

**GAMBLING  
COMMISSION**



# **Annual Report & Accounts**

**2021-2022**

# Annual Report & Accounts

For the period 1 April 2021 to 31 March 2022

Presented to Parliament pursuant to Paragraphs 14 and 16 of Schedule 4 of the Gambling Act 2005 and Section 14(3) and Paragraph 11(4) of Schedule 2A of the National Lottery etc. Act 1993 (as amended by the National Lottery Act 1998 and the National Lottery Act 2006).

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## Annual Report & Accounts 2021-2022





# Foreword

Over the past 12 months, despite the effects and challenges of the Covid-19 pandemic continuing to be felt by countries and communities across the world, the Commission has maintained significant progress against our objectives and the high-level plans set out in our three-year Corporate Strategy which we launched in April 2021.

Here in our latest Annual Report and Accounts, we report against the delivery of the first year of that strategy, how we have further protected the public and players from harm, and how we are planning for the future by supporting the Government in the Gambling Act Review.

Our Corporate Strategy is delivered through five priority areas;

- ▷ Protecting children and vulnerable people from being harmed by gambling
- ▷ A fairer market and more informed consumers
- ▷ Keeping crime out of gambling
- ▷ Optimising returns to good causes from the National Lottery, and;
- ▷ Improving gambling regulation.

First and foremost, we want to address the impacts of the Covid-19 pandemic. As shown by the data we continue to release, we saw an increase in online gambling, especially during the lengthy lockdowns during 2020 which triggered different behaviours.

However, our strengthened guidance and tighter measures for operators have continued to have a positive effect and gambling behaviour has stabilised – helped by the easing of lockdowns. We continue to monitor the risks and release quarterly updates.

Throughout the year we continued to strongly regulate the National Lottery, ensuring that returns to good causes were maximised through what is one of the world's largest lotteries. Despite the ongoing effects of the Covid-19 pandemic, it was positive to see **£1.84 billion** returned to good causes to support arts, sports, heritage and community projects during the year.

We saw a unique and important milestone in March when we named Allwyn Entertainment UK as the preferred applicant for the next licence which will run from 2024. The award of the fourth licence was the culmination of an extensive and thorough three-year process and whilst it is disappointing, we are continuing to work through the legal challenges we have seen from other related stakeholders.

The White Paper around the Government's wide-ranging review of the Gambling Act is still to be published. We are confident, however, that the package of work we have been looking at over previous months, which includes studying how we regulate, our relationship with the industry, and examining our funding model, will play a key role in the delivery of the various workstreams the Review is likely to drive.

Turning to our focussed compliance and enforcement regime, this has remained unaffected over the past 12 months as we continued to hold failing operators to account for not protecting their customers or the reputation of the industry. Over the past 12 months, we issued **£26.1 million** in fines or regulatory settlements, which included some of our highest operator fines to date for failures in operator practices.

We have issued over **£100 million** in fines and regulatory settlements over the past few years but more importantly, we are ramping up our work and engagement to ensure that operators and their boards are under no illusion that non-compliance won't be accepted and will be met with an ever-increasing and harsher programme of sanctions as part of our work to ensure we regulate effectively. Our annual Compliance and Enforcement report is a part of that work and assists operators with case studies and best practice examples.

Last summer we also welcomed the result of the independent Report into BetIndex. As we said at the time, our actions were centred around protecting consumers but we accepted the report's recommendations that we should have drawn a line under our efforts sooner than we did. Overall, the inquiry has helped to shape our future approach to novel products and the risk assessments we carry out – alongside other regulators and authorities.

In February 2021, we announced the formation of our new Lived Experience Advisory Panel. Now over a year in, this continues to help us hear the independent voices of those with lived experience of gambling harms, whilst a variety of experts from within the Commission have also looked to the Panel for input to help inform our

decision-making, as we also do with the Digital Advisory Panel (DAP) and the Advisory Board for Safer Gambling (ABSG). We would like to thank all chairs for their continued support and advice.

To conclude, we would like to say thank you to the hugely committed and professional team across the Commission for their ongoing work and achievements over the past financial year.

We also want to thank former Commission chair Bill Moyes for his leadership and dedication during his four-year tenure which ended last September, and especially for his work around addressing and raising the profile of reducing harms caused by gambling.

Overall, against a testing and fast-paced background, everyone across the Commission has performed exceptionally this year to ensure our tight regulation has been improved and communicated.

We look forward to further success in the coming year.



**Marcus Boyle**

Chair



**Andrew Rhodes**

Chief Executive and Accounting Officer



# GAMBLING COMMISSION

## Overview

### Who we are

**The Gambling Commission exists to make gambling fairer and safer.**

We do that by licensing and regulating in the public interest and providing advice and guidance. We want a fair and safe gambling market where all consumers and the interests of the wider public are protected. We are an independent non-departmental public body sponsored by the Department for Digital, Culture, Media and Sport (DCMS) and license operators and individuals in Britain that provide arcades, gaming machines, betting, lotteries, bingo, remote gambling (online, telephone), casinos and gambling software. We are also responsible for awarding the licence and regulating the operator of the National Lottery.

# Performance report

There are two main pieces of legislation that underpin our work:

- ▷ the Gambling Act 2005 (as amended) which sets the framework for the regulation of gambling in Britain
- ▷ the National Lottery etc. Act 1993 which sets out the framework within which we regulate the National Lottery.

We have **310** employees, most of whom are normally based at our Birmingham office. There are around **10** employees based in London working on the 4th National Lottery Licence Competition.

## Licensing objectives

We regulate in the public interest, as guided by our statutory duties, to:

- ▷ prevent gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime
- ▷ ensure that gambling is conducted in a fair and open way
- ▷ protect children and other vulnerable persons from being harmed or exploited by gambling.

In respect of the National Lottery, our objectives are to ensure that:

- ▷ every lottery that forms part of the National Lottery is run with all due propriety
- ▷ the interests of every participant in the National Lottery are protected
- ▷ subject to the above two duties, to secure that the net proceeds of the National Lottery are as great as possible.



## Overview of the British gambling sector

Due to the ongoing effects of the Covid-19 pandemic and the rise in the cost-of-living, we continued to monitor how Government measures and varying lockdown restrictions have impacted gambling behaviour and overall participation.

We have monitored gambling behaviour by gathering, analysing and publishing data from operators, as well as conducting consumer research. Now released on a quarterly basis, the publications can be found on our website.

We have continued to stress the need for extra operator vigilance and the need to be extremely mindful that:

- ▷ People are still spending more time at home and online, and many are likely to be feeling more isolated and vulnerable – with further uncertainty about their personal circumstances due to Covid-19 and rising costs at home.
- ▷ Some consumers, such as highly engaged gamblers who play a range of products, are likely to spend more time and money gambling, and;
- ▷ There are consumers who may be gambling for the first time.

### The Gambling Industry

In 2021, there were over 2,000 gambling operators licensed to provide gambling activities in Great Britain, covering both land based and online activities. During the year the industry has continued to be impacted by the Covid-19 pandemic, with land-based operations having faced periods of closure throughout 2020 and 2021.

The following statistics give a snapshot of the latest British gambling sector figures showing the impact of the pandemic period:

- ▷ Total GGY of British gambling industry (2019/20): **£14.1 billion** – down **1.4%** when compared to April 2018-March 2019 (data not available for 2020/21 or 2021/22)<sup>1</sup>
- ▷ Total GGY of British remote/online sector (2020/21) up **18.4%** when compared to April 2019-March 2020<sup>2</sup>

In Great Britain in 2019/20, there were:

- ▷ **156** casinos
- ▷ **648** bingo premises
- ▷ **1,641** licensed arcades
- ▷ **7,683** betting shops
- ▷ **186,832** gaming machines

## Consumers and gambling

### Gambling participation

In 2021, around two fifths of the adult population gambled each month, this equates to:

- ▷ Approximately **22.5 million** adults gambled in 2021. (**15.1 million** excluding those who only play National Lottery draws).
- ▷ Approximately **13.4 million** adults who gambled online in 2021. (**9.5 million** excluding those who only play National Lottery draws).
- ▷ Approximately **12.9 million** adults gambled in-person in 2021. (**9.1 million** excluding those who only play National Lottery draws).

The Covid-19 pandemic has impacted gambling participation rates and whilst **23.3 million** adults gambled in 2017, this reduced to **22.5 million** in 2021. The National Lottery, other lotteries and scratchcards remained the most popular gambling activities in 2021.<sup>5</sup>

Over time there has been a gradual but consistent increase in the proportion of people gambling online, with much of this increase being driven by National Lottery players moving from retail to online.

The number of people gambling in-person significantly declined in 2020 during the pandemic in which many high street retailers faced several periods of enforced closure, in-person participation remained at this lower level in 2021. However, despite the decrease in-person gambling remains a significant part of the gambling industry, with retail betting alone accounting for **22%** of the total GGY in 2019/20 (excluding National Lottery figures).<sup>1</sup>

## Gambling participation

	2017	2018	2019	2020	2021
<b>Overall past 4 week participation %</b>	44.8%	45.8%	47.2%	42%	42.6%
<b>Online participation %</b>	34.6%	34.8%	35.1%	26%	24.5%
<b>In person participation %</b>	18.3%	18.5%	21.1%	23.6%	25.3%

With the increasing take up of mobile technology in recent years, data from Ofcom shows that **95%** of UK adults now use a mobile phone, with the majority owning a smartphone (**85%**)<sup>6</sup>, thus making the internet accessible anywhere and at any time. The increased use of mobile technology is reflected in the Commission's data too, with **60%** of online gamblers having used a mobile phone to gamble on in 2021<sup>7</sup>. Whilst an increase in using mobile phones for online gambling has been seen, the figure represents a switch in the devices those gamblers are playing on, with lower use of PCs, laptops and tablets seen in 2021 compared to previous years.

## Problem and at-risk gambling

Whilst measurement is complex, studies show there are hundreds of thousands of adults experiencing serious issues with their gambling. The 2018 Health Survey for England estimates are;

- ▷ Between **160,000** and **340,000** adults in England are problem gamblers<sup>8</sup>
- ▷ Between **270,000** and **480,000** adults in England are classed as moderate risk gamblers<sup>8</sup>
- ▷ The most recent data (2018) for the number of problem gamblers (according to the PGSI or DSM-IV) and at-risk gamblers (according to the PGSI) is taken from the Health Survey for England. Unfortunately, there was not a comprehensive picture available in 2018 for the whole of Great Britain.

Sources: 1. Industry statistics 2019-2020. Published in November 2021 (no update available since Nov 20)  
 2. Industry Statistics 2020-2021 for Remote Casino, Bingo and Betting (RCBB) and the National Lottery only. Published on November 2021  
 3. National Lottery funds payable to good causes 1 April 2020 to 31 March 2021 – Annual Report. Published in July 2021  
 4. Funds raised for good causes Q4 2021 to 2022. Published May 2022  
 5. Quarterly Telephone Survey – Year to Dec 2021  
 6. Ofcom Media Literacy Tracker  
 7. Online Tracker – Year to Dec 2021 data  
 8. Health Survey England 2018.

## Overview of the British gambling sector continued

### National Lottery

- ▷ **£1.84 billion** raised for good causes during 2020-2021<sup>3</sup>
- ▷ Over **£45 billion** raised for good causes since 1994<sup>4</sup>
- ▷ Approximately **13.9 million** people reported buying a National Lottery ticket in the past four weeks, with half of players purchasing tickets in retail shops and half purchasing tickets online in 2021.<sup>5</sup>



- Sources:
1. Industry statistics 2019-2020. Published in November 2021 (no update available since Nov 20)
  2. Industry Statistics 2020-2021 for Remote Casino, Bingo and Betting (RCBB) and the National Lottery only. Published on November 2021
  3. National Lottery funds payable to good causes 1 April 2020 to 31 March 2021 – Annual Report. Published in July 2021
  4. Funds raised for good causes Q4 2021 to 2022. Published May 2022
  5. Quarterly Telephone Survey – Year to Dec 2021
  6. Ofcom Media Literacy Tracker
  7. Online Tracker – Year to Dec 2021 data
  8. Health Survey England 2018.

## A year in review – key deliverables

In this section of our latest Annual Report & Accounts, we reflect on the work and key deliverables we have tackled in the first year of our new Corporate Strategy to ensure consumers are protected and Great Britain’s gambling market is regulated fairly and effectively.

The table below summarises the mix of deliverables under our strategic priorities which are underpinned by a variety of initiatives.

During the 2021-22 financial year, we planned to deliver **40** key initiatives. Of these, **40%** have been fully completed, **18%** will continue into 2022-23, **5%** have been partially achieved, and only **2%** were not achieved.

Deliverables	Fully complete (task and finish)	Target met (ongoing activities or projects)	Partially achieved	Not achieved
1. Protecting children and vulnerable people from being harmed by gambling	2	0	0	0
2. A fairer market and more informed consumers	4	0	0	0
3. Keeping crime out of gambling	3	0	0	0
4. Optimise returns to good causes from The National Lottery	0	3	1	0
5. Improving gambling regulation	16	8	2	1
<b>Totals</b>	<b>25</b>	<b>11</b>	<b>3</b>	<b>1</b>
<i>Percentage</i>	<i>62.5%</i>	<i>27.5%</i>	<i>7.5%</i>	<i>2.5%</i>

# A year in review – delivery of our corporate business plan

## Protecting children and vulnerable people from being harmed by gambling

Gambling harm continues to be a public health issue which requires a coordinated response to the impact it can have on individuals, family life and communities.

Given the pace at which the gambling industry changes, we work hard to understand the factors that influence gambling behaviour so we can focus on preventing harm to vulnerable and young people before it occurs.

We take a precautionary approach to interpreting available evidence and approaching new developments where appropriate.

Through our regulatory powers, over the past year we have also continued to take action against online and land-based operators who still fail to protect people from gambling harm.

### Over the past year, our highlights in this area included:

- ▷ We continued our work to ensure licence holders work collaboratively with each other to develop innovative ways to reduce harm and protect consumers.
- ▷ Successfully identifying where developments in gambling products or services might pose a risk of harm and responding at pace where required – developing our research methods to support this work.
- ▷ We published an update on our findings following an interim evaluation of the 2020 ban on credit cards for gambling which indicated that the action is popular among consumers and has not resulted in harmful unintended consequences. The evaluation also found that support for the ban among consumers has been largely positive, the proportion of consumers reporting gambling with other forms of borrowed money has remained stable, and that bank data showed no observed spike for credit card gamblers in money transfers in the three months after the ban.
- ▷ As part of the National Strategy to Reduce Gambling Harms, we approved regulatory settlements with a cumulative value of millions of pounds for activities to be applied for socially responsible purposes.
- ▷ We also launched the Behavioural Insights Team's Gambling Policy and Research Unit who are working with key stakeholders to design and scale successful interventions across the gambling market such as with banks and the financial services sector to help them understand, identify and support their most at-risk customers and build evidence for policy and regulatory advice.
- ▷ We implemented and embedded a three-year sustainable, multi-component and collaborative programme across Yorkshire and the Humber to tackle gambling related harms, including gambling related debt, with a focus on education and prevention and access to support and treatment. The aim of the project is to understand what works in preventative education through insights provided by research and evaluation and to increase referrals to treatment and support.
- ▷ We supported the delivery of Commission-led and independent research which has included the publication of reports and data into young people and gambling, participation and prevalence, and patterns of play.
- ▷ We published, for the first time, the Research, Education and Treatment (RET) contributions data that had been reported to us by organisations on the LCCP RET list for the period January 2020 to March 2021, meeting our commitment to improving transparency around the amounts and destinations of RET funding.
- ▷ Public Health England published their evidence review on gambling harms helping to improve our understanding of the prevalence, determinants and harms associated with gambling and the social and economic burden of gambling-related harms.

## A fairer market and more informed consumers

We have continued our work to study how regulation can be better used to deliver better and fairer outcomes for consumers.

We know that consumer complaints can be a good indicator of trust in a licence holder's products and services. An effective complaints and feedback process can help to improve consumer confidence in the industry.

Some consumers struggle to understand 'industry jargon' and associated mathematical concepts. This is reflected in customer complaints that show a lack of consumer understanding about how products and services work. More innovative thinking and trialling of different ways of communicating key gambling concepts will help consumers to make informed choices about their play. We expect to see licensees make more progress in this area in the coming year to ensure gambling is as fair and open as possible.

### Over the past year, our highlights in this area included:

- ▷ We continued to remind operators of our refreshed guidance around interacting with their customers following evidence that some people may have been at greater risk of harm during the various national Covid-related lockdowns in 2021. This guidance included the need for affordability checks, the prevention of reverse withdrawals and restrictions on bonus offers.
- ▷ During the 2021/22 financial year, our Contact Centre received **5,720** complaints from consumers about operators and their practices which helped to inform our regulatory approach. The Contact Centre has also been well within its KPIs this year.
- ▷ We agreed new arrangements with GamCare which has given our Consumer Contact Centre team the ability to directly transfer vulnerable people who require specific help or signposting to support their needs.
- ▷ Alongside the Information Commissioner's Office (ICO), and the Betting and Gaming Council (BGC), we continued to support the development of the Single Customer View project. Alongside the ICO, we concluded Phase One of the project's Sandbox which examined the legal case for its introduction, with the ICO publishing its Outcomes Report in October 2021. The BGC is now working with the ICO to develop and trial a solution.
- ▷ We have continued to make sure new products meet our technical standards and have had appropriate and sufficient testing before they are released to market. As part of this, we have ensured all Test Houses continue to meet revised accreditation standards.
- ▷ Through our research and data, we constantly analysed data, markets, products and trends. These insights continue to allow us to look at the risks and opportunities in the industry which inform our work.
- ▷ We published an information notice and updated our guidance concerning fair and open T&Cs. We found examples of licensees using terms that were potentially unfair. Licensees were instructed to review their terms against the updated guidance. The guidance also clarifies the role of ADR providers in dealing with disputes of this nature.
- ▷ We supported DCMS with its one year review of society lotteries sales and prize limits, which was published on 1 March 2022.

# A year in review – delivery of our corporate business plan continued

## Optimise returns to good causes from The National Lottery

The National Lottery makes a significant contribution to society and generates important funds for good causes – with over **£45 billion** raised by the Lottery since its launch in 1994. Those good causes include funding a wide variety of sports, arts, heritage and community projects.

The National Lottery continues to make a difference to the lives of millions and the Commission's role is to ensure it is run with propriety whilst protecting the interests of every player and making sure funds for good causes are maximised.

The preferred applicant for the next National Lottery licence, which will begin in 2024, was announced in March this year.

### Over the past year, highlights in this area included:

- ▷ We ensured the current Licence holder continued to deliver against the requirements of the current Licence, particularly with respect to ensuring the National Lottery is operated with all due propriety and that the interests of participants are protected. Continuing to run the National Lottery smoothly during the ongoing Covid-19 pandemic and resultant lockdowns, monitoring performance closely to ensure players continued to be protected following a material increase in online play. Further protections for players potentially at-risk of harm have been introduced across the year.
- ▷ Returns to good causes finished the financial year at **£1.84 billion**. It has been another strong year, particularly given the ongoing challenging circumstances due to the wider external landscape.
- ▷ We ensured the conditions for the 4th Licence built on the successes of the Third Licence, placing responsibility for performance and flexibility to maximise returns to good causes on the Licensee, while ensuring high standards of propriety and a strong focus on player protection.
- ▷ We grew the value of the National Lottery as a public asset, enhancing and protecting its brand, and set processes in place to ensure that the 4th Licence holder fosters strong relationships with distributors of National Lottery funding to strengthen the link between the brand, its players and good causes.
- ▷ We developed a transition management framework that enables oversight and assurance, as well as active management of risk and delivery performance to support a successful transition.
- ▷ We have defined an appropriate regulatory model for the 4th Licence and have developed a plan to deliver and implement this ahead of the start of the 4th Licence.
- ▷ Following the conclusion of the competition for the 4th National Lottery Licence, we announced in March 2022 that Allwyn Entertainment Limited had been selected as the preferred applicant.

## Improving gambling regulation

Our risk-based and evidence-led approach to regulation continues and we have continued to develop our teams within the Commission to ensure that we have the right foundations to regulate effectively and ensure high standards are maintained by all operators who are licensed by us.

We continue to set the direction for others in the industry to follow as we work to ensure gambling is safe, fair, free from crime and free from the risks of money laundering.

Despite the ongoing impacts of the Covid-19 pandemic, and the continued fast pace of improvements in technology, we continued our work to improve the regulatory environment throughout the past year.

### Over the past year, our highlights in this area included:

- ▷ We submitted our formal advice to the Secretary of State to support the Government's review of the Gambling Act.
- ▷ During the year, we made progress towards implementing the recommendations of the National Audit Office's (NAO) report into gambling, which was published in 2020. We also made significant progress in implementing the recommendations of the Public Accounts Committee and have fed into the formal updates provided by the Government in response to their report on gambling. Some of the recommendations within the reports and those made by the House of Lords Select Committee fall within the scope of the Government's review of the Gambling Act.
- ▷ We continued to collect and publish regular data about gambling trends throughout the year as the Covid-19 pandemic continued.
- ▷ We launched our new website in June 2021 in compliance with new online accessibility legislation. The site, on the user-friendly Gov.uk platform, has seen improved digital services and better signposting for consumers and other stakeholders.
- ▷ We migrated all our digital transactional services to the cloud and many of our internal applications. We are now in a position where all our significant IT infrastructure is cloud-based and not reliant on a single site.
- ▷ We significantly reduced the electronic and physical data retained through the implementation of new retention policies.
- ▷ Ensuring we have a more diverse and effective workplace, reflective of wider society.
- ▷ Continuing to build our organisational culture to help us remain effective and efficient.
- ▷ Improving our leadership and management capability through development of competencies and interventions to embed leadership behaviours & accountability.
- ▷ Our project to automate the personal management licence application process was delayed due to Covid 19 but will be delivered in Summer 2022. We have continued to see the positive impacts from automation of the personal licence maintenance service with reductions in processing time of **50%** or more and are looking to achieve similar outcomes in the next financial year.
- ▷ We saw an **85%** participation in our annual employee survey – with feedback helping to shape our approach and strategy around engaging with colleagues.
- ▷ Our diversity and inclusion programme has included celebrations and online events for International Women's Day and Black History Month as we promote an open and inclusive culture where our teams thrive and are empowered to bring their whole self to work.
- ▷ As part of our consistent response to the challenges Covid-19 presented our colleagues in Birmingham and London, hybrid working has been introduced to ensure a safer more responsive workforce.



# A year in review – delivery of our corporate business plan continued

## Keeping crime out of gambling

Gambling is a legitimate activity, but we know it can also present opportunities for criminal activity.

Great Britain's regulatory framework is considered world leading, particularly in relation to working with partner agencies to detect and prevent crime. However, we are continuing our work with partners to target our activities to contribute to a reduction in crime associated with gambling and are continuing to hold gambling licence holders to account to ensure they are fully meeting their responsibilities – taking regulatory action where they don't through our targeted compliance activity and enforcement powers.

Gambling companies operate in an increasingly global market which can see manipulation of betting events from serious organised crime networks operating at national and international levels.

Our ability to collect, analyse and share intelligence with other regulators and agencies, and work collaboratively with other jurisdictions, continues to be key to safeguarding British consumers' interests.

### Over the past year, our highlights in this area included:

- ▷ We continued to build relationships domestically and internationally to share experiences and knowledge of the illegal gambling market to help reduce risks.
- ▷ We continued to apply national and international best practice through the effective implementation of the Money Laundering Regulations and Proceeds of Crime Act.
- ▷ We updated our Money Laundering and Terrorist Financing Risk Assessment to reflect the current gambling-related risks.
- ▷ We also continued with our enforcement activity against gambling operators and personal licence holders who failed to meet standards around anti-money laundering, social responsibility controls and customer interaction issues.
- ▷ We suspended six operators. In total **£26.1 million (£21.7m** in fines and **£4.4m** in regulatory settlements) was paid by **12** operators as a result of fines or regulatory settlements.
- ▷ We continued to work closely with sport bodies and law-enforcement partners to achieve regulatory and criminal outcomes relating to betting integrity issues – whilst also supporting the Sport and Sports Betting Integrity plan.
- ▷ Our [Sports Betting Intelligence Unit](#) received over **600** reports which included issues such as suspicious betting activity, sports rules breaches, misuse of inside information and Gambling Act offences. Football and tennis account for the largest proportions of these reports, as was the case in 2020-21.
- ▷ Our intelligence team generated **3,461** intelligence reports, relating to a number of issues including sports-related issues, social media lotteries, unlicensed remote operators and money laundering.
- ▷ **13** Incident Referral Forms (IRFs) were submitted by the intelligence team to our Incident Management Group (IMG) for consideration. A total of **165** IRFs were escalated for consideration this year.
- ▷ Despite Covid 19 impacts, we conducted a total of **66** assessments of online and land-based operators.
- ▷ We carried out **104** website reviews and six security audits. We also commenced seven personal licence reviews with four of those being finalised.
- ▷ We processed **186** operator licence applications, with **1,469** individuals applying for a personal licence, helped by our new online portal service.
- ▷ We published our fourth annual Compliance and Enforcement Report which outlined our extensive case work during 2020-21 alongside recommendations and case studies for operators to follow. We welcomed the media coverage for this report which helped to highlight good and best practice to the industry.
- ▷ As with every year, we continued to ensure Boards focused on their responsibilities to be tested via corporate evaluations and assurance statements.

## Financial review

### Commission funding

The Commission is an independent public body. We are funded in two ways:

- ▷ by application and licence fees set by the Secretary of State, approved by Parliament and paid by the gambling industry. These fees fund all gambling regulation except that for the National Lottery.
- ▷ in respect of National Lottery functions, by grant-in-aid from the National Lottery Distribution Fund (this grant-in-aid is not treated as income in accordance with FReM).

### Income

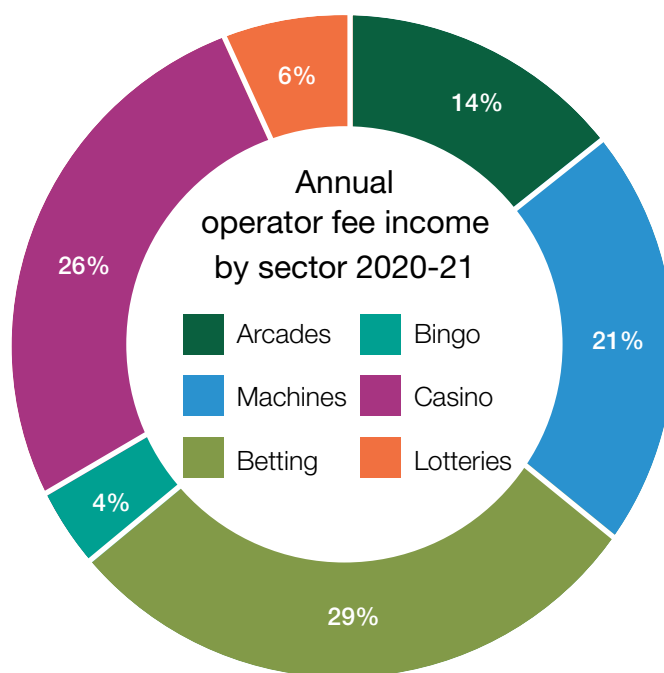
Our total income from fees and other sources was **£20.176m** for the year (**£18.868m** for 2020-21).

This figure does not include the **£26.968m** (2020-21 **£19.521m**) of grant-in-aid funding in respect of the National Lottery functions and the Gambling Regulation which is transferred directly to reserves.

Our fee income for the year was made up of the following:

- ▷ Operator application fee income was **£1.21m** (2020-21: **£0.66m**);
- ▷ Fees for personal licences **£0.67m** (2020-21 **£0.58m**);
- ▷ Operator annual licence fees **£18.02m** (2020-21 **£17.22m**);
- ▷ Miscellaneous income of **£0.28m** (2020-21 **£0.41m**). This was mainly attributable to contributions to compliance and enforcement costs received from operators.

Total fee income has been analysed by industry sector in the chart below.



## Financial review continued

### Expenditure

During the year, total expenditure on operational costs including depreciation was **£45.19 million** (2020-21: **£38.17 million**), an increase of **£7.02 million** on the prior financial year (**18%**).

Expenditure on gambling regulation totalled **£18.93 million** (2020-21: **£20.57 million**) National Lottery functions accounted for **£26.26 million** (2020-21 **£17.60 million**). This included **£23.66 million** on the National Lottery 4th licence competition (2020-21 **£14.84 million**).

Employee costs for the year were **£19.17 million** (2020-21 **£21.26 million**), a decrease of **£2.09 million**.

Employee costs for gambling regulation were **£13.80 million** (2020-21: **£15.80 million**) and National Lottery regulation **£5.36 million** (2020-21: **£5.45 million**).

Of this, **£3.23 million** related to the National Lottery 4th licence competition (2020-21 **£3.19 million**). For comparative purposes, the table below shows year on-year operational expenditure comparison for gambling and National Lottery regulation expenditure, and the costs of Horserace Betting Levy activity which was funded by the Horserace betting levy and ceased in 2018-19.

	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m
National Lottery regulation	2.98	2.80	2.96	2.76	<b>2.60</b>
National Lottery competition	0.64	4.08	13.29	14.84	<b>23.66</b>
Gambling regulation	19.53	20.54	21.20	20.57	<b>18.93</b>
Horserace Betting Levy activity	0.04	0.16	–	–	–
<b>Total costs of operation</b>	<b>23.19</b>	<b>27.58</b>	<b>37.45</b>	<b>38.17</b>	<b>45.19</b>

### Net expenditure for the year

During the year, the regulation of gambling under the 2005 Gambling Act, as amended and updated by the Gambling (Licensing and Advertising) Act 2014 produced an income and expenditure surplus of **£1.254 million**.

A small deficit of **£0.366m** for the year was budgeted under the Commission's medium-term financial plan using reserves created from the fee income collected in prior years because of the continuing expansion of the gambling industry, particularly within the remote sector. The deficit set was planned on the assumption that the Covid19 impact on our non-remote licence fee

income streams would be considerably more pronounced than they have been. The Commission has revised its reserve policy in year to hold a minimum of two and a half months of annual operating expenditure and to fund future investment in Gambling Regulation. The total income and expenditure deficit arising for the year is **£25.019 million**, including regulating the National Lottery. This deficit is due to the requirement to transfer grant-in-aid funding in respect of National Lottery regulation direct to reserves and not being included as income.

## Statement of financial position

At 31 March 2022 the book value of non-current assets was **£3.98 million** (2020-21: **£5.19 million**). Assets less liabilities at 31 March 2022 amounted to **£6.14 million** (2020-21: **£4.19 million**). The year-end closing cash balance at 31 March 2022 was **£27.33 million** (2020-21 **£17.56 million**). The cash balance reaches its peak between August and November each year, after the largest tranche of annual fees fall due, which are paid in advance by operators. Grant-in-aid to fund National Lottery regulation is drawn down monthly as required, satisfying the normal conventions applying to Parliamentary control over income and Payment performance. The Commission's policy is to pay all invoices within 30 days of receipt unless a longer payment period has been agreed or the amount billed is in dispute. In the year to 31 March 2022, **100%** (target **95%**, 2020-21: **71%**) of invoices totalling **£24.32 million** were paid within 30 days of receipt.

## Sustainability report

This sustainability report complies with the requirements of the Greening Government Commitments – the UK government’s commitments to delivering sustainable operations and procurement.

### Baseline paper usage

Thirty reams of A4 paper (five 2020-21) and five reams of A3 paper were purchased during 2021-22 costing **£111** (**£14** 2020-21).

### Climate Change Adaptation Strategy

The Gambling Commission has undertaken a significant investment in technology to support hybrid working, reduced emissions in commuting to and from work, and also work-related travel. A Climate Change Risk Assessment (CCRA) has not been undertaken to date but may be considered in future years.

### Greenhouse gas (GHG) emissions

These are commonly referred to as carbon accounting or carbon footprinting and are split into three:

- ▷ Scope 1: Direct GHG emissions – these occur from sources owned or controlled by the Commission, for example, emissions as a result of combustion in boilers, or emissions from fleet vehicles.
- ▷ Scope 2: Energy indirect emissions – as a result of electricity that we consume which is supplied by another party, for example, electricity supply in buildings.
- ▷ Scope 3: Other indirect GHG emissions – all other emissions which occur as a consequence of our activity but which are not owned or controlled by the Commission, for example emissions as a result of staff travel on official business.

Non-financial indicators	2021-22 tonnes CO <sub>2</sub> e	2020-21 tonnes CO <sub>2</sub> e
Total Gross Emissions for Scopes 1 & 2 (procured electricity, gas and fleet vehicles incl pool cars)	<b>38.13</b>	41.53
Gross emissions attributable to Scope 3 (indirect emissions and official business travel)	<b>7.76</b>	5.22
Related energy consumption	thousand kWh	thousand kWh
Electricity: non-renewable		
Electricity	<b>150.97</b>	151.41
Gas	<b>33.19</b>	33.87
Financial indicators	£'000s	£'000s
Expenditure on energy	<b>31.61</b>	22.72
Expenditure on official business travel	<b>32.21</b>	1.03

### Waste minimisation and management

Data on waste is collated (in line with Sustainable Operations on the Government Estate (SOG E) targets) for all offices and land owned by the Commission:

- ▷ waste to landfill (residual office waste).
- ▷ waste reused/recycled (paper, aluminium cans & glass).
- ▷ waste incinerated.
- ▷ hazardous waste.

Non-financial indicators*	2021-22 tonnes	2020-21 tonnes
Total waste arising	<b>11.60</b>	9.77
▷ Hazardous waste	-	-
▷ Non-hazardous waste		
▷ Landfill	-	-
▷ Reused/recycled	<b>3.64</b>	2.69
▷ Waste composted	-	-
▷ Incinerated with energy recovery	<b>7.96</b>	7.07
▷ Incinerated without energy recovery	-	-

\*Due to being tenants in a commercial building, we have not been able to secure all the information expected in accordance with the FReM. We will work with our landlords to ensure this is available for 2022-23.

## Use of finite resources

This category is broken down into use of water, energy and other finite resources. Water sources are classified by:

- ▷ **Scope 1:**  
Water owned or controlled by the Commission. This would include water reserves in lakes, reservoirs and boreholes.
- ▷ **Scope 2:**  
Purchased water, steam or ice. This would include mains water supply as well as other deliveries of water i.e. for coolers.
- ▷ **Scope 3:**  
Other indirect water. This would include embodied water emissions in products and services.

Non-financial indicators	2021-22 m <sup>3</sup>	2020-21 m <sup>3</sup>
Water consumption (office estate), Scope 3		
▷ Supplied	<b>2,067.00</b>	1,709.00
▷ Per FTE	<b>6.19</b>	4.84
Financial indicators	£'000s	£'000s
Water supply costs (office estate)	-	-
Water supply costs (non-office estate)	-	-

## Sustainable procurement

Many of the Commission's contracts are awarded through pan government frameworks operated by Crown Commercial Services (CCS). This allows us to take advantage of the CCS active sustainable procurement policy to ensure that environmental obligations are properly reflected. CCS has also implemented the DEFRA2 sustainable procurement prioritisation tool to support decision making and, where appropriate, sustainability obligations are included within contracts let by CCS to ensure that:

- ▷ Goods and services are purchased on a whole life costs basis
- ▷ Performance can be monitored throughout the life of the contract.

The use of small and medium sized enterprises (SMEs) for supply of goods and services across the Commission is below the Government's **25%** target. During 2021-22, **13%** of our procurement expenditure was sourced from SMEs (**21%** 2020-21)\*, this is due to the increased expenditure for the National Lottery competition.

\* 2020-21 numbers restated.



**Andrew Rhodes**

Chief Executive  
and Accounting Officer  
20 July 2022



**Marcus Boyle**

Chair  
20 July 2022

# Accountability report

## Board of Commissioners



**Marcus Boyle**  
Chair



**John Baillie**  
Chair of Audit  
and Risk Committee



**Stephen Cohen**  
Chair of National Lottery  
Competition Committee



**Trevor Pearce CBE QPM**  
Chair of National Lottery  
Committee, Remuneration  
Committee and Reser



**Catharine Seddon**  
Senior Independent Director



**Terry Babbs**  
Chair of Finance and  
Performance Committee



**Carol Brady MBE**  
Commissioner



**Brian Bannister**  
Commissioner



**Jo Hill**  
Commissioner

The Accountability Report provides additional key information on the 2021-22 financial year. This includes an overview of our Board of Commissioners, our Corporate Governance Report, including our structures and panels, the Remuneration and Staff Report, and sections on Accountabilities and Audit. These governance structures have been put in place to ensure appropriate oversight of Commission functions and organisational compliance with the laws and standards that apply to a public body.

## Corporate governance report

### Director's report – Board of Commissioners

#### Marcus Boyle

##### Chair

Marcus was appointed Chair of the Gambling Commission in September 2021 for a term of five years.

Marcus has extensive change management experience across both public and private sector bodies.

He has been an equity partner for two leading global professional services firms including most recently at Deloitte, where he served as a Board Member, Chief Strategy Officer and Chief Operating Officer. He is a Trustee of the Serpentine Gallery and Chair of The Room Group Limited.

#### John Baillie

##### Chair of Audit and Risk Committee

John is a Chartered Accountant and a former partner of KPMG in Scotland and London.

He is a former chair of the Accounts Commission for Scotland, the Scottish local authority watchdog, and served two, three-year terms. He was also chair of Audit Scotland, the Scottish equivalent of the National Audit Office for several years, and a member of the Reporting Panel of the UK Competition and Markets Authority for nine years. John was also a visiting professor of

accountancy at the University of Edinburgh and has previously held similar appointments at other Scottish universities.

#### Stephen Cohen

##### Chair of National Lottery Competition Committee

Stephen has over 40 years' experience in asset management, in Asia, Europe and the USA. He started his career with Mercury Asset Management and worked both as a portfolio manager and in business development. Stephen is also on the board of the Health & Care Professions Council, a healthcare regulator, and is Chair of Audit for both the JPMorgan Japan Investment Trust plc and the Schroder UK Public Private Trust plc. Stephen brings a global business perspective, deep experience of finance and financial services regulation, corporate governance, as well as board engagement, activism and fintech.

#### Trevor Pearce CBE QPM

##### Chair of National Lottery Committee, Remuneration Committee and Reset

Trevor Pearce has had a 40-year career in law enforcement. Starting at Kent County Constabulary, he moved to national agencies becoming director general at both the National Crime Squad and Serious Organised Crime Agency.



## Director's report – Board of Commissioners continued

More recently, Trevor has focussed on regulatory roles and risk management. He is chair of UK Anti-Doping and trustee of Canterbury Oast Trust, a charity providing residential services to adults with learning difficulties.

Trevor brings experience of running large complex organisations, dealing with international serious and organised crime, anti-money laundering, integrity and anti-corruption.

### **Catharine Seddon** **Senior Independent Director**

Catharine brings experience of regulation in a wide variety of sectors.

Catharine spent 20 years as a filmmaker before taking up public non-executive roles. She started as a graduate trainee producer with the BBC and specialised in high-end film documentaries, eventually setting up her own production company.

She became a magistrate in 2002 and left the media industry to take up a variety of other judicial roles within the tribunal service, and to join the Human Tissue Authority and sit on the Determinations Panel of the Pensions Regulator.

Catharine is currently deputy chair and Audit and Governance chair of the Human Fertilisation and Embryology Authority, as well as the senior independent director of the Legal Services Board. A senior tutor for the Civil Service College, she is also on the Board of the Children and Family Courts Advisory and Support Service.

Additionally, Catharine is a founding member of the Health Service Products Appeal tribunal and a trustee for special needs charity, CPotential.

### **Terry Babbs** **Chair of Finance and Performance Committee**

Terry has spent his executive career in both the private and public sectors – including with Tesco and a number of global supply chain management organisations. Aside from his role at the Commission, Terry is also the Senior Independent Director at the General Dental Council, vice chair of the Investment Committee of Oxfam's Enterprise Development Programme, a non-executive director of

HMRC's Valuation Office Agency, and a non-executive director of Impactt Limited, a global business consultancy.

### **Carol Brady MBE** **Commissioner**

Carol began her career within trading standards and held roles in the former Department for Trade and Industry.

Her career has been focused on consumer protection and her previous roles have also included chairing the claims management regulation unit at the Ministry of Justice, chairing the Chartered Trading Standards Institute's Board, acting as a senior ombudsman at the Legal Ombudsman, and as an independent advisory member at the Commission for Local Administration.

She is currently the Chair of Birmingham Assay Office and is also the owner and managing director of a consumer protection consultancy.

Carol was awarded an MBE in 2016 in recognition of her services to consumers and better regulation. She is also a Fellow of the CTSI.

### **Brian Bannister** **Commissioner**

Currently the Global Head of External Communications for the Boston Consulting Group, Brian was previously Executive Director for Strategic Insight and Influence at The Law Society of England and Wales. He has also led global communications for KPMG and UK communications at PwC.

### **Jo Hill** **Commissioner**

Jo was previously Executive Director of Strategy and Risk at The Pensions Regulator where she led on corporate strategy, risk management, data and analysis. She was also previously Director of Market Intelligence, Data and Analysis at the Financial Conduct Authority (FCA) and held a number of senior roles across the FCA, while also working in the banking and insurance sectors. Jo is also a Trustee of the Money and Mental Health Policy Institute and a non-executive director of the Isle of Man Financial Services Authority.

## Director's report – Board of Commissioners continued

### Register of disclosable interests

Board members completed their annual declarations of interest and are asked to declare any relevant interests in agenda items at the start of each board meeting and absent themselves from those discussions. No directorships or other significant interests were held by board members that may have conflicted with their management responsibilities.

### Directors' disclosure

As far as the directors are aware, there is no relevant audit information of which the auditors have not been made aware. All reasonable steps have been taken by the directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of this information.

### Public interest disclosure policy

The Commission has a public interest disclosure policy (whistleblowing) in place for the confidential reporting of unlawful conduct or malpractice.

The policy is readily available on the Commission website and People Portal for all employees to refer to, and reminders on the requirements of this policy, together with all aspects of the code of conduct are communicated regularly via internal communication methods.

All new Commission employees are required to confirm in writing that they have read the Code of Conduct, including the Public Interest Disclosure policy, as part of the induction programme.

The Commission's Public Interest Disclosure Policy, alongside other policies, can be accessed online through [www.gamblingcommission.gov.uk/policy/corporate-governance-framework](http://www.gamblingcommission.gov.uk/policy/corporate-governance-framework)

### Fees and charges

The Commission aims to ensure that the costs incurred in delivering the organisation's strategic objectives are recovered from the industry through application and licence fees set by the Secretary of State. We periodically review our costs to drive efficiency and value for money as well as review our approach to cost recovery via fees to see how it could be made more equitable.

Current application and licence fees range from **£235** to **£907,832** dependent on operator size and licence type. The Commission's total income from fees and other sources was **£20.18 million** for the year (2020-21: **£18.87 million**). Further analysis of fees and charges is provided in the Performance Analysis section.



### Andrew Rhodes

Interim Chief Executive  
and Accounting Officer  
20 July 2022

## Accounting Officer's responsibilities

Under the Gambling Act (2005), the Secretary of State for Digital, Culture, Media and Sport has directed the Gambling Commission to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

In preparing the accounts the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- ▷ observe the Accounts Direction issued by the Secretary of State for Digital, Culture, Media and Sport, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- ▷ make judgments and estimates on a reasonable basis
- ▷ state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- ▷ prepare the financial statements on a going concern basis
- ▷ confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Department for Digital, Culture, Media and Sport has appointed me as the Chief Executive as Accounting Officer of the Gambling Commission. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Gambling Commission's assets, are set out in Managing Public Money published by the HM Treasury.

As the Accounting Officer I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Gambling Commission's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.



**Andrew Rhodes**

Chief Executive  
and Accounting Officer  
20 July 2022

# Governance Statement for the year ended 31 March 2022

I became accounting officer on 15 June 2021, taking over from Sarah Gardner who held the position from 15 March 2021.

## The Gambling Commission Board

The Board has complied with government guidance for corporate governance in arm's length bodies.

One new Commissioner was appointed as Chair of the Commission in September 2021, replacing the outgoing Chair, Bill Moyes.

New Commissioners go through an extensive programme of induction and training to ensure a solid foundation of knowledge about consumer issues in gambling and the operating environment and diversity of the sector. We also work closely with DCMS to ensure careful management of recruitment of new Commissioners, so that at all times the board has sufficient experience and expertise.

## Governance framework

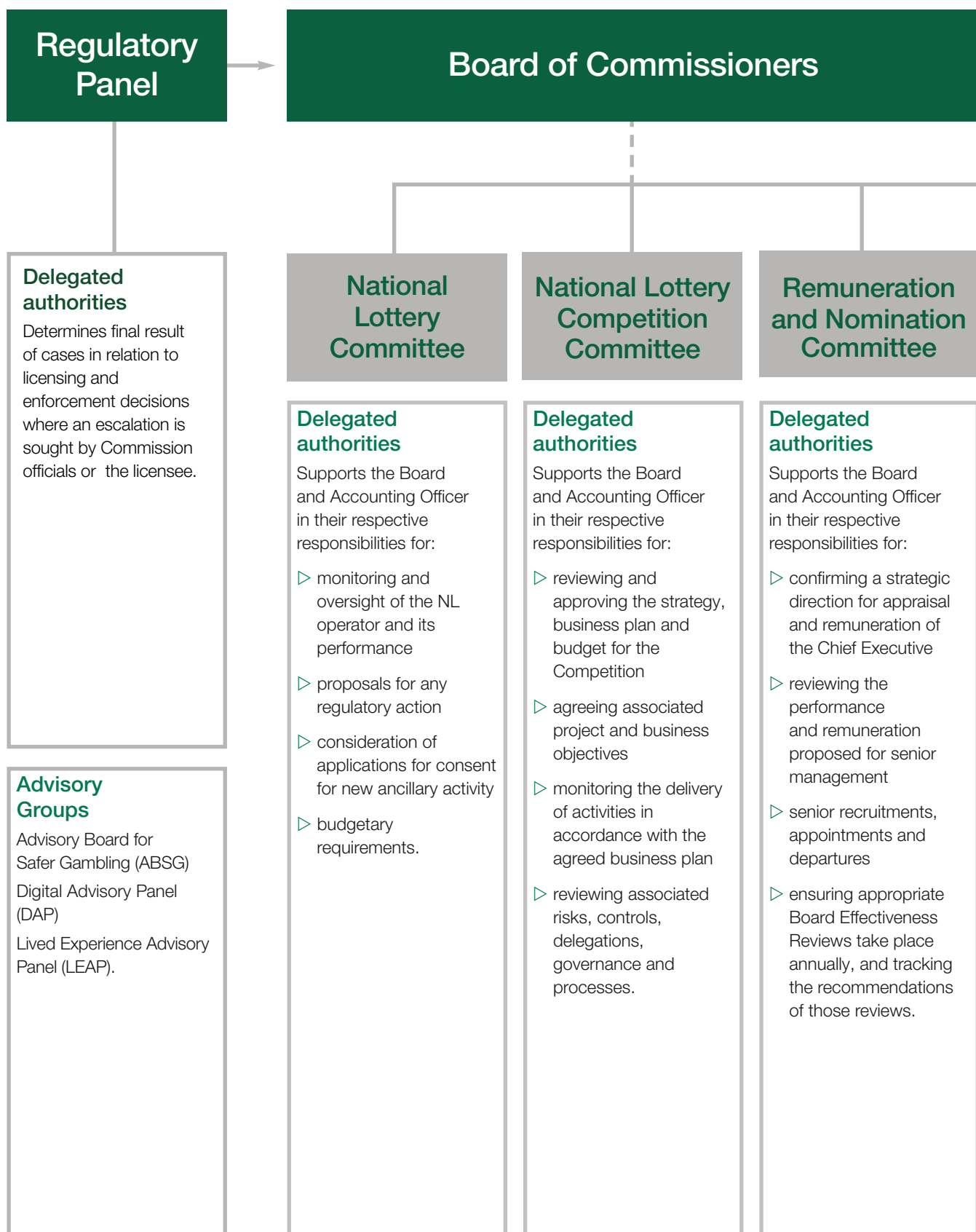
The board of commissioners, led by the chair, Marcus Boyle, oversees the business of the Commission. The day-to-day activity of the Commission is managed by the leadership team, led by me as chief executive and accounting officer. Commissioners are responsible for the strategic direction of the organisation and oversee delivery of the Commission's business plan.

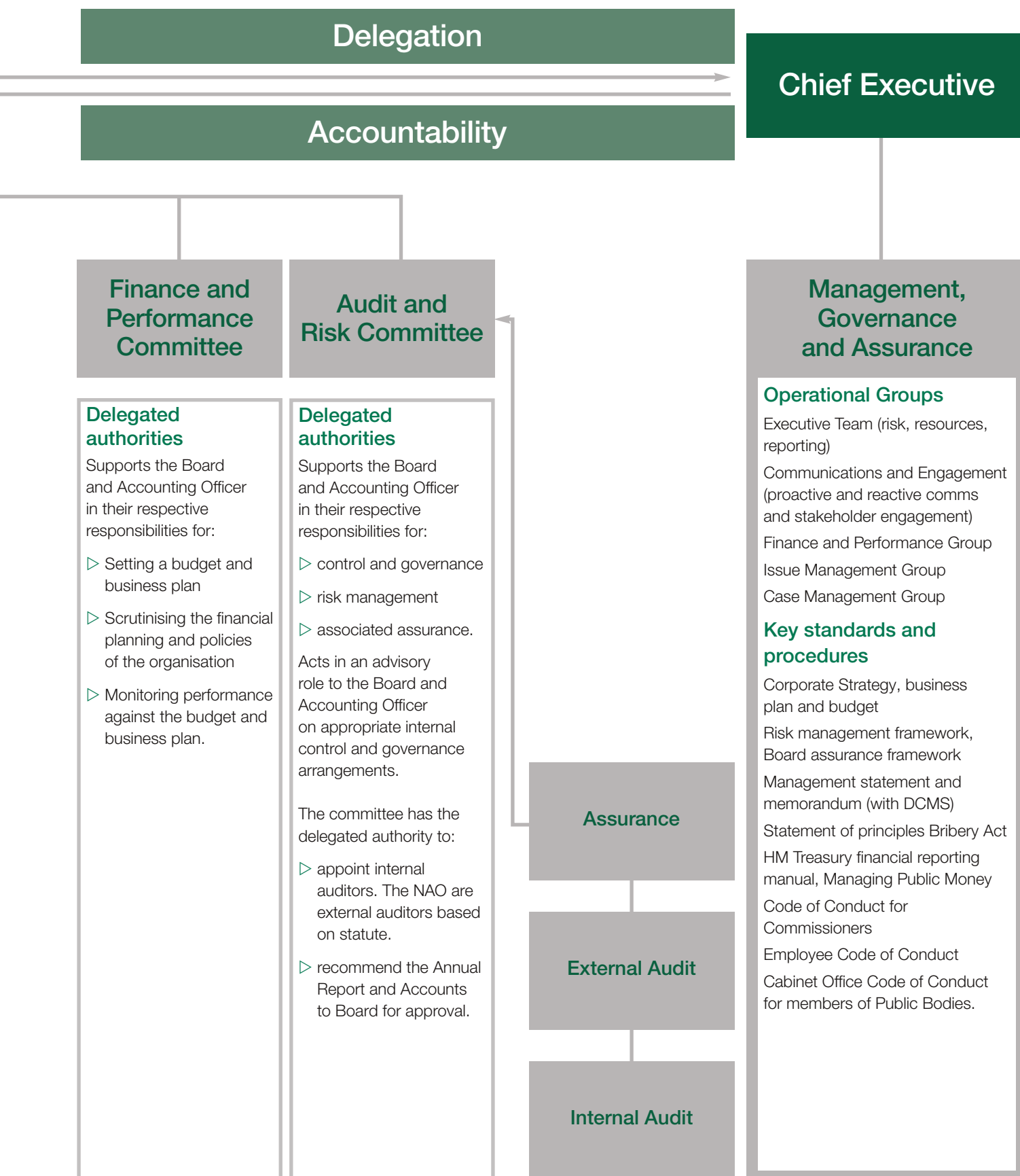
Commissioners also retain direct responsibility for some regulatory decisions through the regulatory panel process.

The Commission monitors its performance using an outcome-based framework built around its statutory duties and business plan. Performance against these outcomes is monitored by the board on a regular basis, with updates being provided by the Executive team on the Commission's performance covering operational management and delivery and a range of strategic measures. The accounting officer has personal responsibility for stewardship of the organisation's resources, consistent with the duties and requirements set out in Managing Public Money.

The executive has overall accountability for delivery of the Commission's strategic objectives. It is supported by the Finance and Performance Group, a group of programme directors and heads of function, which monitors progress and resourcing in business plan delivery. The Commission also reports on performance to DCMS, sharing the data and information set out in the management agreement.

# The Commission's governance structure





# Board performance

## The Board

The Board met formally ten times during the year. It monitors and receives regular reports from its Committees.

Meeting attendance by Commissioners is given in the following table, based on the number of meetings each Commissioner was eligible to attend:

Commissioner	Board	Audit and Risk Committee	Finance and Performance Committee	Remuneration and Nomination Committee	National Lottery Committee	National Lottery Competition Committee
Marcus Boyle <i>(Chair from 6 September 2021)</i>	5/9	N/A	N/A	N/A	N/A	N/A
Bill Moyes <i>(Chair until 5 September 2021)</i>	4/9	N/A	N/A	N/A	N/A	N/A
Terry Babbs <i>(Chair of Finance and Performance Committee)</i>	8/9	N/A	6/6	N/A	7/7	N/A
John Baillie <i>(Chair of Audit and Risk Committee)</i>	9/9	5/5	N/A	N/A	N/A	10/10
Brian Bannister	7/9	4/5	6/6	N/A	7/7	N/A
Carol Brady MBE	9/9	N/A	N/A	3/3	N/A	10/10
Stephen Cohen <i>(Chair of National Lottery Competition Committee)</i>	9/9	N/A	N/A	N/A	N/A	10/10
Jo Hill <sup>1</sup>	7/9	3/3	6/6	N/A	N/A	N/A
Trevor Pearce CBE QPM <i>(Chair of National Lottery Committee and Remuneration Committee)</i>	9/9	5/5	N/A	3/3	7/7	N/A
Catharine Seddon <i>(Senior Independent Director)</i>	9/9	N/A	N/A	3/3	N/A	9/10
<b>Number of meetings in year</b>	<b>9</b>	<b>5</b>	<b>6</b>	<b>3</b>	<b>7</b>	<b>10</b>

1. Jo Hill was not a member of ARC from June 2021, and rejoined the Committee in March 2022.

Board meetings provide the opportunity for robust and constructive challenge and debate amongst board members and senior management. As part of the Commission's commitment to transparency and high standards of governance, Commissioners are required to disclose any potential conflicts of interest, as set out in the Code of Conduct for Commissioners, which is available on our website.

During the year, a significant amount of time in formal board meetings was focused on developing the Commission's advice to the Secretary of State in relation to the Gambling Act Review, action to develop compliance and enforcement processes, and protect consumers from harm.

Consistent with good practice, the Board undertook a Board Effectiveness Review. It found the standard of performance was good, with improvements over the year in out of meeting contact and paper quality and length, but did identify some areas where effectiveness could be improved, centring on clarity of roles and responsibilities and enhancing diversity. An action plan was put in place to address the recommendations.

The Board is supported by a number of Committees, all of which are outlined on the following pages. Details of the committee members and their attendance can be found in the previous table, while the remit and responsibilities of each Committee are set out in the Terms of Reference on our website.

Commissioners also spend time outside of board and committee meetings attending events and engaging with stakeholders, as well as providing input to strategic projects.

### Senior Independent Director

Consistent with the UK Corporate Governance Code and with DCMS guidance, the Board has appointed a Senior Independent Director (SID) from among its current members. Catharine Seddon was appointed as SID in June 2017.

The role of the SID is to provide a Board-level lead for high standards of governance, act as a sounding-board for the Chair and act as a route to resolve any concerns about the operation of the board.

### Audit and Risk Committee

The Audit and Risk Committee (ARC) supports the Board and the Accounting Officer in their responsibilities by monitoring the integrity of the Commission's annual statutory financial statements, reviewing the Commission's governance, internal control and risk management systems, and by reviewing the internal and external audit services.

In addition to Commissioners, ARC also has an independent member, Chris Andrew, who was appointed on 2 January 2019.

### Finance and Performance Committee

The Finance and Performance Committee was established in May 2020 as a result of the 2019 Board Effectiveness Review.

The Committee supports the Board and Accounting Officer in providing detailed scrutiny of the business plan and budget, financial planning and organisational performance monitoring.

### Remuneration and Nomination Committee

The Remuneration and Nomination Committee supports the Board and Accounting Officer in their responsibilities for staff performance management, senior appointments and departures and HR policies and practices.

### National Lottery Committee

The National Lottery Committee advises the Board and the Chief Executive in relation to the exercise of certain Commission functions under the National Lottery etc. Act 1993. The Committee has decision making powers in a number of areas delegated to it by the Board. A significant part of the Committee's business is engagement with and review of the National Lottery operator's strategy and performance.

### National Lottery Competition Committee

The National Lottery Competition Committee advises the Board and the Chief Executive in respect of the National Lottery 4th Licence Competition, and through oversight of the process of the Competition. The Committee has decision making powers in a number of areas delegated to it by the Board. As well as Commissioners, the Committee also has an independent member, David Rossington who was appointed on 31 July 2018. The Senior Responsible Officer for the Competition, John Tanner, has also been a member of the Committee since November 2019.

### Regulatory Panel

The Regulatory Panel determines some licence applications and deals with significant regulatory decisions which may include the revocation of licences. The Regulatory Panel sat on three separate occasions during 2021-22, with each case requiring two or three Commissioners to attend for a full day hearing in addition to substantial preparation and review time.



## Board performance continued

### Advisory Board for Safer Gambling (ABSG)

The ABSG provides independent advice to the Commission on research, education and treatment programmes needed to support the National Strategy to Reduce Gambling Harms, along with the associated funding requirements. The ABSG is chaired by Dr Anna van der Gaag CBE.

### Digital Advisory Panel (DAP)

The DAP comprises experts from the digital sector, including specialists in networks, retail and logistics. The Panel provides the Commission with advice on matters regarding technology, digital trends and the implications for the Commission as a regulator. The DAP is chaired by Andy Payne.

### Lived Experience Advisory Panel (LEAP)

As part of the Commission's commitment to learning from those with lived experience of gambling harms, the Commission worked with an interim group of experts by experience in 2020 to co-design the LEAP advisory group. LEAP began meeting in January 2021, and comprises 10 members, co-chaired by Charles Ritchie and Fay Laidler.

### Risk and internal control framework

**The Board and Audit and Risk Committee** – The Board, supported by the Audit and Risk Committee, oversees the arrangements in place for the risk management. The Commission's risk management framework was reviewed and revised during 2020-21, with the support of the Commission's internal auditors. Programme risk registers are reviewed monthly, and the Executive Team review escalations and the Corporate Risk Register at least quarterly. The Audit and Risk Committee receive the Corporate Risk Register each quarter, and Board discuss risk twice a year.

**The risk management strategy** – The strategy outlines the objectives and policies for identifying and managing risk to the achievement of the Commission's strategic objectives and business plan. This also includes the Commission's tolerance or appetite for risk. The framework sets out management roles and responsibilities, the process for identifying and recording risk, allocating ownership of risk, evaluating risk, determining responses to risk and monitoring and reporting on progress in managing risk. The framework applies to all levels of the organisation up to the Corporate Risk Register.

**The Commission's risk tolerance** – The Commission's risk tolerance is expressed through the level of residual risk judged acceptable for each risk identified. Risk owners are required to identify and implement mitigating actions to reduce the residual risk value to an acceptable level.

**The Commission’s governance framework** – The Commission’s governance framework sets out how the Board manages its affairs and which matters are delegated to the Chief Executive, or to other employees or committees. This is reviewed periodically (typically every three years), with the most recent changes to the overarching framework being made in June 2020.

Specific aspects of this framework are reviewed more frequently to ensure they remain fit for purpose.

**The internal audit programme** – The internal audit programme normally focuses on the requirement to provide assurance that the risks faced by the Commission are properly managed and controlled. Where control weaknesses are identified, these are drawn to the attention of senior managers, who are responsible for determining and implementing an appropriate response.

In their annual report, the Commission’s internal auditors for 2021-22 have been PwC, supplemented by the Government Internal Audit Agency in certain areas. PwC provide an independent opinion on the adequacy and effectiveness of the Commission’s system of internal control, together with recommendations for improvement. During the year, the following internal audit reviews were carried out:

- ▷ Governance and Assurance – internal governance (GIAA)
- ▷ Financial Systems – review of the assumptions in our financial plans (PwC)
- ▷ Cybersecurity (PwC)
- ▷ 4th National Lottery Licence Competition (GIAA)

## Financial Management

The Commission’s fee income continues to be subject to some uncertainty, as the industry continues to recover post the Covid-19 pandemic. However, we attempt to mitigate this through regular review and re-forecast of income throughout the year. Whilst we forecast prudently, in the event of losing a further significant proportion of our income, there remains a risk that we may not be able to reduce our expenditure (which is largely employee-based) as swiftly as needed to avoid larger in-year deficits than currently planned within the medium-term financial plan. These risks are addressed as part of the budgeting process, through prudent planning and long-term management of reserves. Throughout the year, the risk to the Commission’s income and expenditure profile is continually reviewed through close monitoring of actual income and expenditure and forecasts. The Commission holds reserves as a matter of prudent financial management, principally so that it can fund substantial legal action in furtherance of its regulatory objectives, manage short-term fluctuations in its licensing income, and provide for foreseeable but not yet certain liabilities such as dilapidations. As an arms-length body the Commission does not hold reserve to cover terminal liabilities as these would be met by its parent government department.

To ensure we maintain robust controls over our expenditure we continually review our procurement arrangements. A central contracts database is in place to ensure that procurement processes are compliant and all contracts are brought in line with central frameworks where applicable. There has been one reported actual or attempted fraud at the Commission during 2021-22 which resulted in no losses. However, given the high profile of the gambling industry and the Commission within the public domain, it is important that the Commission remains proactive in identifying instances where there is potential for fraud and corruption.

## Board performance continued

The quality assurance mechanisms which have been developed for the compliance and enforcement processes depend on accurate, timely and complete information to help safeguard the Commission's professional integrity and improve operational efficiency.

To ensure we maintain tight control over our expenditure we continually review our procurement arrangements. A central contracts database is in place to ensure that procurement processes are compliant and all contracts are brought in line with central frameworks where applicable.

### Internal control framework

The Commission has in place a wide range of internal controls to manage the risk of failure to achieve strategic objectives which include:

#### Organisational structure and delegation of authority

The Commission is currently organised into business areas and functions that bring together related operational, project and thematic activity.

Authority to make decisions and authorise expenditure is delegated to the appropriate level of responsibility within each business area.

#### Policies and procedures

Comprehensive policies and supporting procedures are in place across the Commission at a corporate and operational level. A thorough review of all financial policies was undertaken during 2018/19 to ensure that they remain compliant with Managing Public Money (MPM) and that they reflect best practice.

The Finance and Performance Committee routinely review financial policies. The appropriateness of Commission policies and procedures is periodically reviewed by internal audit as part of the audit plan.

#### Operational and financial reporting

The Commission reviews and updates its business plan on an annual basis and prepares an annual budget to support the delivery of the plan.

The budget also considers risks and uncertainties to ensure that these can be mitigated where possible. Both of these elements are reviewed and approved by the Board along with progress against the business plan. In this they are supported by the Finance and Performance Committee's routine scrutiny of the business plan and budget. Financial performance is reported to the Board and Finance and Performance Committee at each meeting. In addition, the Commission also undertakes monthly financial re-forecasts to ensure that financial management of the Commission remains robust. This is reviewed by the Board.

#### Review and sign-off of actions

The Commission has a series of checks and balances in place across the organisation to ensure that decisions and outcomes are appropriately reviewed. Quality assessment reviews have been undertaken within a number of the compliance areas to ensure that regulatory activity continues to be of high quality. Management also reviews outputs within a range of frontline and support areas to ensure accuracy and relevance. These controls are subject to internal and external audit review as part of the internal audit plan and external audit fieldwork.

#### Personal data incidents

There were no substantive data security incidents during 2021-22 (one during 2020-21).

## Effectiveness of internal controls

The Commission's senior management reviews the operational effectiveness of the current internal controls using a combination of the Corporate Risk Register, and operational and financial performance reports.

This is supported by the annual programme of internal audit reviews into the design and operation of controls.

In 2021/22 the activities of PWC, the Commission's lead internal auditors was supplemented by additional reviews undertaken by the Government Internal Audit Agency (GIAA) to cover any reviews which could potentially cover any aspects of the NL4 programme.

Through their work during the year, PWC have concluded that as a result of the restrictions placed on the scope of their work (outlined above) they have been unable to gather sufficient evidence and/or information to conclude on the adequacy and effectiveness of the Gambling Commission's arrangements for governance, risk management and control. In recognition of these limitations the Accounting Officer sought additional assurance from the GIAA internal audit programme, to provide a more complete picture of the effectiveness of the controls in place within the Gambling Commission.

PWC have undertaken three reviews:

- ▷ Cyber security – overall rated “Needs Improvement” (three high, one medium and one low risk finding)
- ▷ Medium Term Financial Planning – overall rated ‘Needs Improvement’ (one high and six medium risk findings)
- ▷ Data Privacy – overall rating ‘Satisfactory with Exceptions’ (two medium and three low risk findings).

The GIAA has undertaken three reviews, whose findings are supplementary to the PWC conclusions:

- ▷ Review of National Lottery Licence Competition – Costs (Economic and Financial ) and Benefits Models for Full Business Case – overall rated ‘Substantial assurance’ (two low risk findings)
- ▷ Review of Second Line Oversight of the 4th National Lottery Licence Competition – Phase One Review and Feedback – advisory review
- ▷ Governance – overall rated ‘Moderate assurance’ (five medium risk, two low risk findings)

## Board performance continued

### Principal risks and uncertainties facing the Commission

The principal risks and uncertainties are managed through the Commission's Corporate Risk Register as part of the internal control framework. The most significant risks facing the Commission as of the end of March 2022 are:

Risks and uncertainties	Existing and Planned Mitigations
<p>Income from fees, grant in aid and the use of available reserves does not cover expenditure. In particular, the withdrawal and adjustment of the Fourth National Lottery Competition cross-charge impacts the sustainability of the Commission's overall financial position</p>	<p><b>Existing</b></p> <ul style="list-style-type: none"> <li>▷ Progress with fees review and liaison with DCMS.</li> <li>▷ Improved income forecasting.</li> <li>▷ Identify and deliver short-term cost savings.</li> <li>▷ Use of fixed term contracts for project roles.</li> <li>▷ Further financial management controls.</li> </ul> <p><b>Planned</b></p> <ul style="list-style-type: none"> <li>▷ Review of Fees Framework – linked to the Gambling Act Review.</li> <li>▷ Development of 3-year costed plans.</li> </ul>
<p>Novel Products are not identified at a sufficiently early stage</p>	<p><b>Existing</b></p> <ul style="list-style-type: none"> <li>▷ Enforcement casework including suspension.</li> <li>▷ Close working with key stakeholders including DCMS, Administrators, solicitors and FCA.</li> <li>▷ Significant comms with MPs, journalists, and consumers (via website).</li> <li>▷ Review of comparable products in the market.</li> </ul> <p><b>Planned</b></p> <ul style="list-style-type: none"> <li>▷ Memorandum of Understanding agreed with the FCA to contain a framework to engage and resolve any future regulatory remit challenges.</li> <li>▷ Continuous improvement in horizon scanning for new/novel products.</li> <li>▷ Implement lessons learned from our independent review of BetIndex and other third party review.</li> </ul>
<p>The COVID-19 pandemic increases risks to the licensing objectives and NL duties, adversely impacts our ability to respond to risks and prevents sufficient fieldwork leaving data gaps on key metrics.</p>	<p><b>Existing</b></p> <ul style="list-style-type: none"> <li>▷ Comprehensive homeworking arrangements allow full range of regulatory activities to be undertaken.</li> <li>▷ Alternative vehicles to collect data.</li> <li>▷ Close cross functional working and intelligence monitoring ensures identification and response to any changing risks.</li> <li>▷ Move to new methods of data collection. Consultation response due July 2021.</li> <li>▷ Regular check of guidance issued by the GPA to ensure we comply with all necessary control measures.</li> </ul> <p><b>Planned</b></p> <ul style="list-style-type: none"> <li>▷ New hybrid working arrangements to be piloted before December 2022.</li> </ul>

Risks and uncertainties	Existing and Planned Mitigations
<p>1. Disrupted transition from 3NL to 4NL</p> <p>Risk: There is a risk that the transition from 3NL to 4NL may be disrupted.</p>	<p><b>Existing</b></p> <ul style="list-style-type: none"> <li>▷ Licensing obligations are currently in place to support an effective handover.</li> <li>▷ Appointed dedicated internal leads for the management of the transition risk and associated decisions on technology.</li> <li>▷ The onboarding of the TTO Work Package: Providing expertise and experience in supporting/assuring the transition.</li> <li>▷ Applicants have all signed a Deed of Commitment with an agreed form Enabling Agreement. Current licensee has signed a Co-operation Agreement with the Commission.</li> <li>▷ Court application has been made to allow the transition process to proceed.</li> </ul> <p><b>Planned</b></p> <ul style="list-style-type: none"> <li>▷ Sign Enabling Agreement and Incoming Licensee to sign Cooperation Agreement.</li> <li>▷ Receipt and approval of Joint transition plans by all parties.</li> <li>▷ The ability during the implementation period for the Commission team to call upon support from additional specialised flex resources (through the agreed approval process mechanism) to assist with dealing with complex issues when required.</li> </ul>
<p>The 4th Licence is unable to start immediately following the end of the 3rd Licence.</p>	<p><b>Existing</b></p> <ul style="list-style-type: none"> <li>▷ Both available 3rd licence extensions triggered.</li> <li>▷ Court application has been made to lift the pause to the Programme to maintain as much as possible of the c.22months implementation period.</li> </ul> <p><b>Planned</b></p> <ul style="list-style-type: none"> <li>▷ Further reflections and actions will be undertaken on receipt of judgment in the Application to Lift.</li> <li>▷ Contingency planning and implementation of contingency plans as appropriate.</li> </ul>

# Remuneration and staff report

## Remuneration report

This report covers the 12 months ending 31 March 2022 and sets out the policy and disclosures in relation to the remuneration of the Commissioners and senior managers of the Commission.

### Commissioners

The Chair and Commissioners are appointed by the Secretary of State on terms set on the basis of advice from the Civil Service Senior Salaries Review Body. Appointments are for a period of between three and five years and may be renewed for a further term. Appointments may be terminated at any time by either party giving written notice. Bill Moyes' term as Chair ended on 5 September 2021. Marcus Boyle was appointed as Chair for a five-year term commencing 6 September 2021. Marcus' contract provides for the Chair to work two days per week on average. Commissioners work on average one day per week. Commissioners' contracts may be terminated by written notice where the Secretary of State has reason to believe that the Commissioner has been absent from Commission meetings, without explanation, for a period of longer than three months; has become bankrupt or made an arrangement with a creditor; has been convicted of a criminal offence; has breached the Code of Conduct for Board members; or has become incapacitated by physical or mental illness. The Commissioners' appointments are not pensionable under the Civil Service pension scheme and no contributions have been paid by the Commission to any other scheme.

### Diversity breakdown for the Board of Commissioners:

Male Board members **73%**

Female Board members **27%**

### Independent member of Audit and Risk Committee

The Commission reappointed Chris Andrew for a second three-year term as the independent member of Audit and Risk Committee with effect from 1 January 2022. Payment is made for this role.

### Senior managers

Senior managers are normally employed directly by the Commission. Increases in pay are performance based and are broadly in line with senior Civil Service pay bands. Performance targets are set and measured in accordance with the Commission's policy on pay and reward. The process for the agreement of the executive teams' performance targets, achievements against targets, and recommendations on changes in remuneration, is reviewed by the Remuneration and Nomination Committee. Except during probation or where guilty of gross misconduct, senior managers' contracts may be terminated by either party giving 12 weeks written notice. Details of all executive directors serving during the year are provided at Appendix 1 from page 86, including the duration of their service.

### Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the Commissioners and Directors. This has been subject to audit review.

**i) Remuneration of Senior Managers (salary, expenses and payments in kind) – audited information**

Directors	2021-22	2021-22	2021-22	2021-22	2021-22	2020-21	2020-21	2020-21	2020-21	2020-21
	Salary (in bands of £5k)	Bonus Payments (in bands of £5k)	Expenses as BiK <sup>2</sup> (to nearest £100)	Pension Benefits (to nearest £1,000)	Total (in bands of £5k)	Salary (in bands of £5k)	Bonus Payments (in bands of £5k)	Expenses as BiK <sup>2</sup> (to nearest £100)	Pension Benefits (to nearest £1,000)	Total (in bands of £5k)
<b>Andrew Rhodes</b> Chief Executive (from 15 Jun 21)	115-120 (145-150 fye) <sup>1</sup>	–	3,500	49,000	170-175	–	–	–	–	–
<b>Lucy Denton</b> Director of Communications (from 5 Jul 21)	60-65 (80-85 fye) <sup>1</sup>	–	–	25,000	85-90	–	–	–	–	–
<b>Sarah Gardner</b> Deputy Chief Executive	125-130	–	–	60,000	185-190	115-120 (130-135 fye) <sup>1</sup>	–	–	99,000	215-220
<b>Helen Gibson</b> Finance Director (from 17 Mar 22)	0-5 (90-95 fye) <sup>1</sup>	–	–	5,000	5-10	–	–	–	–	–
<b>Charlotte Leonard</b> Interim Chief Operating Officer (from 15 Nov 21)	40-45 (105-110 fye) <sup>1</sup>	–	–	16,000	55-60	–	–	–	–	–
<b>Tim Miller</b> Executive Director – Insight and safer gambling	110-115	–	–	43,000	150-155	110-115	–	–	43,000	150-155
<b>Nadine Pemberton</b> General Counsel (from 22 Mar 21)	90-95	–	–	36,000	125-130	–	–	–	–	–
<b>John Tanner</b> Executive Director – 4NLC	140-145	–	–	8,000	145-150	140-145	–	–	155,000 <sup>3</sup>	295-300 <sup>3</sup>
<b>Alistair Quigley</b> Chief Technology Officer	95-100	–	–	29,000	125-130	95-100	–	–	53,000	150-155
<b>Previous Employees</b>										
<b>Victoria Beaumont</b> Executive Director – HR (to 31 Dec 21)	85-90 <sup>5</sup> (100-105 fye) <sup>1</sup>	–	–	22,000	110-115	100-105	–	–	41,000	140-145
<b>Sally Jones</b> Chief Operating Officer (from 26 Oct 20 to 19 Nov 21)	50-55 (120-125 fye) <sup>1</sup>	–	–	20,000	70-75	45-50 (120-125 fye) <sup>1</sup>	–	–	19,000	65-70
<b>Neil McArthur</b> Chief Executive (to 30 Jun 21)	70-75 <sup>5</sup> (145-150 fye) <sup>1</sup>	–	–	21,000	90-95	145-150	–	–	71,000	215-220
<b>Marie Perry</b> Chief Financial Officer (to 31 Oct 21)	90-95 <sup>5</sup> (100-105 fye) <sup>1</sup>	–	–	23,000	110-115	100-105	–	–	40,000	140-145
<b>Helen Venn</b> Executive Director – licensing and compliance (to 28 Feb 22)	105-110 (110-115 fye) <sup>1</sup>	–	–	43,000	150-155	100-105	–	–	41,000	140-145
<b>Richard Watson</b> Executive Director – enforcement and intelligence (to 31 May 21)	15-20 (110-115 fye) <sup>1</sup>	–	–	7,000	20-25	100-105	–	–	41,000	140-145
<b>Vin Wijeratne</b> Interim Chief Financial Officer (from 18 Oct 21 to 29 April 22)	130-135 <sup>4</sup>	–	–	–	130-135	–	–	–	–	–

1 fye = full-year equivalent.

2 BiK = Benefits in Kind.

3 2020-21 restated following a change in pension plan.

4 Interim CFO was a temporary post via an agency, costs include agency fees and VAT.

5 N McArthur, M Perry and V Beaumont left the Commission during 21-22, their salaries include payment in lieu of notice.



## Remuneration report continued

### i) Remuneration of Senior Managers (salary, expenses and payments in kind) – audited information continued

#### Fair pay disclosure – pay multiples (audited)

	2021-22	2020-21
Band of highest paid directors total remuneration (£'000)	150-155	145-150
Median total remuneration	38,124	39,063
Range of staff remuneration (£'000)	19 to 150-155	18 to 145-150

	2021-22	2021-22	2021-22	2021-22	2020-21	2020-21	2020-21
	Pay Ratio**	Total Pay & Benefits	Salary Component	% Change compared to prior year	Pay Ratio*	Total Pay & Benefits	Salary Component
25th percentile ratio	4.94:1	30,866	30,566	-0.49%	4.76:1	31,017	30,578
Median pay ratio	4.00:1	38,124	37,454	-2.40%	3.78:1	39,063	39,063
75th percentile ratio	2.96:1	51,450	51,000	-9.85%	2.58:1	57,072	57,072

\* 2020-21 restated following a change in pension plan.

\*\* 2021-22 excludes costs for the Interim CFO (which was a temporary post via an agency), whose full time equivalent value is higher than the Interim CEO, to better reflect the fair pay disclosures.

These changes are attributable to:

- There has been a change in the highest paid director's remuneration during the year following the appointment of our new Interim CEO.
- A change in the composition of the workforce due to a high turnover and slow recruitment.

#### Fair pay disclosures (audited)

##### Percentage change in total salary and bonuses for the highest paid director and staff average.

	2021-22	2021-22	2020-21	2020-21
	Total salary and allowances	Bonus payments	Total salary and allowances	Bonus payments
Staff average	2.05%	-14.61%	5.38%	5.19%
Highest paid Director	4.34%	0.00%	2.30%	-96.76%

**Staff Average:** The average percentage change in base salary from the previous financial year in respect of the employees of the entity taken as a whole.

There were no salary increases during 2021-22 due to a pay freeze (2% increase 2020-21).

The 2.05% movement in 2021-22 (3.38% 2020-21) represents the changes in base salary for employees who have changed roles within the Commission during 2021-22.

Due to impacts of Covid, bonuses were evenly split to all qualifying employees. 2021-22 Bonuses we awarded based on annual appraisals using a scale for outcome.

**Highest paid Director:** 2021-22 base salary has changed during the year due to the appointment of our new Interim CEO.

#### Senior Manager exits during 21-22

Director	Total Exit Packages £
<b>Victoria Beaumont</b> Executive Director – HR (to 31 December 2021)	31,870
<b>Richard Watson</b> Executive Director – enforcement and intelligence (to 31 May 2021) This was agreed and fully provided for in 20-21	95,000
<b>Total value of exit packages</b>	<b>126,870</b>

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. The table above shows the total cost of exit packages agreed and accounted for in 2021-22.

**Remuneration of Commissioners (salary, expenses and payments in kind) – audited information**

Commissioners	2021-22	2021-22	2021-22	2021-22	2021-22	2019-20	2019-20	2019-20	2019-20	2019-20
	Salary (in bands of £5k)	Bonus Payments (in bands of £5k)	Expenses as BiK** (to nearest £100)	Pension Benefits (to nearest £1,000 )	Total (in bands of £5k)	Salary (in bands of £5k)	Bonus Payments (in bands of £5k)	Expenses as BiK** (to nearest £100)	Pension Benefits (to nearest £1,000 )	Total (in bands of £5k)
<b>Chris Andrew</b> Independent Audit Committee Member	0-5	-	-	-	0-5	0-5	-	-	-	0-5
<b>David Rossington</b> Independent Committee Member NL	0-5	-	-	-	0-5	0-5	-	-	-	0-5
<b>Terry Babbs</b>	10-15	-	900	-	10-15	10-15	-	-	-	10-15
<b>John Baillie</b>	10-15	-	1,900	-	15-20	10-15	-	600	-	10-15
<b>Brian Bannister</b>	10-15	-	-	-	10-15	10-15	-	-	-	10-15
<b>Marcus Boyle</b> Chair (from 6 September 2021)	30-35 (50-55 fye)*	-	800	-	30-35	-	-	-	-	-
<b>Carol Brady</b>	10-15	-	-	-	10-15	10-15	-	-	-	10-15
<b>Stephen Cohen</b>	10-15	-	100	-	10-15	10-15	-	100	-	10-15
<b>Jo Hill***</b>	10-15	-	300	-	10-15	0 (10-15 fye)*	-	-	-	0 (10-15 fye)*
<b>Trevor Pearce</b>	10-15	-	800	-	10-15	10-15	-	-	-	10-15
<b>Catharine Seddon</b>	10-15	-	700	-	10-15	10-15	-	100	-	10-15
<b>Previous non executives</b>										
<b>Bill Moyes</b> Chairman (to 5 September 2021)	20-25 (50-55 fye)*	-	-	-	20-25	55-60	-	800	-	55-60

\* fye = full-year equivalent, \*\* BiK = Benefits in Kind, \*\*\* Jo Hill has not received any payments from the Commission during 2020-21 due to existing employment commitments from her employer, she will be paid by the Commission from April 21 onwards.

**Salary:** ‘Salary’ includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Commission and thus recorded in these accounts.

Apart from the Chair and Chief Executive, all Commissioners are paid a fixed amount for work that entails approximately one day of time per week. No employees or Commissioners were remunerated by way of service companies or third parties.

**Expenses as benefits in kind:** The Commission incurred costs for travel, subsistence and accommodation in respect of the Chair and the Commissioners whilst attending meetings at Victoria Square House. These expenses could be viewed as benefits in kind and treated by HM Revenue & Customs as a taxable emolument. To avoid doubt, such taxes are paid by the Commission.

**Bonuses:** Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. There were no bonuses paid to Directors during 2021-22 nor 20-21.

**Pay multiples – audited information:** The Commission is required to disclose the relationship between the remuneration of the highest-paid director in the organisation and the lower quartile, median and upper quartile remuneration of the organisation’s workforce.

The banded remuneration of the highest-paid director in the Commission in the financial year 2021-22 was **£150,000-£155,000** (2020-21, **£145,000-£150,000**). This was **4.00** times (2020-21, **3.78** times) the median remuneration of the workforce, which was **£38,124** (2020-21, **£39,063**).

## Remuneration report continued

In 2021-22, **0** (2020-21, **0**) employees received remuneration in excess of the highest paid director. Remuneration ranged from **£19,000** to **£154,000** (2020-21, **£18,000-£147,000**).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

### ii) Pension benefits 2021-22 – audited information

	Accrued pension at pension age as at 31/03/22 (in bands of £5,000)	Accrued Lump Sum pension at pension age as at 31/03/22 (in bands of £5,000)	Real increase in pension at pension age (in bands of £2,500)	Real increase in pension Lump Sum at pension age (in bands of £2,500)	* CETV at 31/03/22 £'000s	* CETV at 31/03/21 £'000s	Real increase in CETV* £'000s	Employer contribution to partnership pension account (nearest £100)
<b>Andrew Rhodes</b> Chief Executive (from 15 June 2021)	30-35	–	2.5-5	–	457	408	22	–
<b>Lucy Denton</b> Director of Communications (from 5 July 2021)	5-10	–	0-2.5	–	69	57	8	–
<b>Sarah Gardner</b> Deputy Chief Executive	40-45	75-80	2.5-5	0-2.5	648	580	31	–
<b>Helen Gibson</b> Finance Director (from 17 March 2022)	25-30	45-50	0-2.5	0-2.5	362	359	3	–
<b>Charlotte Leonard</b> Interim Chief Operating officer (from 15 November 2021)	0-5	–	0-2.5	–	14	–	11	–
<b>Tim Miller</b> Executive Director – Insight and Safer Gambling	10-15	–	2.5-5	–	139	111	17	–
<b>Nadine Pemberton</b> General Counsel (from 22 March 2021)	0-5	–	0-2.5	–	23	–	17	–
<b>John Tanner</b> Executive Director – 4NLC	60-65	180-185	0-2.5	–	1,519	1,438	-11	–
<b>Alistair Quigley</b> Chief Technology Officer	25-30	–	0-2.5	–	447	408	14	–
<b>Former Employees</b>								
<b>Victoria Beaumont</b> Executive Director – HR (to 31 December 2021)	5-10	–	0-2.5	–	83	69	9	–
<b>Sally Jones</b> Chief Operating Officer (Joint Acting Chief Executive) (From 26 October 2020)	0-5	–	0-2.5	–	30	15	12	–
<b>Neil McArthur</b> Chief Executive (to 30 June 2021)	60-65	120-125	0-2.5	–	1,102	1,085	9	–
<b>Marie Perry</b> Chief Financial Officer (to 31 October 2021)	5-10	–	0-2.5	–	95	78	11	–
<b>Helen Venn</b> Executive Director – Licensing and Compliance (to 28 February 2022)	40-45	–	2.2-5	–	557	510	25	–
<b>Richard Watson</b> Executive Director – Enforcement and Intelligence (to 31 May 2021)	15-20	–	0-2.5	–	261	257	4	–

\* CETV = Cash Equivalent Transfer Values

## Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (**PCSPS**). The **PCSPS** has four sections: three providing benefits on a final salary basis (**classic, premium or classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic, premium, classic plus, nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the **PCSPS** who were within 10 years of their normal pension age on 1 April 2012 remained in the **PCSPS** after 1 April 2015. Those who were between 10 years and 13 years and five months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** have their **PCSPS** benefits 'banked', with those with earlier benefits in one of the final salary sections of the **PCSPS** having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in **PCSPS** or **alpha** – as appropriate.

Where the official has benefits in both the **PCSPS** and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between **4.6%** and **8.05%** for members of **classic, premium, classic plus, nuvos** and **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of **1/60th** of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with **2.3%** of their pensionable earnings in that scheme year and the accrued pension is updated in line with Pensions Increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is **2.32%**. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

## Remuneration report continued

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between **8%** and **14.75%** (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of **3%** of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further **0.5%** of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted for officials show pension earned in **PCSPS** or **alpha** – as appropriate. Where the official has benefits in both the **PCSPS** and **alpha** the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

### Cash Equivalent Transfer Values (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## Compensation for loss of office – audited information

**8** employees left under Exit terms (**7** voluntary and **1** compulsory) during the period 01 May 2021 and 31 March 2022. They received separate compensation payments totalling **£329,794**. **Four** of the employees effected were senior managers or executives.

## Remuneration Committee

The members of the Remuneration Committee consists of Trevor Pearce (Chair), Carol Brady and Catharine Seddon. Catharine joined the Committee in 2020 with her first meeting in July 2020. (Details of Commissioners can be found from page 24).

## Staff report

### a) Analysis of Commissioners and employee costs – audited information

	2021/22 Permanent £'000s	2021/22 Short term £'000s	2021/22 Total £'000s	2020/21 Total £'000s
Salaries and wages	12,721	1,313	14,034	15,848
Social security costs	1,349	147	1,496	1,557
Other pension costs	3,271	366	3,637	3,851
<b>Total Commissioners and staff costs</b>	<b>17,341</b>	<b>1,826</b>	<b>19,167</b>	<b>21,256</b>

### b) Retirement benefits

The following disclosures are made in accordance with IAS 19, 'Employee Benefits'.

#### (i) Employees

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as 'alpha' – are unfunded multi-employer defined benefit schemes but The Commission is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 March 2016. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)).

For 2021-22, employers' contributions of **£3,594,657** were payable to the PCSPS (2020-21 **£3,789,953**) at one of four rates in the range **26.6% to 30.3%** of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2021-22 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of **£40,776** were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from **8% to 14.75%**.

Employers also match employee contributions up to **3%** of pensionable earnings. In addition, employer contributions of **£0, 0.5%** of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were **£342,853**. No contributions were pre-paid.

#### (ii) Former Director General – OFLOT

Upon the merger between the Gambling Commission and the National Lottery Commission in 2013, the Commission inherited a pension liability for a former Director General of OFLOT from 1993 to 1998.

This pension is an unfunded defined benefit scheme which has benefits by analogy to the PCSPS (for details see [www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)) and is paid directly from the Commission's own funds. In 2001, upon the recipient reaching retirement age, pension payments commenced.

A full actuarial valuation of both schemes was carried out by the Government Actuary at 31 March 2022 and the present value of the liability at 31 March 2022 is **£213,000**.

### Sensitivity analysis

1. Increasing the discount rate by **0.5%** would result in a corresponding decrease in liabilities of approximately **£8,000** or **4%**.
2. Increasing the CPI inflation assumption by **0.5%** would result in a corresponding increase in liabilities of approximately **£8,000** or **4%**.
3. Increasing assumed life expectancies in retirement by around one year would result in a corresponding increase in liabilities of approximately **£8,000** or **4%**.

The opposite changes in assumptions to those set out above would produce approximately equal and opposite changes in the liability. Similarly, doubling the changes in the assumptions would produce approximately double the changes in the liability.

The sensitivities show the change in each assumption in isolation. In practice the financial assumptions rarely change in isolation and given the interdependencies between them, the impacts of such changes may offset each other to some extent.

Under IAS 19 the Commission is required to show the present value of these liabilities on its Statement of Financial Position.

### Financial assumptions

The main financial assumptions and life expectancy assumptions used by the actuary in calculation of the liability for the schemes are as follows:

	31 March 2022	31 March 2021
Discount rate for scheme liabilities	1.55%	1.25%
Rate on increase in salaries	2.90%	2.22%
Rate of increase for pensions in payment, in line with inflation	2.90%	2.22%
CPI inflation assumption	2.90%	2.22%

### Life expectancy at retirement

Current Pensioners Exact Age	As at 31 March 2022		As at 31 March 2021	
	men (years)	women (years)	men (years)	women (years)
60	27.0	28.6	26.9	28.6
65	22.1	23.8	22.0	23.7

### c) Average number of persons employed – audited information

The average number of whole-time equivalent persons employed during the year was as follows:

	Permanently Employed Staff	Temporarily Employed Staff	2021-22	2020-21
			Total £000	Total £000
Directly Employed	295	24	319	335
Agency staff	–	2	2	3
<b>Total</b>	<b>295</b>	<b>26</b>	<b>321</b>	<b>338</b>



## Staff report continued

### Number of Senior Staff by Grade

The total number of Senior Staff by Grade:

	2021-22	2020-21
17	1	1
16	4	6
15	2	4
Non-Executive Directors	9	9
<b>Total</b>	<b>16</b>	<b>20</b>

The Gambling Commission have seven Executive Directors and the nine Non-Executive Directors, these are the only staff categorised as being at a grade equivalent to the senior civil service.

### d) Off-payroll appointments

<b>(i) For all off-payroll engagements as of 31 March 2022, for more than £245 per day and that last for longer than six months</b>	
No. of existing engagements as of 31 March 2022	6
<b>of which...</b>	
No. that have existed for less than one year at time of reporting.	6
No. that have existed for between one and two years at time of reporting.	nil
No. that have existed for between two and three years at time of reporting.	nil
No. that have existed for between three and four years at time of reporting.	nil
No. that have existed for four or more years at time of reporting.	nil
<b>Confirmation that all existing off-payroll engagements, outlined above, have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.</b>	Yes, internal processes followed. Appointments based on agency arrangements who are responsible for assuring all payments are compliant. IR35 assessments conducted and determined that we would have accepted, or would accept, a substitute and that the worker or their business will have to fund costs before we pay them.
<b>(ii) For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2022, for more than £245 per day and that last for longer than six months</b>	
No. of new engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2022.	6
<b>of which...</b>	
No. assessed as caught by IR35.	6
No. assessed as not caught by IR35.	nil
No. engaged directly (VIA PSC contracted to department) and are on the departmental payroll.	nil
No. of engagements reassessed for consistency / assurance purposes during the year.	nil
No. of engagements that saw a change to IR35 status following the consistency review.	nil
<b>(iii) For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2021 and 31 March 2022</b>	
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	1
Total no. of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year.	18

**Reporting of Civil Service and other compensation schemes – exit packages – audited**

Exit package cost band (including any special payment element)	2021-22			2020-21 (restated)
	Number of compulsory redundancies	Number of other departures agreed	Number of exit packages by cost band	Number of exit packages by cost band
Less than £10,000	–	–	–	–
£10,001 – £25,000	1	2	3	12
£25,001 – £50,000	–	3	3	8
£50,001 – £100,000	–	2	2	7
£100,001 – £150,000	–	–	–	–
£150,001 – £200,000	–	–	–	–
>£200,000	–	–	–	–
<b>Total number of exit packages</b>	<b>1</b>	<b>7</b>	<b>8</b>	<b>27</b>

Exit package cost band (including any special payment element)	2021-22				Total exit packages by cost band Number £'000	2020-21 (restated)
	Cost of compulsory redundancies (by band) £'000		Cost of other departures agreed (by band) £'000			Total exit packages by cost band Number £'000
	Costs excluding CILON	CILON	Costs excluding CILON	CILON		
Less than £10,000	–	–	–	–	–	–
£10,001 – £25,000	20	3	36	2	61	207
£25,001 – £50,000	–	–	101	6	106	281
£50,001 – £100,000	–	–	159	3	162	539
£100,001 – £150,000	–	–	–	–	–	–
£150,001 – £200,000	–	–	–	–	–	–
>£200,000	–	–	–	–	–	–
<b>Total number of exit packages</b>	<b>20</b>	<b>3</b>	<b>296</b>	<b>11</b>	<b>330</b>	<b>1,027</b>
					£	£
<b>Total exit costs paid in year</b>					<b>329,794</b>	<b>1,027,900</b>
<b>Highest paid (excl. CILON)</b>					<b>95,000</b>	<b>95,000</b>
<b>Lowest paid (excl. CILON)</b>					<b>17,981</b>	<b>10,810</b>

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. The table above shows the total cost of exit packages agreed and accounted for in 2021-22 (2020-21 comparative figures are also given).

**£329,794** exit costs (**8** exits) were paid in 2021-22, the year of departure. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table. Where the department has agreed early retirements, the additional costs are met

by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Some exit packages include Compensation In Lieu Of Notice (CILON), which reflects the loss of pension which the individual would have been entitled to, had they remained in service during the notice period.

**Consultancy costs**

As per Note 3(b) of the Annual Accounts, consultancy costs totalling **£3.08m** (2020-21: **£2.0m**), **£3.02m** relates to increased costs relating to the National Lottery Competition on consultancy assignments.

## Staff report continued

### Employment Statistics for 2021-22 (as at 31 March 2022)

Department split	
Directorate	2022
3rd National Lottery License	16
4th National Lottery Competition	16
Compliance and Licensing	69
Enforcement, Intelligence, SBI & AML	46
Communications and Engagement	22
Finance, Legal, People Services & PMO	36
Data Infrastructure Projects	1
Digital & Technology	31
Executive	11
Governance	6
Research & Policy	44
Strategy	12
<b>Total</b>	<b>310</b>

Total Employment by contract type	
Fixed Term Employees	24
Permanent Employees	286
<b>Total</b>	<b>310</b>

Summary	
National Lottery	32
Regulatory Delivery Operations	115
Enabling Services	163
<b>Total</b>	<b>310</b>

Diversity – disability	
Employees with a disability as defined under the Equality Act 2010	17
Employees without a disability as defined under the Equality Act 2010	21
Not disclosed	272
<b>Total</b>	<b>310</b>

We are committed to promoting equality, diversity, and inclusion (EDI) throughout the organisation. We are proud of the action we are taking to support EDI and Wellbeing both through our recruitment processes and internal policies to support our ethos of creating a diverse culture.

Diversity – ethnic origin	
Asian or Asian British – Indian	16
Asian or Asian British – Other	0
Asian or Asian British – Pakistani	6
Black or Black British – African	2
Black or Black British – Caribbean	5
Mixed – White and Asian	2
Mixed – White & Black Caribbean	3
Not Disclosed	32
Other Ethnic Background	2
Other Mixed Background	1
Other White Background	5
White British	224
White Irish	4
Prefer Not to Say	8
<b>Total</b>	<b>310</b>

Diversity – age	
24 and under	3
25-34	79
35-44	105
45-54	87
55-64	33
65-74	3
<b>Total</b>	<b>310</b>

Diversity – gender	Directors	Senior Management	Other Employees	Total
Female	3	18	140	161
Male	4	19	126	149
<b>Total</b>	<b>7</b>	<b>37</b>	<b>266</b>	<b>310</b>

Sickness absence rates	
1 April 2021 to March 2022	% of working days lost
Quarter 1	2.99
Quarter 2	3.72
Quarter 3	4.49
Quarter 4	3.79
<b>Total</b>	<b>3.75</b>

### Sickness rates

During the year, the average proportion of working days lost to sickness was **3.75%** (2020-21: **1.84%**) which includes long term absence related to mental health, covid, cold/flu and extended periods of recovery following operations. Our occupational health and employee assistance partners provide us with ongoing support for colleagues and management alike.

### Staff turnover percentage

As of 31 March 2022, the staff turnover percentage at the Gambling Commission was **15.3%** (15% as at 31 March 2021). We will continue to report this figure in future years in line with Cabinet Office guidance.

### Trade Union facility time

Relevant union officials	
Number of employees who were relevant union officials during 2021-22	8
Full time equivalent employees who were relevant union officials during 2021-22	7.53

Percentage of time spent on facility time	
%	Number of employees
0	-
1-50	8
51-90	-
100	-

Percentage of pay bill spent on facility time	£'000s
Total cost of facility time	26
Total pay bill	19,167
<b>Percentage of the total pay bill spent of facility time</b>	<b>0.14%</b>

Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time	9%

# Parliamentary accountability disclosures

## Regularity of expenditure

### Losses and special payments – audited

Managing Public Money states that individual losses and special payments of more than **£300k** should be noted separately.

There were no losses or special payments exceeding **£300k** during 2021-22.

### Gifts – audited

Managing Public Money states any gifts made over the limits proscribed limits should be disclosed.

There were no gifts made during 2021-22.

## Fees and charges – audited

In accordance with Managing Public Money, entities should provide an analysis of fees and charges income where material.

See 'Fees and charges' on page 19.

## Remote contingent liabilities – audited

Managing Public Money states any material remote contingent liabilities (that is, those that are disclosed under Parliamentary reporting requirements and not under IAS 37) should be reported.

There are remote contingent liabilities of **£370,102** as at 31 March 2022 (**nil**, 2020/21).

The remote contingent liabilities figure is a combination of legal costs (**£79,342**) and voluntary exits (**£290,760**) which has been calculated under the guidance of IAS 37 and IAS 19, based on events existing at the balance sheet date.



### Andrew Rhodes

Chief Executive  
and Accounting Officer  
20 July 2022



### Marcus Boyle

Chair  
20 July 2022

# Parliamentary accountability and audit report

## The report of the Comptroller and Auditor General to the Houses of Parliament

### Opinion on financial statements

I have audited the financial statements of the Gambling Commission for the year ended 31 March 2022 under the Gambling Act 2005. The financial statements comprise:

- ▷ The Statement of Financial Position as at 31 March 2022;
- ▷ Statement of Comprehensive Net Expenditure, Statement of Cash Flows, Statement of Changes in Taxpayers' Equity for the year then ended; and
- ▷ the related notes, including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards. In my opinion, the financial statements:

- ▷ give a true and fair view of the state of the Gambling Commission's affairs as at 31 March 2022 and of the Gambling Commission's net expenditure for the year then ended; and
- ▷ have been properly prepared in accordance with the Gambling Act 2005 and Secretary of State directions issued thereunder.

### Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities

under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Gambling Commission in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Gambling Commission's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Gambling Commission's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Commission and the Accounting Officer with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the Gambling Commission is adopted in consideration of the

requirements set out in HM Treasury's Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

### Other Information

The other information comprises information included in the Annual Report but does not include the financial statements nor my auditor's report. The Commission and the Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

I have nothing to report in this regard.

### Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Gambling Act 2005.

In my opinion, based on the work undertaken in the course of the audit:

- ▷ the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Gambling Act 2005; and
- ▷ the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which I report by exception

In the light of the knowledge and understanding of the Gambling Commission and its environment obtained in the course of the audit, I have not identified material misstatements in the performance and accountability report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- ▷ I have not received all of the information and explanations I require for my audit; or
- ▷ adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- ▷ the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- ▷ certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made or parts of the Remuneration Report and Staff Report to be audited is not in agreement with accounting records and returns; or
- ▷ the Governance Statement does not reflect compliance with HM Treasury's guidance.

### Responsibilities of the Commission and Accounting Officer for the financial statements

As explained more fully in the Statement of the Commission and Accounting Officer's Responsibilities, the Commission and the Accounting Officer is responsible for:

- ▷ maintaining proper accounting records;
- ▷ the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;

- ▷ ensuring that the Annual Report and accounts as a whole is fair, balanced, and understandable;
- ▷ internal controls as the Commission and the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- ▷ assessing the Gambling Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Commission and the Accounting Officer anticipates that the services provided by the Gambling Commission will not continue to be provided in the future.

### Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with the Gambling Act 2005.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

#### **Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud**

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

#### **Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud**

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- ▷ the nature of the sector, control environment and operational performance including the design of the Gambling Commission's accounting policies, key performance indicators and performance incentives.
- ▷ Inquiring of management, the Gambling Commission's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Gambling Commission's policies and procedures relating to:
  - ▷ identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - ▷ detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - ▷ the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Gambling Commission's controls relating to the Gambling Commission's compliance with the Gambling Act 2005 and Managing Public Money.
- ▷ discussing among the engagement team and involving internal and external specialists, including legal, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Gambling Commission for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.



## The report of the Comptroller and Auditor General to the Houses of Parliament continued

I also obtained an understanding of the Gambling Commission's framework of authority as well as other legal and regulatory frameworks in which the Gambling Commission operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Gambling Commission. The key laws and regulations I considered in this context included the Gambling Act 2005 and Managing Public Money.

### **Audit response to identified risk**

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- ▷ reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- ▷ enquiring of management, in-house and external legal counsel, and the Audit and Risk Committee concerning actual and potential litigation and claims;
- ▷ reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports;
- ▷ in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- ▷ in addressing the risk of fraud in revenue recognition, assessing the design and implementation of controls over invoice raising and new licence awards in year; and testing the appropriateness of revenue transactions.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal and external specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of my report.

### **Other auditor's responsibilities**

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance 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.

### **Report**

I have no observations to make on these financial statements.

**Gareth Davies**

**20 July 2022**

**Comptroller and Auditor General**

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

# Financial statements

# Financial statements

## Statement of comprehensive net expenditure for the year ended 31 March 2022

	Notes	31 March 2022 £'000s	31 March 2021 £'000s
<b>Income</b>			
Licence fee income	5b	19,894	18,463
Other income	6	282	405
<b>Total Operating Income</b>		<b>20,176</b>	<b>18,868</b>
<b>Expenditure</b>			
Staff costs	4a	(19,167)	(21,256)*
Finance costs	4b	(84)	(102)
Finance expense	4b	(2)	(3)
Depreciation and amortisation	4c	(538)	(696)
Right-of-use depreciation	4c	(942)	(942)
Provision expense	4c & 13	(120)	(242)*
Other expenditure	4b	(24,338)	(14,925)*
<b>Total Operating Expenditure</b>		<b>(45,191)</b>	<b>(38,166)</b>
<b>Net Operating Expenditure</b>		<b>(25,015)</b>	<b>(19,298)</b>
Interest received	5b	10	15
Interest cost on pensions liability	4c	(3)	(4)
<b>Net expenditure for the year</b>		<b>(25,008)</b>	<b>(19,287)</b>
<b>Other comprehensive expenditure</b>			
	Notes	31 March 2022 £'000	31 March 2021 £'000
Actuarial loss on pension scheme liabilities	14	(11)	(9)
<b>Comprehensive expenditure for the year</b>		<b>(25,019)</b>	<b>(19,296)</b>

\* 2020-21 numbers are reclassified, further information is included in Note 2 of the accounts.

The notes on pages 64 to 84 form part of these accounts.

The Commission receives grant-in-aid funding which covers fully National Lottery expenditure.

Grant-in-aid is treated as a financing transaction rather than revenue and is taken directly to reserves.

## Statement of financial position

### for the year ended 31 March 2022

	Notes	31 March 2022 £'000s	31 March 2021 £'000s Restated	1 April 2020 £'000s Restated
<b>Non-current assets</b>				
Property, plant and equipment	7	649	693	910
Intangible assets	8	323	553	773
Right-of-use assets	17	3,004	3,945	4,887
<b>Total non-current assets</b>		<b>3,976</b>	<b>5,191</b>	<b>6,570</b>
<b>Current assets</b>				
Trade and other receivables	9	21,850	12,188*	2,273*
Cash and cash equivalents	10	27,325	17,556	16,605
<b>Total current assets</b>		<b>49,175</b>	<b>29,744</b>	<b>18,878</b>
<b>Total assets</b>		<b>53,151</b>	<b>34,935</b>	<b>25,448</b>
<b>Current liabilities</b>				
Trade and other payables	11	(20,176)	(14,079)*	(13,655)
Provisions for liabilities and charges	13	(435)	(315)*	–
Retirement benefit obligations	14	(16)	(16)	(15)
Consolidated Fund Income	15	(22,324)	(11,270)*	(1,635)*
Short Term Lease Liabilities	18	(869)	(932)	(782)
<b>Total current liabilities</b>		<b>(43,820)</b>	<b>(26,612)*</b>	<b>(16,087)*</b>
<b>Total assets less current liabilities</b>		<b>9,331</b>	<b>8,323*</b>	<b>9,361</b>
<b>Non-current liabilities</b>				
Deferred Income	12	(534)	(628)	(794)
Long Term Lease Liabilities	18	(2,460)	(3,305)	(4,398)
Retirement benefit obligations	14	(197)	(199)	(203)
<b>Total non-current liabilities</b>		<b>(3,191)</b>	<b>(4,132)</b>	<b>(5,395)</b>
<b>Total assets less total liabilities</b>		<b>6,140</b>	<b>4,191*</b>	<b>3,966</b>
<b>Taxpayers' equity</b>				
Income & Expenditure Reserve		6,140	4,191*	3,966
<b>Total equity</b>		<b>6,140</b>	<b>4,191</b>	<b>3,966</b>

\* 2020-21 and 2019-20 numbers have been restated, further information is included in Note 2 of the accounts. The notes on pages 64 to 84 form part of these accounts



**Andrew Rhodes**

Chief Executive and Accounting Officer  
Gambling Commission  
20 July 2022

# Financial statements

## Statement of cash flow for the year ended 31 March 2022

	Notes	31 March 2022 £'000s	31 March 2021 £'000s restated
<b>Cash flows from operating activities</b>			
Net operating cost after taxation		(25,008)	(19,287)
<b>Adjustments for non-cash transactions expenditure:</b>			
Programme expenditure	4c	1,850	1,884
<b>Other Adjustments</b>	4b & 5b	74	87
<b>Trade and other receivables – (Increase)/Decrease in trade and other receivables</b>	9	(9,662)	(9,637)
<b>Trade and other payables – Increase/(Decrease) in trade payables</b>	11,12,15 & 18	16,148	8,745
<b>Use of provisions – utilised in year</b>	13	(247)	–
<b>Pension schemes (Expected Return on Assets and Interest on Liabilities are included in non-cash adjustments above)</b>			
Unfunded pension scheme – payments	14	(16)	(16)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>(16,861)</b>	<b>(18,224)</b>
<b>Cash flows from investing activities (i.e. that flow through the balance sheet)</b>			
<b>Purchase of property, plant and equipment, Heritage Assets and Right of Use Assets</b>			
Additions	7	(264)	(194)
<b>Purchase of intangible assets</b>			
Additions	8	–	(65)
<b>Interest Receivable</b>			
Interest Receivable	5b	10	15
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(254)</b>	<b>(244)</b>
<b>Cash flows from financing activities</b>			
Grant in aid received from DCMS – this is not income but financing recorded in General Fund	20	26,968	19,521
<b>IFRS 16: Leases</b>			
Interest payable for lease liabilities	18	(84)	(102)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>26,884</b>	<b>19,419</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>		<b>9,769</b>	<b>951</b>
<b>Cash and cash equivalents at the beginning of the period</b>	10	<b>17,556</b>	<b>16,605</b>
<b>Cash and cash equivalents at the end of the period</b>	10	<b>27,325</b>	<b>17,556</b>
<b>Movement in cash – closing minus opening</b>		<b>9,769</b>	<b>951</b>

\* 2020-21 numbers have been restated, further information is included in Note 2 of the accounts.  
The notes on pages 64 to 84 form part of these accounts.

## Statement of changes in taxpayers' equity for the year ended 31 March 2022

	Notes	Pension scheme reserves £'000s	General Fund £'000s	Total Reserve £'000s
<b>Balance at 31 March 2020</b>		(218)	4,184	3,966
<b>Changes in tax payers' equity</b>				
<b>Other Adjustments</b>				
Grant in aid received from DCMS – Restated*	20*		19,521	19,521
<b>Movements in Reserves</b>				
Actuarial gains/losses	14	(9)		(9)
Transfers to/from other reserves		12	(12)	–
<b>Total</b>		3	(12)	(9)
SoCNE – Retained (Surplus)/Deficit for year			(19,287)	(19,287)
<b>Balance at 31 March 2021 – Restated*</b>	*	(215)	4,406	4,191
<b>Changes in tax payers' equity</b>				
<b>Other Adjustments</b>				
Grant in aid received from DCMS	20		26,968	26,968
<b>Movements in Reserves</b>				
Actuarial gains/losses	14	(11)		(11)
Transfers to/from other reserves		13	(13)	–
<b>Total</b>		2	(13)	(11)
SoCNE – Retained (Surplus)/Deficit for year			(25,008)	(25,008)
<b>Balance at 31 March 2022</b>		(213)	6,353	6,140

\* 2020-21 restated, further information is included in Note 2 of the accounts

The notes on pages 64 to 84 form part of these accounts.

# Notes to the accounts for the 12 months ended 31st March 2022

## 1: Statement of accounting policies

The policies adopted are in accordance with the International Financial Reporting Standards (IFRS), to the extent they are meaningful and appropriate in the public sector context, as adopted and interpreted by the 2021/22 Financial Reporting Manual (FReM) issued by Her Majesty's Treasury (HMT).

### a) Accounting conventions

These are the accounts for the Gambling Commission (the Commission) covering the twelve months from 1 April 2021 to 31 March 2022. They have been prepared in a form directed by the Secretary of State for Digital, Culture, Media, and Sport (DCMS) with the approval of HMT, in accordance with Schedule 4 of the Gambling Act 2005 (the Act). A copy of the accounts direction can be obtained from the Commission.

The particular policies adopted by the Commission are described below and have been applied consistently during the year. No new accounting standards have been adopted during the year.

### b) Non-current assets

Non-current asset purchases are capitalised if the original purchase price of an item or group of related items is **£2,500** or more and the asset or group of assets has a useful life that exceeds one year. Purchased software licences are classified as intangible assets.

#### Accounting estimates and judgements

##### *Critical accounting estimates and judgements*

##### **Valuation of non-current assets**

The value of the Commission's property, plant and equipment, right of use assets and intangibles are estimated based on the period over which the assets are expected to be available for use. Such estimation is based on experience with similar assets. The estimated useful life of each asset is reviewed periodically and

updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence or legal or other limits on the use of an asset.

##### **Extension options**

At lease commencement the Commission makes a decision as to whether it is reasonably certain to be exercising break clauses and extension options. This judgement impacts the length of the lease term impacting the lease liabilities and right of use assets. This is reviewed if there is a significant event or significant change of circumstances during 2021-22.

##### **Provisions for liabilities and charges**

Provisions are assessed according to IAS 37 guidance, ensuring a legal or constructive obligation exists at the balance sheet date, which have a probable outflow of economic resources and can be measured reliably.

##### **Depreciation and amortisation**

Depreciation and amortisation are provided on all non-current assets on a straight-line basis to write off the cost or valuation evenly over the asset's currently anticipated life as shown in the table below.

##### Anticipated life of assets

Asset	Anticipated life
IT Hardware	4 years
IT Software Licences	Over the life of the licence
IT Developed Software	5 years
Fixtures & Fittings	10 years
Furniture	10 years
Equipment	7 years
Telecoms	7 years
Motor Vehicles	4 years
Right-of-use	Over the life of the lease

Depreciation and amortisation are charged in full in the month following acquisition of the asset, with no charge being made in the month of disposal. No amortisation is charged on software development until the asset is completed.

### Property, plant & equipment

Property, plant and equipment is stated at depreciated historic cost as a proxy for fair value. All of the Commission's assets are short life assets (less than 10 years) and therefore depreciated historic cost is not considered to be materially different from fair value. A review of property, plant and equipment is undertaken annually to ensure that all items are still in use and that disposals have been appropriately treated through the year.

Property leases assessed for IFRS 16 Right-Of-Use assets are valued using a cost model which has been used as a proxy for current value as the underlying asset value of the short lease is unlikely to fluctuate significantly.

Annual reviews are also undertaken to identify any impairment of assets in accordance with the International Accounting Standard (IAS) 36. Any gain or loss arising from the disposal of property, plant and equipment is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Comprehensive Net Expenditure account as other income or other expenditure.

### Intangible assets

The Commission's intangible assets are recorded in accordance with IAS 38. IAS 38 sets out the criteria for recognising and measuring intangible assets and requires disclosures about them. An intangible asset is an identifiable non-monetary asset without physical substance. Such an asset is identifiable when it is separable, or when it arises from contractual or other legal rights.

Under IFRS software development is classified as an intangible asset. Expenditure on development is capitalised only where all of the following can be demonstrated:

- ▶ the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;

- ▶ the Commission intends to complete the asset and sell or use it;
- ▶ the Commission has the ability to sell or use the asset;
- ▶ the intangible asset will generate probable future economic or service delivery benefits, for example there is a market for it or its output, or where the asset is to be used for internal use, the usefulness of the asset can be determined;
- ▶ there are adequate financial, technical and other resources available to the Commission to complete the development and sell or use the asset; and,
- ▶ the Commission can measure reliably the expenses attributable to the asset during development.

Internal staff costs that have been directly incurred in the implementation of capital projects are identified as capital expenditure, provided that they satisfy the conditions of IAS 38. Research costs have not been capitalised.

Software purchases that have not required development prior to completion are identified as additions within the category software in the intangible fixed asset note.

In accordance with the FReM, all intangible assets are carried at fair value. Depreciated historical cost is used as a proxy for fair value, which is considered not to be materially different from fair value.

### Revaluation

Increases in value are credited to the Revaluation Reserve, unless it is a reversal of a previous impairment. Reversals are credited to the Consolidated Statement of Comprehensive Net Expenditure to the extent of the previous impairment and any excess is credited to the Revaluation Reserve, in accordance with IAS 36, the Impairment of Assets.

On disposal of a revalued asset, the balance on the Revaluation Reserve in respect of that asset becomes fully realised and is transferred to the General Fund. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Net Expenditure.



# Notes to the accounts for the 12 months ended 31st March 2022 continued

## c) Pension costs

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is a defined benefit scheme and is unfunded and contributory.

The Commission recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis.

Upon the merger between the Commission and the National Lottery Commission, the Commission inherited a pension liability for the former Director General of the Office of the National Lottery (OFLOT). This pension is an unfunded defined benefit scheme which has benefits by analogy to the PCSPS and is paid directly from the Commission's own funds. In 2001, upon the recipient reaching retirement age, pension payments commenced. This was calculated using actuarially assessed assumptions at 31 March 2022.

## d) Operating leases

Following the adoption of IFRS 16 in the 2019-20 financial accounts, the Commission has categorised all leases as finance leases, with the exception of those leases which are exempt either by having less than 12 months to run from 31st March 2022 or are considered low value (less than **£5,000**).

Rentals due under operating leases are charged over the lease term on a straight-line basis, or on the basis of actual rental payable where this fairly reflects usage.

## e) Finance leases

IFRS 16 'Leases' was implemented from 1 April 2019; this introduces a single lessee accounting model that requires a lessee to recognise assets and liabilities for all leases (apart from the exemptions included below).

For government bodies reporting under the FReM, IFRS 16 will be brought into effect on 1 April 2022 and replaces IAS 17 (Leases). The Commission elected, with DCMS authority, to early adopt IFRS 16 in 2019-20 (as adapted by the 2020-21 FReM).

In respect of lessees, IFRS 16 removes the distinction between operating and finance leases and introduces a single accounting model that requires a lessee to recognise ('right-of-use') assets and lease liabilities.

The definition of a lease has been updated under IFRS 16, there is more emphasis on being able to control of the use of asset identified in a contract. There are new requirements for variable lease payments such as RPI/CPI uplifts; and there is an accounting policy choice allowable to separate non-lease components.

At inception of a contract, the Commission assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time. This includes assets for which there is no consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Commission assesses whether:

- ▷ The contract involves the use of an identified asset;
- ▷ The Commission has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use; and
- ▷ The Commission has the right to direct the use of the asset.

The policy is applied to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Commission allocates the consideration in the contract to each lease component on the basis of the relative standalone prices.

The Commission assesses whether it is reasonably certain to exercise break options or extension options at the lease commencement date. The Commission reassesses this if there are significant events or changes in circumstances that were anticipated.

### **As a lessee**

#### ***Right of use assets***

The Commission recognises a right of use asset and lease liability at the commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments or incentives, and costs related to restoration at the end of a lease.

The right of use assets are subsequently measured at either fair value or current value in existing use in line with property, plant and equipment assets. The cost measurement model in IFRS 16 is used as an appropriate proxy for current value in existing use or fair value for the majority of leases (consistent with the principles for subsequent measurement of property, plant and equipment) except for those which meet one of the following:

- ▷ A longer-term lease that has no provisions to update lease payments for market conditions or if there is a significant period of time between those updates; and;
- ▷ The fair value or current value in existing use of the underlying asset is likely to fluctuate significantly due to changes in market prices.

The right of use assets is depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis of those of property plant and equipment assets.

The Commission applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

#### **Lease liabilities**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the rate provided by HMT.

The lease payment is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in the index or rate, if there is a change in the Commission's estimates of the amount expected to be payable under a residual value guarantee, or if the Commission changes its assessment of whether it will exercise a purchase, extension or termination option.

Lease payments included in the measurement of the lease liability comprise the following:

- ▷ Fixed payments, including in-substance fixed payments;
- ▷ Variable lease payments that depend on an index or a rate, initially measured using the index rate as at the commencement date;
- ▷ Amounts expected to be payable under a residual value guarantee;
- ▷ The exercise price under a purchase option that the Commission is reasonably certain to exercise, lease payments in an optional renewal period if the Commission is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Commission is reasonably certain not to terminate early.

When the lease liability is remeasured a corresponding adjustment is made to the right of use asset or recorded in the Statement of comprehensive net expenditure (SoCNE) if the carrying amount of the right of use asset is zero.

The Commission presents right of use assets that do not meet the definition of investment properties per IAS40 as

# Notes to the accounts for the 12 months ended 31st March 2022 continued

right of use assets on the Statement of Financial Position. The lease liabilities are included within Lease liabilities within current and non-current liabilities on the Statement of Financial Position.

## f) Employee costs

Under IAS 19 Employee Benefits legislation, all employee business or employment related costs must be recorded as an expense as soon as the organisation is obliged to pay them. This includes the cost of any untaken leave as at the year end. The cost of untaken leave has been determined using data from the Commission's electronic leave records.

Permanent and short term employee costs are presented in accordance with IFRS. Permanent and short term employees are identified as follows:

- ▷ Permanent employees are those with a permanent (UK) employment contract with the Commission.
- ▷ Short term employees are other employees engaged on the objectives of the entity (for example, short term contract employees, agency/temporary employees, locally engaged employees overseas and inward secondments where the entity is paying the whole or the majority of their costs).

## g) Value Added Tax

The Commission is not registered for VAT and therefore all costs are shown inclusive of VAT where VAT has been incurred.

## h) Licence fee receipts & fee income recognition

Income is recognised in line with IFRS 15 principles. In practice there has been no change in recognition from the policy followed under IAS 18.

IFRS 15 introduces a new five stage model for the recognition of revenue from contracts with customers. The core principle is to recognise revenue so that it depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange

for those goods or services. The Commission have considered the five-step process and have determined no change to the revenue recognition approach.

The Commission collects fee income in relation to the Gambling Act 2005. In accordance with its Financial & Accounting Policy, the Commission recognises income in the following way:

- ▷ **Operator licence application fees:**  
Income is recognised in full when the operator licence is issued.
- ▷ **Operator licence annual fees:**  
Income is recognised equally over the duration of the licence.
- ▷ **Personal licence fees:**  
**60%** of the Application income received is recognised when the licence is issued (to reflect the application costs)  
The remaining **40%** is recognised equally over the duration of the licence (i.e. 5 years).  
**35%** of the Maintenance renewal income received is recognised when the licence is issued (to reflect the renewal costs).  
The remaining **65%** is recognised equally over the duration of the licence (i.e. 5 years).

## i) Financing

The Commission receives grant-in-aid funding for National Lottery operations. In accordance with the FReM, Grant-in-aid is treated as a financing transaction rather than as revenue as it is a contribution from a controlling entity.

The Commission holds reserves as a matter of prudent financial management, principally so that it can fund substantial legal action in furtherance of its regulatory objectives, manage short-term fluctuations in its licensing income, and provide for foreseeable but not yet certain liabilities such as dilapidations. At present the Commission calculates that reserves of **£3.5 million** meet this requirement. Reserves were maintained at this level at the close of 2020-21 as a result of a Grant-in-Aid advance

from our sponsor department. As an arms-length body the Commission does not hold reserve to cover terminal liabilities as these would be met by its parent government department.

### **j) Functional and presentational currency**

The Commission's functional and presentational currency is sterling. The very small number of transactions denominated in a foreign currency have been translated into sterling at the exchange rate ruling on the date of the transaction. Any exchange rate gains or losses are recognised in the appropriate period.

### **k) Corporation Tax**

The Commission is registered with HMRC to pay Corporation Tax on interest received on cash balances held in the bank.

### **l) Segmental reporting**

During the year the Commission's Board as 'Chief Operating Decision Maker' has determined that the Commission operated in three distinct material segments; to regulate commercial gambling, to regulate the current National Lottery, and to commission the 4th National Lottery. All three segments fall within one main geographical segment, UK. The Commission has distinct sources of income for the three segments; licence fees for gambling regulation, grant-in-aid for National Lottery regulation, and National Lottery Commissioning. The segmental reporting format in note 2 reflects the Commission's management and internal reporting structure.

### **m) Cash and cash equivalents**

The Commission's cash deposits are held with a single commercial bank, and with the Government Banking Service.

### **n) Treatment of penalty packages**

Section 121 of the Gambling Act 2005 provides that the Commission may require the holder of an operating licence to pay a penalty if the Commission thinks that a condition of the licence has been breached. The Commission may impose a financial penalty following a review under section

116(1) or (2) of the Act. The Commission also has the power to impose a financial penalty without carrying out a licence review. Once a financial penalty has been imposed the Commission pays received monies into a Consolidated Fund, once it has deducted its costs and a reasonable share of its expenditure, as set out at section 121(5)(c).

Where the Commission has issued a penalty in respect of a regulatory failing or breach, in the majority of cases the penalty is paid directly to a benefactor (where a benefactor has been identified) or to a nominated responsible gambling charity. The Commission only recovers any direct costs as a result of undertaking the investigation or the imposition and enforcement of the penalty. The amounts retained by the Commission are shown within the accounts as other income.

In the event that a fine is issued for a regulatory breach, the Commission will collect the fine and pay it to the Consolidated Fund having deducted the costs of its investigation under the principle above.

Cost recovery or amounts due to be passed over to the Consolidated Fund at the year end are shown within Note 15 Consolidated Fund Income note.

### **o) Going concern**

The financial statements have been prepared on a going concern basis. As a statutory body created under the Gambling Act 2005 we anticipate continuing to provide a statutory service in the future. The Gambling Act Review is due for publication in the coming months, and we anticipate the Gambling Commission will have a key role to play in supporting the delivery of proposals to be announced in the subsequent White Paper. We have also confirmed Grant-in-Aid financing for 2022-23 to continue our work on regulation of the National Lottery and Fourth National Lottery competition (HMT approval is required under legislation). As such the accounts have been prepared on a going concern basis.

# Notes to the accounts for the 12 months ended 31st March 2022 continued

## 2: Prior period adjustments and reclassifications

### Consolidated Fund Income<sup>1</sup>

Following a review of the FReM section 11.3.9 for Fines and penalties, it was identified the disclosure should show the total amount repayable to the Consolidated Fund (including unreceived cash which has been invoiced or provided for). Historically, the Commission disclosed the amount of penalty proceeds received in the bank and yet to be surrendered to the consolidated fund.

The Commission considers that it is appropriate to recognise this transaction as a prior period adjustment due to its value.

A prior year adjustment (**£11,270k**) has therefore been recorded to increase the Trade and other receivables and Consolidated Fund Income liabilities by the same amount. The net effect to Taxpayers' equity is **£Nil**.

As per IAS 8.42 as the presentation of the Consolidated Fund payable was not presented in line with the FReM for periods preceding 2020-21 then there is a requirement to show the restated opening balances. A third column as at 01 April 2020 has been included on the SoFP.

### Provisions for liabilities and charges<sup>2</sup>

In accordance with the FReM and IAS 37 (Provisions, Contingent Liabilities and Contingent Assets), a separate provisions note has been included in this year's accounts. Provisions were previously recognised as accruals and have been reclassified in the year.

A prior year reclassification has therefore been recorded to decrease the Trade and other payables (**£315k**) and increase Provisions for liabilities and charges by the same amount. The net effect to Taxpayers' equity is **£Nil**.

### Grant-in-aid repayable 2020-21<sup>3</sup>

The Commission receives grant-in-aid funding for National Lottery operations. In accordance with the FReM, Grant-in-aid is treated as a financing transaction rather than as revenue as it is a contribution from a controlling entity.

2020-21 Trade and other payables included **£240k** of grant-in-aid which was repayable in 2021-22.

A prior year adjustment (**£240k**) has therefore been recorded to increase Taxpayers' equity and decrease Trade and other payables by the same amount.

### Statement of financial position as at 31 March 2021

	As previously £'000s	Adjustment £'000s	Restated amount £'000s
<b>Current assets</b>			
Trade and other receivables <sup>1</sup>	918	11,270	12,188
<b>Current liabilities</b>			
Trade and other payables <sup>2/3</sup>	(14,634)	555	(14,079)
Provisions for liabilities and charges <sup>2</sup>	–	(315)	(315)
Consolidated Fund Income <sup>1</sup>	–	(11,270)	(11,270)
<b>Taxpayers' equity</b>			
Income & Expenditure Reserve <sup>3</sup>	3,951	240	4,191

1 Consolidated Fund Income

2 Provisions for liabilities and charges

3 Grant-in-aid repayable 2020-21

## 3: Statement of Operating Costs by Operating Segment

### a) Statement of Comprehensive Net Expenditure by operating segment as at March 2022

	31 March 2022				31 March 2021			
	Gambling operations	National Lottery operations	National Lottery Competition	Total	Gambling operations	National Lottery operations	National Lottery Competition	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Expenditure</b>								
Staff Costs	(13,804)	(2,136)	(3,227)	(19,167)	(15,804)	(2,266)	(3,186)	(21,256)
Finance costs	(78)	–	(6)	(84)	(92)	–	(10)	(102)
Finance expense	(2)	–	–	(2)	(3)	–	–	(3)
Depreciation and amortisation	(519)	(19)	–	(538)	(668)	(28)	–	(696)
Right-of-use depreciation	(738)	–	(204)	(942)	(738)	–	(204)	(942)
Provision expense	(120)	–	–	(120)	(132)	–	(110)	(242)
Other expenditure	(3,670)	(448)	(20,220)	(24,338)	(3,129)	(462)	(11,334)	(14,925)
Expenditure	(18,931)	(2,603)	(23,657)	(45,191)	(20,566)	(2,756)	(14,844)	(38,166)
Income	20,176	–	–	20,176	18,868	–	–	18,868
<b>Net Operating Expenditure</b>	<b>1,245</b>	<b>(2,603)</b>	<b>(23,657)</b>	<b>(25,015)</b>	<b>(1,698)</b>	<b>(2,756)</b>	<b>(14,844)</b>	<b>(19,298)</b>
Interest receivable	10	–	–	10	15	–	–	15
Interest cost on pensions liability	–	(3)	–	(3)	–	(4)	–	(4)
<b>Interest and finance costs</b>	<b>10</b>	<b>(3)</b>	<b>–</b>	<b>7</b>	<b>15</b>	<b>(4)</b>	<b>–</b>	<b>11</b>
<b>Net Operating Expenditure after interest and finance costs</b>	<b>1,255</b>	<b>(2,606)</b>	<b>(23,657)</b>	<b>(25,008)</b>	<b>(1,683)</b>	<b>(2,760)</b>	<b>(14,844)</b>	<b>(19,287)</b>
<b>Other Comprehensive Expenditure</b>								
Actuarial loss on pension scheme liability	–	(11)	–	(11)	–	(9)	–	(9)
<b>Comprehensive expenditure for the year</b>	<b>1,255</b>	<b>(2,617)</b>	<b>(23,657)</b>	<b>(25,019)</b>	<b>(1,683)</b>	<b>(2,769)</b>	<b>(14,844)</b>	<b>(19,296)</b>

### b) Statement of Financial Position by operating segment as at March 2022

	31 March 2022				31 March 2021			
	Gambling operations	National Lottery operations	National Lottery Competition	Total	Gambling operations	National Lottery operations	National Lottery Competition	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Non-current assets	3,855	3	118	3,976	4,847	22	322	5,191
Current assets	49,174	1	–	49,175	29,743	1	–	29,744
<b>Total assets</b>	<b>53,029</b>	<b>4</b>	<b>118</b>	<b>53,151</b>	<b>34,590</b>	<b>23</b>	<b>322</b>	<b>34,935</b>
Current liabilities	(43,413)	(204)	(203)	(43,820)	(25,995)*	(338)*	(278)*	(26,612)
Non-current liabilities	(2,994)	(197)	–	(3,191)	(3,802)*	(199)*	(131)*	(4,132)
<b>Total liabilities</b>	<b>(46,407)</b>	<b>(401)</b>	<b>(203)</b>	<b>(47,011)</b>	<b>(29,797)*</b>	<b>(537)*</b>	<b>(409)*</b>	<b>(30,744)</b>
<b>Assets less liabilities</b>	<b>6,622</b>	<b>(397)</b>	<b>(85)</b>	<b>6,140</b>	<b>4,793*</b>	<b>(514)*</b>	<b>(87)*</b>	<b>4,191</b>

\* 2020-21 numbers have been restated and reclassified, further information is included in Note 2 of the accounts

# Notes to the accounts for the 12 months ended 31st March 2022 continued

## 4: Expenditure

### a) Staff costs

	2022 £'000s	2021 £'000s
Wages and Salaries	14,034	15,848
Social Security Costs	1,496	1,557
Other Pension Costs	3,637	3,851
<b>Total</b>	<b>19,167</b>	<b>21,256</b>

2021-22 Includes Redundancy and other departure costs totalling **£0.330m** compared to **£1.028m** paid in 2020-21.

During 2021-22 we achieved **£1.52m** in staff vacancy savings compared to a savings target of **£834,000**. This was due to a high turnover and slow recruitment.

Further analysis of staff costs is located in the Remuneration and Staff Report.

### b) Other expenditure

	2022 £'000s	2021 £'000s
Accommodation	880	746
Professional fees <sup>1</sup>	13,882	7,277
Consultancy Costs <sup>2</sup>	3,078	2,003
External Legal Fees	2,188	1,891
Travelling and subsistence	50	2
Agency Staff	1,211	225
Other staff costs	141	102
Recruitment, training and development	347	273
Office services	1,519	1,659
External audit fee <sup>3</sup>	63	61
Internal audit costs	152	198
Research costs <sup>4</sup>	668	370
Other costs	159	118
<b>Other expenditure</b>	<b>24,338</b>	<b>14,925</b>
Finance costs <sup>5</sup>	84	102
Finance expense <sup>6</sup>	2	3
<b>Total other expenditure</b>	<b>24,424</b>	<b>15,030</b>

1 Professional fees totalling **£13.88m** (2020/21 **£7.28m**), **£11.84m** relates to increased costs for the National Lottery Competition.

Of which **£2.71m** relates to Transition Costs, **£2.18m** relates to Policy and Licence Design and **£6.21m** for Other Professional Fees.

2 Consultancy costs totalling **£3.08m** (2020/21 **£2.00m**), **£3.02m** relates to increased costs for the National Lottery Competition.

3 The external audit fee represents the cost of the audit of the accounts carried out by NAO. No non audit work was undertaken by the NAO during the year. The external audit fee for 2021/22 is **£63,000** (2020/21 **£61,000**).

4 Research costs includes costs associated with prevalence studies into gambling. This totalled **£668,468** in 2021/22 (2020/21 **£370,106**). This also includes National Lottery research costs totalling **£101,784** in 2021/22 (2020/21 **£2,525**).

5 Finance costs relate to Interest on lease liabilities.

6 Finance expense of **£2k** (**£3k** 2020-21) relating to tax on interest receivable.

Included within other expenditure are payments made by the Commission during the year under operating leases under IAS17.

This shows annual lease expenditure under the exemption thresholds within IFRS16.

	2022 £'000s	2021 £'000s
Land and buildings	–	–
Other	3	13
<b>Total</b>	<b>3</b>	<b>13</b>

The above analysis comprises the following figures from the Statement of Comprehensive Net Expenditure and Statement of Changes in Taxpayers Equity.

### c) Non-cash items

	2022 £'000s	2021 £'000s
Depreciation of property, plant and equipment	308	411
Amortisation of intangibles	230	285
Depreciation of right-of-use assets	942	942
<b>Non-cash operating expenditure</b>	<b>1,480</b>	<b>1,638</b>
Interest cost on pension scheme liability	3	4
<b>Non-cash expenditure</b>	<b>3</b>	<b>4</b>
Redundancy and other departure costs Provisions	133	132
Bloomsbury Street service charge	–	110
Legal provisions	234	–
<b>Provisions provided for in year</b>	<b>367</b>	<b>242</b>
<b>Total Non-cash transactions</b>	<b>1,850</b>	<b>1,884</b>

## 5: Fee cash receipts

### a) Gambling Act 2005 fee cash receipts

This note is to show the fee cashflow during the year, prior to recognition under IFRS 15:

	2022 £'000s	2021 £'000s
Operator licence applications		
Application fees	1,593	911
Annual fees	21,305	16,346
Personal licence applications	580	381
<b>Total fee income received</b>	<b>23,478</b>	<b>17,638</b>
Interest on fee income	10	15
<b>Total</b>	<b>23,488</b>	<b>17,653</b>

The changes include a **55 percent** increase in the fee bands for annual operating licences for online operators, which took effect on 1 October 2021. Fee bands for land-based operators will increase by **15 percent**, with these increases coming into effect on 6 April 2022 in recognition of the impact that COVID-19 closures have had on these businesses.

In addition to the rises to fee bands for annual operating licences, all application fees will increase by **60 percent** and discounts for being licensed for multiple activities will be removed.

[Government increases licence fees for gambling operators – GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/government-increases-licence-fees-for-gambling-operators)

### b) Gambling Act 2005 income recognised

Fees payable under the Act are identified by income stream, and released to the Commission's Statement of Comprehensive Net Expenditure in accordance with the Commission's Financial and Accounting Policy. Recognised fee income is included within the Statement of Comprehensive Net Expenditure as 'Licence Fee income'.

**Gambling Act 2005 fee income recognised in the year is as follows:**

	2022 £'000s	2021 £'000s
Operator licence applications		
Application fees	1,212	663
Annual fees	18,017	17,223
Personal licence applications	665	577
<b>Total fee income</b>	<b>19,894</b>	<b>18,463</b>
Interest received <sup>1</sup>	10	15
<b>Total</b>	<b>19,904</b>	<b>18,478</b>

<sup>1</sup> Interest received on fee income.



# Notes to the accounts for the 12 months ended 31st March 2022 continued

## 6: Other income

Other income collected during the year relates to penalties issued for breach of licence conditions, withdrawn applications, contributions to costs arising from enforcement action.

	2022 £'000s	2021 £'000s
Other income	282	405
<b>Total other income</b>	<b>282</b>	<b>405</b>

## 7: Property, plant & equipment

	Information Technology £'000s	Furniture & fittings £'000s	Plant & machinery £'000s	Assets under the course of construction £'000s	Total £'000s
<b>Cost/valuation</b>					
At 1 April 2020	2,511	2,287	185	126	5,109
Additions	192	2	–	–	194
Assets brought into use	126	–	–	(126)	–
<b>At 31 March 2021</b>	<b>2,829</b>	<b>2,289</b>	<b>185</b>	<b>–</b>	<b>5,303</b>
<b>Accumulated depreciation</b>					
At 1 April 2020	1,847	2,168	184	–	4,199
Provided in year	334	77	–	–	411
<b>At 31 March 2020</b>	<b>2,181</b>	<b>2,245</b>	<b>184</b>	<b>–</b>	<b>4,610</b>
<b>Carrying value at 31 March 2021</b>	<b>648</b>	<b>44</b>	<b>1</b>	<b>–</b>	<b>693</b>
<b>Carrying value at 31 March 2020</b>	<b>664</b>	<b>119</b>	<b>1</b>	<b>126</b>	<b>910</b>

	Information Technology £'000s	Furniture & fittings £'000s	Plant & machinery £'000s	Assets under the course of construction £'000s	Total £'000s
<b>Cost/valuation</b>					
At 1 April 2021	2,829	2,289	185	–	5,303
Additions	45	4	–	–	49
Assets brought into use	–	–	–	215	215
<b>At 31 March 2022</b>	<b>2,874</b>	<b>2,293</b>	<b>185</b>	<b>215</b>	<b>5,567</b>
<b>Accumulated depreciation</b>					
At 1 April 2021	2,181	2,245	184	–	4,610
Provided in year	292	15	1	–	308
<b>At 31 March 2022</b>	<b>2,473</b>	<b>2,260</b>	<b>185</b>	<b>–</b>	<b>4,918</b>
<b>Carrying value at 31 March 2022</b>	<b>401</b>	<b>33</b>	<b>–</b>	<b>215</b>	<b>649</b>
<b>Carrying value at 31 March 2021</b>	<b>648</b>	<b>44</b>	<b>1</b>	<b>–</b>	<b>693</b>

## 8: Intangible assets

	IT Software £'000s	IT Software licences £'000s	Websites £'000s	Assets under the course of construction £'000s	Total £'000s
<b>Cost/valuation</b>					
At 1 April 2020	6,410	427	298	64	7,199
Additions	60	5	–	–	65
Assets brought into use	64	–	–	(64)	–
<b>At 31 March 2021</b>	<b>6,534</b>	<b>432</b>	<b>298</b>	<b>–</b>	<b>7,264</b>
<b>Accumulated amortisation</b>					
At 1 April 2020	5,761	424	241	–	6,426
Provided in year	258	3	24	–	285
<b>At 31 March 2021</b>	<b>6,019</b>	<b>427</b>	<b>265</b>	<b>–</b>	<b>6,711</b>
<b>Carrying value at 31 March 2021</b>	<b>515</b>	<b>5</b>	<b>33</b>	<b>–</b>	<b>553</b>
<b>Carrying value at 31 March 2020</b>	<b>649</b>	<b>3</b>	<b>57</b>	<b>64</b>	<b>773</b>

	IT Software £'000s	IT Software licences £'000s	Websites delivering services £'000s	Assets under the course of construction £'000s	Total £'000s
<b>Cost/valuation</b>					
At 1 April 2021	6,534	432	298	–	7,264
<b>At 31 March 2022</b>	<b>6,534</b>	<b>432</b>	<b>298</b>	<b>–</b>	<b>7,264</b>
<b>Accumulated amortisation</b>					
At 1 April 2021	6,019	427	265	–	6,711
Provided in year	209	3	18	–	230
<b>At 31 March 2022</b>	<b>6,228</b>	<b>430</b>	<b>283</b>	<b>–</b>	<b>6,941</b>
<b>Carrying value at 31 March 2022</b>	<b>306</b>	<b>2</b>	<b>15</b>	<b>–</b>	<b>323</b>
<b>Carrying value at 31 March 2021</b>	<b>515</b>	<b>5</b>	<b>33</b>	<b>–</b>	<b>553</b>

## 9: Trade and other receivables

	2022 £'000s	2021 £'000s Restated
Trade receivables	152	130
Consolidated Fund receipts due*	21,079	11,270*
Deposits and advances	2	13
Accrued income	–	157
Prepayments	617	618
<b>Balance at 31 March</b>	<b>21,850</b>	<b>12,188*</b>

\* 2020-21 numbers are restated, further information is included in Note 2 of the accounts

# Notes to the accounts for the 12 months ended 31st March 2022 continued

## 10: Cash and cash equivalents

	2022 £'000s	2021 £'000s
Balance at 1 April	17,556	16,605
Net change in cash and cash equivalent balances	9,769	951
<b>Balance at 31 March</b>	<b>27,325</b>	<b>17,556</b>
The following balances at 31 March were held at:		
Government Banking Service	17,502	7,260
Commercial banks and cash in hand	9,823	10,296
<b>Balance at 31 March</b>	<b>27,325</b>	<b>17,556</b>

The majority of the Commission's cash and cash equivalent balances are held with the Government Banking Service apart from **£9,822,558** (£10,296,271 2020/21) which is held with commercial banks or as cash in hand.

Increase in the cash position attributable to:

- ▷ Increased deferred income of **£3.6m** in 2021-22 compared to previous years (see note 5 for increased fee changes)
- ▷ The Commission held **£1.245m** (2020-21 £nil) of fines payable to the Consolidated Fund at 31 March 2022
- ▷ Trade and other payables cash flow movement including an increase of **£7.4m**, predominantly related to GiA for the National Lottery 4th Competition.

## 11: Trade payables and other current liabilities

Amounts falling due within one year	2022 £'000s	2021 £'000s
Trade payables	1,026	982
Other taxation and social security <sup>3</sup>	726	771
Staff Holiday Pay Accrual <sup>3</sup>	224	302
Other payables <sup>1/3</sup>	973	105
Accruals <sup>2/3</sup>	4,237	2,540
Deferred Income <sup>2/3</sup>	12,990	9,379

- 1 Other payables include **£960,743** which is payable to Customers for Change of Corporate Control refunds in April 2022.
- 2 The Commission holds total deferred income balances of **£13,523,894** (£10,007,289 in 2020/21) included in notes 10 and 11. These relate to:
  - Licence fees received, due to be released to income within one year of **£12,990,204** (£9,379,764 in 2020/21).
  - Licence fees received, due to be released to income after one year of **£533,690** (see note 11).
- 3 2020-21 numbers are reclassified – Provisions were previously recognised as accruals and have been reclassified in the year.
- 4 Accruals includes a **£1.8m** success fee payable on completion of the competition to award the 4th National Lottery licence.

## 12: Amounts due after more than one year

	2022 £'000s	2021 £'000s
Deferred income	534	628
<b>Balance at 31 March</b>	<b>534</b>	<b>628</b>

In accordance with IFRS 15 principles, the Commission's deferred income due after more than one year relates to Personal Licence fees paid that are due to be released to income in years 2022/23 onwards.

## 13: Provisions for liabilities and charges

	Redundancy and other departure costs £'000s	Bloomsbury Street premises dilapidations £'000s	Bloomsbury Street service charge £'000s	Legal provisions £'000s	Total £'000s
<b>Balance as at 1 April 2021 – Reclassified *</b>	<b>132</b>	<b>73</b>	<b>110</b>	<b>–</b>	<b>315</b>
Provided in the year	133	–	–	234	367
Provisions not required written back	–	–	–	–	–
Provisions utilised in the year	(137)	–	(110)	–	(247)
<b>Balance at 31 March 2022</b>	<b>128</b>	<b>73</b>	<b>–</b>	<b>234</b>	<b>435</b>
Not later than one year	128	73	–	234	435
Later than one year and not later than five years	–	–	–	–	–
Later than five years	–	–	–	–	–
<b>Balance at 31 March 2022</b>	<b>128</b>	<b>73</b>	<b>–</b>	<b>234</b>	<b>435</b>

\* 2020-21 numbers are reclassified – Provisions were previously recognised as accruals and have been reclassified in the year. Further information is included in Note 2 of the accounts

### Redundancy and other departure costs

Redundancy and other departure costs, are provided for in full when the early departure decision is approved by establishing a provision for the estimated payments. There were **£128,251** departure costs in 2021/22 relating to four exits (2020/21 **£132,234**, three exits). 2020/21 provisions were utilised during 2021/22.

### Bloomsbury Street premises – dilapidations

The Bloomsbury Street lease expires on 8 November 2022. Dilapidations estimate of **£61,000** plus VAT, based on the independent assessments of both the GC and HBLB.

### Bloomsbury Street service charge

As part of the National Lottery Competition, the Commission have entered into a Intra-UK government agreements for premises in Bloomsbury Street London. The lease is currently un-signed as at 31 March 2022. The lease is for a period of 3 years and commenced with effect from 8 November 2019.

The National Lottery Competition, increased the space occupied at Bloomsbury Street London when HBLB exited the office in November 2020. Increased service charges were advised by the Landlord which were significantly higher than the original agreement. As at the 31 March 2021, the dispute remained un-resolved, resulting in a provision of **£109,336**.

During 2021-22, an agreement was reached for the National Lottery Competition to pay the additional charges. The provision of **£109,336** was released and outstanding liabilities were settled.

### Legal provisions

As at the 31 March 2022, there were legal case which remained un-resolved, resulting in a provision of **£234,000** of which **£224,000** relates to a Data Breach insistent.

# Notes to the accounts for the 12 months ended 31st March 2022 continued

## 14: Retirement benefit obligations

This provision recognises the payments due in respect of a former Chairman of OFLOT.

As set out in accounting policy 1c for further details refer to Retirement benefits section of the staff report

	2022 £'000s	2021 £'000s
At 1 April	215	218
Interest cost	3	4
Actuarial loss in the period	11	9
Pensions paid in the year	(16)	(16)
<b>At 31 March</b>	<b>213</b>	<b>215</b>

The pension liability provision of **£213,268** is split between, liability not later than one year (**£16,165**), and liability greater than one year (**£197,103**).

## 15: Consolidated Fund Income

The Commission held the following assets on Consolidated Fund Income at 31 March 2022.

	2022 £'000s	2021 £'000s Restated
Fines and penalties	22,222	12,857
Less:		
Recovery of costs	(242)	(127)
Uncollectible debts	–	–
<b>Amount payable to the Consolidated Fund</b>	<b>21,980</b>	12,730
Balance held at the start of the year	11,270	1,635
Payments into the Consolidated Fund	(10,926)	(3,095)
<b>Balance held on trust at the end of the year</b>	<b>22,324</b>	11,270

\* 2020-21 numbers are restated, further information is included in Note 2 of the accounts.

As per the FReM 11.3.9, Fines and penalties are recognised at the time that the fine or penalty is imposed and becomes receivable by the entity and should be disclosed as the total amount repayable to the consolidated fund at the point the enforcement notice is raised and then derecognised if the penalty is appealed successfully.

As set out in note 1n income payable to the Consolidated Fund does not form part of the Statement of Comprehensive Net Expenditure. The amounts receivable for Fines and Penalties at 31 March 2022 were **£12.171m** (2020/21: **£3.095m**) and the amounts payable for Fines and Penalties were **£10.926m** (2020/21: **£3.095m**). The balance held on trust at the end of the year figure at the year-end date includes all Fines and Penalties Payments unpaid at that date. These include payables in relation to fines recovered due to be surrendered to HMT (**£1,245,363**).

## 16: Capital commitments

At 31 March 2022 there were no capital commitments (£0 in 2020/21).

## 17: Right-of-use assets

In accordance with IFRS 16, the Commission has categorised all leases as finance leases, with the exception of those leases which are exempt either by having less than 12 months to run from 31st March 2022 or are considered low value (less than **£5,000**).

The finance lease is recognised as an asset and a corresponding lease liability at the net present value (NPV) of future lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

	Victoria Square House Land and Buildings £'000s	Bloomsbury Street Land and Buildings £'000s	Plant & Equipment £'000s	2021-22 Total £'000s	2020-21 Total £'000s
<b>Cost/valuation</b>					
At 1 April*	5,094	611	6	5,711	5,710
<b>Balance as at 31 March</b>	<b>5,094</b>	<b>611</b>	<b>6</b>	<b>5,711</b>	<b>5,710</b>
<b>Amortisation</b>					
At 1 April	(1,472)	(289)	(4)	(1,765)	(823)
Depreciation charge for the year	(737)	(204)	(1)	(942)	(942)
<b>Balance as at 31 March</b>	<b>(2,209)</b>	<b>(493)</b>	<b>(5)</b>	<b>(2,707)</b>	<b>(1,765)</b>
<b>Balance as at 31 March</b>	<b>2,885</b>	<b>118</b>	<b>1</b>	<b>3,004</b>	<b>3,945</b>

# Notes to the accounts

for the 12 months ended 31st March 2022 continued

## 18: Lease liabilities

	Victoria Square House Land and Buildings £'000s	Bloomsbury Street Land and Buildings £'000s	Plant & Equipment £'000s	2021-22 Total £'000s	2020-21 Total £'000s
<b>Leases under IFRS 16</b>					
<b>Total future lease payments under leases are given in the table below for each of the following periods:</b>					
No later than one year	(739)	(130)	–	(869)	(932)
Later than one year and not later than five years	(2,460)	–	–	(2,460)	(3,305)
Later than five years	–	–	–	–	–
<b>Balance as at 31 March</b>	<b>(3,199)</b>	<b>(130)</b>	<b>–</b>	<b>(3,329)</b>	<b>(4,237)</b>
<b>Lease Liabilities included in the balance sheet</b>					
Current	(739)	(130)	–	(869)	(932)
Non-current	(2,460)	–	–	(2,460)	(3,305)
<b>Balance as at 31 March</b>	<b>(3,199)</b>	<b>(130)</b>	<b>–</b>	<b>(3,329)</b>	<b>(4,237)</b>
<b>Movement in lease during the year</b>					
At 1 April	(3,899)	(336)	(2)	(4,237)	(5,179)
Lease Liability in relation to new leases	–	–	–	–	–
Interest on lease liabilities – finance costs @ 1.99% <sup>1</sup>	(78)	(6)	–	(84)	(102)
Lease rental payments <sup>2</sup>	778	212	2	992	1,044
<b>Balance as at 31 March</b>	<b>(3,199)</b>	<b>(130)</b>	<b>–</b>	<b>(3,329)</b>	<b>(4,237)</b>

Right-of-use asset value for Victoria Square House as at 1 April 2020 includes an adjustment of £358k relating to a brought forward deferred rent release provision. The Commission received a rent-free period during 2015/2016, during this time rental charges were accrued and the cost benefit is being released over the life of the lease.

- 1 Interest on lease liabilities – Finance Cost – amounts recognised in SoCNE, a discount rate of 1.99% has been applied in the calculations of interest on lease liabilities.
- 2 Amount recognised in the statement of cash flow – total cash outflow for leases.

**Victoria Square House:** Following a successful application to the Government Property Unit, the Commission signed a lease for its existing premises in central Birmingham. The lease was signed in May 2015. The lease is for a period of 10 years (with a 5 year break clause) and commenced with effect from February 2016 when the previous lease expired. As at 31 March 2022, the lease at Victoria Square House will continue for an additional 4 years to February 2026.

**Bloomsbury Street:** As part of the National Lottery Competition, the Commission have entered into a Intra-UK government agreements for premises in Bloomsbury Street London. The lease is for a period of 3 years and commenced with effect from 8 November 2019.

## 19: Commitments under operating leases

In accordance with IFRS 16, the Commission has categorised all leases as finance leases, with the exception of those leases which are exempt either by having less than 12 months to run from 31st March 2022 or are considered low value (less than **£5,000**).

Rentals due under operating leases are charged over the lease term on a straight-line basis, or on the basis of actual rental payable where this fairly reflects usage.

At 31st March 2022 the Commission was committed to making the following payments in respect of operating leases:

	at 31 March 2022		at 31 March 2021	
	Land and buildings £'000s	Other £'000s	Land and buildings £'000s	Other £'000s
<b>Obligations under operating leases for the following periods:</b>				
Not later than one year	–	3	–	11
Later than one year and not later than 5 years	–	–	–	–
Later than five years	–	–	–	–
	–	3	–	11

## 20: Related party transactions

The Gambling Commission is a Non-Departmental Public Body of DCMS, which is funded through the collection of licence fees from the industry and grant-in-aid for National Lottery operations. DCMS is regarded as a

related party. During the year, the Gambling Commission has had a significant number of material transactions with the Department and with other entities for which the Department is regarded as the parent Department.

	Gambling Commission £'000s	National Lottery operation £'000s	National Lottery Competition £'000s	2021-22 Total £'000s	2020-21 Total £'000s
Grant-in-aid for revenue expenditure	873	2,617	23,657	27,147	18,487
Grant-in-aid advance for revenue expenditure repayment <sup>2</sup>	(794)	–	–	(794)	794
Grant-in-aid repaid from 2020-21 <sup>1</sup>	–	–	(240)	(240)	240
Grant-in-aid repayable 2021-22 <sup>3</sup>	–	193	662	855	–
	79	2,810	24,079	26,968	19,521

In addition, the Gambling Commission has had a small number of transactions with other government departments and other central government bodies. Most of these transactions have been with the Consolidated Fund for the repayment of fines and penalties issued for breach of licence conditions. See note 15 for further details.

During the year, no Board member, key manager or other related parties has undertaken any material transactions with the Gambling Commission during the year.

All Commissioners were paid by the Gambling Commission See Remuneration Report for further details.

- 1 Of the GIA received, **£240k** relating to 2020-21 was repaid during 2021-22.
- 2 During 2020-21, due to the uncertainty of the Commission's income as a result of the COVID pandemic, DCMS provided additional GIA funding to enable the Commission to maintain its reserves at the minimum level of **£3.5m**. This funding was in substance GIA and was been treated in the same way as other GIA receipts from DCMS. In accordance with the FReM, GIA is treated as a financing transaction rather than as revenue as it is a contribution from a controlling entity. This GIA of **£794k** was offset from GIA receipts from DCMS received during 2021-22.
- 3 Grant-in-aid 2021-22 (£855k) drawn down to ensure cover potential litigation costs which did not materialise before 31st March 2022, will be repayable as a reduction in 2022-23 payments.



# Notes to the accounts for the 12 months ended 31st March 2022 continued

## 21: Financial instruments

IFRS 7 and IFRS 9 (Financial Instruments: Disclosures) establishes principles for the presentation, recognition and measurement, and disclosure of financial instruments as liabilities or equity.

In accordance with IFRS 7 and IFRS 9, the carrying values of short term assets and liabilities (at amortised cost) are not considered different to fair value.

The Commission is not exposed to the degree of financial risk faced by business entities, because of the way that it is funded.

Financial instruments also play a more limited role in creating or changing risk than would be typical of financial entities, to which these standards mainly apply.

The Commission has obtained consent from its sponsoring department to place surplus funds on bank deposit. It would also require consent from its sponsoring department prior to acquiring financial instruments or borrowings.

### Currency risk

The Commission is a domestic organisation with the great majority of transactions, and all assets and liabilities being in the UK and denominated in sterling. The Commission has no overseas operations. The Commission therefore is not exposed to currency rate fluctuations.

### Interest rate risk

Other than finance leases, the Commission has no borrowings and therefore is not exposed to interest rate risk.

### Credit risk

The Commission does not provide credit arrangements for the payment of licence fees by the industry. All fees must be paid on or before the date prescribed to prevent a breach of the licence and the licence being revoked. As the Commission relies on fees receivable from the gambling industry (payable immediately) and departmental grant-in-aid for specific projects the Commission has very low exposure to credit risk. The Commission collects fines on behalf HMT consolidated fund. We do not consider any doubtful debts in relation to fine recovery to affect our credit risk assessment.

### Liquidity risk

Other than finance leases, the Commission has no borrowings and relies on fees receivable from the gambling industry and departmental grant-in-aid for its cash requirements, the Commission is exposed to minimal liquidity risk.

The Commission adopted IFRS 16 Leases during the 2019-20 financial year.

## Financial assets & financial liabilities

### Financial assets

	Type of financial asset £'000s	2021-22 £'000s	2020-21 £'000s
Cash and cash equivalents	Amortised cost	27,325	17,556
Trade and other receivables	Amortised cost	21,231	11,400
Deposits	Amortised cost	–	–
Loans	Amortised cost	2	13
Contract assets	Amortised cost	–	–
<b>Subtotal – amortised cost</b>	–	<b>48,558</b>	28,969
Equity investments – held through OCI inc. Investment Funds and Shares and Equity type Investments	FVOCI	–	–
Investment in subsidiaries	FVOCI	–	–
<b>Subtotal – FVOCI</b>	–	<b>–</b>	–
Derivative financial instrument assets	FVTPL	–	–
FI non Derivatives through PL	FVTPL	–	–
<b>Subtotal – FVTPL</b>	–	<b>–</b>	–
<b>Total financial assets</b>	–	<b>48,558</b>	28,969

### Financial liabilities

	Type of financial asset £'000s	2021-22 £'000s	2020-21 £'000s
Trade and other payables	Amortised cost	(24,323)	(12,357)
Lease liability	Amortised cost	(3,329)	(4,237)
Contract liabilities	Amortised cost	–	–
<b>Subtotal – amortised cost</b>	–	<b>(27,652)</b>	(16,594)
Derivative financial instrument liabilities	FVTPL	–	–
<b>Subtotal – FVTPL</b>	–	<b>–</b>	–
<b>Total financial liabilities</b>	–	<b>(27,652)</b>	(16,594)
<b>Total</b>	–	<b>20,906</b>	12,375

#### Definitions under IFRS 9:

##### **Financial assets measured at amortised cost**

Held in a business model whose objective is to hold assets to collect contractual cash flows only (eg a simple debt instrument not classified at fair value).

##### **Financial assets classified and measured at FVOCI (Financial asset at fair value through other comprehensive income)**

Held in business model whose objective is achieved by collecting contracts and selling financial assets. This category is mandatory for some debt instruments (ie all except those measured at amortised cost (AC) or FVTPL) and irrevocably elected equity instruments (which can also be measured at FVOCI).

##### **Financial assets measured at FVTPL**

##### **(Financial asset at fair value through profit or loss)**

For all other equity instruments, excluding those elected above, all derivatives and any instruments specifically designated to this category using the fair value option (available on initial recognition as an alternative to measuring at FVOCI to reduce an accounting mismatch).

## Notes to the accounts for the 12 months ended 31st March 2022 continued

### 22: Contingent liabilities disclosed under IAS 37

#### Gambling Regulation

There are contingent liabilities of **£54,800** as at 31 March 2022 (**£967,238**, 2020/21).

The contingent liabilities figure relates to legal costs (**£54,800**), which has been calculated under the guidance of IAS 37 and IAS 19, based on events existing at the balance sheet date.

#### Fourth National Lottery competition:

The Gambling Commission considers the liability to be a contingent liability in accordance with IAS 37.

Due to the ongoing legal action and complexity of the case, including the varied consequences of multiple possible scenarios and permutations, we are unable to provide reliable financial estimates. Furthermore, there are a number of commercial sensitivities surrounding the legal challenges, and disclosure of further information could be prejudicial to the ongoing case. The liabilities will remain until the legal challenges are settled, because they relate to possible obligations in respect of enduring legal challenges as a result of the Gambling Commission's decision.

### 23: Events after the reporting period

The Accounting Officer authorised these financial statements for issue on the date shown on the audit certificate.

Following the challenge on the Fourth National Lottery License competition, in May 2022 we went to court to ask for an Application to lift the stay, and proceed with implementation with our preferred applicant, Allwyn. The courts ruled in our favour, but there have been subsequent appeals. These remain ongoing at the time of preparing these accounts.

There are no post balance sheet events to report since 31 March 2022.

# Appendices

# Appendices

## Appendix 1

### The Executive Group

The Executive Group makes decisions about projects, policy, procedure, issues and cases which cannot be resolved at an operational level as they are novel or contentious, or significantly affect the Commission's finances or staff.

The scope of the Executive group therefore extends to:

- ▷ Strategic leadership of the Gambling Commission
- ▷ Collective concentration on strategic issues affecting the Commission
- ▷ Scrutiny and challenge of Commission policies and procedures
- ▷ Review of business delivery, operational and financial performance

The Executive Group also agrees items for escalation to the Board of Commissioners, setting the agenda for Board meetings and clearing Board papers.



**Andrew Rhodes**  
Chief Executive



**Sarah Gardner**  
Deputy Chief Executive



**Tim Miller**  
Executive Director



**John Tanner**  
Executive Director



**Charlotte Leonard**  
Interim Chief  
Operating Officer



**Alistair Quigley**  
Chief Technology  
Officer



**Lucy Denton**  
Director of  
Communications



**Helen Gibson**  
Finance Director



**Nadine Pemberton**  
General Counsel and  
Director of Legal



**Helen Venn**  
Executive Director  
(resigned)



**Vic Beaumont**  
Chief People Officer  
(resigned)



**Marie Perry**  
Chief Financial  
Officer (resigned)



**Sally Jones**  
Chief Operating  
Officer (resigned)



**Richard Watson**  
Executive Director  
(resigned)

## The Executive Group continued

### Andrew Rhodes

#### Chief Executive Officer

Andrew joined the Commission in June 2021 as Interim Chief Executive Officer and was appointed on a permanent basis in May 2022. An experienced civil servant, Andrew joined us from Swansea University and previously held a range of senior civil service roles at the Department for Work and Pensions, the Food Standards Agency and the DVLA. Andrew is also Chair of the Swansea City AFC Foundation.

### Sarah Gardner

#### Deputy Chief Executive

Sarah joined in 2009 and has held a number of leadership roles across the Commission. She spent her earlier career as a civil servant in various government departments covering a wide range of topics including tax, international policy, consumer protection, competition, regulation, small business and enterprise policy. Sarah is the executive director responsible for our consumer policy work and the development of our regulatory framework, including the Licence Conditions and Codes of Practice (LCCP). Sarah was appointed joint acting chief executive in March 2021.

### Tim Miller

#### Executive Director

Tim joined the Commission in 2016 after a career spanning over 15 years in the regulatory and public sector. Tim was previously head of policy and communications at the Local Government Ombudsman and prior to that was head of public affairs at the Parliamentary and Health Service Ombudsman. These roles followed ten years at the Law Society of England and Wales in a variety of regulatory posts. In his role at the Commission, Tim is responsible for policy, research, communications and our safer gambling work.

### John Tanner

#### Executive Director

John became the Executive Director and Senior Responsible Officer for the 4th National Lottery License Competition (4NLC) in July 2019. John has overall responsibility for the competition including establishing governance, securing funding and engagement with DCMS to ensure the competition is fair, open and robust while maximising innovation, creativity and utilising technological advancements. Before joining the Commission John held a variety of leadership roles with HM Revenue & Customs, the UK Home Office and the National Crime Agency focusing on the delivery of major programmes and transformation projects.

### Charlotte Leonard

#### Interim Chief Operating Officer

Charlotte joined the Commission in November 2021 and has overall responsibility for our People Services, IT, Legal and PMO functions. With over 20 years' experience at a senior level across the not-for-profit, public transport and utilities sectors, including EdF Energy and Transport for London, where she was part of the team that renegotiated London Underground's PPP contracts and oversaw a range of efficiency and improvement programmes.

### Alistair Quigley

#### Chief Technology Officer

Alistair has had a 30-year career in IT and started his early career managing a Midlands-based IT training centre, before spending six years with National Express, becoming their IT Director and overseeing the transport firm's rapid online growth. More recently, he was managing director of IVU Traffic Technologies UK, a specialist software developer, before joining the Commission 16 years ago. Alistair leads the Commission's IT and digital functions which includes software and digital service development and provision, with an emphasis on information assurance and compliance and information security.

## Lucy Denton

### Director of Communications

Lucy joined us in July 2021 having established herself as an innovative leader in government communications.

She joined from the Office of the Public Guardian, an agency of the Ministry of Justice, where she led the multi-disciplinary Communications team. Her team's award-winning diversity and inclusion campaigns received notable praise within the industry.

## Helen Gibson

### Finance Director

Helen joined the Gambling Commission in March 2022 from the Cabinet Office. Helen has over a decade of experience working in central Government, with significant experience across Finance, Corporate Services and also Operational delivery. This includes most recently leading on finance and corporate activities for the G7 Presidency Taskforce, managing through a challenging period of time to help deliver the first in-person international Summit since Covid, in June 2021.

## Nadine Pemberton

### General Counsel and Director of Legal

Nadine joined the Commission in March 2021 and is a solicitor with extensive experience in leadership roles in compliance and enforcement matters, spanning the regulatory, criminal and civil fields across the public sector.

Throughout her career Nadine has specialised in strategic organisational development, team change and transformation – with a well-established and proven commitment to diversity, equity and inclusion.

Since qualifying in 2003, Nadine has held roles at Social Work England, the Care Quality Commission, the Child Maintenance and Enforcement Commission, the Independent Office for Police Conduct, the Revenue and Customs Prosecutions Office and the Crown Prosecution Service.

## Helen Venn

### Executive Director (resigned)

Helen resigned from her role as Executive Director in January 2022.

## Vic Beaumont

### Chief People Officer (resigned)

Vic resigned from her role as Chief People Officer in December 2021.

## Marie Perry

### Chief Financial Officer (resigned)

Marie resigned from her role as Chief Financial Officer in September 2021.

## Sally Jones

### Chief Operating Officer (resigned)

Sally resigned from her role as Chief Operating Officer in August 2021.

## Richard Watson

### Executive Director (resigned)

Richard resigned from his role as Executive Director in April 2021.



# GAMBLING COMMISSION

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