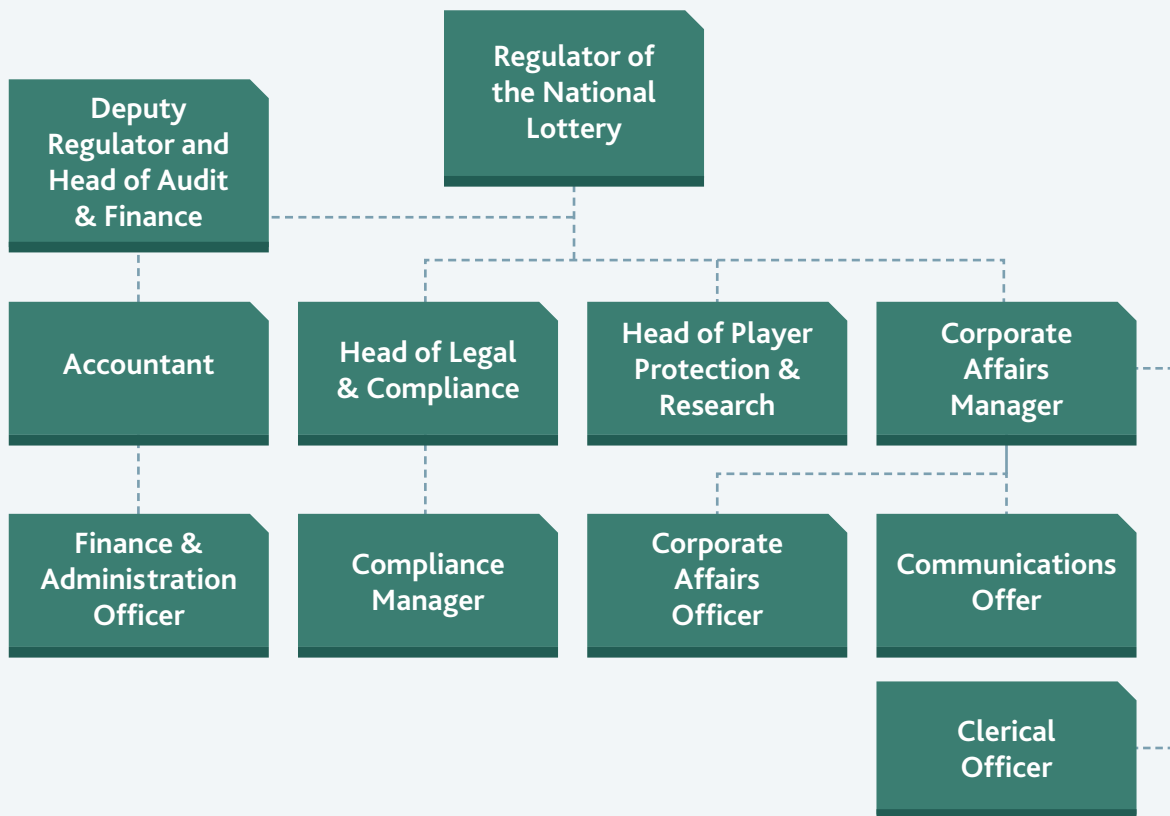
- ▶ Overseeing the operations of the National Lottery and enforcing compliance as required.
- ▶ Considering proposals from the Operator and approving them as appropriate.
- ▶ Managing and controlling the National Lottery Fund.
- ▶ Exercising the enforcement rights of trademarks of the National Lottery.
- ▶ Ensuring best practice in governance is adopted in the management and governance of the Office.





# 1.3 | Organisational Structure

The Regulator is assisted in the discharge of her responsibilities by her staff and management team who have expertise and experience in accounting, auditing, law, psychology, research, governance, compliance, public sector administration and communications. These resources are supplemented with external experts to provide a 360-degree view of the Operator, and to maintain the highest standards and informed decision making in the areas of highest risk.



## 1.4 | The Functions of The Regulator

**The Functions of the Regulator which support the vision above, are prescribed in the National Lottery Act 2013, and include the following:**

1. To procure the holding of the National Lottery.
2. To oversee the operation of the National Lottery and to monitor and enforce compliance by the Operator with the Act and the Licence.
3. To consider for approval certain matters relating to the National Lottery (including schemes for National Lottery games).
4. To manage and control the National Lottery Fund.
5. To exercise the enforcement rights of any trademark of the National Lottery.

The Regulator is required to carry out these functions in a manner most likely to ensure –

- a) that the National Lottery is run with all due propriety,
- b) that the interests of participants in the National Lottery are protected,
- c) that the long-term sustainability of the National Lottery is safeguarded,

and, subject to above points a) to c), to ensure revenues allocated to the Central Fund for disbursement for the purposes permitted by the Act ("Good Causes") are as great as possible, subject to the terms of the Licence.

The Regulator has no role in relation to applications for, or allocation of, funds for Good Causes. Applications for funding should be directed to the relevant Government Department.

## 1.5 | Oversight of the Operator

The Office of the Regulator of the National Lottery (ORNL) monitors and enforces compliance by Premier Lotteries Ireland DAC, the Operator, with the National Lottery Act 2013 and with the terms and conditions of the Licence granted to it to operate the National Lottery.

The ORNL fulfils this function through regular and proactive oversight of the Operator. This includes:

- ▶ reviewing the performance of the Operator against defined performance standards.
- ▶ oversight of processes and controls applied by the Operator.
- ▶ monitoring of advertising and promotional activities of the Operator.
- ▶ acting on complaints received from the public.
- ▶ proactive themed reviews.
- ▶ investigations.

Thirty different types of reports were received on a regular basis from the Operator in 2022 (see Appendix B). These cover various aspects of the business, including finance, governance, technology, customer service and game performance.

### 1.5.1 | Performance of the Operator

The performance of the Operator is monitored and assessed by reference to projected standards to be achieved in each year. See Appendix A for extracts from the 2022 annual performance standards report from the Operator.

## 1.5.2 | Sales, Channels, and Funds for Good Causes

As reported by the Operator, National Lottery ticket sales for 2022 amounted to €884.1 million (2021: €1,053.7 million). Sales for draw based games were €585.4 million (2021: €708.4 million), while sales for instant games (scratch card games and interactive instant win games) were €298.7 million (2021: €345.3 million).

The size of the retail channel network decreased slightly in 2022. The Operator reported that there were 5,225 active retail agents as of 31 December 2022, down 1.9% (2021: 5,326). Online sales fell to €141.4 million and, for the first time, did not grow as a proportion of sales, representing 16.0% of total sales in 2022 (2021: 16.6%).

Returns generated for Good Causes amounted to €259.5 million for 2022. The Operator's accounts show that the returns generated for Good Causes decreased by 14.6% (2021: €304.0 million). (The annual prize pay-out percentage varies from year to year owing to changes in the mix of products sold in any given year, which in turn determines amounts generated for Good Causes from the total sales.)

### Key Commercial Metrics of the Operator

The following results were reported by the Operator to the Regulator for the year ended 31 December 2022.



\* Scratch cards and instant online games

A summary for the years 2015 (first full year of operation under the Licence) to 2022, from the Operator's accounts, is as follows:

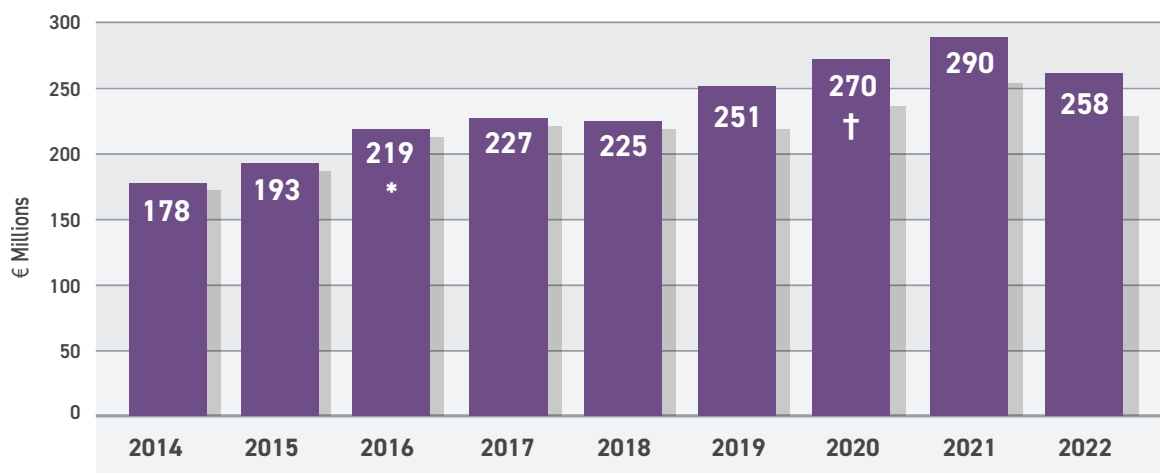
Year	2015	2016	2017	2018	2019	2020	2021	2022
Sales	€670.4m	€750.2m	€800.2m	€805.0m	€884.5m	€918.9m	€1,053.7m	€884.1m
Prize Pay-Out %	56.85%	56.25%	56.49%	56.35%	56.25%	57.56%	55.61%	54.84%
Generated for Good Causes	€188.0m	€213.3m	€226.3m	€228.5m	€251.6m	€253.6m	€304.0m	€259.5m
Good Causes as a % of Sales	28.04%	28.43%	28.28%	28.39%	28.45%	27.60%	28.85%	29.35%

The total amount transferred from the National Lottery Fund by the ORNL to the Exchequer for distribution to Good Causes in 2022 was €257.9 million (2021: €289.7 million), a decrease of 11.0% on 2021.

The returns to Good Causes **generated** by the Operator in 2022 relate to ticket sales recorded in that calendar year, i.e., 1 January to 31 December 2022. Funds for Good Causes transferred to the Exchequer during 2022 (which are on a cash receipts basis), relate to monies earned from ticket sales in the 52-week period from 18 December 2021 to 10 December 2022.

Amounts **transferred** from the National Lottery Fund to the Exchequer for distribution to Good Causes (pursuant to section 44 of the National Lottery Act 2013, for the purposes set out in Section 41) in the years from 2014, the year in which Premier Lotteries Ireland commenced National Lottery operations, to 2022 were as set out in the figure below.

#### Amounts Transferred from National Lottery Fund to Exchequer for Good Causes in €'millions



\* The transfers in 2016 of €219m included €7m in respect of historical sums carried forward in the National Lottery.

† The transfers in 2020 of €270m included an amount of €16.1 million in respect of historical expired unclaimed prizes.

### 1.5.3 | Player Protection

A statutory objective of the Regulator is that the interests of the participants in the National Lottery are protected. Included in this objective is monitoring how the Operator is protecting:

- ▶ Those who are underage (defined for the purposes of the National Lottery as under 18 years of age).
- ▶ Players with a susceptibility to excessive or problem play.

While many people enjoy and engage safely in National Lottery activity, certain groups or individuals can be vulnerable or susceptible to problem play. The ORNL recognises that there are features of games and of the gaming environment (whether online or via retail outlets) that can drive repetitive patterns of play, amplifying player risk, particularly for certain groups of players.

A key goal of the Regulator is that players of National Lottery games should experience informed consumer interactions with the National Lottery that minimise risk to participants. Measures in place to achieve this goal include controls on the content of marketing communications of the National Lottery, controls on the purchase of National Lottery game tickets, and a thorough assessment of the level of risk attached to each new game proposed.

The Regulator drives prevention of problem and underage play through:

- ▶ Reviewing the Operator's procedures and sales environments.
- ▶ Researching and identifying processes and practices that have demonstrated effectiveness in preventing or minimising risk.
- ▶ Assessing the level of risk attached to new games proposed by the Operator.

#### Effectiveness of Controls for Online Play

Schedule 9 of the Licence sets out certain conditions to be applied for online play, including:

- ▶ Registration of an account and one account only.
- ▶ Limits on spend per day, week, and month.
- ▶ Self-exclusion facility.
- ▶ Random age checks.
- ▶ Payment of large prizes is contingent on proof of age and identity.
- ▶ Large prizes are paid by cheque.
- ▶ Limit on online account balance.

These controls, together with preventative, responsible gaming measures as envisaged by Clause 10 of the Licence, properly applied, provide support in the prevention of problem and underage gaming.



**Schedule 9 requires that the Regulator comments on the effectiveness of controls in relation to play online in her annual report.**

In 2021, the Regulator wrote to the Operator regarding the controls in Schedule 9 that require players to be over 18 years of age and the limitations of those controls in preventing problem gaming arising from the sale of National Lottery tickets. The Operator confirmed that it was committed to introducing mandatory identity verification for all accounts.

From 6 December 2021, new online accounts became subject to mandatory identity, requiring photo identification to be submitted at the point of adding a payment card (e.g., passport, driver's licence). Software is used to assess that the identity document is valid and that the name and date of birth match those provided by the player in the account. All existing account holders were subsequently required to verify their identity details in a similar manner, on a rolling basis.

This mandatory identity verification at the point of registration acts to prevent minors from registering with a false age and purchasing National Lottery tickets online. Combined with the mandatory identity verification of all pre-existing accounts, it also acts to better prevent and deter a player from opening a second account to circumvent the spend limits or a self-exclusion period.

In 2022, following engagement between the Regulator and the Operator, the website and apps of the National Lottery were updated and improved to include better information on problem gambling and how to avoid it. This also resulted in online instant win games being displayed with the odds of winning the advertised top prize clearly presented and given the same level of prominence as the odds of winning any prize. Displaying the odds of winning the top prize at the point of purchase is in the interests of players and research suggests it can help prevent problem gambling.

## Monitoring Online Play

In addition to ensuring that the controls under Schedule 9 are applied to players, the Operator monitors risk indicators that are suggestive of problem play. The Operator interacts with players displaying these risk indicators to raise his/her awareness of available supports, including facilities to set spending limits, self-exclusion and third-party support services. This interaction begins with an email and can be escalated to a phone call and, occasionally, the exclusion of a player from the online channel.

The ORNL is provided with quarterly anonymised data on online game purchases. This data allows the ORNL, on an anonymised basis, to:

- ▶ Monitor player spend and frequency of gaming on game types.
- ▶ Monitor the use of the self-exclusion facility.
- ▶ Monitor player spend behaviour over time.

The Operator also provides the Regulator with quarterly player protection reports. These reports provide data and the Operator's analysis of player spending, including where players have repeatedly reached the online spend limits imposed by the Licence, namely €75 per day, €300 per week and €900 per month.

The application of controls for online play is subject to continual review by the Regulator both in respect of compliance with the Licence and the Act and in respect of effectiveness. The Regulator has regard to the controls for online play when considering applications for approval of schemes for lottery games which are played online.

### 1.5.4 | Responsible Advertising and Promotion

Clause 9 of the Licence provides for an Advertising and Promotion Code of Practice ("the Code") giving the Operator clear guidelines to ensure responsible marketing communication and advertising practices consistent with the laws on advertising in the State. The Code must be reviewed annually by the Operator and any changes must be approved for use by the Regulator, and this was completed in 2022.

The ORNL regularly monitors the Operator's marketing communication channels to ensure that it follows responsible advertising and gaming practices as per the Code and other clauses of the Licence. The information provided must be transparent, accessible, and not misleading. Players should not intentionally or unintentionally be exposed to communications likely to result in underage or irresponsible play.

The Regulator did not find any breach by the Operator in the execution of its advertising and promotion campaigns in 2022.



## 1.5.5 | Complaints Received

Members of the public, whether as participants in any National Lottery game or not, can file complaints in relation to the National Lottery with the Operator, and/or with the Regulator.

When the ORNL receives a complaint from a member of the public, it must be considered from a regulatory perspective to see whether there has been any breach by the Operator of the Act or the Licence. The Regulator cannot influence or alter a decision that falls within the Operator's remit *other than to ensure that it complies with the Act and the Licence*. The Regulator received 49 complaints in 2022.

### Summary of complaints received by the Regulator in 2022 and Action Taken

Subject Matter of Complaints	Numbers
Online Experience	18
Information Provided	11
Game Design/Experience	10
Expired Scratch Cards	2
Quality of Materials	1
Retailer Complaint	5
Equipment Not Functioning in Retailer	1
Not related to the Lottery	1
<b>Total</b>	<b>49</b>
Action Taken by Regulator	Numbers
The ORNL responded directly	28
The Operator responded after contact from the ORNL	18
Ongoing complaints on 31 December 2022	3

## 1.5.6 | Themed Reviews

### Trademarks

The provisions relating to trademark and copyright, set out in Clause 7 of the Licence, detail the role of the Regulator and the Operator. Pursuant to section 46 of the Act the goodwill attaching to the name “*National Lottery*” vests in the Minister for Public Expenditure, National Development Plan Delivery and Reform. Clause 7 outlines detailed provisions regarding trademark and copyright compliance obligations and Schedule 4 of the Licence contains copies of executed IP (Intellectual Property) agreements which impose obligations on the Operator.

In accordance with Clause 7.3 of the Licence, there are requirements for the Operator to display the National Lottery logo on tickets, documents and equipment relating to the National Lottery.

The Regulator monitors the use of trademarks on an ongoing basis and receives regular notifications from the Operator on any potential trademark infringements or engagement with third parties. The Regulator also completes a structured review of the Operator’s compliance annually. No requirement to enforce the rights of the trademark of the National Lottery arose in 2022.

## 1.5.7 | Enforcement

There was one issue in 2022 which gave rise to enforcement action.

### Permanent Self-Excluded Accounts Deleted

In 2019, the Operator introduced a new facility for players to permanently self-exclude from the National Lottery online channel.

In December 2021, the Operator advised the Regulator that it had identified a number of permanently self-excluded player accounts that had been deleted by it in error during the year with the result that players had opened new accounts. Upon examination, the Operator reported that it had identified 126 accounts that were deleted in error and 16 of the affected players had opened a new account. Ten of these players purchased tickets through their new accounts, totalling €3,292 in sales, and four received marketing emails from the Operator.

The Operator was not required under the Licence to offer permanent self-exclusion to players but had introduced this new self-exclusion option in 2019 as a responsible gaming practice to prevent problem gaming. The accounts had been deleted in 2021 by an algorithm designed by the Operator to delete closed accounts after two years in order to comply with the General Data Protection Regulations (GDPR).

## Statutory Investigation

Section 32 of the Act allows the Regulator to appoint an Investigator to investigate an apparent breach of the Act or the Licence.

The Regulator formed the opinion under section 32(1) of the Act that there were circumstances suggesting it was appropriate to investigate and report on an apparent breach by the Operator of the Act or the terms and conditions of the Licence. On 31 January 2022 the Regulator duly appointed an Investigator and the Investigator's report was received on 22 June 2022.

Having considered the Investigator's report and the representations of the Operator, on 2 September 2022 the Regulator determined that the Operator had breached clause 4.11 of the Licence as the permanent self-exclusion option/requirement relating to the purchase of tickets introduced by the Operator and put into effect by players was not consistent with clause 10.1.

Clause 4.11 of the Licence provides that the Operator shall determine the requirements to be satisfied by persons "seeking to purchase Tickets" and the "operational means" for determining that those requirements have been satisfied by such persons "provided however that the provisions of Clause 10 are satisfied." The opinion of the Investigator was that permanent self-exclusion had been introduced under Clause 10.1 of the Licence, which requires the Operator to "operate the National Lottery in accordance with responsible gaming practices that prevent problem gaming" and thus the Operator was obliged to put in place the operational means to determine that persons seeking to purchase tickets had not previously opted for permanent self-exclusion.

## Statutory Direction

Where the Regulator considers that the Operator has breached the Act or Licence, following receipt of the Investigator's report and the representations of the Operator, section 33 allows the Regulator to issue a direction to the Operator requiring it to carry out or to cease carrying out a specified action(s) in order to comply.

On 24 February 2023, following a process to consider representations of the Operator, the Regulator issued a direction to the Operator pursuant to section 33(1)(a) of the Act, as follows:

1. *The Operator is directed to comply with clause 4.11 by ensuring that, **where a player chooses** to self-exclude from the Interactive Facilities, for any period offered by PLI, his/her account will be closed for the duration of the period selected by the player and he/she will receive no marketing messages for the period of his/her exclusion and Sch. 9 Para. 6(b) will be deemed to also apply to such exclusion.*
2. *The Operator is further directed to comply with clause 4.11 by ensuring that, **where the Operator chooses** to exclude a player from the Interactive Facilities for any period, his/her account will be closed for the duration of the period and he/she will receive no marketing messages for the period of his/her exclusion and Sch. 9 Para. 6(b) will be deemed to also apply to such exclusion.*

3. *The Operator is further directed to comply with clause 4.11 by maintaining a register of players who have been permanently excluded (whether self-excluded or excluded by PLI) from the Interactive Facilities, which records the following details provided by the player on any account created by that player:*
- a. *First Name*
  - b. *Surname*
  - c. *Date of Birth*
  - d. *Email address*
  - e. *Phone number*
  - f. *Mother's maiden name*
  - g. *Place of birth*
  - h. *Gender*
  - i. *Address*

*The Operator may add further permanent or unique data points to the register as they become available with the consent of the player.*

4. *The Operator is further directed to comply with clause 4.11 by prioritising the following sets of players for mandatory age and identity verification by 28 February 2023, in order of urgency:*
- a. *Players who have self-excluded from the interactive facility previously;*
  - b. *Players who have appeared on a quarterly player protection report pursuant to the Regulator's section 48 request for player data of 31 May 2019;*
  - c. *Players who have spent over €50 in any week since 15th January 2022 where this included spend on interactive instant win games.*
5. *The Operator is further directed to comply with clause 4.11 by reviewing and optimising its matching systems to best detect and best prevent self-excluded players trying to circumvent controls to play online.*

### **Potential for Statutory Sanction**

The **effect** of this direction is that (a) the controls in place to detect and prevent a self-excluded player from opening an account other than the one they self-excluded from have been enhanced and (b) the Regulator is empowered to seek a statutory fine to be applied to the Operator by the High Court for any future non-compliance with the direction effectively creating a new sanction for future failures in self-exclusion controls. That is:

- ▶ Any player who is excluded from the National Lottery Interactive Facilities - regardless of the length of the exclusion period or whether the player chose to self-exclude or the Operator opted to exclude the player – now has the same protections afforded to them as players who opt to self-exclude in accordance with the provisions of Schedule 9 that were agreed between the State and the Operator in 2014.

- ▶ Various matching algorithms and human checks were already in place to prevent self-excluded players from opening a second account, but the protective value of this process is dependent on the reliability of the data submitted in accounts. Mandatory age and identity verification, by way of a valid photographic identity document, was put in place in December 2021 for all newly-created accounts seeking to upload funds and purchase tickets. This was also being rolled out across all previously existing accounts in 2022, and this underpins the effectiveness of self-exclusion controls. Directing the Operator to prioritise previously self-excluded players in this roll-out, fast-tracked the protection of these players who are at higher risk of harm.
- ▶ If the Operator fails to comply with the Regulator's direction, section 34 of the Act provides that the Regulator can apply to the High Court for a determination that there has been a breach of the Act or the Licence and seek a court-imposed financial sanction on the Operator (which the Act requires must not exceed €500,000).

### **Withholding of Payment**

Where the Regulator considers that the Operator has breached the Act or Licence, Clause 22 of the Licence empowers the Regulator to withhold monies from payments due to the Operator under the Licence, where the circumstances of the breach and its impact meet a specific set of factors set out in the clause.

On 18 May 2023, following consideration of the factors under Clause 22.8 of the Licence and the Operator's representations, the Regulator decided to withhold €150,000 from payments due to the Operator. The Regulator was of the view that the failure was foreseeable and avoidable and noted that the Operator had previously failed to have effective controls in place to uphold its self-exclusion obligations.

Though the financial benefit to the Operator from the purchase of tickets by the permanently self-excluded players who were able to open a new account due to the incorrect deletion of their original account was less than €500 (of the €3,292 spent in total by the readmitted players), and the Operator had remedied the breach as far as possible, and there was no loss to the National Lottery Fund, the Regulator was of the view that the image of the National Lottery had been compromised as a result of the Operator's failure to provide vulnerable participants in the National Lottery with protective measures that the Operator offered them on behalf of the National Lottery.

The €150,000 was withheld from payments due to the Operator on 26 May 2023 and subsequently transferred to the Exchequer for Good Causes.

## 1.6 | Regulatory Requests under the Act and the Licence

Some aspects of the Operator's Activities require the Regulator's written approval of compliance with the Act and the Licence in advance, including:

- ▶ New or amended schemes for National Lottery games.
- ▶ The appointment of new service providers.
- ▶ Schemes for the testing of equipment used in National Lottery draws, as well as the approval of qualified, independent persons to conduct the tests.
- ▶ Internal audit reporting line.
- ▶ Approvable descriptions of processes and systems.
- ▶ Changes to codes of practice, including:
  - ▶ Participants' Code of Practice.
  - ▶ Sales Code of Practice.
  - ▶ Advertising and Promotion Code of Practice.
  - ▶ Code of Practice on Vetting Procedures.
- ▶ Change of control of the Operator

### Assessment Process

Clause 23 of the Licence provides for and sets out the procedure for any requests made by the Operator that require the Regulator's review and approval. Every request for approval is closely examined to assess whether it complies with a range of provisions in the Act and the Licence.

Where the Regulator is not satisfied that a request is compliant, the Operator may be asked to provide additional information. If additional information is submitted which addresses the concerns of the Regulator, a request would be ultimately approved. Where the Operator is unable to address the concerns, within the required timeframe, a request would either be rejected by the Regulator or withdrawn by the Operator.



## Requests

32 requests were received in 2022, 24 of which were related to games.

Status	All Requests	Game Related
Received	32	24
Approved	27	21
Refused	1	1
Withdrawn by Operator	3	2
Under consideration on 31 December 2021	1	0

See Appendix C for details.

Details of requests received in previous years are available on the Regulator's website.

## 1.7 | National Lottery Fund

**The National Lottery Fund (the “Fund”) was established under the National Lottery Act 1986 as a single account held with the Central Bank of Ireland. The Fund is managed and controlled by the Regulator in accordance with the Act and the Licence.**

### Calculation of Good Causes

The amount allocated to Good Causes is calculated, in accordance with the Act and the Licence, as 65% of the difference between sales and prizes. Under the Act, prizes must, on average across the portfolio of National Lottery games, be at least 50% of sales annually.

$$\text{Good Causes} = (\text{Sales} - \text{Prizes}) \times 65\%$$

### Management and Control

Each week the Regulator reviews the Operator’s “weekly settlement report” of sales of National Lottery tickets regarding each scratch card, draw based game, and online instant win game. Checks are performed regarding the amounts allocated to prizes, Good Causes, retailers, and the Operator. The ORNL also cross-references this financial information with data from the Operator’s gaming system. These weekly checks form part of a system of control to ensure that the revenues raised from the sale of National Lottery tickets, the amount going into prizes, the amount going to Good Causes and the percentage going to retailers, are all accounted for correctly.

The Regulator receives monies from the Operator from the sales of National Lottery tickets each week, less prizes paid out by retailers in the week and retailers’ commissions, and makes the appropriate payment to the Operator’s Prize Fund Account, to the Operator’s own operating account and for the Regulator’s levy. Amounts for Good Causes from the sales of National Lottery tickets are retained in the Fund each week by the Regulator and transferred to the Exchequer every two months.

During 2022, €257.9 million was transferred to the Exchequer for Good Causes - compared with €289.7 million in 2021.



A reconciliation to account for the actual prizes won, compared to the amounts allocated to prizes associated with the sales in the financial year, takes place after the end of the financial year. An adjustment for Good Causes' share (65%) of the amount to be added to or withdrawn from the Prize Fund Account is made in March/April and reflected in the next transfer to the Exchequer. (A similar adjustment for the Operator's 35% share of the amount to be added to or withdrawn from the Prize Fund Account is also made). On 31 December 2022, there was an amount of €9.7 million due to the National Lottery Fund representing Good Causes' 65% share of the adjustment for the year ended 31 December 2022. This amount was received by the Fund on 31 March 2023.

During 2022,

**€257.9 million**



was transferred to the Exchequer for Good Causes - compared with **€289.7 million** in 2021

### Annual Accounts of the National Lottery Fund

The annual accounts of the Fund were prepared by the Regulator and submitted to the Comptroller and Auditor General (C&AG) for audit in accordance with Section 44 of the Act. These accounts have been audited and are set out in Section 3 of this document.

### Comptroller and Auditor General's Special Report

On 12 May 2022, the Regulator was notified that the C&AG had decided to undertake an examination of the National Lottery Fund which ultimately formed the basis of a chapter in the C&AG's Report on the Accounts of the Public Services 2021. The objective and scope of the examination was *"whether the share of lottery sales proceeds going to the Central Fund [has] been maintained over the last decade"*. The Regulator was happy to engage with the C&AG, and officials at the ORNL provided extensive information to assist the C&AG's officials.

The C&AG issued his Report on 30 September 2022 and recommended that *"the Regulator should consider including such additional information that would allow users of the accounts to see that the key provisions of the licence are being complied with. This could, for example, include disclosure of the allocation to the Exchequer as a proportion of National Lottery sales; and the total amounts forfeited annually in favour of the Operator in respect of expired unclaimed prizes."*

The purpose of the National Lottery Fund account is to account for the receipts into and payments from the National Lottery Fund. The Regulator has considered what additional information would assist users of the accounts to have greater transparency and understanding of the National Lottery Fund, and the related provisions of the Licence, and where this information might be best provided and signposted.

The notes to the Fund accounts for the financial year 31 December 2022 have been expanded to include the additional information recommended by the C&AG, as follows.

- ▶ Information on the share of sales allocated to Good Causes in the financial year is included in note 4 to the Fund accounts.
- ▶ Information on the total value of prizes that expired unclaimed in the financial year is included in note 5 to the Fund accounts.

Additionally, the percentage of sales allocated to Good Causes in every financial year since the commencement of the Licence can be found in section 1.5.2 of this report.

### **Ministerial Review of the Transparency and Effectiveness of Good Causes Funding Distribution**

The Regulator welcomed the publication by the Minister for Public Expenditure, National Development Plan Delivery and Reform of the report by Indecon International Economic Consultants on its *“Review of the Distribution and Utilisation of National Lottery Funding”*. The Regulator supports the ambition that these recommendations will lead to greater public confidence in the transparency and effectiveness of the operating framework for distributing and using National Lottery funding. While the Regulator has no role in relation to applications for or allocation of funds for Good Causes, greater public confidence and transparency in this area supports the long-term sustainability of the National Lottery which is a key objective of the Regulator.

## 1.8 | Enforcement of Trademarks

**Section 46 of the Act provides that the goodwill attaching to the names “Irish National Lottery” and “National Lottery” and their equivalents in the Irish language and to the name of any lottery game held under the Licence vests in the Minister for Public Expenditure, National Development Plan Delivery and Reform.**

Clause 7 outlines detailed provisions regarding trademark and copyright compliance obligations and Schedule 4 of the Licence contains copies of executed IP agreements which impose obligations on the Operator. Pursuant to section 9(5) of the Act the Regulator may enforce any trademarks relating to the National Lottery.

**In 2022, no issue required the Regulator to enforce the trademark rights of the National Lottery.**

## 1.9 | Corporate Affairs

### 1.9.1 | Strategy

The Regulator's strategy for 2022 to 2024 was devised to equip the Regulator to fulfil her statutory requirements in a manner that is responsive to the rapidly evolving landscape in which the ORNL operates.

**Five strategies that were specifically targeted at the anticipated commercial, social, and regulatory environment in the three-year period are:**

- a. Obtain independent expert assurance regarding aspects of the Operator's systems and controls related to the security of player and winner identity data.
- b. Codify the responsible gaming practices in place to prevent problem play and identify areas for improvement.
- c. Conduct an underage mystery shop exercise to assess progress made in the prevention of sales to minors, compared to the baseline established in 2018; take any action required.
- d. Provide more accessible information to the public on how the National Lottery is regulated and returns for Good Causes are calculated and transferred to the Exchequer.
- e. Introduce new hybrid working in a manner that supports effective performance and meets new targets for remote working and climate change.

The progress, outputs and outcomes of these strategies will be reported on in more detail in the Regulator's annual reports for 2023 to 2025.

The full range of strategies that will be employed by the Regulator to support each of her five strategic goals throughout 2022 to 2024 are available in the published *Strategy Statement 2022 - 2024* on the Regulator's website. All strategies will be implemented with cognisance of the prevailing environment.

## 1.9.2 | Corporate Governance

### Corporate Governance Code of Practice

The governance practice of the ORNL is based on the Code of Practice for the Governance of State Bodies ("the Code") which came into effect on 1 September 2016. The provisions of the Code have been adopted as appropriate by the ORNL in the context of the requirements of the National Lottery Act 2013 which provides for an individual office holder without a board.

A Corporate Governance Assurance Agreement with the Minister for Public Expenditure, National Development Plan Delivery and Reform is in place for 2022 to 2024 and formally documents compliance by the ORNL with the Code, including derogations and adaptations appropriate to the structure of the ORNL.

### Ethics in Public Office

The ORNL is included in Statutory Instrument No.36 of 2015 for the purposes of the Ethics in Public Office Acts, 1995 and 2001. The Regulator and relevant staff have fulfilled their obligations under this legislation.

### Public Sector Human Rights and Equality Duty

Under its Strategy Statement 2022-2024 the Regulator committed to fulfil her obligations in relation to human rights and equality – the "Public Sector Duty". The Strategy Statement set out several actions to be undertaken over its three-year period. As part of this, all staff were required to undertake and complete the Irish Human Rights and Equality Commission's eLearning module, Equality and Human Rights in the Public Service.

### Protected Disclosures

In accordance with Section 214 of the Protected Disclosures Act 2014 the ORNL has established and maintains procedures to make protected disclosures in relation to the ORNL and its work and for dealing with such disclosures. The Regulator of the National Lottery has been a Prescribed Person under the Act since 24 September 2020.

No protected disclosures were received by the Office of the Regulator of the National Lottery in the reporting period 1 January 2022 to 31 December 2022.

## 1.9.3 | Resources and Staffing

### Funding

The operations of the Regulator are funded by a levy on the Operator in accordance with Section 24 of the Act. The levy for 2015, the first full year of operations, was set in the Licence at €1,500,000. Thereafter, it is indexed annually in line with the Consumer Price Index.

The amount of Regulator Levy after indexation for 2022 was €1,552,900.

### Staff

At establishment, the Minister consented to a staffing of 10 employees, including the Regulator, for the ORNL. In 2022 the Regulator sought and received Ministerial sanction for a Corporate Affairs Officer at Executive Officer level to support the Office primarily in the areas of public procurement and project management. A recruitment campaign was conducted during 2022 to fill this vacancy and another half-time post that had been vacated during the year. There were no vacancies at the end of 2022.

## 1.9.4 | Annual Report and Accounts

The annual accounts of the Regulator for 2022 were prepared and submitted to the Comptroller and Auditor General for audit. These accounts have been audited and are set out in Section 2 of this document. The Regulator oversaw the annual financial statements process and accounting policies, risk management, internal control, and value for money issues.

## 1.9.5 | Internal Audit

The Regulator agreed a programme of internal audits conducted in 2022 by the ORNL'S appointed internal auditors, with reports being submitted to the Regulator in early 2023. Internal audits addressed both the National Lottery Fund and the Office of the Regulator and included assessment of financial and other internal controls and procedures particularly in the areas of key controls for the management of the National Lottery Fund, and for the Office of the Regulator in the areas of purchasing, procurement, tendering, and treasury, together with audits in respect of business continuity management processes, and data confidentiality and security controls.

There were no significant findings in respect of these audits.

## 1.9.6 | Risk Management

The ORNL is exposed to a variety of strategic, operational and financial risks in undertaking its role and functions. These risks may arise from internal or external sources and may prevent or affect the ability of the ORNL to achieve its objectives. In line with best practice, the ORNL has a risk management policy and risk appetite statement for identifying, evaluating, and managing the risks it faces.

An executive Risk Committee is in place; its role is to advise the Regulator on risk matters and ensure that there are adequate systems in place. The Risk Committee monitors and updates the Corporate Risk Register on an ongoing basis. The Committee reviews the entire Risk Register on an annual basis. In addition, there are two further reviews per year of high-ranking risks, new risks and changing risks on the Risk Register. This review process continued in 2022, via remote meetings initially, and a return to in-person meetings in the second half of the year.

## 1.9.7 | Legislative Requirements

### Official Languages

The Regulator is compliant with the Official Languages legislation.

### Freedom of Information

The Regulator came within the scope of the Freedom of Information Act 2014 on 14 April 2015. The ORNL has policies and procedures in place that are up to date with the current legislation governing freedom of information requests. In compliance with Section 8 of the Freedom of Information Act 2014, the ORNL prepared and published a publication scheme having regard to the principles of openness, transparency, and accountability.

The ORNL received eighteen freedom of information requests during 2022. No decisions were appealed to the Office of the Information Commissioner. Details of non-personal requests are published in the Freedom of Information Disclosure Log, which is available on the Regulator's website.

### Energy Consumption

The ORNL has one office, located in the Irish Life Centre, Dublin 1. The office is situated on part of one floor of a multi occupancy office building. The floor area leased does not exceed 1,000 square metres where a Display Energy Certificate is required.

The Regulator reports on energy performance to the Sustainable Energy Authority of Ireland under SI No 542/2009 – European Communities (Energy End Use Efficiency and Energy Services) Regulations 2009.

In 2022, the ORNL consumed 39.6 MWh of energy consisting of:

- ▶ 7.4 MWh of electricity.
- ▶ 32.2 MWh of fossil fuels (heating).

# Appendix A:

## PLI's Performance Standards

Year to 31 Dec 2022	Standard	Achieved Performance	Forecast for 2023
<b>Computer Systems</b>			
Terminal availability to sell tickets*	99.00%	99.97%	99.50%
Gaming system availability	99.00%	99.80%	99.50%
Website availability	99.00%	99.97%	99.50%
* 7am to 10pm, excluding draw break, 7 days a week, excluding Christmas Day and prearranged outages			

<b>Prize Payment</b>			
Claims greater than €1,000 paid by cheque following a visit to National Lottery HQ	95.00% within 3 Hrs	99.99%	98.00%
	5.00% within 20 working days	0.01%	2.00%
Claims greater than €1,000 paid by cheque following a postal claim	95.00% within 5 Days	99.58%	98.00%
	5.00% within 20 working days	0.42%	2.00%

<b>Player Services - Voice Contact</b>			
Service availability*	99.00%	100%	99.00%
Calls answered within 30 seconds	70.00%	83.00%	90.00%
* 8am to 8pm, excluding draw break, 7 days a week, excluding Christmas Eve, Christmas Day, New Years Day			

<b>Player Services - Written Contact</b>			
Service Availability*	99.00%	100%	100%
Letters answered within 5 working days	80.00%	96.00%	85.00%
Emails answered within 2 working days	80.00%	97.00%	95.00%
Resolution of complaints and enquiries at first attempt	80.00%	91.00%	95.00%
Responses to complaints within 2 working days	85.00%	87.00%	85.00%
Responses to complaints within 5 working days	100.00%	100.00%	100.00%
Complaints to be closed within 10 working days	95.00%	92.00%	95.00%
* 9:15am to 5:30pm, Monday to Friday, excluding Christmas Eve and public holidays			



# Appendix B:

## Regular Reports Received from PLI

Report Number	Report	Frequency
1	Good Causes Annual Report and External Auditors Report thereon	Annually
2	Audited Accounts of PLI	Annually
3	Annual Prize Fund Reconciliation Statement	Annually
4	External Auditors Report on PLI's Internal Controls	Annually
5	External Auditors Report on PLI's Connected Parties	Annually
6	Annual Performance Standards Report	Annually
7	Internal Audit Annual Plan	Annually
8	Base Marketing Annual Budget	Annually
9	Annual Activity Report	Annually
10	Incremental Marketing Report	Annually
11	Audit Risk and Security Committee Report on the Effectiveness of PLI's System of Internal Controls	Annually
12	PLI's Engagement Letter with External Auditor	Annually
13	Significant Risks Summary ( <i>previously Risk Registers</i> )	Quarterly
14	Annual Confirmation of Bank Accounts	Annually
15	Scratch Card Game End Reports	At Game End
16	Monthly Management Accounts	Monthly
17	Secure Areas Report	Monthly
18	IT Incident Monthly Log Report	Monthly
19	Speed of Prize Payments	Monthly
20	Descriptions Updates	Monthly
21	Directors and Senior Manager Changes	Monthly
22	Complaints Report	Quarterly
23	Unclaimed Prizes Report	Periodically
24	Good Causes Report	Quarterly
25	Internal Audit Report	Quarterly
26	Minutes of Audit Risk and Security Committee Meetings	Quarterly
27	Player Protection Reports	Quarterly
28	Complaints Update	Weekly
29	Trading and IT Update	Weekly
30	Weekly Settlements	Weekly

# Appendix C:

## Requests from PLI for Approval or Consent under the Licence

Request Number	Date	Section of Approval Required	Game/Service Info.	Related to a Game	Amended/Further Info. sought	Status at 31 December 2022				
						Ongoing	Request Withdrawn	Ultimately Approved	Ultimately Refused	Decision Date
1	21/01/2022	Clause 18.3	Warehouse Lease	No	No			Approved		17/02/2022
2	18/02/2022	Section 45	Commercially Sensitive	Yes	Yes		Withdrawn			06/04/2022
3	09/03/2022	Section 45	"Successor Games Amendments to Scheme"	Yes	Yes			Approved		09/06/2022
4	10/03/2022	Section 45	Commercially Sensitive	Yes	Yes				Refused	25/05/2022
5	14/04/2022	Section 45	"Countdown to Christmas Scratch Card"	Yes	No			Approved		09/05/2022
6	24/04/2022	Section 45	Block Around the Clock IWG	Yes	Yes			Approved		28/06/2022
7	28/04/2022	Section 45	Diamonds and Pearls IWG	Yes	Yes			Approved		28/06/2022
8	29/04/2022	Clause 9.8	Clause 9.8 Good Causes Awards 2022	No	Yes			Approved		26/05/2022
9	06/05/2022	Section 45	Commercially Sensitive	Yes	Yes		Withdrawn			25/07/2022
10	25/05/2022	Section 45	All Cash Gift Scratch Card	Yes	Yes			Approved		07/09/2022
11	26/05/2022	Section 45	End Date Wanderlust	Yes	No			Approved		30/05/2022
12	30/05/2022	Section 45	Lotto 5-4-3-2-1- Online	Yes	Yes			Approved		21/12/2022
13	31/05/2022	Section 42.2	Retailer Authorisation Amendment	No	Yes			Approved		02/08/2022
14	02/06/2022	Section 45	Temple of Treasure IWG	Yes	Yes			Approved		16/08/2022
15	10/06/2022	Section 45	Euromillions Pick and Play	Yes	Yes			Approved		28/03/2023
16	29/06/2022	Clause 13	Approvable Descriptions	No	No			Approved		01/07/2022
17	01/07/2022	Clause 18.2	Scandit	No	Yes			Approved		16/08/2022
18	15/07/2022	Section 45	Daily Millions Pick and Play	Yes	Yes			Approved		28/03/2023
19	22/07/2022	Section 45	Christmas Millionaire Raffle 2022	Yes	Yes			Approved		08/09/2022
20	16/08/2022	Section 45	Amendments to Gridblaster IWG	Yes	Yes			Approved		13/09/2022

Note: ■ Game related

Request Number	Date	Section of Approval Required	Game/Service Info.	Related to a Game	Amended/Further Info. sought	Status at 31 December 2022				
						Ongoing	Request Withdrawn	Ultimately Approved	Ultimately Refused	Decision Date
21	23/08/2022	Section 45	Big Money Bingo IWG	Yes	Yes			Approved		03/03/2022
22	25/08/2022	Section 45	Fire 4s, Ice 5s	Yes	Yes			Approved		24/10/2022
23	02/09/2022	Section 45	Commercially Sensitive	Yes	Yes			Approved		24/02/2023
24	15/09/2022	Section 45	Hampers and Cash Amendment	Yes	Yes			Approved		12/10/2022
25	15/09/2022	Section 45	Countdown to Christmas Amendment	Yes	Yes			Approved		12/10/2022
26	15/09/2022	Section 45	Merry Money Amendment	Yes	Yes			Approved		12/10/2022
27	20/09/2022	Section 45	Digital Money Multiplier IWG	Yes	Yes			Approved		23/11/2022
28	29/09/2022	Clause 7.11, Clause 7.12	Trademarks and Jackpots Renewal	No	No			Approved		21/10/2022
29	30/09/2022	Clause 11.3.3	Commercially Sensitive	No	Yes		Withdrawn			23/11/2022
30	07/10/2022	Clause 18.3	SCO Centra	No	Yes	Ongoing				
31	07/10/2022	Section 45	Digital Mega Money Multiplier IWG	Yes	Yes			Approved		28/11/2022
32	25/11/2022	Section 45	Zapout IWG Reskin	Yes	No			Approved		19/12/2022

Note:   Game related



# Regulator of the National Lottery Report and Financial Statements

for the year ended 31 December 2022

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# General Information

<b>Regulator of the National Lottery</b>	Carol Boate
<b>Address</b>	Block D Irish Life Centre Dublin 1 D01 W2H4
<b>Bankers</b>	AIB plc. 7/12 Dame Street Dublin 2 D02 KX20  Bank of Ireland 6 O'Connell Street Lower Dublin 1 D01 X324
<b>Solicitors</b>	Mason Hayes & Curran South Bank House Barrow Street Dublin 4 D04 TR29  Fieldfisher The Capel Building Mary's Abbey Dublin 7 D07 N4C6
<b>Auditors</b>	Comptroller and Auditor General 3A Mayor Street Upper Dublin 1 D01 PF72

# Governance Statement and Statement of Responsibilities

## Governance

The Office of the Regulator of the National Lottery was established under the National Lottery Act, 2013 ("the Act"). The functions of the Regulator are set out in Section 9 of the Act. The Regulator shall, subject to the Act, be independent in the performance of her functions. The Regulator is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The Regulator is accountable to the Minister for Public Expenditure, National Development Plan Delivery and Reform.

The regular day-to-day management, control and direction of the Office of the Regulator of the National Lottery are the responsibility of the Regulator and the senior management team. The senior management team must follow the broad strategic direction set by the Regulator. The Regulator must ensure that the senior management team have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise.

## Regulator Responsibilities

The work and responsibilities of the Regulator are set out in the Act. Section 22 of the Act requires the Regulator to keep, in such form as may be approved by the Minister for Public Expenditure, National Development Plan Delivery and Reform, all proper and usual accounts of money received and expended by it for audit by the Comptroller & Auditor General.

In preparing these financial statements, the Regulator of the National Lottery is required to:

- ▶ select suitable accounting policies and apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Office of Regulator of the National Lottery will continue in operation; and
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Regulator is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 22 of the Act. The Regulator is responsible for submitting such financial statements to the Comptroller and Auditor General for audit and for the presentation of these financial statements and the report of the Comptroller and Auditor General to the Minister, together with a report by the Regulator in relation to the performance of her functions.

The maintenance of the corporate and financial information on the Office of the Regulator of the National Lottery's website is the responsibility of the Regulator.

The Regulator is responsible for approving the annual plan and budget.

The Regulator is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Governance Statement and Statement of Responsibilities

The Regulator considers that the financial statements of the Office of the Regulator of the National Lottery give a true and fair view of the financial performance and the financial position of the Office of the Regulator of the National Lottery at 31 December 2022.

The Regulator has established two committees, as follows:

- 1. Finance Committee:** comprises the Deputy Regulator/Head of Audit and Finance, the Accountant and the Corporate Affairs Manager with an external consultant in attendance and the Regulator with right of attendance. The role of the Finance Committee is to advise senior management on matters relating to the Office's finances, accounting, third-party financial returns and dealings with the Office's internal and external auditors. There were six meetings of the Finance Committee in 2022.
- 2. Risk Committee:** comprises the senior management team (six members). The role of the Risk Committee is to support the Regulator in relation to her responsibilities for issues of risk and control. There were three meetings of the Risk Committee in 2022.

## Disclosures Required by the Code of Practice for the Governance of State Bodies (2016)

The Regulator is responsible for ensuring that the Office of the Regulator of the National Lottery has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure, National Development Plan Delivery and Reform in August 2016. The following disclosures are required by the Code.

### Aggregate Employee Benefits

	2022	2021
	€	€
Staff short-term benefits	699,261	663,431
Termination benefits	-	-
Employer pension contributions	146,105	138,843
Employer's contribution to social welfare	73,629	69,811
	<u>918,995</u>	<u>872,085</u>

The total number of staff employed (WTE) at year end was 10 (2021: 9).

# Governance Statement and Statement of Responsibilities

## Staff Short-Term Benefits

All staff short-term benefits are in respect of basic pay.

	2022	2021
	€	€
Basic pay	<u>699,261</u>	<u>663,431</u>

## Termination Benefits

No termination benefits arose in the year.

## Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

### *Range of Total Employee Short-Term Benefits (excluding employer pension costs)*

From		To	Number of Employees	
€		€	2022	2021
60,000	-	69,999	1	-
70,000	-	79,999	-	-
80,000	-	89,999	-	2
90,000	-	99,999	3	1
100,000	-	109,999	-	1
110,000	-	119,999	1	1
120,000	-	129,999	1	-

## Key Management Personnel

Key management personnel in the Office of the Regulator of the National Lottery consists of the Regulator and five senior managers.

	2022	2021
	€	€
Salaries	573,245	542,011
Employer pension contributions	<u>124,883</u>	<u>118,652</u>
	<u><b>698,128</b></u>	<u><b>660,663</b></u>

The key management personnel are members of the Office of the Regulator of the National Lottery's pension scheme and their entitlements in that regard do not extend beyond the terms of the model public service pension scheme.



# Governance Statement and Statement of Responsibilities

## Regulator Salary and Benefits

The Regulator's remuneration package for the financial period was as follows:

	2022	2021
	€	€
Basic pay	125,119	118,432
Employer pension contributions	37,568	35,647
	<u>162,687</u>	<u>154,079</u>

The Regulator is a member of the Office of the Regulator of the National Lottery's pension scheme, and her entitlements in that regard do not extend beyond the terms of the model public service pension scheme.

## Consultancy Costs

	2022	2021
	€	€
Legal services	28,803	84,012
Tax and financial advisory	6,273	4,073
Research	152,248	-
Lottery consultancy	11,685	-
IT and other	16,953	24,582
	<u>215,962</u>	<u>112,667</u>

The above costs are included as part of the professional fees in the financial statements of €279,474 (2021: €154,220). All amounts disclosed as legal services are in respect of legal fees.

## Travel and Subsistence

	2022	2021
	€	€
Domestic	328	-
International	1,098	-
	<u>1,426</u>	<u>-</u>

€1,426 (2021: Nil) of the above was paid in respect of the Regulator. Other expenses of Nil (2021: €70) were paid to the Regulator.

# Governance Statement and Statement of Responsibilities

## Hospitality Expenditure

€593 was paid in respect of staff hospitality (2021: €452).

## Statement of Compliance

The Office of the Regulator of the National Lottery has complied with the requirements of the Code of Practice for the Governance of State Bodies, as published by the Department of Public Expenditure, National Development Plan Delivery and Reform in August 2016, with the following exceptions:

- ▶ The structure of the Office of the Regulator of the National Lottery is as a single office holder. Compliance with those parts of the Code dealing with Boards, Board structures and Chairpersons has been achieved by amendment of the Code of Practice for the Governance of the Office of the Regulator of the National Lottery to recognise a single office holder.
- ▶ The requirements of the Oversight Agreement and the Performance Delivery Agreement have been complied with by agreement with the Department of Public Expenditure, National Development Plan Delivery and Reform of a Corporate Governance Assurance Agreement for the Office of the Regulator of the National Lottery.



**Carol Boate**

Regulator of the National Lottery

26 May 2023

# Statement on Internal Control

## Scope of Responsibility

I acknowledge my responsibility for ensuring that an effective system of internal control is maintained and operated in relation to the Office of the Regulator of the National Lottery. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

## Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure, National Development Plan Delivery and Reform has been in place in the Office of the Regulator of the National Lottery for the year ended 31 December 2022 and up to the date of approval of the financial statements.

## Capacity to Handle Risk

The Office of the Regulator of the National Lottery is established under the National Lottery Act 2013 as a single office holder. Under statute the Office is constituted without a Board.

The Office of the Regulator of the National Lottery has established an internal audit function which is adequately resourced and conducts a programme of work agreed with me.

The Office of the Regulator has developed a risk management policy which sets out the risk appetite, the risk management processes in place and the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff who are expected to work within the Office of the Regulator of the National Lottery's risk management policies, to alert management on emerging risks and control weaknesses and to assume responsibility for risks and controls within their own area of work.

## Risk and Control Framework

The Office of the Regulator of the National Lottery has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Office of the Regulator of the National Lottery and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Regulator three times a year. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

# Statement on Internal Control

The risk register details the controls and actions needed to mitigate risks and responsibilities for operation of controls assigned to specific staff. I confirm that a control environment containing the following elements is in place:

- ▶ procedures for all key business processes have been documented,
- ▶ financial responsibilities have been assigned at management level with corresponding accountability,
- ▶ there is an appropriate budgeting system with an annual budget which is kept under review by senior management,
- ▶ there are systems aimed at ensuring the security of the information and communication technology systems, and
- ▶ there are systems in place to safeguard the assets.

## Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management in a timely way. I confirm that the following ongoing monitoring systems are in place:

- ▶ key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies,
- ▶ reporting arrangements have been established at all levels where responsibility for financial management has been assigned, and
- ▶ there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budget/forecasts.

## Blended Working Arrangements

The control processes of the Office of the Regulator are compatible with the Office's blended working arrangements.

This is achieved by active management of the control environment including:

- ▶ Operational management – the Regulator in conjunction with the management team actively considers and documents all material controls in the context of blended working and reviews controls in a timely manner, as necessary;
- ▶ Operational issues – the Regulator monitors controls to ensure that appropriate authorisations are in place, that appropriate reconciliations and verifications take place in a timely manner, and that appropriate segregations of duties are maintained;
- ▶ Finance Committee – the Finance Committee monitors the operation of controls;
- ▶ Risk Committee – the Risk Committee monitors risks and associated controls;
- ▶ Internal Audit – Internal Audit assesses the effectiveness of the controls;
- ▶ IT systems – the Regulator, in conjunction with outsourced IT specialists, monitors the effectiveness of the controls, particularly with regard to access and security;

# Statement on Internal Control

- ▶ Staff Training – the Regulator, through scheduled training of all staff each year, ensures an awareness of, and focus on, maintaining a strong control environment when working in the office and remotely;
- ▶ Physical controls – the Regulator has introduced appropriate physical controls to ensure continuity in the delivery of the functions of the Office and in the provision of a safe working environment for all staff;
- ▶ Delivery of outputs – the Regulator monitors the delivery of outputs across the Office to ensure that the functions of the Regulator are being achieved;
- ▶ Fraud – the Regulator specifically considers the risk of fraud and ensures that appropriate controls are in place to mitigate such risks.

## Procurement

I confirm that the Office of the Regulator of the National Lottery has procedures in place to ensure compliance with current procurement rules and guidelines and that during 2022 the Office of the Regulator of the National Lottery complied with those procedures.

## Review of Effectiveness

I confirm that the Office of the Regulator of the National Lottery has procedures in place to monitor the effectiveness of its risk management and control procedures. The Office of the Regulator of the National Lottery's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal and external auditors and the senior management within the Office of the Regulator of the National Lottery responsible for the development and maintenance of the internal control framework.

I confirm that an annual review of the effectiveness of the system of internal control was carried out in respect of 2022 and completed by 31 March 2023.

## Internal Control Issues

No weaknesses in internal control were identified in relation to 2022 that require disclosure in the financial statements.



**Carol Boate**

Regulator of the National Lottery

26 May 2023



## Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

### Report for presentation to the Houses of the Oireachtas

#### Regulator of the National Lottery

#### Opinion on the financial statements

I have audited the financial statements of the Regulator of the National Lottery for the year ended 31 December 2022 as required under the provisions of section 22 of the National Lottery Act 2013. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of comprehensive income
- the statement of financial position
- the statement of cash flows, and
- the related notes, including a summary of the significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Regulator of the National Lottery at 31 December 2022 and of its income and expenditure for 2022 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

#### *Basis of opinion*

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Regulator of the National Lottery and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Report on information other than the financial statements, and on other matters

The Regulator of the National Lottery has presented certain other information together with the financial statements. This comprises the annual report, the statement on internal control and the governance statement and statement of responsibilities. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

**Paul Southern**  
For and on behalf of the  
Comptroller and Auditor General

30 May 2023

## Appendix to the report

### Responsibilities of the Regulator of the National Lottery (the Regulator)

As detailed in the governance statement and statement of responsibilities, the Regulator is responsible for

- the preparation of annual financial statements in the form prescribed under section 22 of the National Lottery Act 2013
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- implementing such internal control as the Regulator determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under section 22 of the National Lottery Act 2013 to audit the financial statements of the Regulator of the National Lottery and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists

related to events or conditions that may cast significant doubt on the Regulator of the National Lottery's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Regulator of the National Lottery to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Regulator of the National Lottery, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

#### Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

#### Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

# Statement of Income and Expenditure and Retained Revenue Reserves

for the financial year ended 31 December 2022

	Notes	Year ended 31 December 2022 €	Year ended 31 December 2021 €
Income	3	1,552,899	1,517,621
Administration costs	5	(1,600,784)	(1,292,406)
<b>Operating (deficit) / surplus</b>		<b>(47,885)</b>	<b>225,215</b>
Interest (payable) / receivable	4	(8,277)	(4,433)
<b>(Deficit) / surplus for the year</b>		<b>(56,162)</b>	<b>220,782</b>
<b>Retained earnings at the start of the year</b>		<b>3,064,176</b>	<b>2,843,394</b>
<b>Retained earnings at the end of the year</b>		<b>3,008,014</b>	<b>3,064,176</b>

Notes 1 to 13 form part of these Financial Statements.



**Carol Boate**  
Regulator of the National Lottery  
26 May 2023



# Statement of Comprehensive Income

## for the financial year ended 31 December 2022

	Notes	Year ended 31 December 2022 €	Year ended 31 December 2021 €
<b>(Deficit) / Surplus for the year</b>		<b><u>(56,162)</u></b>	<b><u>220,782</u></b>
Experience losses / (gains) on retirement benefit obligations	10(b)	181,000	16,000
Changes in assumptions underlying the present value of retirement benefit obligations		<u>(1,652,000)</u>	<u>(2,000)</u>
<b>Total actuarial (gains) / losses in the year</b>		<b><u>(1,471,000)</u></b>	<b><u>14,000</u></b>
Adjustment to deferred retirement benefits funding		<u>1,471,000</u>	<u>(14,000)</u>
<b>Total comprehensive income for year</b>		<b><u>(56,162)</u></b>	<b><u>220,782</u></b>

Notes 1 to 13 form part of these financial statements.



.....  
**Carol Boate**  
 Regulator of the National Lottery  
 26 May 2023

# Statement of Financial Position

## as at 31 December 2022

	Notes	2022 €	2021 €
<b>Non-current assets</b>			
Property, plant and equipment	7	<u>23,859</u>	<u>35,856</u>
<b>Current assets</b>			
Debtors	8	133,802	121,905
Cash and cash equivalents		<u>3,047,900</u>	<u>3,059,289</u>
		3,181,702	3,181,194
<b>Creditors (amounts falling due within one year)</b>			
Creditors and accruals	9	<u>(197,547)</u>	<u>(152,874)</u>
<b>Net current assets</b>		2,984,155	3,028,320
<b>Retirement benefits</b>			
Retirement benefit obligations	10(b)	(2,575,000)	(531,000)
Deferred retirement benefit funding asset	10(c)	<u>2,575,000</u>	<u>531,000</u>
<b>Net assets</b>		<u><b>3,008,014</b></u>	<u><b>3,064,176</b></u>
<b>Represented by</b>			
Accumulated retained earnings	11	<u><b>3,008,014</b></u>	<u><b>3,064,176</b></u>

Notes 1 to 13 form part of these Financial Statements.



.....  
**Carol Boate**  
 Regulator of the National Lottery  
 26 May 2023

# Statement of Cash Flows

for the financial year ended 31 December 2022

	Notes	Year ended 31 December 2022 €	Year ended 31 December 2021 €
<b>Net cash flows from operating activities</b>			
Operating (deficit) / surplus for the year		(47,885)	225,215
Loss on disposal of fixed assets		-	297
Depreciation	7	20,363	18,482
(Increase) / Decrease in debtors		(11,897)	8,644
Increase / (Decrease) in creditors		44,673	(75,717)
<b>Net cash inflow from operating activities</b>		<b>5,254</b>	<b>176,921</b>
<b>Cash flow from investing activities</b>			
Payments to acquire property, plant and equipment	7	(8,366)	(4,800)
<b>Cash flow from financing activities</b>			
Interest (paid) / received	4	(8,277)	(4,433)
<b>(Decrease) / increase in cash and cash equivalents</b>		<b>(11,389)</b>	<b>167,688</b>
<b>Cash and cash equivalents at the start of the financial year</b>		<b>3,059,289</b>	<b>2,891,601</b>
<b>Cash and cash equivalents at the end of the financial year</b>		<b>3,047,900</b>	<b>3,059,289</b>

Notes 1 to 13 form part of these financial statements.



Carol Boate  
Regulator of the National Lottery  
26 May 2023

# Notes

## (forming part of the financial statements)

### for the year ended 31 December 2022

#### 1 | Accounting Policies

The significant accounting policies adopted by the Regulator of the National Lottery are set out below. They have been applied consistently throughout the year and the preceding period.

##### **(a) Statement of Compliance**

The financial statements have been prepared in compliance with Financial Reporting Standard 102, the financial reporting standard applicable in the UK and Republic of Ireland (“FRS 102”) issued by the Financial Reporting Council.

##### **(b) Basis of Preparation**

The financial statements are prepared on the accruals basis in accordance with generally accepted accounting principles and under the historical cost convention.

##### **(c) Levy Income**

Levy income represents the amount receivable under the licence by the Regulator from the operator of the National Lottery in respect of the year.

##### **(d) Expenditure Recognition**

Expenditure is recognised in the financial statements on an accruals basis as it is incurred.

##### **(e) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation, charged to the Statement of Income and Expenditure, is calculated in order to write off the cost of assets over their estimated useful lives, under the straight-line method, at the annual rate of 25% for leasehold improvements, 33⅓% for computer equipment and telephone system, and 20% for all other assets from date of acquisition.

##### **(f) Foreign Currencies**

The financial statements are presented in Euro (€).

Transactions denominated in foreign currencies are converted into euro during the year and are included in the Statement of Income and Expenditure for the year.

Monetary assets and liabilities denominated in foreign currencies are converted into euro at exchange rates ruling at the balance sheet date and resulting gains and losses are included in the Statement of Income and Expenditure for the year.

# Notes

## (forming part of the financial statements)

### for the year ended 31 December 2022

#### 1 | Accounting Policies (Continued)

##### (g) Employee benefits

###### Short-term benefits

Short-term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Creditors and accruals figure in the Statement of Financial Position.

###### Retirement benefits

The National Lottery Act 2013 provides that the Regulator may, with the consent of the Minister for Public Expenditure, National Development Plan Delivery and Reform, determine the conditions of service of staff.

The Regulator is currently establishing pension arrangements in respect of all employees in cooperation with the Department and is making the necessary deductions from salaries, which are transferred to the Exchequer monthly in arrears, as agreed with the Department.

The Regulator is providing for employer contributions at a rate of 30% for non-Single Scheme (non-personal pension contribution), 25% for non-Single Scheme (personal pension contribution) and at a rate of three times employee contributions for Single Scheme members.

The Department has recently confirmed that pension benefits of non-Single Scheme members are to be funded from the Central Exchequer. Provision is made for the pension liability of all Scheme members together with recognition of a matching asset for the funding of the liability from Exchequer sources. Previously, pension liability and matching asset in respect of non-Single Scheme members was not recognised in the financial statements but was disclosed by way of note (see Note 10).

##### (h) Critical accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

###### Depreciation and Residual Values

The Regulator has reviewed the useful lives and associated residual values of all fixed asset classes and has concluded that the useful lives and residual values are appropriate.

# Notes

## (forming part of the financial statements)

### for the year ended 31 December 2022

#### 1 | Accounting Policies (Continued)

##### Retirement benefits

Pension liabilities are recognised in the financial statements and an actuarial valuation of those liabilities, carried out by a qualified actuary, uses specific financial assumptions as set out in note 10.

#### 2 | Establishment of the Office of Regulator of the National Lottery

The Office of Regulator of the National Lottery, which is located at Block D, Irish Life Centre, Dublin 1, was established under Section 7 of the National Lottery Act 2013 and the holder of the Office is known as the Regulator of the National Lottery. Details in respect of the operations of the Regulator and its principal activities are included in the Report of the Regulator in Section 1.

#### 3 | Income

Section 24 of the National Lottery Act 2013 provides for the payment of an annual levy by the operator of the National Lottery to the Regulator. The amount of the levy, as specified in the licence with the operator, is €1,500,000 per annum, subject to indexation with the Consumer Price Index. For 2022, the average Consumer Price Index of 2.33% for the 12 months ended 31 December 2021 as published by the Central Statistics Office in January 2022 was applied by the operator.

	2022	2021
	€	€
Levy income, for the year	<u>1,552,899</u>	<u>1,517,621</u>

#### 4 | Interest Costs

Included in interest payable of €8,277 (2021: €4,433) are negative interest charges of €8,497 (2021: €4,407), net of interest receivable of €220. Negative interest charges arise as a result of funds held in deposit.

# Notes

(forming part of the financial statements)

for the year ended 31 December 2022

## 5 | Administration Costs

	2022	2021
	€	€
Salaries and staff costs	918,995	872,085
Outsourced labour costs	99,986	-
Professional fees (Note 6)	279,474	154,220
External audit*	18,900	17,200
Internal audit	17,561	23,309
Rent, service charges and maintenance	120,865	118,461
Cleaning, heat and light	4,159	2,450
Insurances	29,746	22,662
Travel and subsistence	2,019	452
Recruitment	9,517	-
Training costs and memberships	21,749	16,171
Office supplies and equipment	3,253	3,256
Information and communication technology	41,717	30,910
Publications	8,569	10,738
Depreciation	20,363	18,482
Other administration costs	3,911	2,010
	<b><u>1,600,784</u></b>	<b><u>1,292,406</u></b>

\* External audit includes an amount of €7,600 (2021: €6,900) for audit fees in respect of the National Lottery Fund.

## 6 | Professional Fees

	2022	2021
	€	€
Legal services	28,803	84,012
Tax and financial advisory	6,273	4,073
Public relations/marketing	56,215	30,661
Pensions and human resources	6,100	8,191
Lottery consultancy	11,685	-
Research	152,248	-
IT and Other	18,150	27,283
	<b><u>279,474</u></b>	<b><u>154,220</u></b>

# Notes

(forming part of the financial statements)  
for the year ended 31 December 2022

## 7 | Property, Plant and Equipment

	Leasehold Improvements €	Computer Equipment €	Office Fitting, Furniture & Equipment €	Telephone System €	Total €
<b>Cost</b>					
At 31 December 2021	48,839	39,218	8,736	4,182	100,975
Additions during year	-	3,980	4,386	-	8,366
Disposals during year	-	-	-	-	-
At 31 December 2022	<u>48,839</u>	<u>43,198</u>	<u>13,122</u>	<u>4,182</u>	<u>109,341</u>
<b>Depreciation</b>					
At 31 December 2021	25,091	29,184	6,662	4,182	65,119
Charge for year	12,210	7,097	1,056	-	20,363
Depreciation on disposals	-	-	-	-	-
At 31 December 2022	<u>37,301</u>	<u>36,281</u>	<u>7,718</u>	<u>4,182</u>	<u>85,482</u>
<b>Net Book Value</b>					
At 31 December 2022	<u>11,538</u>	<u>6,917</u>	<u>5,404</u>	<u>-</u>	<u>23,859</u>
At 31 December 2021	<u>23,748</u>	<u>10,034</u>	<u>2,074</u>	<u>-</u>	<u>35,856</u>

Leasehold improvements of €48,839 capitalised in 2019 are being depreciated over four years, being the period remaining under the property lease to November 2023.

## 8 | Debtors

	2022 €	2021 €
Accrued income	89,474	83,261
Prepayments	<u>44,328</u>	<u>38,644</u>
	<b><u>133,802</u></b>	<b><u>121,905</u></b>



# Notes

## (forming part of the financial statements)

### for the year ended 31 December 2022

#### 9 | Creditors (amounts falling due within one year)

	2022	2021
	€	€
Trade creditors and accruals	155,906	115,746
Pension contributions (Note 10)	14,309	13,001
PAYE/PRSI	22,429	20,122
Additional superannuation contribution	2,156	1,935
PSWT liability	2,677	2,013
VAT liability	70	57
	<u>197,547</u>	<u>152,874</u>

#### 10 | Pension Provision

A draft defined benefit pension scheme for the Office of the Regulator, based on the Public Service Model Scheme, was submitted to the Department of Public Expenditure, National Development Plan Delivery and Reform on 24th November 2015 and is awaiting approval.

The rate of contributions in the year, including employer contributions of 30% of pensionable pay for non-Single Scheme (non-personal pension contribution) members, 25% of pensionable pay for non-Single Scheme (personal pension contribution) members, and of three times employee contributions for Public Service Pension (Single Scheme and Other Provisions) Act 2012 members (i.e. Single Scheme members) are agreed with the Department and transferred to the Exchequer, one month in arrears. At the 31 December 2022 the amount of contributions to be transferred to the Exchequer is €14,309.

##### Non-Single Scheme members

With regard to non-Single Scheme members, the Department of Public Expenditure, National Development Plan Delivery and Reform recently confirmed that the liability for retirement benefits payable to non-Single Scheme members is assumed by the Central Exchequer. All employer and employee contributions based on a percentage of salaries of the scheme members are transferred to the Central Exchequer as agreed with the Department. The pension liability of non-Single Scheme members and the matching asset are recognised for the first time on the Statement of Financial Position at 31 December 2022. The pension liability for non-Single Scheme members at 31 December 2021 as disclosed by way of note in the previous year's accounts was €3,200,000.

# Notes

## (forming part of the financial statements)

### for the year ended 31 December 2022

#### 10 | Pension Provision (Continued)

##### Single Scheme members

With regard to Single Scheme members, the Office of the Regulator of the National Lottery was prescribed as a relevant authority for the purpose of the Single Scheme in 2019. Employee and employer contributions are transferred to the Department of Public Expenditure, National Development Plan Delivery and Reform on a monthly basis in accordance with the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

##### Actuarial Assumptions

The liability for all Scheme members as provided for in the financial statements, is based on an actuarial valuation carried out by a qualified actuary using the financial assumptions below for the purpose of FRS 102.

	Year ended 31 December 2022	Year ended 31 December 2021
Discount rate	3.80%	1.30%
Rate of increase in salaries	4.10%	3.50%
Rate of increase in pension	3.6%	3.0%
Inflation	2.6%	2.0%

# Notes

## (forming part of the financial statements)

### for the year ended 31 December 2022

#### 10 | Pension Provision (Continued)

##### (a) Retirement Benefit Costs

Analysis of retirement benefit costs charged to the Statement of Income and Expenditure and Retained Revenue Reserves.

Retirement Benefit Costs	Non-Single Scheme	Single Scheme	2022	2021*
	€	€	€	€
Total Employer Contributions	90,687	55,317	146,004	52,111
Current Service Costs**	149,000	84,000	233,000	83,000
Interest Costs	43,000	8,000	51,000	4,000
Adjustments to Deferred Exchequer Pension Funding	(192,000)	(92,000)	(284,000)	(87,000)
Total charged to Statement of Income & Expenditure & Retained Revenue Reserves	<u>90,687</u>	<u>55,317</u>	<u>146,004</u>	<u>52,111</u>

\* 2021 is in respect of Single Scheme members only as disclosed in the 2021 annual accounts.

\*\* Employee contributions have been included in the calculation of the current service costs figure.

Employer contributions must be paid by public service bodies who are funded “wholly or mainly from sources other than directly or indirectly out of the Central Fund”. As a self-financing public body, the sum of €146,004 represents the Office of the Regulator's liability for employer contributions in respect of all Scheme members. These amounts are paid over to the Department of Public Expenditure, National Development Plan Delivery and Reform monthly in arrears.

# Notes

## (forming part of the financial statements)

### for the year ended 31 December 2022

#### 10 | Pension Provision (Continued)

##### (b) Movement in scheme net retirement benefit obligations during the financial year

	Non-Single Scheme	Single Scheme	2022	2021*
	€	€	€	€
Net Pension Liability at 1 January	3,200,000	531,000	3,731,000	401,000
Current Service Costs	149,000	84,000	233,000	83,000
Employee Contributions	13,000	18,000	31,000	29,000
Interest Costs	43,000	8,000	51,000	4,000
Experience losses/(gains) on scheme liabilities	141,000	40,000	181,000	16,000
Changes in assumptions	(1,428,000)	(224,000)	(1,652,000)	(2,000)
Net Pension Liability at 31 December	<u>2,118,000</u>	<u>457,000</u>	<u>2,575,000</u>	<u>531,000</u>

\*2021 is in respect of Single Scheme members only as disclosed in the 2021 annual accounts.

##### (c) Deferred funding for retirement benefits

The Office of the Regulator of the National Lottery recognises these amounts as an asset corresponding to the unfunded deferred liability for retirement benefits on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the retirement benefit scheme, the prescribing of the Office of the Regulator of the National Lottery as a relevant authority for the purposes of the Single Scheme and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process.

##### (d) Defined benefit obligations

	2022	2021
	€	€
Defined benefit obligations	2,575,000	531,000

\*2021 is in respect of Single Scheme members only as disclosed in the 2021 annual accounts.

# Notes

(forming part of the financial statements)  
for the year ended 31 December 2022

## 11 | Accumulated Retained Earnings

	2022
	€
At beginning of year	3,064,176
(Deficit) for year	<u>(56,162)</u>
Retained earnings at the end of the year	<u><u>3,008,014</u></u>

## 12 | Capital Commitments

There were no commitments for capital expenditure at 31 December 2022.

## 13 | Approval of Financial Statements

The financial statements were approved by the Regulator of the National Lottery on 26 May 2023.

# 3

## National Lottery Fund Report and Financial Statements

for the year ended 31 December 2022

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## National Lottery Fund

# Governance Statement and Statement of Responsibilities

### **Governance**

The National Lottery Fund is established under section 8 of the National Lottery Act 1986 and continues in being in accordance with section 44 of the National Lottery Act 2013. The Fund comprises a single bank account held at the Central Bank of Ireland. The Fund has no employees or directors.

### **Regulator Responsibilities**

The responsibilities of the Regulator in respect of the Fund are set out in the National Lottery Act, 2013. Under section 44 of the National Lottery Act, 2013, the Regulator manages and controls the Fund. In addition the Regulator is required to submit accounts of the Fund annually to the Comptroller and Auditor General for audit and for a copy of an abstract of the accounts so audited together with a copy of the report of the Comptroller and Auditor General thereon to be laid before each House of the Oireachtas.



**Carol Boate**

Regulator of the National Lottery

26 May 2023

## National Lottery Fund

# Statement on Internal Control

### Scope of Responsibility

I acknowledge my responsibility for ensuring that an effective system of internal control is maintained and operated in relation to the National Lottery Fund. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016), as it applies to the Office of the Regulator and the National Lottery Fund.

### Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure, National Development Plan Delivery and Reform has been in place for the National Lottery Fund for the year ended 31 December 2022 and up to the date of approval of the financial statements.

### Capacity to Handle Risk

The National Lottery Fund is established under section 8 of the National Lottery Act 1986 and is managed and controlled by the Regulator.

The Office of the Regulator has established an internal audit function which is adequately resourced and conducts a programme of work agreed with me, in respect of the National Lottery Fund.

The Office of the Regulator has developed a risk management policy which sets out the risk appetite, the risk management processes in place and the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff, who are expected to work within the Office of the Regulator of the National Lottery's risk management policies, to alert management on emerging risks and control weaknesses and to assume responsibility for risks and controls within their own area of work.

### Risk and Control Framework

The Office of the Regulator of the National Lottery has implemented a risk management system in respect of the National Lottery Fund which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the National Lottery Fund and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated three times a year. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.



## National Lottery Fund

# Statement on Internal Control

The risk register details the controls and actions needed to mitigate risks and responsibilities for operation of controls assigned to specific staff. I confirm that a control environment containing the following elements is in place:

- ▶ procedures for all key business processes have been documented,
- ▶ financial responsibilities have been assigned at management level with corresponding accountability,
- ▶ there are systems aimed at ensuring the security of the information and communication technology systems, and
- ▶ there are systems in place to safeguard the assets.

### Ongoing Monitoring and Review

Formal procedures have been established in the Office of the Regulator of the National Lottery for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action in a timely way. I confirm that the following ongoing monitoring systems are in place:

- ▶ an organisation structure with clear operating and reporting procedures;
- ▶ authorisation limits, segregation of duties and delegated authorities to approve and process transactions of the National Lottery Fund;
- ▶ a system to facilitate the recording and reconciliation of all transactions and to provide a complete audit trail of transactions processed;
- ▶ processes to identify and evaluate business risks by:
  - ▶ identifying the nature, extent and financial implications of risks facing the National Lottery Fund including the extent and categories which I regard as acceptable
  - ▶ assessing the likelihood of identified risks occurring
  - ▶ assessing the Office's ability to manage and mitigate the risks that do occur;
- ▶ weekly monitoring and reconciliations of amounts processed in the National Lottery Fund;
- ▶ a set of policies and procedures relating to operational and financial controls;
- ▶ procedures for monitoring the effectiveness of the internal control systems include the work of Internal Audit and management reviews.

## National Lottery Fund

# Statement on Internal Control

### **Blended Working Arrangements**

The control processes of the Office of the Regulator are compatible with the Office's blended working arrangements.

This is achieved by active management of the control environment including:

- ▶ Operational management – the Regulator in conjunction with the management team actively considers and documents all material controls in the context of blended working and reviews controls in a timely manner, as necessary;
- ▶ Operational issues – the Regulator monitors controls to ensure that appropriate authorisations are in place, that appropriate reconciliations and verifications take place in a timely manner, and that appropriate segregations of duties are maintained;
- ▶ Finance Committee – the Finance Committee monitors the operation of controls;
- ▶ Risk Committee - the Risk Committee monitors risks and associated controls;
- ▶ Internal Audit – Internal Audit assesses the effectiveness of the controls;
- ▶ IT systems – the Regulator, in conjunction with outsourced IT specialists, monitors the effectiveness of the controls, particularly with regard to access and security;
- ▶ Staff Training – the Regulator, through scheduled training of all staff each year, ensures an awareness of, and focus on, maintaining a strong control environment when working in the office and remotely;
- ▶ Physical controls – the Regulator has introduced appropriate physical controls to ensure continuity in the delivery of the functions of the Office and in the provision of a safe working environment for all staff;
- ▶ Delivery of outputs – the Regulator monitors the delivery of outputs across the Office to ensure that the functions of the Regulator are being achieved;
- ▶ Fraud – the Regulator specifically considers the risk of fraud and ensures that appropriate controls are in place to mitigate such risks.

## National Lottery Fund

# Statement on Internal Control

### Procurement

Due to the nature of the National Lottery Fund, procurement matters do not arise.

### Review of Effectiveness

I confirm that the Office of the Regulator of the National Lottery has procedures in place to monitor the effectiveness of the National Lottery Fund risk management and control procedures. The Office of the Regulator of the National Lottery's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal and external auditors and the senior management within the Office of the Regulator of the National Lottery responsible for the development and maintenance of the internal control framework.

I confirm that an annual review of the effectiveness of the system of internal control was carried out in respect of 2022 and completed by 31 March 2023.

### Internal Control Issues

No weaknesses in internal control were identified in relation to 2022 that require disclosure in the financial statements.



**Carol Boate**

Regulator of the National Lottery

26 May 2023



## **Ard Reachtaire Cuntas agus Ciste** **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

### **National Lottery Fund**

#### **Opinion on the financial statements**

I have audited the financial statements of the National Lottery Fund prepared by the Regulator of the National Lottery for the year ended 31 December 2022 under section 44 of the National Lottery Act 2013. The financial statements comprise the account of receipts and payments, the reserve account and related notes.

In my opinion, the financial statements properly present

- the payments into and out of the National Lottery Fund for 2022, and
- the balance of the Fund at 31 December 2022.

#### ***Basis of opinion***

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Regulator of the National Lottery and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Report on statement on internal control and on other matters**

The Regulator has presented a statement on internal control together with the financial statements. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

**Seamus McCarthy**  
**Comptroller and Auditor General**

**30 May 2023**

## Appendix to the report

### Responsibilities of the Regulator of the National Lottery (the Regulator)

The governance statement and statement of responsibilities sets out the Regulator's responsibilities in relation to the financial statements. These are

- the preparation of annual financial statements as required by Section 44 of the National Lottery Act 2013
- ensuring that the financial statements properly present the National Lottery Fund's affairs at year-end and transactions in the year
- ensuring the regularity of transactions, and
- implementing such internal control as the Regulator determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under section 44 of the 2013 Act to audit the financial statements of the National Lottery Fund and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

I communicate with the Regulator regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

### Statement on Internal Control

My opinion on the financial statements does not cover the statement on internal control presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the statement on internal control presented and, in doing so, consider whether the information therein is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact.

### Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

## National Lottery Fund

# Account of Receipts and Payments

## for the year ended 31 December 2022

	Note	2022		2021	
		€'000	€'000	€'000	€'000
Received from the operator	4		581,637		682,338
<b>less:</b>					
Paid to the operator in respect of:	5				
Prizes		233,837		286,724	
Operator's entitlement		<u>89,910</u>	<u>323,747</u>	<u>103,296</u>	<u>390,020</u>
			257,890		292,318
<b>less:</b>					
Paid to the Regulator in respect of Regulator Levy	8		<u>1,547</u>		<u>1,513</u>
			256,343		290,805
Investment Interest Received/(Paid)	6		<u>(185)</u>		<u>(204)</u>
			256,158		290,601
Transferred to the Central Fund	7		<u>(257,933)</u>		<u>(289,709)</u>
(Decrease)/Increase in Investment			<u><b>(1,775)</b></u>		<u><b>(892)</b></u>

**Reserve Account**

		2022	2021
		€'000	€'000
Balance on deposit at 1 January		21,595	20,703
(Decrease)/Increase in Investment		<u>(1,775)</u>	<u>892</u>
Balance on deposit at 31 December	6	19,820	21,595
<b>less:</b>			
Liability for Regulator Levy	8	(89)	(83)
Liability to Prizes Fund Account	9	<u>(0)</u>	<u>0</u>
Balance available for distribution through the Central Fund	7	<u><b>19,731</b></u>	<u><b>21,512</b></u>

Notes 1 to 11 form part of these Accounts



**Carol Boate**  
Regulator of the National Lottery  
26 May 2023

## National Lottery Fund

# Notes to the Accounts

### 1 | The National Lottery

The National Lottery, established in 1986, continues in accordance with the National Lottery Act 2013 ("the Act"). On 30 November 2014 Premier Lotteries Ireland Limited ("PLI"), an Irish registered company, commenced as operator under a licence ("the Licence") for 20 years granted by the Minister for Public Expenditure, National Development Plan Delivery and Reform on 27 February 2014.

### 2 | The National Lottery Fund

The National Lottery Fund ("the Fund"), established under the National Lottery Act 1986, continues in being by virtue of Section 44 of the National Lottery Act 2013. Under Section 7 of the Act, the Regulator of the National Lottery was appointed by the Minister for Public Expenditure, National Development Plan Delivery and Reform and in accordance with Section 44 of the Act, the Regulator manages and controls the Fund.

The Fund receives proceeds of the National Lottery from the operator and pays amounts in respect of prizes, Regulator's annual levy and the operators' entitlements under the Licence. The Regulator transfers funds, at intervals determined by the Minister, to the Exchequer (after appropriate provision for prospective or contingent liabilities) for application for the purposes set out in the Act. The amounts due to the Central Fund of the Exchequer for Good Causes are calculated as laid out in the Act and the Licence as being 65% of Gross Gaming Revenue (GGR). GGR is defined as total net sales minus prizes, as defined in Clause 1.1.24 of the Licence.

In accordance with clause 6.2 of the Licence, the Regulator operates the National Lottery Fund account in the Central Bank of Ireland.

### 3 | Accounts of the Fund

The accounts detail amounts paid into and by the Fund during the year under review together with an analysis of the balance held at the year end. Under Section 44 of the National Lottery Act 2013, the accounts of the Fund are required to be audited by the Comptroller and Auditor General, and a copy of an abstract of the accounts so audited together with a copy of the report of the Comptroller and Auditor General thereon is to be laid by the Regulator before each House of the Oireachtas.

## National Lottery Fund

# Notes to the Accounts

### 4 | Amounts Received from the Operator

As required by the Act amounts received from the operator comprise ticket sales proceeds less retailers' remuneration and prizes paid by retailers. Amounts received from the operator were €582 million in 2022 (2021: €682 million), and this includes the receipt of €9,547,410 in respect of year ended 31 December 2021 as referred to in Note 9 below.

Amounts received from the operator are a function of the Sales of National Lottery products in the year and of deductions for retailers' remuneration and prizes paid by retailers. Amounts transferred to the Exchequer are a function of the amounts generated for Good Causes in the year.

An extract from the audited financial statements of the operator, Premier Lotteries Ireland DAC, as audited by Deloitte for the year ended 31 December 2022 and which were prepared on an accrual's basis, provides an overview of the amounts accounted for by the operator in the year.

Extract from the Audited Financial Statements of Premier Lotteries Ireland DAC for the year ended 31 December 2022	2022 €'m	2021 €'m
Gross ticket sales	884.1	1,053.7
Prizes	(484.9)	(585.9)
Good Causes	(259.5)	(304.0)

The Good Causes amount included in the audited financial statements of the operator €259.5 million (2021 €304.0 million) is the amount attributable to Good Causes on an accruals basis on Sales arising in 2022.

The amount included as Transferred to the Central Fund in these Fund accounts of €257.9 million (2021: €289.7 million) is the actual transfers from the National Lottery Fund to the Central Fund during the year to 31 December 2022 (see Note 7).

Based on the extract from the operator's audited financial statements above the following percentages are derived:

	2022	2021
<b>As a percentage of Gross ticket sales</b>	<b>%</b>	<b>%</b>
Gross ticket sales	100%	100%
Prizes*	54.8%	55.6%
Good Causes	29.3%	28.8%

\* In accordance with S.40(2) of the National Lottery Act 2013, the total value of the prizes distributed in the National Lottery in any financial year of the operator shall be equal to or not less than 50 percent of the total moneys received by the operator in that year in respect of the sale of National Lottery tickets in that year or such other greater percentage as may be specified in the licence.



## National Lottery Fund

# Notes to the Accounts

### 5 | Amounts Paid to the Operator

The amounts paid from the Fund to the operator totalled €324 million in 2022 (2021: €390 million). This comprised €234 million in respect of prizes payments (2021: €287 million) and €90 million in respect of operator's entitlement (2021: €103 million). The payments for operator's entitlement of €90 million in 2022 includes the payment in respect of year ended 31 December 2021 of €3,341,593 as referred to in Note 9 below.

Prize amounts are paid to the Prizes Fund Account maintained by the operator. Winners of prizes are required to claim their prizes within the required period as stated in the relevant game rules, generally 90 days. If a winner does not claim their prize within the required period, the prize becomes an Expired Unclaimed Prize. The amount of Expired Unclaimed Prizes arising in 2022 was €18.7 million. In accordance with the specific requirements of Clause 6.9.2 of the Licence to Operate the National Lottery, all Expired Unclaimed Prizes are forfeited in favour of the operator and are to be used by the operator solely for the promotion of the National Lottery within 365 days of the date on which they were forfeited.

### 6 | Investments of the Fund

All moneys of the Fund are held in a deposit account maintained at the Central Bank of Ireland. Negative interest has been charged on this account from June 2014 to 26 July 2022. This arose from an ECB Decision (EC/2014/23) relating to the remuneration of deposits, balances and holdings of excessive reserves, which affected the remuneration of government deposits at National Central Banks. Arising from ECB Decisions in 2022 relating to interest rates, no interest arose on deposits in the National Lottery Fund from 27 July 2022 to 13 September 2022. From 14 September 2022 interest was earned on deposits in the National Lottery Fund. Interest is calculated on a daily basis, and paid twice yearly. Interest is recognised on payment or receipt. The estimated amount of interest earned to 31 December 2022, but not yet received at the year-end amounted to €115,000.

### 7 | Transfers to the Central Fund

Funds are allocated to Good Causes pursuant to Clause 6.6 of the Licence and are 65% of GGR calculated on an annual basis, in accordance with Schedule 2 to the Licence. Following provision for current liabilities of the Fund and any prospective or contingent liabilities, the Regulator arranges the transfer of funds allocated to Good Causes, at intervals determined by the Minister, from the National Lottery Fund to the Central Fund. The allocation of Central Fund moneys to beneficiaries is voted by the Oireachtas through the annual Estimates process and moneys are issued during the year and accounted for through the Appropriation Accounts.

## National Lottery Fund

# Notes to the Accounts

### 8 | Liability for Regulator Levy

In accordance with the National Lottery Act 2013, the Licence provides for the payment by the operator of an annual levy to the Regulator to meet expenses properly incurred by the Regulator. Such amounts are deducted from payments to the operator and are retained in the Fund for payment to the Regulator. The amount due to the Regulator at 31 December 2022 is €89,328 (2021: €83,140).

### 9 | Liability to Prizes Fund Account

Payments from the Fund to the Prizes Fund Account in respect of prizes are made weekly, based on expected prizes won as notified by the operator. The liability of the Fund to the Prizes Fund Account is for actual prizes won. On 31 December 2022 the amount due to the Fund from the Prizes Fund Account is €14,919,967, of which €5,221,989 is due to be transferred to the operator. The receipt, and subsequent payment, occurred on 31 March 2023 and 3 April 2023 respectively. On 31 December 2021 an amount of €6,205,817 was due to the Fund from the Prizes Fund Account (€9,547,410 less €3,341,593 due to the operator). The receipt, and subsequent payment, occurred on 31 March 2022 and 1 April 2022 respectively.

### 10 | Audit Fee

The audit fee is paid by the Office of the Regulator of the National Lottery. The amount charged in respect of 2022 is €7,600 (2021: €6,900).

### 11 | Approval of the National Lottery Fund Account

The National Lottery Fund Account in respect of the year ended 31 December 2022 was approved by the Regulator on 26 May 2023.





Rialálaí an Chranachuir Náisiúnta  
Regulator of the National Lottery

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