



Rialálaí an Chranachuir Náisiúnta
Regulator of the National Lottery

Annual Report

2023

OUR VISION

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

Contents

1. Report on Operations pursuant to Section 22(3) of the National Lottery Act 2013	2
1.1 Regulator’s Statement	3
1.2 Regulator’s Vision, Mission, and Values	6
1.3 Organisational Structure	8
1.4 The Functions of the Regulator	9
1.5 Oversight of the Operator	10
1.5.1 Performance of the Operator	10
1.5.2 Sales, Channels, and Funds for Good Causes	11
1.5.3 Player Protection	13
1.5.4 Responsible Advertising and Promotion	15
1.5.5 Complaints Received	15
1.5.6 Change in Ownership of Operator	16
1.5.7 Enforcement	16
1.6 Regulatory Requests under the Act and the Licence	17
1.7 National Lottery Fund	19
1.8 Enforcement of Trademarks	21
1.9 Licence Amendments	22
1.10 Corporate Affairs	29
1.10.1 Strategy	29
1.10.2 Corporate Governance	31
1.10.3 Resources and Staffing	32
1.10.4 Annual Report and Accounts	33
1.10.5 Internal Audit	33
1.10.6 Risk Management	33
1.10.7 Legislative Requirements	34
Appendix A: PLI’s (Premier Lotteries Ireland) Performance Standards	35
Appendix B: Regular Reports Received from PLI	36
Appendix C: Requests for Approval or Consent under the Licence	37
2. Regulator of the National Lottery – Financial Statements and Report of the Comptroller and Auditor General pursuant to Section 22(2) of the National Lottery Act 2013	39
3. National Lottery Fund – Financial Statements and Report of the Comptroller and Auditor General pursuant to Section 44(4) of the National Lottery Act 2013	65



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 2023.

In 2023, €241.0 million was transferred from the National Lottery Fund to the Exchequer to support Good Causes. This represented a decrease of 6.6% compared to 2022 (2022: €257.9 million).

2023 was a year that laid new foundations for the future sustainability of the National Lottery in years to come. After almost a decade of operations under the Licence, changes took place in 2023 to provide new prize claim options to National Lottery winners, to afford growing levels of protection to the most vulnerable, while engaging the next generation of players in new and responsible ways to play. While a change in ownership of the Operator took place, the same checks and balances, oversight, and regulatory regime continue to hold the Operator and operation of the National Lottery to account as we enter into the second half of the 20-year Licence. Our new website launched during the year offers the public improved access to clear information about our role and responsibilities in this regard.

When the Licence to operate the National Lottery was signed in 2014, it provided that prizes of €100 or more won on tickets purchased online must be paid by cheque and that any amount withdrawn from a player's online wallet must always be paid by cheque. In 2023, the Regulator and the Operator agreed to amend the Licence so that the online channel began offering online players who had verified their identity the option of receiving prizes between €100 and €500 and/or wallet withdrawals electronically. This change followed a formal process requiring the Regulator's approval of amendments to game rules and significant testing by the Operator of the new systems required.

The Licence also required that winners of prizes of €10,000 or more must present themselves at National Lottery HQ for their age and identification details to be verified before a cheque is issued. The outbreak of Covid-19 in Ireland led to the closure of National Lottery HQ to the public in line with statutory Regulations. In this context,

the Regulator and the Operator agreed in 2020 to amend the Licence to provide for a remote method for claiming large prizes on a temporary basis. In 2023, based on the successful experience of the Remote Prize Claims Process and to cater for a diverse array of issues where a minority of individuals may experience difficulty attending National Lottery HQ, the Regulator and the Operator agreed to amend the Licence to retain this process on a permanent basis.

A further amendment to the Licence in 2023 included improvements to the self-exclusion facility within the online channel. Online players can now lock themselves out of all current and future Interactive Instant Win games (but still play draw based games) and will receive no marketing messages for the period of their lock-out. These improvements were introduced by the Operator to apply new technology options and evolving best practice in online controls. The Regulator secured an amendment to the Licence to formally include this new self-exclusion option in the regulatory framework, thus making it a permanent feature of the online channel.

Regulatory approval of the new EuroDreams draw based game, which launched in the last quarter of 2023 in a number of countries, followed a thorough assessment of the risks and protections in place for players, winners, and the National Lottery Fund/ Good Causes monies due to the novel nature of the game. EuroDreams introduced an annuity-style jackpot prize to Ireland for the first time. Annuity-style prizes are common in lotteries internationally. They are considered safer products and tend to appeal to younger adults, which is important for the long-term sustainability of the National Lottery.

My office launched a new website during the year to provide more detailed information for the public, in a modern and accessible format with clear signposting for the visitor to navigate to their area of interest. It sets out in graphical, numerical, and accounting terms the steps by which the proceeds of National Lottery sales are allocated, and Good Causes monies are calculated and transferred to the Exchequer. A prominent section on Player Protection outlines the high standards of consumer protection that players can expect when engaging with the National Lottery and provides guidance on problem gambling and how to enjoy taking part in the National Lottery in a safe and healthy manner.

On 3 November 2023, La Française des Jeux purchased Premier Lotteries Ireland DAC ("PLI"), Operator of the National Lottery, from Ontario Teachers' Pension Plan, An Post and An Post Pension Fund. The Regulator's approval for this change in control was sought by PLI, as required by the Licence, and was given on 2 October 2023. The Regulator's role related solely to checks on the fitness and probity of the owners and directors, together with a related approval sought under Clause 31 of the Licence for necessary amendments to the Constitution document of PLI. Approval was granted following a detailed assessment of the request and related information sought by my office. Importantly, notwithstanding the change of control of PLI, PLI remains subject to the same rules and obligations that it was subject to prior to the change of control. Under the National Lottery Act 2013, PLI remains a company with the sole purpose of operating the National Lottery under licence until 2034. The National Lottery itself remains in State ownership.

2023 is the second year that National Lottery sales and, in turn, returns to Good Causes fell since the Licence commenced in 2014. Sales of National Lottery products as reported by the Operator, PLI, decreased by 6.2% compared with 2022. This was less than the decrease in the previous year (16.1%) from the 2021 high of €1,053.7 million. A smaller decrease was not unexpected given (a) the unprecedented Lotto jackpot rollover and first ever Lotto Must Be Won event in January 2022 that drove higher than normal draw based game sales over an extended period in 2021 and into early 2022, and (b) the impact on all Irish household budgets of the ongoing higher inflation in 2023. Good Causes returns were also impacted by the higher overall prize payout percentage to players during the year of 57.7% (2022: 54.8%) due to the relative decrease in draw based game sales. Overall, total sales for the year (€829.4 million) were between 2018 and 2019 levels and returns to Good Causes were similar to 2018 levels (2023: €227.9 million, 2018 €228.5 million). Online sales remained at approximately 16% of total sales (2023:15.9%, 2022:16.0%).

I would like to acknowledge the hard work and agility of my colleagues in the Office of the Regulator of the National Lottery in respect of 2023. Their commitment to maintaining the highest standards and protections for the National Lottery's players as it evolves, to secure a sustainable future, is reflected in the pages of this report.



Carol Boate
Regulator of the National Lottery
June 2024

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

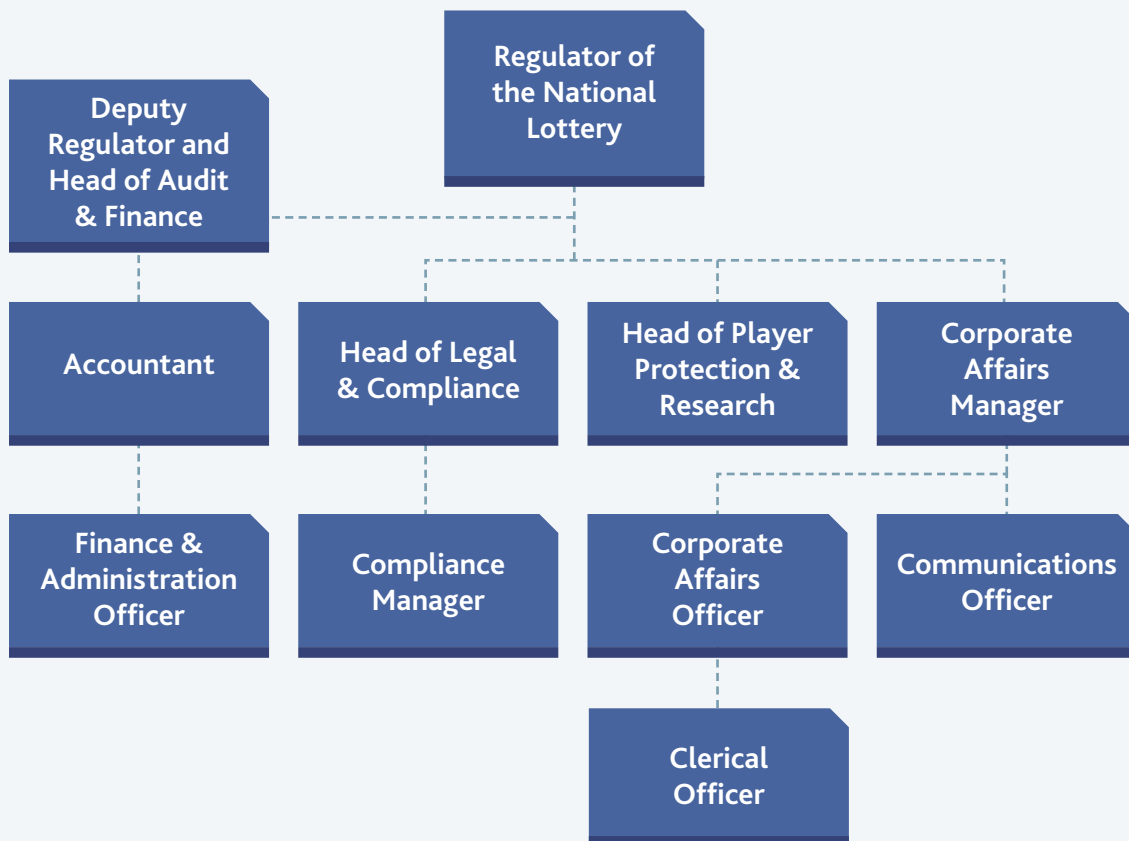


The Regulator's mission is to achieve this vision by:

- ▶ 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



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.

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 2023 annual performance standards report from the Operator.

The Operator matched or exceeded all projected performance standards in 2023 other than the timely resolution of all player complaints. While players received a response to their complaint in a timely fashion, 86% of complaints were fully resolved within 10 days and this fell short of the performance target of 95%.

This lapse was interrogated by the Regulator. The Operator confirmed that the failure to attain this standard in 2023 was due to short term operational issues following changes made to its processes to improve customer service. The Operator has confirmed to the Regulator that the issues are resolved, with the standard now being achieved in each month. This matter will be kept under close scrutiny in 2024 to ensure that this standard is maintained.

1.5.2 | Sales, Channels, and Funds for Good Causes

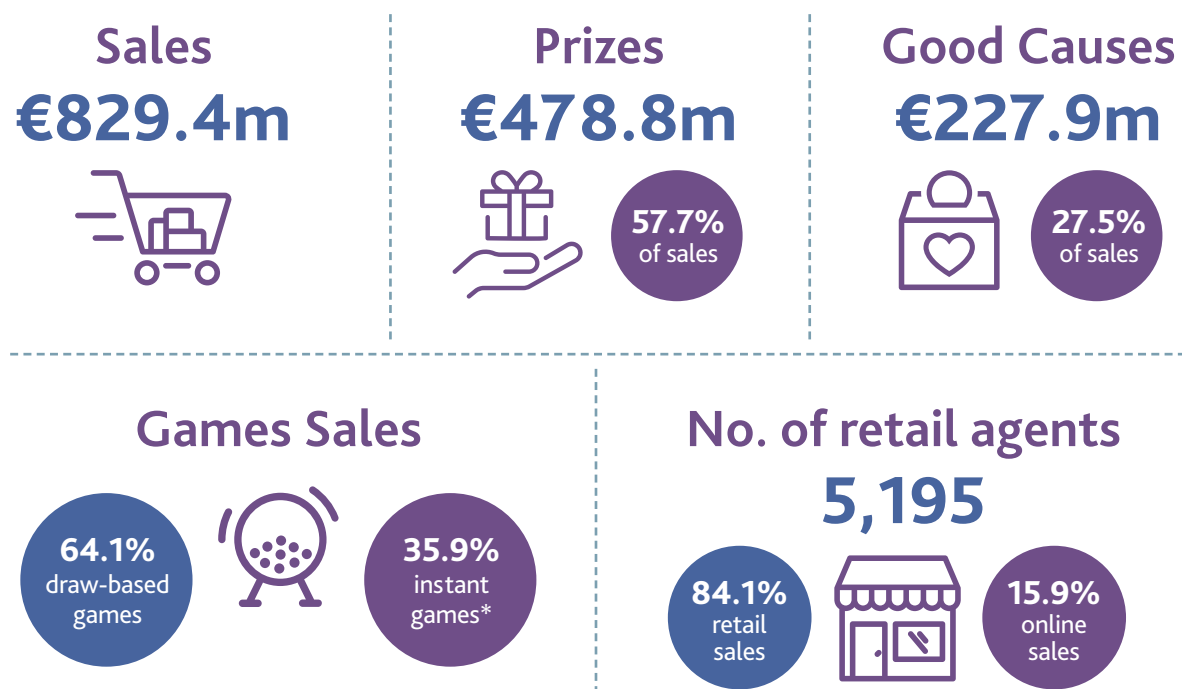
As reported by the Operator, National Lottery ticket sales for 2023 amounted to €829.4 million (2022: €884.1 million). Sales for draw based games were €531.5 million (2022: €585.4 million), while sales for instant games (scratch card games and interactive instant win games) were €297.9 million (2022: €298.7 million).

The size of the retail channel network decreased slightly in 2023. The Operator reported that there were 5,195 active retail agents as of 31 December 2023, down 0.6% from 2022 (5,225). Online sales fell to €132.2 million (2022: €141.4 million) representing 15.9% of total sales in 2023 (2022: 16.0%).

Returns generated for Good Causes amounted to €227.9 million for 2023. The Operator's accounts show that the returns generated for Good Causes decreased by 12.2% (2022: €259.5 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 Metrics of the Operator

The following results were reported by the Operator to the Regulator for the year ended 31 December 2023.



* Scratch cards and instant online games

A summary for the years 2017 to 2023, from the Operator's accounts, is as follows:

Year	2017	2018	2019	2020	2021	2022	2023
Sales	€800.2m	€805.0m	€884.5m	€918.9m	€1,053.7m	€884.1m	€829.4m
Prize Pay-Out %	56.49%	56.35%	56.25%	57.56%	55.61%	54.84%	57.73%
Generated for Good Causes	€226.3m	€228.5m	€251.6m	€253.6m	€304.0m	€259.5m	€227.9m
Good Causes as a % of Sales	28.28%	28.39%	28.45%	27.60%	28.85%	29.35%	27.48%

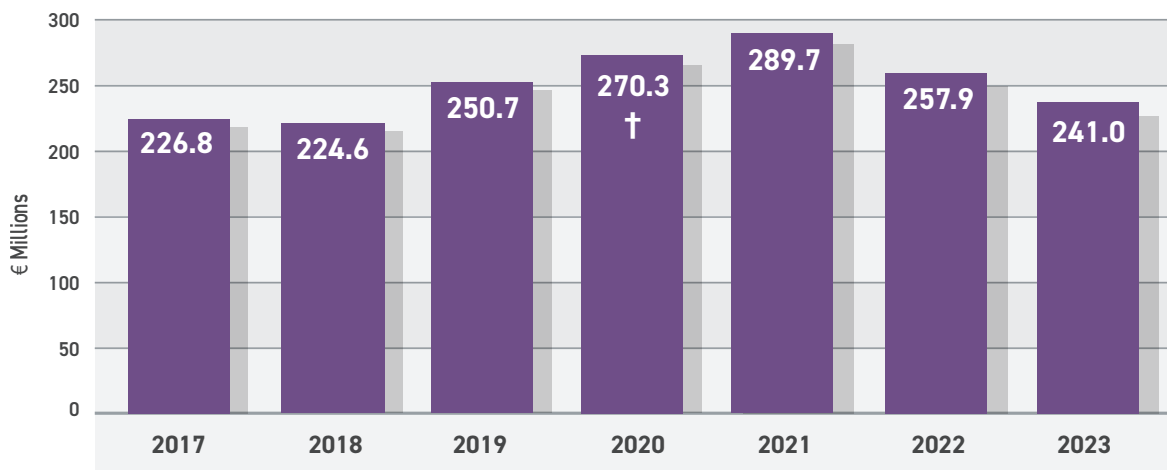
The amounts allocated to prizes and Good Causes in each year of the Licence are available on the Regulator's website (www.rnl.ie).

The total amount **transferred** from the National Lottery Fund by the ORNL to the Exchequer for distribution to Good Causes in 2023 was €241.0 million (2022: €257.9 million), a decrease of 6.6% on 2022.

The returns to Good Causes generated by the Operator in 2023 relate to ticket sales recorded in that calendar year, i.e., 1 January to 31 December 2023. Funds for Good Causes transferred to the Exchequer during 2023 (which are on a cash receipts basis), relate to monies earned from ticket sales in the 52-week period from 11 December 2022 to 9 December 2023.

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 2017 to 2023 were as set out in the figure below.

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



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

The amounts transferred to the Exchequer for Good Causes in each year of the Licence are available on the Regulator's website (www.rnl.ie).

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 games, 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.

New Website

In 2023, the Regulator launched a new website with a prominent section providing information for players. This section outlines the high standards of consumer protection that players can expect when engaging with the National Lottery and provides guidance on problem gambling and how to enjoy taking part in the National Lottery in a safe and healthy manner.

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 per person.
- ▶ 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.

2023 saw the completion of the roll-out of mandatory identity verification of all National Lottery online account holders, whereby account holders are required to submit photo identification 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. Players who had self-excluded from the online channel previously were prioritised in the roll-out of this new control.

Mandatory identity verification at the point of registration is designed 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.

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 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, where needed, 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 2023.

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 2023.

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 34 complaints in 2023.

Summary of complaints received by the Regulator in 2023 and Action Taken

Subject Matter of Complaints	Numbers
Online Experience	13
Information Provided	6
Game Design/Experience	10
Expired Scratch Cards	1
Quality of Materials	0
Retailer Complaint	4
Equipment Not Functioning in Retailer	0
Not related to the Lottery	0
Total	34
Action Taken by Regulator	Numbers
The ORNL responded directly	20
The Operator responded after contact from the ORNL	11
Ongoing complaints on 31 December 2023	3

1.5.6 | Change in Ownership of Operator

On 3 November 2023, La Française des Jeux (a French listed company, “FDJ”) purchased Premier Lotteries Ireland DAC (“PLI”), the Operator of the National Lottery, from Ontario Teachers’ Pension Plan (“OTPP”), An Post, and An Post Pension Fund.

The Regulator’s prior approval for this change of control was required by the Licence and was granted on 2 October 2023.

Importantly, notwithstanding the change of control of PLI, PLI remains subject to the same rules and obligations that it was subject to prior to the change of control. Under the National Lottery Act 2013, PLI remains a company with the sole purpose of operating the National Lottery under licence until 2034.

The transaction constituted a private commercial transaction between the departing shareholders (OTTP, An Post, and An Post Pension Plan) and the proposed new shareholders, FDJ. The National Lottery itself remains in State ownership.

Whilst the Licence permitted a change of control, it required the Regulator’s approval under Clause 19.8, provided the Regulator was satisfied that the new controllers of PLI were fit and proper. This required careful consideration of FDJ’s commercial activities and plans, its regulatory track record, and the suitability of any new directors to be appointed by FDJ. Also, the change of control required the Regulator’s agreement to technical amendments to the definition of control in the Licence (which related to the departing shareholders who were being replaced by FDJ but which did not impact on PLI’s existing obligations in any way) which came into effect on 3 November 2023. Details of the amendment were duly published by the Regulator, subject to the redaction of commercially sensitive information in accordance with Section 28 of the Act.

PLI submitted a request for a change of control on 9 August 2023 and, following a detailed assessment by the Regulator of the request and related information regarding the proposed new owners and ownership structure, the Regulator approved the change of control on 2 October 2023. An ancillary request for approval under section 31 of the Act for a new constitution for PLI was made on 15 September 2023 by PLI and approved by the Regulator on 2 October 2023.

1.5.7 | Enforcement

There were no findings of non-compliance with the Act or the Licence in 2023.

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

In total, 31 requests were received in 2023, 21 of which related to games.

Status	All Requests	Game Related
Received	31	21
Approved	27	17
Refused	1	1
Withdrawn by Operator	1	1
Under consideration on 31 December 2023	2	2

See Appendix C for details of all requests received during the year.

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

EuroDreams

On 24 February 2023, the Regulator approved the scheme of a new draw-based game - EuroDreams.

EuroDreams is the first ever annuity-style National Lottery game. It is the first new draw based game introduced under the Licence and the first new draw based game since the EuroMillions game was introduced to Ireland in 2004.

EuroDreams is a joint offering by Ireland's National Lottery and seven different jurisdictions across Europe. The top two tiers of prizes are paid in regular instalments, over up to 30 years, rather than as a lump sum. The first EuroDreams draw was held on 6 November 2023.

Annuity style prizes are common in lotteries internationally. They are considered safer products and tend to appeal to younger adults, which is important for the long-term sustainability of the National Lottery.

The scheme of the game was approved by the Regulator following a thorough assessment of the risks and protections in place for players, winners, and the National Lottery Fund/Good Causes monies due to the novel nature of the game. The Regulator ensured, through the request process, that sufficient safeguards were in place for players of the game. A necessary amendment to clause 6.32 of the Licence was made as part of the approval of EuroDreams, to ensure its correct accounting treatment.

Game Rules Project

In 2021 the Operator submitted a request to the Regulator to introduce a new format or structure for all Interactive Instant Win game rules and all Scratch Card game rules. The aim of the project was to ensure harmonisation and consistency of definitions and text across all National Lottery Scratch Card rules and Instant Win Game rules, provide more clarity to players, and to agree General Rules for Scratch Card Games and the General Rules for Account Management and IWGs, respectively, so that the individual game rules were more game-specific. The Regulator's Office completed extensive regulatory checks of all specific and general rules to ensure that any changes to the game rules were in the interest of players. The Rules project was finalised by the Operator, and all relevant rules were approved by the Regulator on 12 May 2023.

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 real-time 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 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 2023, €241.0 million was transferred to the Exchequer for Good Causes - compared with €257.9 million in 2022.

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 2023, there was an amount of €4.4 million due from the National Lottery Fund to the Prize Fund Account representing Good Causes' 65% share of the adjustment for the year ended 31 December 2023. This amount was paid by the Fund on 3 April 2024.

During 2023,

€241.0 million



was transferred to the Exchequer for Good Causes - compared with **€257.9 million** in 2022

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. As highlighted in Note 5 of the accounts, Good Causes benefitted in 2023 by €150,000 following the first withholding of monies from the Operator. Full details of the non-compliance leading to this withholding can be found in the Regulator's 2022 Annual Report.

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 of the licence 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.

The Operator must notify the Regulator of issues arising in line with its obligations in this regard and sent a number of notifications during 2023.

In 2023, no issue required the Regulator to enforce the trademark rights of the National Lottery.

1.9 | Licence Amendments

Introduction

Unusually, there were five separate Licence amendments during the year. By contrast there were no Licence amendments in 2022 and there had only ever been seven Licence amendments since 2014 - four of which were temporary amendments to provide for a safe manner for players to claim prizes during the Covid-19 pandemic. The number of amendments in the current year was due to matters arising to be addressed in 2023; they also point to the evolution of National Lottery regulation and the need for this to be reflected in the Licence at key junctures.

Three of the amendments provided for more beneficial ways for players to interact with the online channel:

- ▶ the opportunity to receive prizes and withdrawal amount to a player's payment card rather than by cheque,
- ▶ a new self-exclusion option, and
- ▶ a permanent remote prize claim facility.

Two were administrative matters required to reflect:

- ▶ the new ownership of the Operator, and
- ▶ the new draw based game, EuroDreams.

Details of all Licence amendments were published on the Regulator's website.

Licence amendment 1 of 2023

Schedule 9, Clauses 3 and 4: Electronic Payments to ID-verified Online Players

Background

The Licence to operate the National Lottery was signed on 27 February 2014 (the "Licence") when Premier Lotteries Ireland DAC was appointed to operate the National Lottery ("Licensee"). The rules relating to online play appear at Schedule 9 of the Licence and, prior to the below amendment, provided that prizes between €100 and €500 and wallet withdrawals would be paid by cheque.

Since the Licence was drafted, the use of cheques generally has declined significantly, and the growth of online and mobile banking has continued. Following a formal process of engagement between this Office and the Licensee, the Licence was amended on 28 April 2023 to provide online players who had verified their identity with the added option of receiving these prizes and/or wallet withdrawals electronically. Game rules were also amended to reflect the amendment to the Licence.

Amendment

Schedule 9 was amended as follows.

At paragraph 3. **Prize Payment**, the following text was inserted:

Winners of prizes between €100 and €500 with appropriate verification of their ID, shall be paid either directly back to the Player's registered payment card or by cheque.

and the summary table had the following text inserted:

Prize Tiers	Prize Amount	Payment Arrangements
Low	€1 - €99	<ul style="list-style-type: none"> ▶ Email notification sent for Draw Game wins ▶ Prizes automatically transferred to the Player's online wallet.
Mid	€100 - €500	<ul style="list-style-type: none"> ▶ Email notification sent for Draw Game wins ▶ Electronic payment or cheque automatically sent using the winner's registered details. (ID verification required for electronic payments)
	€501 - €9,999	<ul style="list-style-type: none"> ▶ Winners are contacted by the Licensee which will verify their age and identification details and send out a claim form for completion by Winner before a cheque is issued.
High	€10,000+	<ul style="list-style-type: none"> ▶ Email notification sent for Draw Game wins ▶ Winners must present themselves at National Lottery HQ where their age and identification details will be verified before a cheque is issued.

At paragraph 4. **On-Line Wallet Balance Limits**, the following text was inserted and removed:

If a Player's on-line wallet balance exceeds €750 at any time they will be prevented from playing/purchasing any further games. A Player must reduce his wallet balance below €750 to continue playing; any amount withdrawn will only be issued **back to the Player's registered payment card or** by cheque. A Player can choose, at any time, to withdraw all or a portion of their on-line wallet balance. ~~**The withdrawn amount will always be paid by cheque.**~~ An on-line wallet balance limit of €750 applies.

The amendment came into effect on 28 April 2023.

Licence amendment 2 of 2023

Schedule 9, Clause 6(a) and 6(c): Extended Self-Exclusion Facility

Background

As part of this Office's and the Licensee's (Premier Lotteries Ireland, "PLI") ongoing engagement regarding online controls for online play, PLI added further features to the online controls, in consultation with the Regulator.

On 31 January 2018, PLI submitted as follows:

In addition, and in accordance with the spirit of the provisions in Schedule 9(6) i.e., to facilitate planned abstinence from online wagering, a player's online wallet balance will be returned to them via cheque at the commencement of the elected exclusion period. As agreed with the ORNL, this has been extended to those who have self-excluded only for one month (albeit this is currently a manual process in respect of those players).

On 31 October 2020, PLI submitted as follows:

Looking specifically at IWGs, while Schedule 9 requires that a player must be able to lock themselves out of a particular IWG for a minimum period of two days, PLI also provides a 'Lock Game' feature which enables a player to lock themselves out of all IWG games for a specified period of time. Locking all IWG games will also lock IWG games launched during the exclusion period and will automatically opt a player out of receiving any future marketing communications from PLI, even after the period of self-exclusion expires.

Following engagement between the parties, the Regulator and the Licensee agreed to amend Schedule 9 paragraphs 6(a) and (c) of the Licence as set out below to reflect these new online control features in the Licence.

Amendment

Schedule 9, as amended by this agreement, is as follows:

6. Self-Exclusion

- a) A player will be able to lock **themselves** out of an Interactive Instant Win game **or all Interactive Instant Win games** for a minimum period of 2 days. **Where a player chooses to lock themselves out of all Interactive Instant Win games they will receive no marketing messages for the period of their lock-out.**
- b) All Games — Minimum Six Months
If a player chooses this option, their account will be closed for a minimum of six months and the balance in their online wallet will be returned. They will receive no marketing messages for the period of their exclusion.
- c) All Games — Minimum One Month (Take a Break)
If a player chooses this option, their account will be suspended for a minimum of one month. The balance in their online wallet will be **returned to** the player and they will receive no marketing messages for the period of their exclusion.

The amendment came into effect on 12 May 2023.

Licence amendment 3 of 2023

Schedule 9, Clause 3: Remote Prize Claims

Background

The outbreak of Covid-19 in Ireland led to the Health (Preservation and Protection and other Emergency Measures in the Public Interest) Act 2020 (the "2020 Act"). On 7 April 2020 the Minister for Health signed regulations pursuant to the 2020 Act giving statutory effect to the Guidelines announced on 27 March 2020 that members of the public should restrict their travel and workers should work from home with some limited exceptions (the "Regulations").

National Lottery HQ closed to the public in line with the Regulations. In relation to the population at large, the Regulations instructed everyone to "stay at home" and to only leave home for specific purposes (not including attending at National Lottery HQ) and to limit their travel within prescribed distances. Consequently, even if National Lottery HQ was open, prize winners would be unable to attend at HQ to claim a prize.

In this context, the Regulator and the Licensee (Premier Lotteries Ireland) agreed to amend the Licence to provide for a remote method for claiming large prizes on a temporary basis. The Licence required that winners of prizes of €10,000 or more must present themselves at National Lottery HQ where their age and identification details will be verified before a cheque is issued. The amendment to provide for a remote prize claims facility came into effect on 2 June 2020.

The Regulator gave extended approval for the amendment on 02 June 2020, 31 July 2020, 02 February 2021, 07 April 2021 and 04 May 2021, as the Covid situation continued to impact players' lives and movements.

Based on its experience of the Remote Prize Claims Process, the Licensee proposed to retain the process on a permanent basis, to cater for a diverse array of issues where an individual may experience difficulty attending National Lottery HQ. The Regulator and the Licensee agreed to amend the Licence as set out below giving continued effect to the prize claims process on 18 September 2023. Game rules were also amended to reflect the amendment to the Licence.

Amendment

Schedule 9, Clause 3 of this Licence is amended as follows:

"Winners of prizes of €10,000 or more must present themselves at National Lottery HQ where their age and identification details will be verified before a cheque is issued. **Should a winner have difficulty in attending National Lottery HQ, they may be provided with the opportunity to request a remote prize claim process, and following confirmation from the National Lottery Claims team: arrange for a member of PLL's Claims team to visit the winner and take receipt of all relevant documentation for further processing at National Lottery HQ; or post a claim form and all required documentation to National Lottery HQ at the winner's sole risk.**"

The prize payment/prize tier arrangements are summarised in the following table:

Prize Tiers	Prize Amount	Payment Arrangements
Low	€1 - €99	<ul style="list-style-type: none"> ▶ Email notification sent for Draw Game wins ▶ Prizes automatically transferred to the Player's online wallet.
Mid	€100 - €500	<ul style="list-style-type: none"> ▶ Email notification sent for Draw Game wins ▶ Electronic payment or cheque automatically sent using the winner's registered details. (ID verification required for electronic payments)
	€501 - €9,999	<ul style="list-style-type: none"> ▶ Winners are contacted by the Licensee which will verify their age and identification details and send out a claim form for completion by Winner before a cheque is issued.
High	€10,000+	<ul style="list-style-type: none"> ▶ Email notification sent for Draw Game wins. ▶ Winners must present themselves at National Lottery HQ where their age and identification details will be verified before a cheque is issued. In certain scenarios where a winner may be unable to attend National Lottery HQ, and following confirmation from the National Lottery Claims team, winners may: arrange for a member of PLL's Claims team to visit the winner and take receipt of all relevant documentation for further processing at National Lottery HQ; or post a claim form and all required documentation to National Lottery HQ at the winner's sole risk.

The amendment came into effect on 18 September 2023.

Licence amendment 4 of 2023

Clauses 19.2, 19.8, 19.9: Change of Control

Background

La Française des Jeux (“FDJ”) purchased Premier Lotteries Ireland DAC (“PLI”), operator of the National Lottery, from Ontario Teachers’ Pension Plan (“OTPP”), An Post and An Post Pension Fund.

The Regulator’s approval for this change in control was sought by PLI, as required by the Licence, and was given on 2 October 2023.

PLI continues to hold the licence to operate the National Lottery until 2034.

In order to give effect to the approval and provide for any similar future change in control or sale of PLI shares, certain references in the Licence to OTPP needed to be amended to appropriately refer to FDJ.

Amendment

The following amendment to the Licence was agreed by the Regulator and the Licensee and came into effect on 3 November 2023. Commercially sensitive details have been redacted in accordance with Section 28(3) of the National Lottery Act 2013.

Clause 19.2 is amended as follows:

[Redacted]

Clause 19.8 is amended as follows:

“The Licensee shall not change Control of the Licensee without the written consent of the Regulator. Any change of Control of the Licensee without the consent of the Regulator shall constitute a material contravention of this Licence and/or the Act.

“For the purposes of this Clause 19.8, a change of Control means a change of ownership such that **FDJ and/or any other company, all or substantially all the economic equity interests of which are owned (directly or indirectly) by FDJ, taken together or individually, fail to own beneficially at least 50% of the direct or indirect economic equity interests in the Licensee.**”

Clause 19.9 is amended as follows:

“As soon as practicable thereafter the Licensee shall notify the Regulator in writing together with details thereof in the event of a change of ownership having taken place as contemplated by Clause 19.8 **(i)-or-(ii).**”

The amendment came into effect on 3 November 2023.

Licence amendment 5 of 2023

Clause 6.32: Accounting Treatment of EuroDreams

Background

The EuroDreams game received regulatory approval on 24 February 2023. It is appropriate that the EuroDreams would be subject to similar accounting treatment to that applied to the EuroMillions game in the annual reconciliation of prizes actually won in a year against the estimated prize amounts paid to the Licensee's Prize Fund Account on a weekly basis, as no reconciliation is required in either case.

Consequently, the Regulator and the Licensee agreed to amend Clause 6.32 of the Licence to operate the National Lottery to apply the same accounting treatment to EuroDreams in the annual reconciliation as that in place for EuroMillions.

Amendment

The following excerpt from Clause 6.32 of this Licence is amended as follows:

"EuroDreams" means each Lottery Game operated and promoted under the name or style of "EuroDreams" from time to time.

"EuroMillions" means each Lottery Game operated and promoted under the name or style of "EuroMillions" from time to time but excluding EuroMillions Plus.

"EuroMillions Plus" means the Lottery Game operated and promoted under the name or style of "EuroMillions Plus" from time to time.

"Excluded Lottery Games" means:

- a) Raffle Reserves, **EuroDreams** and EuroMillions which are excluded from the Annual Reconciliation; and
- b) Excluded Millionaire Raffle which is excluded from the Annual Reconciliation in respect of certain periods only.

The amendment came into effect on 3 November 2023.

1.10 | Corporate Affairs

1.10.1 | 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.

The five strategies 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 in 2023 were:

A. Obtain independent expert assurance regarding aspects of the Operator's systems and controls related to the security of player and winner identity data.

Being commissioned in 2024.

B. Codify the responsible gaming practices in place to prevent problem play and identify areas for improvement.

Details of the measures in place to prevent problem gambling and support healthy enjoyment of National Lottery games are now available in the Player Protection section of the ORNL's new website, under "*Preventing Problem Gambling*", launched in 2023. These measures mostly originate in the legislation, the Licence (including Codes made under it), and in schemes of games approved under the Licence and may also be introduced by the Operator - unilaterally or following engagement by the Regulator.

The following improvements were implemented in 2023:

- i. The roll-out of mandatory identity verification across the entire online player database was completed. The measure introduced in December 2021 requiring anyone seeking to register an online account and purchase a ticket to provide a photo of a valid identity document to verify their identity, has thus been improved to become a measure requiring all National Lottery online account holders to verify their identity. The expansion of this measure to all accounts acts to better prevent and deter a player from opening a second account to circumvent the spend limits or a self-exclusion period.
- ii. New self-exclusion features added to the online controls in 2018 and 2020 were formalised by amendment to the Licence: to offer players the option to self-exclude from all Interactive Instant Win Games (not just individual current games) and to not send marketing messages to such players for the duration of their chosen self-exclusion period, and to return the balance in their online wallet to any self-excluded player upon their exclusion. These measures provide increased support mechanisms to assist those having difficulty controlling their gambling.

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.

Competitive tender awarded and this research will be carried out in 2024.

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.

The Regulator launched a new website in 2023 that provides detailed information for the public, in a modern and accessible format with clear signposting. The website was designed to increase transparency and reflect the feedback gathered from the ORNL's stakeholders so that it would be easy for different audiences to navigate to their areas of interest and find the information in a form that is of use to them. For example, the area of Good Causes Funds, is now specifically highlighted on the homepage and sets out in graphical, numerical, and accounting terms the steps by which these monies 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.

In 2023 the lease on the ORNL's office accommodation expired. The ORNL took this opportunity to identify a new office premises with a lower carbon footprint and the appropriate space needed for hybrid working. The new premises is close to a wide range of public transport services. It was recently upgraded to a higher BER rating and the new heating/cooling system allows the ORNL to control its usage and to a precise degree. It is anticipated that the Office will see an improvement in its energy usage in 2024. The ORNL's remote working policy is reviewed annually and follows the Government guidance issued in 2023 and new law on remote working.

The full range of strategies to be employed by the Regulator to support each of her five strategic goals throughout 2022 to 2024 are available in the *Strategy Statement 2022 - 2024* published on the Regulator's website. These strategies have been tried and tested and found to be effective even in the face of the unprecedented disruption of the Covid-19 pandemic. All strategies are implemented with cognisance of the prevailing environment.

1.10.2 | 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, all of which were completed in 2023.

The Statement of Strategy and Customer Charter and Action Plan can be found on the Regulator’s website.

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 2023 to 31 December 2023.

1.10.3 | 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 agreed amount of Regulator Levy after indexation for 2023 was €1,673,700.

Staff

The ORNL has Ministerial sanction for 11 employees, including the Regulator. At the end of 2023 there were 10 permanent employees. A recruitment campaign commenced in early 2024 to fill the related vacancy.

1.10.4 | Annual Report and Accounts

The annual accounts of the Regulator for 2023 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.

1.10.5 | Internal Audit

The Regulator agreed a programme of internal audits conducted in 2023 by the ORNL'S appointed internal auditors, with reports being submitted to the Regulator in early 2024. 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 financial controls (with particular focus on budgeting and monitoring, fixed assets, and creditors), information technology controls (with particular focus on cyber security, IT technical policy and procedure, and information security reviews), and controls over assessment of proposals from the Operator for approval of new products.

There were no significant findings in respect of these audits.

1.10.6 | 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 2023.

1.10.7 | Legislative Requirements

Official Languages

The Regulator is compliant with the Official Languages legislation.

Freedom of Information

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 nine freedom of information requests during 2023. 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, which previously operated from the Irish Life Centre until the end of November 2023 at which time the lease ended, relocated to 5 Georges Dock in the IFSC in early 2024. The floor area leased in 2023 did 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 2023, the ORNL consumed 35.3 MWh of energy, consisting of:

- ▶ 8.0 MWh of electricity.
- ▶ 27.3MWh of fossil fuels (heating).

Appendix A:

PLI's Performance Standards

Year to 31 Dec 2023	Standard	Achieved Performance
Computer Systems		
Terminal availability to sell tickets*	99.00%	99.99%
Gaming system availability	99.00%	99.98%
Website availability	99.00%	99.97%
* 7am to 10pm, excluding draw break, 7 days a week, excluding Christmas Day and prearranged outages		

Prize Payment		
Claims greater than €1,000 paid by cheque following a visit to National Lottery HQ	95.00% within 3 Hrs	100.00%
	5.00% within 20 working days	0.00%
Claims greater than €1,000 paid by cheque following a postal claim	95.00% within 5 Days	99.94%
	5.00% within 20 working days	0.06%

Player Services - Voice Contact		
Service availability*	99.00%	99.00%
Calls answered within 30 seconds	70.00%	88.00%
* 8am to 8pm, 7 days a week, excluding Christmas Eve, Christmas Day, New Years Day		

Player Services - Written Contact		
Service Availability*	99.00%	100.00%
Letters answered within 5 working days	80.00%	87.00%
Emails answered within 2 working days	80.00%	97.00%
Resolution of complaints and enquiries at first attempt	80.00%	95.00%
Responses to complaints within 2 working days	85.00%	86.00%
Responses to complaints within 5 working days	100.00%	100.00%
Complaints to be closed within 10 working days	95.00%	86.00%
* 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	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
31	Annual Expired Prizes Report and External Auditors Report thereon	Annually

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 2023				
						Ongoing	Request Withdrawn	Ultimately Approved	Ultimately Refused	Decision Date
1	14/02/2023	Section 45	Digital Lucky 7s IWG	Yes	Yes			Approved		14/06/2023
2	11/04/2023	Section 45	All Cash Surprise	Yes	Yes			Approved		30/08/2023
3	19/04/2023	Section 45	Digital Winning Streak IWG	Yes	Yes			Approved		26/09/2023
4	28/04/2023	Clause 18.3	Clause 18.3 Eurodreams	No	Yes			Approved		11/07/2023
5	04/05/2023	Clause 9.8	Good Causes Awards	No	No			Approved		18/05/2023
6	05/05/2023	Section 45	Hampers and Cash 308	Yes	Yes			Approved		26/05/2023
7	26/05/202	Clause 9.8	Good Causes Awards Additional Beneficiary	No	No			Approved		29/05/2023
8	16/06/2023	Section 45	[] Scratch Card - Game On	Yes	Yes			Approved		24/10/2023
9	21/06/2023	Section 45	IWG Reskin Scheme Renewal	Yes	Yes				Refused	31/08/2023
10	27/06/2023	Section 45	Christmas Millionaire Raffle 2023	Yes	Yes			Approved		31/08/2023
11	14/07/2023	Section 45	Gaelic Goals IWG	Yes	Yes			Approved		05/09/2023
12	14/07/2023	Section 45	Remote Claims Licence Amendment	No	Yes			Approved		19/09/2023
13	14/07/2023	Section 45	Sapphire 7s IWG	Yes	Yes			Approved		17/10/2023
14	17/07/2023	Section 45	Commercially Sensitive	Yes	Yes		Withdrawn			22/08/2023
15	20/07/2023	Clause 18.3	Clause 18.3 Pollard Banknote Limited	No	Yes			Approved		16/08/2023
16	31/07/2023	Clause 18.3	Clause 18.3 IBM	No	Yes			Approved		25/08/2023
17	04/08/2023	Section 45	Change to Rules Mega Money Multiplier	Yes	No			Approved		04/08/2023

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 2023				
						Ongoing	Request Withdrawn	Ultimately Approved	Ultimately Refused	Decision Date
18	09/08/2023	Clause 19.8	Change of Control of PLI	No	Yes			Approved		02/10/2023
19	09/08/2023	Clause 19.8	PLI Constitution	No	Yes			Approved		02/10/2023
20	15/08/2023	Clause 18.3	Commercially Sensitive	No	Yes			Approved		10/10/2023
21	15/08/2023	Section 45	Rugby Riches IWG	Yes	No			Approved		05/09/2023
22	17/08/2023	Clause 7.11, Clause 7.12	Jackpots and Trademarks -Permanent	No	No			Approved		18/08/2023
23	07/09/2023	Section 45	Try Your Luck IWG	Yes	No			Approved		20/09/2023
24	02/10/2023	Section 45	Cash Grid 311	Yes	No			Approved		17/10/2023
25	04/10/2023	Section 45	Cash Bolt Wicked Wins IWG	Yes	No			Approved		20/10/2023
26	13/10/2023	Section 45	Digital Christmas Money Multiplier IWG	Yes	No			Approved		06/11/2023
27	13/10/2023	Section 45	Updates to 4 IWG Rules	Yes	Yes			Approved		20/10/2023
28	26/10/2023	Section 45	Update Rules Christmas Cracker IWG	Yes	No			Approved		16/11/2023
29	01/12/2023	Section 45	Amendments to Tellybingo game rules	Yes	Yes			Approved		05/12/2023
30	20/12/2023	Section 45	Digital Fire 4s Ice 5s IWG	Yes	No			Approved		11/01/2024
31	21/12/2023	Section 45	Amendments to All Cash Surprise	Yes	Yes			Approved		02/02/2024

Note: Game related

2

Regulator of the National Lottery Report and Financial Statements

for the year ended 31 December 2023

General Information	40
Governance Statement and Statement of Responsibilities	41
Statement on Internal Control	46
Report of the Comptroller and Auditor General	49
Financial Statements	51

General Information

Regulator of the National Lottery	Carol Boate
Address	5 George's Dock IFSC Dublin 1 D01 X9N7
Bankers	AIB plc. 7/12 Dame Street Dublin 2 D02 KX20 Bank of Ireland 6 O'Connell Street Lower Dublin 1 D01 X324
Solicitors	Mason Hayes & Curran South Bank House Barrow Street Dublin 4 D04 TR29 Fieldfisher 45 Mespil Road Dublin 4 D04 W2F1
Auditors	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 2023.

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 2023.
- 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 two meetings of the Risk Committee in 2023. The third scheduled Risk Committee meeting for 2023, which was due to be held in December 2023, was deferred due to other work commitments, including the change of location of the Office of the Regulator, and was held in January 2024.

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

	2023	2022
	€	€
Staff short-term benefits	753,656	699,261
Termination benefits	-	-
Employer pension contributions	155,480	146,105
Employer's contribution to social welfare	79,357	73,629
	<u>988,493</u>	<u>918,995</u>

The total number of staff employed (WTE) at year end was 9 (2022: 10). This reflects the situation that there was one vacancy in staffing at the year-end which was being addressed.

Governance Statement and Statement of Responsibilities

Staff Short-Term Benefits

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

	2023	2022
	€	€
Basic pay	<u>753,656</u>	<u>699,261</u>

Termination Benefits

No termination benefits arose in the year (2022: €Nil).

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	
			2023	2022
60,000	-	69,999	1	1
70,000	-	79,999	-	-
80,000	-	89,999	-	-
90,000	-	99,999	3	3
100,000	-	109,999	-	-
110,000	-	119,999	1	1
120,000	-	129,999	-	1
130,000	-	139,999	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.

	2023	2022
	€	€
Salaries	597,939	573,245
Employer pension contributions	130,493	124,883
	<u>728,432</u>	<u>698,128</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:

	2023	2022
	€	€
Basic pay	132,035	125,119
Employer pension contributions	39,572	37,568
	<u>171,607</u>	<u>162,687</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

	2023	2022
	€	€
Legal services	74,932	28,803
Tax and financial advisory	6,273	6,273
Research	815	152,248
Lottery consultancy	1,600	11,685
IT and other	7,063	16,953
	<u>90,683</u>	<u>215,962</u>

The above costs are included as part of the professional fees in the financial statements of €211,762 (2022: €279,474). All amounts disclosed as legal services are in respect of legal fees.

Travel and Subsistence

	2023	2022
	€	€
Domestic	-	328
International	-	1,098
	<u>-</u>	<u>1,426</u>

There was no travel and subsistence expense in 2023 (2022: €1,426). There were no amounts paid to the Regulator for travel and subsistence or for other expenses in 2023 (2022: €1,426).

Governance Statement and Statement of Responsibilities

Hospitality Expenditure

€578 was paid in respect of staff hospitality (2022: €593).

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

31 May 2024

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 2023 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 third such review in respect of 2023 occurred in January 2024. 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.

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 2023 the Office of the Regulator of the National Lottery complied with those procedures.

Statement on Internal Control

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 2023 and completed by 31 March 2024.

Internal Control Issues

No weaknesses in internal control were identified in relation to 2023 that require disclosure in the financial statements.



Carol Boate
Regulator of the National Lottery
31 May 2024



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 2023 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 2023 and of its income and expenditure for 2023 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

4 June 2024

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 2023

	Notes	Year ended 31 December 2023 €	Year ended 31 December 2022 €
Income	3	1,673,700	1,552,899
Administration costs	5	(1,504,564)	(1,600,784)
Operating surplus / (deficit)		169,136	(47,885)
Interest receivable / (payable)	4	1,026	(8,277)
Surplus / (deficit) for the year		170,162	(56,162)
Retained earnings at the start of the year		3,008,014	3,064,176
Retained earnings at the end of the year		3,178,176	3,008,014

Notes 1 to 13 form part of these Financial Statements.



Carol Boate
Regulator of the National Lottery
31 May 2024

Statement of Comprehensive Income

for the financial year ended 31 December 2023

	Notes	Year ended 31 December 2023 €	Year ended 31 December 2022 €
Surplus / (deficit) for the year		<u>170,162</u>	<u>(56,162)</u>
Experience losses / (gains) on retirement benefit obligations	10(b)	15,000	181,000
Changes in assumptions underlying the present value of retirement benefit obligations	10(b)	<u>36,000</u>	<u>(1,652,000)</u>
Total actuarial losses / (gains) in the year		<u>51,000</u>	<u>(1,471,000)</u>
Adjustment to deferred retirement benefits funding		<u>(51,000)</u>	<u>1,471,000</u>
Total comprehensive income for year		<u>170,162</u>	<u>(56,162)</u>

Notes 1 to 13 form part of these financial statements.



.....
Carol Boate
 Regulator of the National Lottery
 31 May 2024

Statement of Financial Position

as at 31 December 2023

	Notes	2023 €	2022 €
Non-current assets			
Property, plant and equipment	7	<u>15,733</u>	<u>23,859</u>
Current assets			
Debtors	8	154,208	133,802
Cash and cash equivalents		<u>3,166,855</u>	<u>3,047,900</u>
		3,321,063	3,181,702
Creditors (amounts falling due within one year)			
Creditors and accruals	9	<u>(158,620)</u>	<u>(197,547)</u>
Net current assets		3,162,443	2,984,155
Retirement benefits			
Retirement benefit obligations	10(b)	(2,903,000)	(2,575,000)
Deferred retirement benefit funding asset	10(c)	<u>2,903,000</u>	<u>2,575,000</u>
Net assets		<u><u>3,178,176</u></u>	<u><u>3,008,014</u></u>
Represented by			
Accumulated retained earnings	11	<u><u>3,178,176</u></u>	<u><u>3,008,014</u></u>

Notes 1 to 13 form part of these Financial Statements.



Carol Boate
Regulator of the National Lottery
31 May 2024

Statement of Cash Flows

for the financial year ended 31 December 2023

	Notes	Year ended 31 December 2023 €	Year ended 31 December 2022 €
Net cash flows from operating activities			
Operating surplus / (deficit) for the year		169,136	(47,885)
Loss on disposal of fixed assets		-	-
Depreciation	7	20,028	20,363
(Increase) / Decrease in debtors	8	(20,406)	(11,897)
(Decrease) / Increase in creditors	9	(38,927)	44,673
Net cash inflow from operating activities		129,831	5,254
Cash flow from investing activities			
Payments to acquire property, plant and equipment	7	(11,902)	(8,366)
Cash flow from financing activities			
Interest received / (paid)	4	1,026	(8,277)
Increase / (decrease) in cash and cash equivalents		118,955	(11,389)
Cash and cash equivalents at the start of the financial year		3,047,900	3,059,289
Cash and cash equivalents at the end of the financial year		3,166,855	3,047,900

Notes 1 to 13 form part of these financial statements.



Carol Boate
Regulator of the National Lottery
31 May 2024

Notes

(forming part of the financial statements)

for the year ended 31 December 2023

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, 33^{1/3}% 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 2023

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.

Pension benefits are 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.

(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 2023

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 5 George's Dock IFSC 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 2023, the average Consumer Price Index of 7.78% for the 12 months ended 31 December 2022 as published by the Central Statistics Office in January 2023 was applied by the operator.

	2023	2022
	€	€
Levy income, for the year	<u>1,673,700</u>	<u>1,552,899</u>

4 | Interest Costs

Interest receivable on funds on deposit was €1,026 in 2023. In the previous year net interest charges payable on funds on deposit were €8,277.

Notes

(forming part of the financial statements)

for the year ended 31 December 2023

5 | Administration Costs

	2023	2022
	€	€
Salaries and staff costs	988,493	918,995
Outsourced labour costs	7,482	99,986
Professional fees (Note 6)	211,762	279,474
External audit*	18,900	18,900
Internal audit	18,468	17,561
Rent, service charges and maintenance	127,516	120,865
Cleaning, heat and light	3,446	4,159
Insurances	34,824	29,746
Travel, subsistence and staff hospitality	578	2,019
Recruitment	-	9,517
Training costs and memberships	14,820	21,749
Office supplies and equipment	2,088	3,253
Information and communication technology	37,057	41,717
Publications	9,027	8,569
Depreciation	20,028	20,363
Other administration costs	10,075	3,911
	<u>1,504,564</u>	<u>1,600,784</u>

* External audit includes an amount of €7,600 (2022: €7,600) for audit fees in respect of the National Lottery Fund.

6 | Professional Fees

	2023	2022
	€	€
Legal services	74,932	28,803
Tax and financial advisory	6,273	6,273
Public relations/marketing	90,235	56,215
Pensions and human resources	6,152	6,100
Lottery consultancy	1,600	11,685
Research	815	152,248
IT and Other	31,755	18,150
	<u>211,762</u>	<u>279,474</u>

Notes

(forming part of the financial statements)

for the year ended 31 December 2023

7 | Property, Plant and Equipment

	Leasehold Improvements	Computer Equipment	Office Fitting, Furniture & Equipment	Telephone System	Total
	€	€	€	€	€
Cost					
At 31 December 2022	48,839	43,198	13,122	4,182	109,341
Additions during year	-	11,902	-	-	11,902
Disposals during year	<u>(48,839)</u>	<u>(18,231)</u>	<u>(963)</u>	<u>(4,182)</u>	<u>(72,215)</u>
At 31 December 2023	<u>-</u>	<u>36,869</u>	<u>12,159</u>	<u>-</u>	<u>49,028</u>
Depreciation					
At 31 December 2022	37,301	36,281	7,718	4,182	85,482
Charge for year	11,538	7,172	1,318	-	20,028
Depreciation on disposals	<u>(48,839)</u>	<u>(18,231)</u>	<u>(963)</u>	<u>(4,182)</u>	<u>(72,215)</u>
At 31 December 2023	<u>-</u>	<u>25,222</u>	<u>8,073</u>	<u>-</u>	<u>33,295</u>
Net Book Value					
At 31 December 2023	<u>-</u>	<u>11,647</u>	<u>4,086</u>	<u>-</u>	<u>15,733</u>
At 31 December 2022	<u>11,538</u>	<u>6,917</u>	<u>5,404</u>	<u>-</u>	<u>23,859</u>

Included in disposals are fully depreciated fixed assets which were no longer in use, had nil value and were scrapped and written off in the year. Leasehold improvements of €48,839 capitalised in 2019 were depreciated over four years, being the period remaining under the property lease to November 2023.

8 | Debtors

	2023	2022
	€	€
Accrued income	101,017	89,474
Prepayments	<u>53,191</u>	<u>44,328</u>
	<u>154,208</u>	<u>133,802</u>

Notes

(forming part of the financial statements)

for the year ended 31 December 2023

9 | Creditors (amounts falling due within one year)

	2023	2022
	€	€
Trade creditors and accruals	107,592	155,906
Pension contributions (Note 10)	14,496	14,309
PAYE/PRSI	22,675	22,429
Additional superannuation contribution	2,313	2,156
PSWT liability	10,699	2,677
VAT liability	845	70
	<u>158,620</u>	<u>197,547</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 2023 the amount of contributions to be transferred to the Exchequer is €14,496.

Non-Single Scheme members

With regard to non-Single Scheme members, 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 on the Statement of Financial Position at 31 December 2023.

Notes

(forming part of the financial statements)

for the year ended 31 December 2023

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 2023	Year ended 31 December 2022
Discount rate	3.50%	3.80%
Rate of increase in salaries	3.85%	4.10%
Rate of increase in pension - single scheme	2.35%	2.6%
Rate of increase in pension - non-single scheme	3.35%	3.6%
Inflation	2.35%	2.6%

Notes

(forming part of the financial statements)

for the year ended 31 December 2023

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	Single	2023	2022
	Scheme	Scheme		
	€	€	€	€
Total Employer Contributions	94,983	60,497	155,480	146,004
Current Service Costs*	86,000	57,000	143,000	233,000
Interest Costs	82,000	19,000	101,000	51,000
Adjustments to Deferred Exchequer Pension Funding	(168,000)	(76,000)	(244,000)	(284,000)
Total charged to Statement of Income & Expenditure & Retained Revenue Reserves	<u>94,983</u>	<u>60,497</u>	<u>155,480</u>	<u>146,004</u>

* 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 €155,480 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 2023

10 | Pension Provision (Continued)

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

	Non-Single Scheme	Single Scheme	2023	2022
	€	€	€	€
Net Pension Liability at 1 January	2,118,000	457,000	2,575,000	3,731,000
Current Service Costs	86,000	57,000	143,000	233,000
Employee Contributions	13,000	20,000	33,000	31,000
Interest Costs	82,000	19,000	101,000	51,000
Experience losses/(gains) on scheme liabilities	8,000	7,000	15,000	181,000
Changes in assumptions	30,000	6,000	36,000	(1,652,000)
Net Pension Liability at 31 December	<u>2,337,000</u>	<u>566,000</u>	<u>2,903,000</u>	<u>2,575,000</u>

(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

	Non-Single Scheme	Single Scheme	2023	2022
	€	€	€	€
Defined benefit obligations	2,337,000	566,000	2,903,000	2,575,000

Notes

(forming part of the financial statements)
for the year ended 31 December 2023

11 | Accumulated Retained Earnings

	2023
	€
At beginning of year	3,008,014
Surplus for year	170,162
Retained earnings at the end of the year	<u>3,178,176</u>

12 | Capital Commitments

There were no commitments for capital expenditure at 31 December 2023.

13 | Approval of Financial Statements

The financial statements were approved by the Regulator of the National Lottery on 31st May 2024.

3

National Lottery Fund Report and Financial Statements

for the year ended 31 December 2023

Governance Statement and Statement of Responsibilities	66
Statement on Internal Control	67
Report of the Comptroller and Auditor General	70
Account of Receipts and Payments / Reserve Account	72
Notes to the Financial Statements	73

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

31 May 2024

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 2023 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

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 2023 and completed by 31 March 2024.

Internal Control Issues

No weaknesses in internal control were identified in relation to 2023 that require disclosure in the financial statements.



Carol Boate

Regulator of the National Lottery

31 May 2024



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 2023 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 2023, and
- the balance of the Fund at 31 December 2023.

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

4 June 2024

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 2023

	Note	2023		2022	
		€'000	€'000	€'000	€'000
Received from the operator	4		537,365		581,637
less:					
Paid to the operator in respect of:	5				
Prizes		210,338		233,837	
Operator's entitlement		<u>84,309</u>	<u>294,647</u>	<u>89,910</u>	<u>323,747</u>
			242,718		257,890
less:					
Paid to the Regulator in respect of Regulator Levy	8		<u>1,662</u>		<u>1,547</u>
			241,056		256,343
Investment Interest Received/(Paid)	6		<u>910</u>		<u>(185)</u>
			241,966		256,158
Transferred to the Central Fund (Decrease)/Increase in Investment	7		<u>(241,006)</u>		<u>(257,933)</u>
			<u>960</u>		<u>(1,775)</u>

Reserve Account

		2023	2022
		€'000	€'000
Balance on deposit at 1 January		19,820	21,595
(Decrease)/Increase in Investment		<u>960</u>	<u>(1,775)</u>
Balance on deposit at 31 December	6	20,780	19,820
less:			
Liability for Regulator Levy	8	(101)	(89)
Liability to Prizes Fund Account	9	<u>(4,442)</u>	<u>0</u>
Balance available for distribution through the Central Fund	7	<u>16,237</u>	<u>19,731</u>

Notes 1 to 11 form part of these Accounts



Carol Boate
Regulator of the National Lottery
31 May 2024

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 €537 million in 2023 (2022: €582 million), and this includes the receipt of €14,919,967 in respect of year ended 31 December 2022 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 2023 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 2023	2023 €'m	2022 €'m
Gross ticket sales	829.4	884.1
Prizes	(478.8)	(484.9)
Good Causes	(227.9)	(259.5)

The Good Causes amount included in the audited financial statements of the operator €227.9 million (2022 €259.5 million) is the amount attributable to Good Causes on an accruals basis on Sales arising in 2023.

The amount included as Transferred to the Central Fund in these Fund accounts of €241.0 million (2022: €257.9 million) is the actual transfers from the National Lottery Fund to the Central Fund during the year to 31 December 2023 (see Note 7).

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

	2023	2022
As a percentage of Gross ticket sales	%	%
Gross ticket sales	100%	100%
Prizes*	57.7%	54.8%
Good Causes	27.5%	29.3%

* 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 €295 million in 2023 (2022: €324 million). This comprised €210 million in respect of prizes payments (2022: €234 million) and €84 million in respect of operator's entitlement (2022: €90 million). The payments for operator's entitlement of €84 million in 2023 includes the payment in respect of year ended 31 December 2022 of €5,221,989 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 2023 was €19.6 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.

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, the Regulator decided to withhold €150,000 from payments due to the Operator. The decision to withhold followed her determination in 2022 of a breach of the Licence by the Operator in relation to the deletion of permanently self-excluded player accounts, and her consideration of the factors under Clause 22.8 of the Licence and of the Operator's representations. The €150,000 was withheld from payments due to the Operator on 26 May 2023 and subsequently transferred to the Exchequer for Good Causes.

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 was 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 2023, but not yet received at the year-end amounted to €372,000.

National Lottery Fund

Notes to the Accounts

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.

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 2023 is €100,896 (2022: €89,328).

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 2023 the amount due from the Fund to the Prizes Fund Account is €6,833,747, of which €2,391,811 is due to be transferred to the Fund from the operator and €4,441,936 is the contribution from Good Causes. The receipt, and subsequent payment, occurred on 28 March 2024 and 3 April 2024 respectively. On 31 December 2022 an amount of €9,697,978 was due to the Fund from the Prizes Fund Account (€14,919,967 less €5,221,989 due to the operator). The receipt, and subsequent payment, occurred on 31 March 2023 and 3 April 2023 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 2023 is €7,600 (2022: €7,600).

11 | Approval of the National Lottery Fund Account

The National Lottery Fund Account in respect of the year ended 31 December 2023 was approved by the Regulator on 31st May 2024.



Rialálaí an Chranachuir Náisiúnta
Regulator of the National Lottery

www.rnl.ie