Annual Report and Accounts 2024 - 2025

HC 759

SG/2025/39

GAMBLING COMMISSION

Making gambling safer, fairer and crime free

Gambling Commission

Annual report and accounts 2024-2025

For the period 1 April 2024 to 31 March 2025

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Foreword

Welcome to the Gambling Commission's Annual Report and Accounts for 2024-25. The year started with the publication of the Gambling Commission's new three-year Corporate Strategy, *Gambling regulation in a digital age*, which laid out our plan for the years ahead. Flowing from that, 2024-25 was a busy and productive year for the Gambling Commission, hereafter called the Commission, in its work to make gambling in Great Britain safer, fairer and crime-free.

The implementation of the Government's Gambling Act Review, (the Review), continued to be a key focus over the past year as we published consultation responses and implemented important changes to our rulebook, the Licence Conditions and Codes of Practice (LCCP).

Alongside our work to implement the Review, the National Lottery has also been a key priority. The National Lottery celebrated its 30th Birthday in 2024.

Our new Corporate Strategy, like its predecessor, is underpinned by our statutory duties and driven through our five areas for strategic focus:

- Using data and analytics to make gambling regulation more effective.
- Enhancing our core operational functions.
- Setting clear evidence-based requirements for licensees.
- Being proactive and addressing issues at the earliest opportunity.
- Regulating a successful National Lottery.

The Annual Report and Accounts for 2024-25 provides a detailed overview of a year of delivery for the Commission against those five areas for strategic focus. Whilst implementing the Review and the National Lottery have been crucial areas of focus, we have made good progress in other areas as well, including important strides in tackling illegal gambling, significant progress in our collection and use of data, and improving our operational and financial performance.

Our role in the implementation of the Review White Paper, *High stakes: gambling reform for the digital age*, is a crucial opportunity to deliver specific change for gambling in Great Britain. This complements and builds on the significant, long-term programme of measures the Commission already has in place.

Our first round of consultation responses related to the White Paper were published in May 2024, with staggered implementation dates for changes from financial vulnerability checks through to improved age verification. Further responses were published in February 2025. A supplementary consultation, focused on gaming machine technical standards and the related testing strategy was published in January 2025.

Our work to improve the evidence base for gambling in Great Britain is also crucial and another area in which we made real progress over the last year. The Commission published the first official statistics and annual report for the *Gambling Survey for Great Britain (GSGB)* in 2024. GSGB is the largest survey of its kind in the world, with the Commission continuing to publish quarterly participation statistics as well as the annual report to provide an overview of the impact of gambling. We continued to publish regular industry statistics and further research in our Consumer Voice work. We also published an update on progress for our three-year *Evidence Gaps and Priorities 2023 to 2026* programme.

As a key component of our duties as a regulator, we have continued to regulate Allwyn Entertainment Limited (Allwyn) as the new 4th National Lottery licence holder, including Allwyn's implementation of the lottery under licence. There have been delays in Allwyn achieving full implementation which was agreed under the licence would be delivered by February 2025, which Allwyn was legally committed to. As a result, the Commission has initiated enforcement action, which is ongoing.

The Commission also continues to robustly defend two ongoing litigation claims from The New Lottery Company (TNLC), an unsuccessful bidder to run the National Lottery, in relation to the National Lottery Competition and subsequent award.

It was announced in the run up to the National Lottery's 30th Birthday that £50 billion had been raised by it for Good Causes since its launch in 1994. Ensuring that returns to Good Causes are maximised is a key statutory objective and seeing £1.8 billion raised to support Good Causes in arts, sports, heritage and community projects during the year was an important start to the 4th Licence period.

Our Operations Directorate made significant progress in the last year, with over 9,700 compliance activities undertaken, compared to over 4,200 in the previous year, which was almost 3,000 higher than any previous year. We took enforcement action against 24 operators in total leading to £4.2 million in fines or regulatory settlements. With the penalties down on the year before, these are potentially positive indicators coming from the work that the Commission has been doing to raise standards of compliance with our rules and on the part of operators as well. Our published impact metrics now include quarterly information on how operators are performing in our Compliance assessments. For the first time, this gives regular information on assessed performance and increases transparency in this important area of our work.

Alongside this, we have continued to make significant progress in tackling illegal online gambling, through our upstream work with third parties in finance, payment services and internet service providers.

As compliance with our rules improves, this allows us to continue building a collaborative relationship with those we regulate, holding further events to foster cooperation. We held a third conference focused on improving the evidence base, *Building the Bigger Picture,* and organised two events specifically to bring together operators, charities, researchers, Government departments and other regulators to be briefed on compliance, share best practice and discuss key issues. The first *Operator Engagement Forum* was held in September 2024 and a second in April 2025. We have continued to hold regular roundtables, speak at events and visit stakeholders and operators. We have continued to prioritise our engagement with a wide range of stakeholders with nearly 200 senior level meetings and engagements. This has included meetings and other forms of engagement with Parliamentarians, campaign groups, charities, other government departments, international regulators, and partners.

Investing in our people and making sure we have the right skills, opportunities and experiences to build a workforce that performs effectively remains a priority. None of the achievements or progress over the last year would have been possible without the talented and dedicated people who work at the Commission, and that is why we are committed to making sure our people feel as supported in their work as possible. We were, therefore, really pleased to be accredited as a *Great Place to Work* for a third year in a row and to be accredited one of the *UK's Best Workplaces for Women* for 2024. We would like to thank everyone who works for the Commission for helping us to achieve these results and for their hard work and professionalism throughout another busy year.

Now in the second year of our latest Corporate Strategy, we will continue to deliver against the ambitious agenda we have set out within it. We will maximise our work with others and look to further exploit all the tools and resources at our disposal to regulate gambling and the National Lottery in a way which strikes the right balance, ensuring that consumers of gambling and the National Lottery may continue to enjoy those products, while also ensuring that appropriate protections are in place. The substantial work done in 2024-25 gives the Commission a great opportunity to make further steps forward in our work to make gambling safer, fairer and crime free. This is an opportunity everyone at the Commission is fully dedicated to making the most of in the year ahead.

Charles Counsell
Interim Chair
17 July 2025

Andrew Rhodes
Chief Executive and Accounting Officer
17 July 2025

A year in numbers

48%
Over all participation in any gambling activity (in the last four weeks)

37%
In-person gambling participation rate

Online gambling participation rate
29%

Operational activities

24
Operators saw enforcement action this year

£4.2 MILLION
Issued in enforcement fines or regulatory settlements

234
FOI Requests

5
MOU's signed with other regulators worldwide

263
REGULATARY INVESTIGATIONS

35
Criminal cases opened

71
Assessments conducted for online and land-based operators

143
Applications for operator licences processed

3,396
Applications for personal licences processed

Stakeholders

200
Senior level stakeholder meetings and engagements

10,228
Contacts to our Contact Centre from consumers and prospective licensees

National Lottery

£1.8 BILLION
Raised for good causes

Our people

2%
Increase in staff engagement

7.8%
Decrease in staff turnover

1
UK's Best Workplace Certification

1
Great Place to Work accreditation

1
Best Workplaces for both Women and Development

Performance report

This section outlines the work that has taken place in 2024-25 to deliver against our corporate strategy and business plan. The detail outlined in this section reflects the deliverable activity that has taken place this financial year, whilst our core operational performance has been captured in more detail through Annex A. Further information on the impact of key risks on the delivery of strategic goals, and how those risks have been managed is set out in the Governance Statement.

The Organisation

The Gambling Commission is an independent non-departmental public body sponsored by the Department for Culture, Media and Sport (DCMS). We regulate the individuals and businesses that provide gambling in Great Britain. We are responsible for issuing gambling operating licences for businesses and personal gambling licences for key individuals.
We are also responsible for awarding the licence and regulating the operator of the National Lottery.

The Commission exists to make gambling safer, fairer and crime free. We do this by licensing and regulating in the public interest and providing advice and guidance.

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 Great Britain; and
- the National Lottery etc. Act 1993 which sets out the framework within which we regulate the National Lottery.

Organisational structure

The Commission is structured in directorates, reporting through the Chief Executive Officer to the Board of Commissioners. The Commission has the following directorates:

- 4th National Lottery Licence Programme
- Communications (internal and external communications, contact centre)
- Finance (finance, commercial, planning and performance)
- Governance (corporate governance and secretariat, risk and assurance, information management)
- IT and Digital (IT, digital, facilities)

- Legal
- National Lottery Regulation
- Operations (licensing, compliance, enforcement and intelligence, forensic financial accounting)
- People Services (HR operations, organisational design and development, talent acquisition)
- Research and Policy
- Strategy

Corporate Strategy

In April 2024, we published a three-year Corporate Strategy, *Gambling regulation in a digital age,* at a time of significant change.

The White Paper, *High Stakes – Gambling reform in the digital age*[1], set out wide-ranging commitments aimed at modernising the way gambling is regulated in Great Britain. The gambling environment continues to evolve at high speed; the proposals outlined in the paper were aimed at ensuring regulation continues to strike an appropriate balance between consumer freedoms and choice and protecting vulnerable people from harm.

Additionally, 2024 saw, for the first time in its history, a new Licence Holder for the National Lottery, supported by a new regulatory regime to ensure the Lottery's continued success.

To ensure successful delivery of these two broad strands, our strategy set out our plans to improve investment in key areas of our work for all our stakeholders.

Areas of strategic focus:

For the period 2024 to 2027, we are prioritising these five areas for strategic focus, alongside our ongoing core regulatory work:

1. Using data and analytics to make gambling regulation more effective.
2. Enhancing our core operational functions.
3. Setting clear, evidence-based requirements for licensees.
4. Being proactive and addressing issues at the earliest opportunity.
5. Regulating a successful National Lottery.

[1] High stakes: gambling reform for the digital age - GOV.UK

Delivering on these commitments, as well as our core regulatory functions, is dependent on cross-cutting enablers relating to our people, effective stakeholder engagement and resources.

We set out below our key achievements under each strategic focus during 2024-25. It is important to note that while there are distinct projects relevant to a particular strand, there is also considerable crossover between them. For example, our work on data and building our evidence base has fed directly into our work to improve our core operational delivery and our implementation of gambling reform.

Strategic Focus 1 - Using data and analytics to make gambling regulation more effective

Technology is advancing rapidly. As the world becomes increasingly digitalised, so does the value of data to improve decision-making, provide insights into consumer behaviour and increase procedural efficiency. As a regulator, our intent is to keep pace with the use of data within the gambling industry to regulate it effectively, and with the public's expectations to ensure consumer concerns are properly addressed.

During 2024-25, we made progress in the following areas.

Close evidence gaps in priority areas

In July 2023, we published our Evidence Gaps and Priorities programme to help us to close evidence gaps in priority areas across all licensing objectives.

The six programme themes are:

- early gambling experiences and gateway products
- the range and variability of gambling experiences

- gambling-related harms and vulnerability
- impact of operator practices
- product characteristics and risk
- illegal gambling and crime

In July 2024, we published an update on the work that had been achieved in year 1 of the programme. An important element of this was reflecting on the extent to which our stakeholders have engaged and aligned their own work with our priority areas. We will only succeed in building robust evidence based on a range of different perspectives, if all those with an interest in gambling share their work.

One of the key vehicles that we use to close evidence gaps is our Consumer Voice programme. This has delivered projects supporting implementation of the Review, including research on gambler attitudes towards Financial Vulnerability and Financial Risk Check proposals. We have also been exploring drivers of consumers' trust in gambling which can be tracked over time through the GSGB.

We have procured a framework involving four new suppliers to deliver the next phase of this work and provide resilience and diversity going forward. This will enable us to continue to ensure that the voices of consumers are represented in the evidence base that underpins our regulation and will enable us to tackle more complex research questions from our Evidence Gaps and Priorities.

Finally, we delivered our third annual spring conference in March 2025, which this year was titled 'Building the Bigger Picture'. This brought together over 200 stakeholders, including those from the industry, academia, and those with lived experiences of gambling harms, with three objectives:

- to discuss evidence priorities;
- to learn more about the work that the Commission is doing to build its data capability; and
- to assess multiple evidence sources to close evidence gaps.

Revise our approach to regulatory return data

Following consultation, on 1 July 2024, we amended our licence conditions to require all licence holders to submit their regulatory returns on a quarterly, rather than annual, basis. At the same time, we took the opportunity to streamline the number of questions that need to be completed each quarter and to harmonise reporting periods across the industry, enabling greater efficiency for those licensees who hold multiple licences.

Regulatory returns are a vital source of information for us, the government and the public. They provide an understanding of the size and shape of the gambling market in Great Britain as well as other key regulatory data. The changes made provide a timelier, deeper and more accurate understanding of the gambling sector. They enable us to be better informed about current market conditions and the impact of any regulatory changes. The changes also have a material impact on our ability to budget, since we will gain an improved capacity to understand income levels and forecast more accurately.

Complete the full launch of the GSGB

In July 2024, we published the first annual report from the new GSGB[2]. This is the new source of official statistics on gambling behaviours in Great Britain, designed and developed by the Commission in partnership with the National Centre for Social Research and the University of Glasgow over several years. The GSGB will significantly increase the depth of our understanding of the gambling market and consumer behaviour, by collecting data from a large sample of respondents each year.

The launch of the first GSGB annual report was accompanied by a webinar, which over 200 stakeholders attended. Alongside the report, a series of data tables and an interactive dashboard were published on our website[2] so users could access the data in a variety of formats. Subsequently in February 2025, the raw data from the GSGB was published to the UK Data Service to increase its visibility and potential for collaboration and reuse. Two further in-depth reports, also published in February 2025, helped to sharpen our understanding of both product risk and the range and availability of gambling experiences by understanding how motivations to gamble vary by product. These findings help to build our evidence base around gambling, enabling more informed, effective and precise regulatory actions in the future.

Pilot industry data project

We have collaborated with a small group of operators, who volunteered to take part in the project, to develop our approach to obtaining a regular feed of core data that will give us up-to-date insight into how people's gambling

[2] Gambling Survey for Great Britain (GSGB)

is changing. This dataset will be invaluable for future policy development and evaluation of new policies when they are introduced.

The purpose of this pilot is to establish a mechanism for obtaining data and to ensure the approach is cost-effective, has appropriate levels of security, and is subject to the right governance.

We have defined our requirements for the dataset, established data sharing agreements and updated our privacy statement. A test transfer of data will be undertaken early in 2025-26 before a regular feed is implemented.

Build on the Commission's capacity to use, report on and analyse data
Our new Data Innovation Hub has invested in a core team, including the recruitment of data scientists and a data engineer, to give us more of the necessary skills to undertake in-depth data analytics work. We have reviewed our underlying technology platform and are identifying options so that we can make cost effective investments in the infrastructure we need.

We have accessed new datasets and deployed them for operational purposes - such as tracking trends in unlicensed gambling and using data to target our disruption of unlicensed websites. We have also invested in our broader data culture by using internal communications to help colleagues understand the role data can play in their day-to-day work and how to make the most of these opportunities with confidence.

Strategic Focus 2 - Enhancing our core operational functions

Over the course of this Corporate Strategy period, we are making the necessary investments to deliver best practice licensing, compliance and enforcement approaches. This includes improving our own operational performance, increasing transparency on compliance levels within the industry and stepping up our work to disrupt illegal gambling by ensuring we have the capacity, capability and means to identify and undertake high impact disruption activity.
Establish an approach that better supports industry engagement and communication

Throughout 2024, our licensing team piloted a revised relationship management approach where licensees were supported by a dedicated team via phone and email to resolve queries, ranging from advice on filling out the new regulatory return forms to technical queries relating to the application of requirements. Given the positive response from those licensees who have taken part, we are continuing to enhance this service during 2025, which includes the multi-year implementation of a new case management system aimed at streamlining and optimising process management throughout the lifecycle of a licence: licensing, compliance, enforcement, intelligence, forensics and anti-money laundering.

We have also established an Operator Engagement Forum with the dual aim of assisting industry to remain compliant through sharing knowledge and peer-to-peer best practice, and to build more collaborative relationships between the Commission and industry. We hosted two events during 2024-25 and the second of these had double the number of attendees than the first. Attendees commented on the value of such events and noted the positive shift in relationship between the Commission and industry these signalled: more are planned for the coming year.

Throughout 2024-25, we continued to develop relationships with industry trade bodies, attending and presenting at compliance and safer gambling forums at the Betting and Gaming Council, British Amusement Catering Trade Association, Bingo Association and the Lotteries Council's annual conference. Our lotteries team also delivered workshops at this conference which were well attended.

To reach as many stakeholders as possible, we have continued to publish blogs on important topics, including issues consumers face in withdrawing funds from their accounts and a progress update on the financial risk assessments pilot. Through our new podcast, 'Inside the Commission', we aim to provide listeners with a deeper understanding of the work we do[3].

Enhance our core operational capabilities

The changes we are making to our operational delivery model have already impacted positively on our performance. Our 2024-25 licensing data reflects the positive movement in relation to the work we are doing to ensure licensees understand the requirements of the application process and to raise potential areas of concern with them. This enables licensees to make informed decisions and provide the right information at an early stage. Annex A details the performance of our operational teams against our published service level agreements.

In addition to the changes we are making to our core operational model, this year we also took steps to increase our efforts in tackling and disrupting illegal gambling activity. We issued 516 cease and desist requests to illegal operators (an increase from 384 during 2023-24), and a further 352 to advertisers and/or affiliates of unlicensed operators. Additionally, our engagement and close collaboration with search engines

[3] Inside the Commission, a Gambling Commission podcast - YouTube

and third-party technology companies has been crucial for our disruption efforts; 95,705 illegal gambling URLs were removed following our referral to search engines

It was also a busy year for our Sports Betting Integrity Unit (SBIU), with a plethora of high-profile cases involving the Commission. The General Election betting offences investigation drew national headlines and significant public interest leading to 15 people being charged with cheating offences under the Gambling Act 2005. We also had a role to play in a multitude of investigations across the sporting world, as well as 'behind the scenes' integrity support that we provided to several major sporting events in 2024-25. Through our work with sporting and commercial betting integrity partners, we provided support to events within Great Britain, for example, Wimbledon 2024, as well as international events held overseas, including UEFA Euro 2024 and the Paris Olympics.

Respond to the consultation[4] on financial penalties

In December 2023, we consulted on proposals to make changes to the criteria for imposing a financial penalty and the methodology for determining the amount of a penalty. These proposals aim to make the Commission's approach to financial penalties more transparent, addressing stakeholder concerns around the transparency and consistency of outcomes. The changes are intended to make the decision-making processes clearer and enable a reduction in the time and resources involved in determining financial penalties.

We have taken time to appropriately consider the consultation responses, and the evidence and perspectives presented in the responses we received. Our response to the consultation is expected to be published early in the 2025-26 financial year and will include details of the implementation timing of any agreed proposals.

Improve the transparency of industry compliance

During 2024-25, we began reporting on the findings of our compliance work within our suite of impact metrics, a set of headline figures intended to help demonstrate the impact of our work. The data represents a 'snapshot', of licensee compliance with our regulations according to our most recent licensee assessments. This data is drawn from full initial assessments. Follow up assessments prompted by improvement notices, special measure processes or casework have been excluded. These currently

[4] New consultations on financial penalties and ownership reporting

show how many initial assessments of licensed operators have met our requirements and are intended as a first step in being more transparent about this area of our work. They will provide a baseline for our tracking of trends going forward.

We continue to work on improving the compliance snapshots we produce and intend to add additional information on the outcomes of action we have taken over the next year. Annex A of this report shows the figures for 2024-25. We publish our impact metrics quarterly on our website[5].

Strategic focus 3: Setting clear, evidence-based requirements for licensees

The White Paper, *High Stakes – Gambling reform for a digital age* set out to: examine whether changes in regulation were necessary to reflect changes to the gambling sector, particularly in the use of technology; ensure there remained an appropriate balance between consumer freedoms and choice and prevention of harm to vulnerable people; and ensure there was an equitable regulatory approach to online and the land-based industries.

The White Paper included a diverse range of policy themes - 62 across government, regulators, the industry and others and 21 of which the Commission committed to deliver. As we undertake this work, we are aiming to ensure that requirements are as clear and focused as possible, making it easier for licensees to ensure they can achieve compliance at the earliest possible opportunity.

Implementation of gambling White Paper reforms

Delivery and implementation of the reforms for which we are responsible is a multi-year programme of work, which started in 2023–24 and will continue into 2025–26. Figure 1 provides a detailed timeline showing the implementation dates of the different measures.

During 2024-25, we published multiple consultation responses, fully implemented several measures, and launched the Financial Risk Assessment pilot scheme to test how and whether financial risk assessments could be introduced in a way that supports high-spending customers in financial difficulties while also supporting a frictionless customer journey for the vast majority of consumers.

[5] Impact Metrics

Additionally, we published details of our joint evaluation model with DCMS in December 2024[6] and supported them with the delivery of their White Paper commitments by providing expert advice and insight, for example on the introduction of the Statutory Levy.

The Statutory Levy, which commenced on 6 April 2025, will be collected and administered by the Commission, under the strategic direction of the UK government. As of 31 March 2025, licensees are no longer required to make annual financial contributions to research, prevention and treatment under the Licence Conditions and Codes of Practice (LCCP), as the Statutory Levy has been introduced. The Statutory Levy funding will be directed in specific proportions for the purposes of research, prevention and treatment, to increase the level of investment and strengthen the provision of projects and services to further understand, tackle and treat gambling-related harm. The Commission is one of the bodies receiving funding from the Statutory Levy, in addition to the National Health Service (NHS), Office for Health Improvement and Disparities and UK Research and Innovation.

Alongside the Review work, following consultation, we implemented changes to clarify and increase the coverage of Personal Management Licences (PML). The removal of ambiguity and setting out clear expectations at the outset is an important cornerstone of the Regulators' Code[7].

[6] Gambling Act Review evaluation plan - GOV.UK
[7] Regulators' Code - GOV.UK

Figure 1 - Gambling Act Review (GAR) - implementation timeline

July 2024
Quarterly regulatory returns reporting (land based)

August 2024			
Financial Vulnerability Checks	Pilot of Financial Risk Assessments	Think 25 (land based)	Extending the requirement to conduct test purchasing to smaller land based operators

January 2025
Remote game design changes

April 2025
Removal of Licence Conditions and Codes of Practice (LCCP) Research Education and Treatment (RET) requirement in preparation for statutory levy

April/May 2025	
DCMS levy (April)	DCMS slot stake limit

May 2025
Giving consumers more choice on the direct marketing they receive from remote operators

October 2025	
Customer-led tools: financial limits	Transparency of protection of customer funds

December 2025
Changes to LCCP - Socially responsible incentives

Ongoing		
Supplementary consultation: deposit limits	Machines consultation	Non-GAR: Financial penalties & financial key event reporting

Strategic focus 4: Being proactive and addressing issues at the earliest opportunity

It is in the interests of all stakeholders that licensees achieve and retain compliance. In our Corporate Strategy, we signalled our intention to focus on more proactive activities and interventions with licensees to support them to meet their legal obligations.

During 2024-25, we focused on the following initiatives:

Develop and embed an Industry Forum

The Industry Forum (IF), made up of people working across gambling in Great Britain, was established to provide industry insight into the Commission's plans, the quality of our service and the wider environment in which gambling operators work. The IF met for the first time in March 2024 and subsequent meetings have taken place approximately every six weeks, mainly at the Commission's offices in Birmingham. The IF has discussed topics generated from a proactive look ahead of the business plan to identify where its input could be useful, and items put forward by colleagues related to ongoing work.

Engaging with the IF has helped the Commission in several areas, including how we develop and manage consultations, how we communicate with operators of different sizes, our strategic assessment of the fair and open licensing objective, our data innovation work, and our approach to operational delivery and anti-money laundering. We publish the minutes of meetings on our website[8] to provide a public record of topics and discussions that have taken place.

Strategically assess the Fair and Open licensing objective

One of the objectives of the Gambling Act 2005 is to ensure that gambling is conducted in a fair and open way (section 1(b)). During 2024-25, we conducted a comprehensive strategic assessment of this objective, drawing on available evidence from our consumer research programme, data from Alternative Dispute Resolution (ADR) providers, findings from our compliance work, stakeholder engagement and relevant academic research. This assessment identified a number of areas where focus is needed.

[8] Industry-forum

We have given priority to those issues which consumers tell us are of most importance to them. Our focus during 2025-26 will include a package of work on improving transparency for consumers on the reasons for identity checks or account restrictions, particularly where these take place later in the consumer journey, such as on withdrawal. Despite our work with some operators to improve in this area, issues relating to withdrawals continue to be the cause of most of the complaints we receive.

Our key objectives in undertaking this work are to ensure that gambling products and services are fair, consumers can make informed choices because information is clear and easy to understand, and licensees deal with consumer issues fairly and promptly.

Strategic focus 5: Regulating a successful National Lottery

The National Lottery remains one of the most recognisable brands in the country. Since its inception in 1994, it has changed lives, both for those who have won prizes and those who benefitted from the funds raised for Good Causes. Since 1994, the Lottery has paid out more than £95 billion in prize money and generated over £50 billion for Good Causes.

The 4th National Lottery (4NL) Licence started on 1 February 2024 with Allwyn succeeding Camelot UK Lotteries Limited as the licensee.

Our priority, in accordance with our core regulatory objectives, is to uphold the National Lottery duties, which are propriety, protecting participant interests, and subject to both those duties, ensuring the maximisation of returns to Good Causes.

Our Corporate Strategy for 2024 to 2027 recognises that a successful 4NL licence is paramount to achieving these outcomes.

Fully embed 4th National Lottery controls

The 4NL Programme team have managed the competition and implementation oversight of 4NL within the Commission. In May 2025, the Commission's Board approved a further extension of the 4NL Programme to December and then a shift from a programme to a special project alongside the team who manage the ongoing 4NL Regulation. The Commission continues to assess its resource requirements to ensure appropriate oversight of Allwyn's delivery.

The completion of the 4NL Competition Programme activities is aligned to Allwyn's delivery of its application. This includes agreed upgrades to the systems, the website and mobile application, to enhance the user experience and ensure the National Lottery is fit for purpose for the duration of the Licence and beyond.

The new licence adopts an outcomes-based model giving the licensee greater responsibility to fulfil its obligations and was designed with a new incentive mechanism that better aligns contributions to Good Causes with the licensee's profits. We established a new team and introduced processes and procedures that reflect the change in approach to regulation whilst continuing to retain the ability to intervene where appropriate. Our routine regulatory activity includes consideration of a series of reports designed to provide assurance to the Commission that Allwyn is complying with the terms of the Licence and the commitments made in their application, in line with the Commission's statutory duties.

Allwyn did not deliver full functionality (being all elements of their Application in the competition which they originally committed to deliver by Licence Start Date) by February 2025 as it was contractually required to do and, as a consequence, an enforcement investigation, in line with the 4th National Lottery Licence Regulatory Handbook, was initiated by the Commission and is ongoing. This process is separate from the day-to-day regulation of the National Lottery and any decision taken will be done so independently.

There is active litigation against the Commission brought by The New Lottery Company (TNLC), one of the unsuccessful bidders for the 4NL licence. There are two claims, alleging a breach of the Concession Contracts Regulations 2016, the first in respect of the evaluation of the 4th National Lottery Competition bids and the second relating to modifications made to the Enabling Agreement and the Licence governing the transition to and operation of the National Lottery. During the legal process to date, there have been additional legal hearings on a variety of issues, including rulings as a result of the inadvertent disclosure of documents by advisors working on behalf of the Gambling Commission, where those documents were privileged or partially privileged and were not intended for release as part of the Commission's disclosure requirements. The Commission is robustly defending the claims and continues to work with its external lawyers to effectively manage the ongoing obligations up to trial, which is set for October 2025. The Commission has assessed this litigation as a contingent liability, see Note 15.

In March 2025, the Commission received a further legal challenge from TNLC, who have submitted a claim to the Competition Appeal Tribunal (CAT) challenging the Commission's decision to approve a marketing investment proposal in 2023, in relation to the 3rd National Lottery License.

TNLC are seeking a review of this decision under a new piece of legislation that came into force in 2023, the Subsidy Control Act. This is a live legal case and at an early stage of proceedings.

The Commission's National Lottery team was also responsible for overseeing the successful closedown of the Third Licence (3NL), ensuring that Camelot complied with all its obligations as outgoing licensee.

Corporate enablers

Delivering successful outcomes in each of our five areas of strategic focus is dependent on a number of cross-cutting activities that underpin all our work. During 2024-25 we focused on the following:

Develop a new people strategy and implement priority actions

During 2024-25, we developed a People and Culture Strategy designed to ensure we can deliver the ambitious programme of work we set out in our corporate strategy. We identified five key priorities: organisational culture; attraction and retention; talent management; learning, skills and capability; and enhancing the 'People Services' function.

We have started work to enhance our employee value proposition which will improve our ability to attract, recruit and retain talent. For 2024-25, our focus has been on the pay and reward aspect, with changes initiated to improve our competitiveness and target key talent hot spots.

We have worked to embed equality, diversity and inclusion into our everyday work knowing that this will enable us to deliver better outcomes. We have continued to improve representation in line with the ambitions set out in our diversity and inclusion strategy. Our diversity networks are an important feature of our workplace offer and are contributing to colleagues feeling that they belong at the Commission. This has resulted in 89% of colleagues agreeing that the Commission is committed to creating an inclusive place to work in the 2024 annual Great Place to Work® UK survey. Additionally, we attained Level 2 accreditation with the Disability Confident scheme which, together with internal colleague perception, enhances our reputation as an inclusive employer.

We were also recognised as one of the UK's Best Workplaces for Development™, Women™ and Wellbeing™ 2024 by Great Place To Work® UK.

Enhance cooperation with international regulators

Gambling is a global business, increasingly with the same large scale operator groups active around the world and with similar challenges and questions facing regulators across continents. During 2024-25, we increased our international regulatory engagements, supporting newer regulators in the creation of their regimes and continuing to work at an operational level with those regulators with whom we had an existing relationship.

We have overseen greater levels of information and data sharing across regulators. Through our joint work with domestic partners, such as the Information Commissioner's Office (ICO), and international stakeholders, we have put in place a robust and transparent agreement framework. This has been adopted as the model framework through which broader information sharing agreements are being agreed by international partners.

We to continue to build our international network, understanding and influencing by engaging with individual jurisdictions and international regulator groups. Illegal gambling is a major area of collective international concern and a key example of this engagement. We are a founding member and current chair of the International Association of Gambling Regulators (IAGR) working group on illegal gambling. This has helped us to forge closer ties with over 35 like-minded jurisdictions around the world, coordinating action in relation to third-party technology, payments and social media companies.

Additionally, we have placed lottery-specific issues front and centre of discussions with international partners and have made efforts to ensure that they will be discussed further at upcoming conferences. We have started the process of creating a framework for the international regulatory community to discuss these issues, which is one of our priorities for international engagement in 2025-26.

Funding framework for regulation

A review of the Commission's fees model is a key commitment of the gambling White Paper to be led and delivered by DCMS.

A key goal for a revised system will be to enable the Commission to adjust its fees on an annual basis where necessary, increasing or reducing as appropriate, so our overall income remains at the right level to respond to challenges, cover the cost of regulation and allocate these costs fairly between operators. The current system for Commission fees is unusual and inflexible compared to other regulators.

We have engaged with other regulators such as the Financial Conduct Authority (FCA) to understand their fee-setting powers as these could act as a model for reform of our own fees structure. We have begun to explore options for legislative change, including the amendments to the Gambling Act that may be necessary to transfer fee-setting authority from the Secretary of State to the Commission, and we continue to work with DCMS to identify potential legislative vehicles in Parliament that might enable the necessary changes.

Financial Performance Analysis

This section provides a summary of the financial performance of the Commission for the financial year detailing:

- Funding
- Income
- Expenditure
- Prompt payment
- Net expenditure
- Statement of Financial position
- Going concern

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 for DCMS, approved by Parliament and paid by the gambling industry. These fees fund all gambling regulation except for the National Lottery.

- in respect of National Lottery functions, by Grant-In-Aid (GIA) from the National Lottery Distribution Fund. This GIA is not treated as income in accordance with the 2024-25 Financial Reporting Manual (FReM) issued by HM Treasury (HMT).

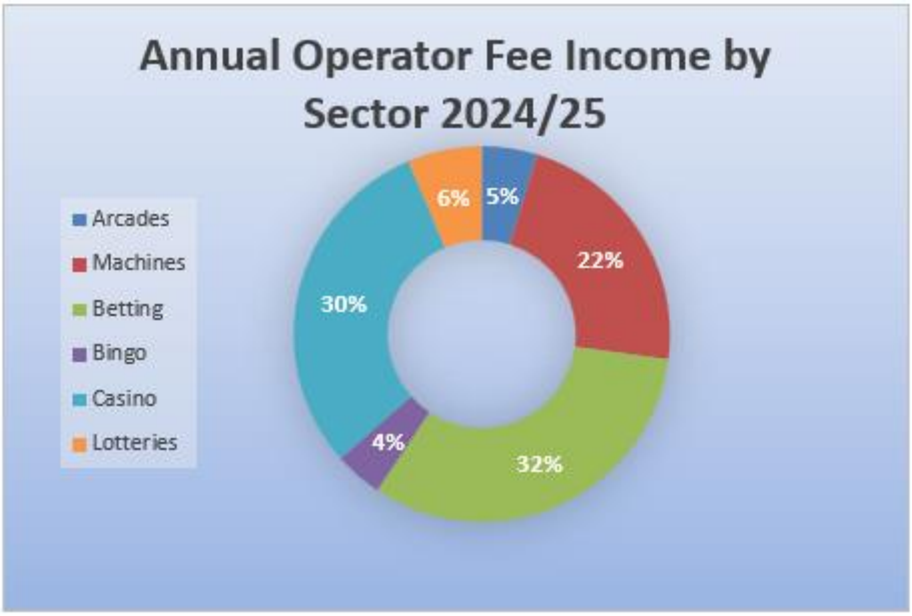
Income

Our total income from fees and other sources was **£27.88m** for the year (£26.18m for 2023-24). This figure does not include the **£29.14m** (2023-24 £14.44m) of GIA funding in respect of the National Lottery functions which is transferred directly to reserves.

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

- operator application fee income **£1.47m** (2023-24 £1.21m)
- fees for personal licences **£0.75m** (2023-24 £0.75m)
- operator annual licence fees **£25.22m** (2023-24 £23.86m)
- miscellaneous income of **£0.44m** (2023-24 £0.36m).

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



Expenditure

During the year, total operating expenditure including depreciation was **£60.31m** (2023-24 £40.41m), an increase of **£19.90m** on the prior financial year (49%).

Total expenditure on gambling regulation totalled **£31.89m** (2023-24 £25.54m[9]). National Lottery functions accounted for **£28.42m** (2023-24 £14.87m[9]). This included **£24.67m** on the National Lottery 4th Licence competition (2023-24 £11.99m[1]). This increase was in relation to costs related to the legal challenge to the outcome of the 4NL competition decision.

For comparative purposes, the following table shows the year-on-year comparison for gambling and National Lottery regulation expenditure.

[9] A late change was made to the prior year accounts to reclassify other income relating to contributions to costs (£4.83m). This income, previously reported under "Other Income," has been reclassified and presented net of expenditure. The prior year comparatives have been updated accordingly to ensure consistency and clarity in financial reporting.

Year-on-year operational expenditure for gambling and National Lottery regulation

	2024-25 £m	2023-24 £m[10]	2022-23 £m	2021-22 £m	2020-21 £m
National Lottery regulation	**3.75**	2.88	2.43	2.60	2.76
National Lottery competition	**24.67**	11.99	19.15	23.66	14.84
Gambling regulation	**31.89**	25.54	19.33	20.07	20.57
Total costs of operation	**60.31**	**40.41**	**40.91**	**46.33**	**38.17**

Employee costs for the year were **£27.82m** (2023-24 £24.00m[11]), an increase of **£3.82m**. Employee costs for gambling regulation were **£23.70m** (2023-24 £19.15m[11]) and National Lottery regulation **£4.12m** (2023-24 £4.85m[11]). The new National Lottery regulation team is smaller due to the compliance approach to the 4th license regulation. Of this, **£1.15m** related to the 4th National Lottery Licence competition (2023-24 £2.33m[11]).

Non-pay expenditure for Legal costs had the most significant increase in costs between years. Legal costs totalled **£14.20m**, which includes legal costs of **£13.35m** related to ongoing litigation costs for the National Lottery Competition (2023-24 £0.35m). These costs relate to expenditure on legal services, including lawyer fees and other expenses. See Note 15 Contingent Liabilities for further information on the litigation. The figures for 2023-24 are net of costs recovered in earlier successful litigation, the gross costs for the year were £4.83m.

[10] See Note 2a: Segmental Analysis – Reclassification of Prior Year Figures
Comparative figures for the year ended 31 March 2024 have been restated to correct the allocation of certain intra-group costs between operating segments. These adjustments ensure a more accurate reflection of the performance of each segment. The restatement has no impact on the Group's total revenue, operating profit, or net assets as previously reported.

[11] See Note 3(a) Wages and salaries include agency costs of £1.24 million (2023–24 £0.57 million) and apprenticeship levy costs of £0.08 million (2023–24 £0.07 million). These costs were previously classified under other expenditure. Prior year figures have been reclassified to conform with the current year's presentation. This reclassification aligns with the requirements of the Financial Reporting Manual (FReM).

Prompt Payment

The Commission strongly supports the policy to pay all suppliers promptly. The 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. The Government's target is that **95%** of invoices should be paid within 30 days. In the year to 31 March 2025, **100%** of invoices were paid within 30 days of receipt totalling **£32.00m** (2023-24 100%, £22.60m).

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 deficit of **£3.43m** see Note 2a for further details (2023-24 £1.01m surplus). A deficit of **£4.10m** (2023-24 surplus of £0.47m) for the year was budgeted under the Commission's medium-term financial plan. The comprehensive net expenditure for the year was **£31.86m**, including regulating the National Lottery. The deficit was due to the requirement to transfer GIA funding of **£29.14m** (2023-24 £14.44m) in respect of National Lottery direct to reserves and this not being included as income.

Statement of financial position

At 31 March 2025, the book value of non-current assets was **£1.88m** (2023-24 £2.82m). Assets less liabilities at 31 March 2025 amounted to **£10.88m** (2023-24 £13.60m). The Commission holds reserves as a matter of prudent financial management, as set out in Note 1(l), Reserves.

The year-end closing cash balance at 31 March 2025 was **£31.66m** (2023-24 £31.13m). During the year, the cash balance reaches its peak between August and November, after the largest tranche of annual fees fall due, which are paid in advance by operators.

The cash position at year end reflects money collected from Gambling Regulation income from three sources:

Source of cash	2024-25 £m	2023-24 £m
Deferred income	15.32	14.58
Reserves	10.88	13.60
Other payables	7.56	3.70
Trade Debtors	(2.41)	(1.40)
Other	0.31	0.65
Total	**31.66**	**31.13**

GIA to fund National Lottery regulation is drawn down monthly only as required, satisfying the normal conventions applying to parliamentary control over income and payment performance.

Going Concern

There are no current going concern issues. The Commission was set up and operates under the Gambling Act 2025. In 2013 the National Lottery Commission was abolished and its responsibilities transferred to the Commission. We carry out our statutory requirements as set out in both the Gambling Act 2005 and the National Lottery Act 1993.

The Commission holds a Reserve for prudent financial management, particularly due to the fact we are predominantly fees funded for our Gambling Regulation work, with minimal other sources of income (Other Income £0.44m). The reserves balance as at the 31 March 2025 was **£10.88m** (£13.6m at 31 March 2024). We receive GIA funding for the work we carry out in respect of the National Lottery, but this cannot be used to fund Gambling Regulation. Holding reserves enables us to be able to appropriately respond to external events, such as changes in the industry or a judicial review.

Complaints

For the year 2024-25:

- There were no complaints relating to the Commission accepted for investigation by the Parliamentary and Health Service Ombudsman.
- There were no complaints related to the Commission reported on by the Parliamentary and Health Service Ombudsman.
- Seven complaints against the Commission were reviewed in line with our published policy: Complain about the Commission

The Commission operates a two stage complaints policy (initial complaint and review). Three complaints were handled at Stage One - one was upheld and two were not upheld. Four complaints were handled at Stage Two, and all of these were not upheld. Two complaints were from licensees or license applicants (including the one upheld) and in each case frontline staff offered direct support to resolve issues. Of the other five complaints, four were from members of the public regarding the Commission's remit and one was from a job applicant. There were no consistent themes identified in relation to complaints during 2024-25. See Annex A for further details.

Sustainability

Background

This report benchmarks our efforts against a range of performance measures towards embracing sustainability as a core principle in our approach. With a firm belief in the interconnectedness of environmental, social and economic well-being, we have embarked on a path to reduce our environmental footprint, promote eco-friendly practices, and contribute to a greener, more sustainable future.

Our ability to control our carbon footprint is limited. The Commission operates from the fourth floor of a leased building so the opportunity to make significant improvements within the workplace are limited. However, from reducing energy consumption and waste generation to promoting sustainable procurement practices, our greener commitments encompass a broad spectrum of initiatives aimed at mitigating climate change and preserving natural resources. By leading by example and encouraging industry-wide adoption of sustainability practices, we aspire to set new standards for environmental responsibility within the gambling sector.

The Commission faces additional pressures on its Greenhouse gases and use of resources due to an increase of 11.5% in staffing during 2024–25, and greater connections across the globe with other gambling regulators with the related increase in travel. The Commission carries out much of its international engagement remotely via video meetings and where travel is involved, our approach is to ensure it is multi-lateral with numerous engagements being conducted.

Governance

The Board maintains oversight of risks including climate-related risks, opportunities and actions in its role to hold account the executives in achieving our commitments to our Greening commitments.

The Executive team are responsible for managing climate-related risks and opportunities and monitoring and reporting on performance targets.

Quarterly returns to DCMS are made to provide oversight at Departmental level.

As the regulatory authority responsible for overseeing the gambling industry in the UK, we recognise the pressing need to integrate environmental considerations into our regulatory framework and operational practices.

Sustainability Performance Summary

2024-25 compared to 2023-24

Direct Greenhouse gas and emissions from buildings: Direct Greenhouse Gases (Direct GHG) generally increased during the 3rd and 4th quarters as these are colder months. We have made a consistent effort to reduce temperatures within the office and the benefits of this can be seen through comparison between Q3 and Q4 of 2024-25 in comparison to Q3 and Q4 of 2023-24.

Overall GGC performance

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 occur from sources that are not owned or controlled by the Commission, for example emissions as a result of staff travel on official business.

We use the 2017–18 financial year as our baseline for sustainability reporting, in line with the UK Government’s Greening Government Commitments (GGCs). This ensures our performance is measured consistently against national targets. The following tables show our progress since that baseline year.

Details of the Commission Performance - Total Tonnes CO_2

					Total tCO_2e (reduction)/increase	
Scope	Type	2024-25	2023-24	Base Line 2017-18	Commission 2024-25 compared to 2017-18 Baseline	Government target 2017-18 Baseline
Scope 1						
tCO_2e	Gas	7.80	8.16	4.55	(54%)	(58%)
Kwh		42,637	44,616	24,725		
Cost £		£10,753	£10,842	£9,148		
tCO_2e per full time equivalent staffing (FTE)		0.02	0.02	0.01		
Scope 2						
tCO2e	Electricity	39.26	39.02	102.45		
Kwh		174,226	173,419	266,504		
Cost £		£48,564	£12,126[12]	£28,139		
tCO_2e per FTE		0.09	0.10	0.32		
Scope 3						
tCO2e	Travel	63.25	40.89	132.22		
Kms		558,320	518,859	1,184,066		
Cost £		£144,181	£147,345	£301,816		
tCO_2e per FTE		0.15	0.11	0.41		
Total tCO2e		**110.31**	**88.07**	**239.22**		

In 2024–25, our total greenhouse gas emissions (tCO_2e) were **110.31**, representing a **54% reduction** compared to the 2017–18 baseline. This marks a **9% increase** from 2023–24, primarily driven by a rise in Scope 3 emissions due to increased travel activity. This reflects our growing domestic and international engagement, which is expected to continue.

[12] The electricity costs in 2023-24 include a number of credits as a result of reduced usage during covid.

While Scope 3 emissions have increased year-on-year, they remain significantly lower than the 2017–18 baseline. We continue to monitor and manage our emissions to support sustainable growth in line with the Greening Government Commitments.

Commission Greening Commitments

Overview

The Commission utilise a rented private building that has a multi-tenancy occupancy which makes management of energy consumption difficult and closely linked to the building usage. The building is also not Public Sector owned so adjusting the building parameters requires consultation and Landlord approval.

Adapting to Climate Change

We are at an early stage in understanding and preparing a plan for the risk of climate change to our operations. This will be developed to work towards meeting our Greening Commitments. The Commission expects to achieve its commitments before the government target date.

We are committed to reducing our overall GHG emissions, using the 2017–18 financial year as our baseline. This aligns with the UK Government's GGCs, which set targets for reducing both total and direct GHG emissions from departmental estates and operations. Our targets follow the DCMS sustainability reporting guidelines and remain consistent with those used in previous years.

This is primarily made up of two sub-targets: -

Sub Target	Commission Performance
Meet the Government Fleet Commitment for 25% of the Government car fleet to be ULEV by 31 December 2022, and 100% of the Government car and van fleet to be fully zero emission at the tailpipe by 31 December 2027.	The Commission does not own any vehicles, so we have no target to reach.
Reduce the emissions from domestic business flights by at least 30% from a 2017-2018 baseline and report the distance travelled by international business flights, with a view to better understanding and reducing related emissions where possible.	Travel costs and our emissions output have increased and will continue to do so as we seek to increase our influence both domestically and internationally. The travel procedure is automated to require lower carbon options to be considered first as an alternative to each planned flight.

Travel Emissions Performance Narrative

In 2024–25, total travel-related emissions (Scope 3) increased to **63.25 tCO_2e**, up from **40.89 tCO_2e** in 2023–24. Despite this year-on-year rise, emissions remain significantly lower than the **2017–18 baseline of 132.22 tCO_2e**, reflecting a sustained reduction of over 50%.

The following tables show our progress since that baseline year.

Details of the Commission's performance – Total travel

Travel Type	2024-25	2023-24	Base Line 2017-18	Total tCO_2e (reduction)/increase: Commission 2024-25 compared to 2017-18 Baseline	Total tCO_2e (reduction)/increase: Government target 2017-18 Baseline
Passenger Vehicles - Cars					
Kms	44,690	47,510	276,376		
Cost	£12,496	£13,285	£77,279		
tCO2e	7.35	7.79	51.32		
Number of trips	545	468	523		
Other Domestic Rail					
Kms	253,714	265,752	657,442		
Cost	£84,659	£85,896	£196,303		
tCO_2e	9.00	9.42	31.03		
Number of trips	1,235	1,263	3,660		
Other Domestic Flight					
Kms	11,268	9,179	50,420		
Cost	£2,443	£1,575	£12,173		
tCO_2e	1.47	1.19	13.31		
Number of trips	15	13	69		
Other Short Haul Flight (Economy)					
Kms	94,330	77,449	66,671		
Cost	£11,127	£8,403	£8,866	**(53%)**	**(30%)**
tCO_2e	10.18	8.36	10.95		
Number of trips	40	25	42		
Other Short Haul Flight (Business)					
Kms	2,546	103,129	-		
Cost	£335	£33,596	£0		
tCO_2e	0.27	11.13	0.00		
Number of trips	1	6	-		
Other International Long-Haul Travel (km)					
Kms	151,772	15,839	133,157		
Cost	£33,121	£4,589	£7,195		
tCO_2e	34.98	2.99	25.61		
Number of trips	10	2	6		
Total Travel					
Kms	**558,320**	**518,859**	**1,184,066**		
Cost	**£144,181**	**£147,345**	**£301,816**		
tCO_2e	**63.25**	**40.89**	**132.22**		
Number of trips	**1,846**	**1,777**	**4,300**		

Mitigating climate change: working towards Net Zero by 2050

The Commission are focused on our continued use of renewable energy and have liaised with the landlord to ensure that all the energy used within our building is sourced from renewable sources and that our waste is either recycled or utilised to create energy.

We are focused on minimising our CO2 footprint through initiatives around use of vehicles and travel along with a focus to minimise our annual footprint through means of reducing waste and energy consumption across the wider Commission.

Minimising waste and promoting resource efficiency

Data on waste is collated (in line with Sustainable Operations on the Government Estate (SOGE) targets for all offices and land owned and/or occupied by the Commission and covers:

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

Waste Minimisation and Management and finite resource consumption				Total tCO_2e (reduction)/increase	
	2024-25	2023-24	Base Line 2017-18	Commission 2024-25 compared to 2017-18 Baseline	Government Target 2017-18 Baseline
Waste Refuse and paper - (Reused / recycled)					
tCO_2e	5.35	5.31	4.13	**30%**	**70%**
Cost	£2,662	£2,212	£1,352		
tCO_2e per FTE	0.01	0.01	0.01		
Waste Refuse and paper - (Incinerated with energy recovery)					
tCO_2e	12.93	12.79	14.64	**(12%)**	**(5%)**
Cost	£1,275	£1,262	£380		
tCO_2e per FTE	0.03	0.03	0.05		

Waste increased in 2024-25; this was primarily due to greater office occupancy and increased headcount.

- Landfill: The target has been achieved. 0% of our waste goes to a landfill. Landfill delivery is managed by our landlord, however through consultation we have managed to secure sustainability in our energy supply. Whatever is not recycled is incinerated and used to produce energy.

- Recycling: There has been a slight increase in reused/recycled waste but also a slight increase in incinerated waste; it is worth noting all the remainder is processed into energy; we have also seen a steady decrease in overall waste produced per employee as part of our efforts to reduce waste.

- Single-use consumer plastics are not utilised within the Commission. We do not produce food or food waste, nor do we require single use plastics in any part of our operations. We provide staff with washable cutlery, glasses, and cups. We are currently aligned with the commitment to eliminate all single use consumer plastics. We will investigate in future further methods to discourage staff from utilising single use plastics for their own food.

Total waste, water and paper consumption

				Total tCO_2e (reduction)/increase	
Type	**2024-25**	**2023-24**	**Base Line 2017-18**	**Commission 2024-25 compared to 2017-18 Baseline**	**Government target 2017-18 Baseline**
A4 paper / reams					
Reams	177	143	1,300	**(86%)**	**(50%)**
Cost	£709	£657	£3,271		
Reams per FTE	0.43	0.37	4.04		
A3 paper / reams					
Reams	5	5	40	**(88%)**	**(50%)**
Cost	£45	£45	£198		
Reams per FTE	0.01	0.01	0.12		

Reducing our water use

The Commission is committed to reducing water consumption across our operations. The Commission's water usage has increased by 158m^3 year on year or 6.4%; this is due to greater office occupancy, which has increased by 11.5% year on year.

When adjusted for this increase in occupancy and usage levels, our water use per capita has decreased by 4.6%, demonstrating a gradual improvement in water efficiency. This reflects the effectiveness of ongoing initiatives aimed at promoting responsible water use across our organisation, despite the pressure of higher operational demand.
Whilst progress has been steady, we feel optimistic about getting closer to the government's target of 8% within the next reportable period.

Reducing Water Usage				Total tCO_2e (reduction)/increase	
Type	**2024-25**	**2024-25**	**Base Line 2017-18**	**Commission 2024-25 compared to 2017-18 Baseline**	**Government target 2017-18 Baseline**
Water consumption /m^3	2,604	2,446	2,067	**26%**	**(8%)**
Water supply costs (office estate)	£5,036	£4,731	N/A		
Water consumption m^3 per FTE	6.26	6.40	6.42		

While we do not have a formal organisational water policy, our water use is managed within the context of being a tenant in a landlord owned building. As such, our direct control over water infrastructure and broader consumption policies is limited. However, we actively promote responsible water use among our staff and visitors and work closely with the buildings facilities management team to support efficiency measures where possible. We have effective systems for responsible consumption, leak detection and are looking to introduce staff training on water efficiency as part of our web learning development courses. We have also started exploring indirect water usage across our wider procurement process, working closely with suppliers to understand and reduce water use across the value chain. We have interrogated water policies for suppliers such as cleaning services to ensure they are reflective of our goals.

While we currently do not conduct formal water footprint assessments. As part of our procurement process, we are working to embed broader sustainability principles into purchasing decisions. As part of this we are engaging with suppliers to understand their environmental practices, and we aim to include sustainable criteria-including water considerations, as part of future procurement exercises where relevant.

Reducing environmental impacts from Information and Communication Technology (ICT) and Digital

The Commission continuously leverages technology to reduce our overall environmental impact. Initiatives include replacing desk phones with softphones (software for making telephone calls over the internet) and promoting the use of softphones over mobile phones to further reduce our physical impact and footprint. Additionally, improvements to our videoconferencing capabilities support effective hybrid working, thereby minimising the need for travel. All end user equipment is configured with automated sleep timers, and only energy efficient monitors are used. We recycle all ICT plastics, such as toner and ink cartridges, for reuse. More broadly, sustainable ICT solutions are being integrated into the Commission as a standard practice through sustainable procurement, design, implementation, and asset management.

Nature Recovery and biodiversity action planning

The Commission does not own or manage any natural lands or green areas – we are located on the fourth floor of an office building with no access to roofs/gardens etc, so we are limited in what we are able to do regarding improving natural assets.

Procuring sustainable products and services

In relation to sustainable procurement, we follow Crown Commercial Services (CCS) guidelines which are detailed below:

“We follow the Government Buying Standards which set out mandatory minimum standards for goods and services such as paper, office equipment, ICT, cleaning products, furniture, construction and fleet. Our product expertise helps us keep pace with other international standard setting bodies, and where these are more appropriate to consult to ensure we give you access to the best sustainable solutions possible, we do so.”

Government buying standards are adhered to at each procurement level within the Commission.

The National Procurement Statement was published in February 2025 and any procurements we run post this date will comply with this. We are currently almost exclusively using CCS frameworks, and this data is often captured as part of suppliers’ returns to CCS as part of being on that framework.

The Commission will be benchmarking our commercial function against the Government Commercial Functional Standard (Functional Standard 08) this year to benchmark against similar sized organisations and establish areas we need to improve.

Andrew Rhodes

Chief Executive and Accounting Officer
17 July 2025

Accountability report

Overview of the accountability report

The accountability report is made up of three sections: the corporate governance report, remuneration and staff report and the parliamentary accountability and audit report. The contents and purpose of each report is outlined below.

1. **Corporate governance report**: this outlines the governance structure of the Commission, its key decision-making bodies and the interests of leading decision-makers. This is part of the Commission's accountability to Parliament, by being transparent about who makes the Commission decisions and how they do so. Describing governance structures and managing interests are key features of best practice in corporate governance and are requirements of the Commission's framework agreement with DCMS and Cabinet Office guidance.

2. **Remuneration and staff report**: this discloses the remuneration of senior leaders and gives an overview of the policies that govern all staff within the Commission. This transparency is required for parliamentary oversight of the Commission by demonstrating that Commission officials are bound by appropriate standards and their performance can be measured against those standards.

3. **Parliamentary Accountability and Audit Report:** this brings together the Commission's key parliamentary accountability documents and covers regularity of expenditure, accountability and disclosures. This information allows parliamentary oversight of how the Commission complies with the requirements of Managing Public Money (MPM). The Commission must demonstrate how we exercise our fiduciary duties when handling public resources, and how we maintain high standards of probity.

Corporate governance report

Board of Commissioners

The Commission is made up of a Board of Commissioners (the Board), appointed by the Secretary of State, and led by the Commission's Chair. The Chief Executive Officer (CEO) Andrew Rhodes is a Commissioner, appointed by the Secretary of State, with all other Commissioners being non-executive. The Commission's key decision-making body is the Board of Commissioners. Details of the Chair and Commissioners for 2024-25, including their declared interests, are detailed below.

Marcus Boyle announced his decision to step down as Chair of the Commission in November 2024, with his term concluding on 31 January 2025. Charles Counsell, who was the Commission's Senior Independent Director at the time, was appointed as Interim Chair from 1 February 2025 by the Secretary of State. David Rossington was appointed as Interim Senior Independent Director, also from 1 February 2025.

The appointment terms of two Commissioners (Catharine Seddon and John Baillie) ended in April 2024, and the appointment term of another Commissioner (Stephen Cohen) ended in November 2024.

The Commission is managed by the Executive Committee, led by the CEO. The Executive Committee forms the Commission's corporate leadership and is responsible for strategic decision-making.

Details of the Commissioners and Executive team for 2024-25, including their declared interests, are detailed in the Directors' report.

Charles Counsell OBE

Interim Chair (from 1 February 2025) and Senior Independent Director (from 24 April 2024 to 31 January 2025)

Charles has been a Board Member of Government Arm's Length Bodies since 2011, first as Executive Director of Automatic Enrolment (AE) at The Pensions Regulator (TPR), then as Chief Executive of the Money Advice Service (MAS) and then as Chief Executive of The Pensions Regulator (TPR). Prior to this, he spent many years as a Management Consultant leading and delivering large change programmes.

Alongside Charles' role at the Commission, he is also a non-executive member of Scottish Widows pensions Independent Governance Committee. Charles was briefly a Trustee of Independent Age but resigned when he became aware of a conflict of interest after his appointment.

David Rossington CB

Commissioner (Interim Senior Independent Director from 1 February 2025)

David is a former senior civil servant. He has worked for DCMS, including as Finance Director, and other Government departments, and has extensive knowledge of gambling policy and the National Lottery.

David has been a member of several boards, which has enabled him to undertake a wide range of work on policy, finance and efficiency, and commercial and delivery.

Since finishing full time work, he has assisted the Commission as an independent member of the Programme Board for the 4NL Programme, formally the National Lottery Competition Committee, and is also deputy chair of the Advisory Committee on National Records and Archives, which works with The National Archives. He is Treasurer of a charity for veterans (The Stoll Foundation).

David holds a degree in History and French from Oxford, a master's in public policy from the Kennedy School, Harvard University, and an Economics MSc from Birkbeck College, London. David took an accountancy qualification while a civil servant, although is no longer in practice.

Claudia Mortimore

Commissioner

Claudia brings over 25 years' experience of criminal law and regulation to her role as a Gambling Commissioner.

She spent the first 10 years of her career working as a barrister then, after a career break to raise three children, prosecuted drugs, tax and money-laundering offences for the Revenue and Customs Prosecutions Office and fraudulent trading offences for the Department for Business.

Since 2013, Claudia has worked in senior positions in the Enforcement Division of the Financial Reporting Council (FRC), the body which regulates accountants, auditors and actuaries in the public interest, and which sets the UK Corporate Governance and Stewardship Codes.

During her time at the FRC, Claudia has led major investigations into serious and complex audit and accountancy failures. Since 2017, she has been a key member of the Enforcement Division's Senior Leadership Team, which has steered the Division through a period of significant change and growth.

Claudia has a particular interest in Diversity and Inclusion and has also played a key role in promoting the importance of mental health and well-being at the FRC.

Helen Dodds OStJ

Commissioner

Helen Dodds is an international lawyer, consultant and board member. She is a director and trustee of the St John's Eye Hospital Group, a director of Legal UK, and an Honorary Senior Fellow of the British Institute of International and Comparative Law.

She was formerly a board member of the Human Tissue Authority and the London Court of International Arbitration. In her executive career she was for many years Global Head of Legal, Dispute Resolution at Standard Chartered Bank.

Helen Phillips

Commissioner

Helen is a former front-line regulator, having held senior roles at the Environment Agency from where she was recruited to be the founding Chief Executive of Natural England. Helen is also a former board member of a large, regulated organisation in the water industry.

Since moving to non-executive work in 2015, Helen has chaired the Legal Services Board, the oversight regulator of lawyers in England and Wales until 2023, was a founding board member until 2021 of Social Work England, the regulator of social workers in England, and has also chaired Chesterfield Royal Hospital NHS Foundation Trust from 2015 to 2024.

Helen's current non-executive portfolio of roles reflects her continuing interest in professional standards and healthcare. She currently chairs the Chartered Insurance Institute, the standards body for general insurance and financial planning professionals, and in 2023 was appointed Chair of NHS Professionals Ltd, the staff bank that provides 120,000 professionals to the NHS.

Lloydette Bai-Marrow

Chair of the Remuneration and Nominations Committee

Lloydette Bai-Marrow is an anti-corruption expert and economic crime lawyer, specialising in corporate compliance and investigations. She is the Managing Partner of Parametric Global Consulting, a corporate investigations and compliance consultancy.

She worked as a senior prosecutor in various UK government departments, including the Serious Fraud Office. Lloydette chairs the Board of Spotlight on Corruption, a UK-based anti-corruption charity, and serves as a trustee for the Unite Foundation. She sits on the Legal Panel for WhistleblowersUK.

She is a Senior Visiting Lecturer at the International Anti-Corruption Academy and a member of the Conduct Committee of the Institute of Chartered Accountants in England and Wales.

She is a Co-Founder and Director of the Black Women in Leadership Network (BWIL), a non-profit network committed to increasing the representation of black women in leadership and decision-making positions.

Sheree Howard

Chair of the Audit and Risk Committee (from 10 April 2024)

Sheree is a Fellow of the Institute and Faculty of Actuaries and has over 30 years' experience in the UK financial services industry, both in insurance and banking. Initially following the established actuarial path of working in a life assurance company, Sheree saw the opportunity to transfer the risk focus of her actuarial training into general insurance with senior roles in underwriting and pricing, establishing corporate actuarial functions, finance, capital management and risk management.

After a period working in insurance and banking in the areas of risk and compliance, Sheree joined the Financial Conduct Authority in 2017 and having been the Executive Director of Risk and Compliance Oversight for a number of years, is now the Executive Director of Authorisations.

She brings experience and knowledge of the process of regulation, alongside a key focus on risk management, audit and controls.

She was previously a Governor, including Chair, for more than 10 years of a maintained special needs school, and has provided pro bono advice to several other charities.

Previous Commissioners:

Marcus Boyle

Chair (resigned 31 January 2025)

Marcus was appointed Chair of the Commission on 5 September 2021. He has held senior leadership roles in public and private sector bodies.

In addition to chairing the Commission, he is also a member of the Advisory Board of Freston Ventures and a Trustee of the Serpentine Gallery.

Previously, he has been an equity partner for two leading global professional services and chaired the British American Drama Academy.

Stephen Cohen

Commissioner (Commissioner term ended on 11 November 2024)

Stephen has over 45 years' experience in asset management in Asia, Europe, and the USA. He has worked as a portfolio manager, in business development, operations and in IT. Stephen is the Chair of the JPMorgan Japanese Investment Trust plc, a Commissioner at the Civil Service Commission and Chair of Audit for both the Advanced Research Invention Agency and the Schroders Capital Global Innovation Trust plc.

Catharine Seddon

Senior Independent Director

(Commissioner term ended on 10 April 2024)

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 soon specialised in high-end film documentaries, eventually setting up her own production company.
She became a magistrate in 2000 and later left television to take up a variety of other judicial roles in the Courts and Tribunals Service, to become a member of the Human Tissue Authority, to sit on the Determinations Panel of The Pensions Regulator and on the Legal Services Board (LSB).
Catharine is now the deputy chair of the Human Fertilisation and Embryology Authority (HFEA), and a board member of both The Health and Care Professions Council (HCPC) and the Children and Family Court Advisory and Support Service (CafCass). She is a tutor for the Civil Service College and sits on the Disciplinary Committee of the Royal College of Veterinary Surgeons (RCVS). Catharine is also a trustee for the special needs charity CPotential.

John Baillie

Chair of Audit and Risk Committee (Commissioner term ended on 10 April 2024)

John Baillie is a Chartered Accountant and a former partner of a Big Four firm in Scotland and then London.

He is a past 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.

He was a member of the Reporting Panel of the UK Competition and Markets Authority for nine years. John was professor of finance and accountancy at the University of Glasgow. He was also a visiting professor of accountancy at University of Edinburgh and has held similar appointments at other Scottish universities.

Directors’ report – Executive Team

Andrew Rhodes

Chief Executive Officer

Andrew joined the Commission as Interim Chief Executive in June 2021, was appointed as permanent Chief Executive Officer (CEO) in June 2022 and was appointed as a Commissioner by the Secretary of State in July 2023.

As the Commission’s Accounting Officer, Andrew is personally responsible for safeguarding public funds, for propriety and regularity in the handling of those public funds and for the day-to-day operations and management of the Commission.

Andrew joined the Commission from Swansea University, where he was Registrar and Chief Operating Officer, and previously held a range of senior civil service roles at Director-General and Director level at the Department for Work and Pensions, the Food Standards Agency and the Driver and Vehicle Licensing Agency (DVLA).

Sarah Gardner

Deputy Chief Executive Officer

Sarah joined the Commission in 2009 and has held a number of leadership roles across the Commission.

Sarah 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 was appointed Deputy Chief Executive in June 2020. As part of her current role, she oversees a portfolio which includes regulation of the National Lottery and the development of the corporate strategy.

Alistair Quigley

Chief Technology Officer - responsible for Digital, IT and Facilities

Alistair has had a 35-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.

He was managing director of IVU Traffic Technologies UK, a specialist software developer, before joining the Commission 19 years ago.

Helen Child

Head of Governance and Data Protection Officer

Helen has worked for the Commission since 2019. She is responsible for corporate governance, information and risk management, and expert groups. Helen is also a Visiting Fellow at the University of Lincoln in the Lincoln International Business School.

She has previously worked in the voluntary sector, and for the Metropolitan Police Service, Transport for London and in the Civil Service.

Helen is a trustee of Family Society, an adoption agency operating in the Midlands.

Helen Gibson

Finance Director - responsible for Finance, Procurement, Business Planning and Performance Reporting.

Helen joined the Commission in March 2022, having worked in a number of senior Finance roles within central government.

Helen previously worked in the Cabinet Office and the Department for Exiting the EU, with significant experience across finance, shared services, corporate services and operational delivery. This includes leading on finance and corporate activities for the G7 Presidency Taskforce, managing through a challenging period to help deliver the first in-person international summit since COVID-19, in June 2021.

John Tanner

Executive Director – responsible for 4th National Lottery Competition

John joined the Commission in 2019 and is a highly experienced project delivery professional with an extensive background in delivering major government projects across a number of departments, most recently HM Revenue and Customs (HMRC) and the Home Office.

He is a graduate of the Infrastructure and Projects Authority's Major Projects Leadership Academy.

John has been responsible for running the 4NL Competition allowing the transition to a new operator for the first time in the history of the National Lottery on 1 February 2024, and oversight and assurance of the delivery of the Allwyn full application.

Katharine Diamond

General Counsel

Katharine joined the Commission in January 2024.

Katharine is a barrister and was called to the Bar in 1998. Katharine has extensive experience in legal roles across government and arms-length bodies in a wide range of public law areas spanning litigation, advisory, legislative drafting, information law and regulatory disciplines. Katharine is a qualified arbitrator.

Katharine has held roles including:

- The first Director at the Pubs Code Adjudicator
- Senior advisory lawyer in the Department for Energy and Climate change
- Senior advisory lawyer in DCMS
- Advisory and Bill lawyer in the Cabinet Office
- Employment litigation lawyer in the Government Legal Department

Throughout her career Katharine has honed her craft in providing strategic advice in technical, complex and novel legal areas often at the intersection of public and private law; building, developing and leading cohesive and diverse teams in the advisory and regulatory fields.

Lucy Denton

Director of Communications - responsible for Communications, public affairs and contact centre

With a career spanning a range of roles across a wide variety of disciplines in government and health, Lucy joined the Commission in July 2021.

Her approach over her career thus far has established her as an innovative leader of communications in a digital age. Prior to joining the Commission, she led the multi-disciplinary Communications team at the Office of the Public Guardian, an agency of the Ministry of Justice. Her team's award-winning diversity and inclusion campaigns received notable praise within the industry.

Lucy also led strategic communications and campaigns at the Government Digital Service for over two years. She established an award-winning approach to digital communications as part of the cross-government response to the 2015 Ebola crisis while at the Department of Health and worked at the House of Commons for four years, orchestrating cutting-edge social media and digital strategies to engage audiences.

Natasha Harris

Director of People Services

Natasha Harris joined the Commission in August 2023 as the Executive Director for People Services. Natasha is an accomplished HR Director with more than 20 years' experience working in public and private sector organisations.

Having delivered transformational change in different contexts, Natasha has been credited for her ability to develop and implement HR strategies that improve the overall employee experience and positively impacting organisational performance. With equality, diversity and inclusion as a cornerstone to delivering an improved employee experience, Natasha has driven demonstrable change by leveraging and creating opportunities to diversify the workforce by embedding inclusion into workplace practices including attraction, recruitment and development.

Alongside her work and family life, Natasha volunteers as a school governor at a local special school for children with autism and sits on the HR and Remuneration Committees at Birmingham City University.

Tim Miller

Executive Director - responsible for Research and Policy

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 leads the Commission's programme of work to implement the Government's Gambling White Paper. He is also the temporary Executive Director for Operations from 31 March 2025.

Kay Roberts (Resigned 31 March 2025)

Executive Director - responsible for Operations

Kay was appointed as Executive Director of Operations at the Commission in September 2022. She led the Licensing, Compliance, Enforcement, and Intelligence functions at the Commission.

She had a successful career as Head of Operations for Ombudsman Services. In this previous role, Kay had leadership responsibility for the delivery of dispute resolution for the Communications, Energy and Parking sectors.

Kay is a qualified Trading Standards Officer and worked for local government for over 15 years, latterly as Head of Enforcement, Fraud, and Investigations for Cheshire East Council. She has always had a keen interest in regulation and consumer protection, starting her career with a degree in consumer protection.

Register of disclosable interests

The Commission has adopted a managing conflict of interest policy to outline the approach taken to avoiding, declaring and managing the interests of Commissioners, Independent Committee Members, Executives and members of Expert Groups.

The policy requires eligible individuals to submit an annual declaration, alongside updates as interests are acquired or disposed of. All agendas require attendees to declare any relevant interests in agenda items at the start of each Board, Committee or Executive meeting and absent themselves from relevant discussions. Other than Charles Counsell's very brief appointment with Independent Age, no directorships or other significant interests were held by Board members or executives that may have conflicted with their management responsibilities. The Commission is satisfied that no relevant issues were impacted by Charles Counsell's conflict.

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.

Andrew Rhodes
Chief Executive and Accounting Officer
17 July 2025

Statement of Accounting Officer's responsibilities

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

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Commission and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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

- observe the Accounts Direction issued by the Secretary of State for DCMS, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis

- observe the Accounts Direction issued by HMT, to prepare a Trust Statement, to report the revenue collected for both Economic Crime Levy (ECL) and Fines and Penalties

- make judgements and estimates on a reasonable basis

- state whether applicable accounting standards as set out in the FreM 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.

DCMS have appointed the Chief Executive as Accounting Officer of the 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 Commission's assets, are set out in MPM published by HMT.

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 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
17 July 2025

Governance statement for the year ended 31 March 2025

This section sets out the internal control and risk management systems in place within the Commission, and the structures in place to review the efficacy of those systems.

Governance framework

The Commission has complied with government guidance for corporate governance in arm's length bodies (ALBs). These requirements are primarily codified in the framework agreement with the DCMS, and the Commission's governance framework.

The Commission meets the requirements of government guidance for corporate governance by:

- setting out and publishing a governance framework
- ensuring decisions are supported by effective papers and recorded in minutes
- provision of regular core reporting to the Board, Executive Committee and other committees, including financial and operational performance, and risk
- annual effectiveness reviews of the Board and committees
- maintaining skills analysis and succession plans to inform Commissioner recruitment to support the public appointments process to ensure a strong mix of knowledge and experience at board level
- managing an up-to-date declaration of interest register and ensuring interests are managed appropriately.

The Commission's governance framework, including a scheme of delegations (general, financial and regulatory), code of conduct, anti-fraud and corruption, complaint and Speak Up policies are published in the Corporate Governance Framework.

Board effectiveness for 2024-25 was reviewed internally and tested the Commission against the relevant Cabinet Office guidance Board effectiveness reviews: principles and resources for arm's-length bodies and sponsoring departments (opens in new tab)

The 2024-25 Board Effectiveness Review (BER) focused on the following areas:

- performance of the board
- board assurance
- the relationship between the board and executive team
- Commissioners' ways of working
- quality and timing of papers and presentations to the board
- board succession planning

A BER report was shared with the Board in May 2025. An action plan to address the recommendations in the report was discussed and approved by the Board, with implementation planned during 2025-26.

Decision-making and scrutiny

The Board of Commissioners, led by the Interim Chair, Charles Counsell, oversees the business of the Commission. The day-to-day activity of the Commission is managed by the Executive Committee, 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.

Meetings of the Board of Commissioners are governed by the Rules for the conduct of business and provide the opportunity for robust and constructive challenge and debate amongst board members and senior management.

Discussions and decisions at Board (and Committee or Executive Committee) are almost always supported by written papers. A minute of all Board, Committee and Executive Committee meetings is taken, and actions and decisions are logged and tracked.

During the year, formal board meetings focused on key themes including the implementation of the new Corporate Strategy, the full implementation of the 4NL Licence, progress of key projects being delivered across the organisation, including, but not limited to, implementation of the recommendations set out in the Gambling Act Review white paper, and developing how the Commission manages risk at an organisational level. Risks relating to 4NL litigation were directly reviewed, challenged and scrutinised at Board level during the year. More detail on these risks is set out in the Risk section.

The Board continues to make use of several sub-committees of Commissioners and, in some cases, Commission employees, to undertake more detailed scrutiny or to make delegated decisions. Commissioners also retain direct responsibility for some regulatory decisions through the regulatory panel process.

The membership and remit of these committees are outlined as follows:

Committees and sub committees

Board

Chair: Marcus Boyle (until 31 January 2025).

Interim Chair: Charles Counsell, OBE (from 1 February 2025)

Senior Independent Director:

- Catharine Seddon (up to 10 April 2024)
- Charles Counsell (from 11 April 2024 to 31 January 2025)
- David Rossington (from 1 February 2025 to present)

Members of the Board:

- John Baillie (up to 10 April 2024)
- Lloydette Bai-Marrow
- Stephen Cohen (up to 11 November 2024)
- Charles Counsell OBE
- Helen Dodds
- Sheree Howard
- Claudia Mortimore
- Helen Phillips
- David Rossington
- Andrew Rhodes
- Catharine Seddon (up to 10 April 2024)

In 2024 - 2025, the Board has had particular focus on implementing changes resulting from the Review (GAR) and the implementation of the new National Lottery licence. The Board has also overseen the performance of the Commission at a financial and strategic level.

Audit and Risk Committee

Chair: Sheree Howard

Members:

- David Rossington
- Sheree Howard
- Helen Dodds

Independent member:

- Chris Andrew (until 31 December 2024)
- Rachel Sexton (from 1 January 2025)

Remit: assurance of financial and risk management processes and structures, including engagement with internal and external audit.

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 2024 – 2025, the ARC has also been involved in work to improve the Commission's operations teams and its IT resilience.

Remuneration and Nominations Committee

Chair: Lloydette Bai-Marrow

Members:

- Lloydette Bai-Marrow
- Helen Phillips
- Catharine Seddon (until 10 April 2024)
- Charles Counsell (until 11 December 2024)
- Claudia Mortimore (from 11 December 2024)

Remit: the Remuneration and Nomination Committee supports the Board and Accounting Officer in their responsibilities for remuneration and performance management, senior appointments and succession planning.

In 2024 – 2025, the Remuneration and Nomination Committee were particularly involved in developing the pay and reward strategy and the employee value proposition.

National Lottery Committee (closed 11 September 2024)

Chair: Helen Dodds

Members:

- Helen Dodds
- Sarah Gardner
- Claudia Mortimore

Independent member: Victor Olowe

The National Lottery Committee was closed on 11 September 2024. Its purpose was to advise the Board and the Chief Executive in relation to the exercise of certain Commission functions under the National Lottery etc. Act 1993 (opens in new tab). The Committee had decision making powers in a number of areas delegated to it by the Board. A significant part of the Committee's business was engagement with and review of the National Lottery operator's strategy and performance.

The Committee's main focus before closing was the management of the operator's exit from the 3rd Licence and the closedown of the Commission's 3NL operation. On 19 March 2024, the Board agreed that the National Lottery Committee would close in September 2024, by which time the significant majority of 3NL activity had been completed.

Regulatory Panel

Not a standing committee.

Remit: convened to make regulatory decisions in respect of operator and personal licenses, and enforcement action. The Panel is the final stage of internal decision making. Licensees and applicants have recourse to the First Tier Tribunal (Gambling) to appeal regulatory decisions of the Commission.

The Regulatory Panel determines some licence applications and deals with significant regulatory decisions which may include the revocation of licences. The Regulatory Panel sat once in 2024-25, to hear a case in respect of a personal licence revocation.

Executive Committee

The Executive Committee leads the management of the Commission, making 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 Committee therefore extends to:

- strategic leadership of the 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 Committee also agrees items for presentation and escalation to the Board of Commissioners.

Senior Independent Director

The Senior Independent Director (SID) holds an important role within the governance structure. Consistent with the UK Corporate Governance Code and with DCMS guidance, the Board has appointed a Senior Independent Director from among its current members.

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.

Expert Groups

The Commission draws on other areas of specialist knowledge via its four expert groups. Members of these groups do not have any delegated powers but do help to inform Commission policymaking and practice. Members of expert groups are bound by their respective codes of conduct and the Commission’s Managing Conflicts of Interest Policy.

Advisory Board for Safer Gambling (ABSG)

The ABSG provides advice to the Commission on issues related to safer gambling and the prevention of gambling-related harms, as well as taking a prominent role in helping the Commission to build our research and evidence base. The ABSG was chaired by Dr Anna van der Gaag CBE until 31 March 2025. She was replaced by interim chair Dr David Zendle from 1 April 2025.

Digital Advisory Panel (DAP)

The DAP comprises experts primarily from the digital sector, and includes specialists in networks, AI, and statistics. The DAP 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 OBE.

Lived Experience Advisory Panel (LEAP)

The LEAP provides advice based on its members' personal lived experience of gambling harms.

LEAP members are appointed by the Commission based on their individual personal experience of gambling harms. The group's membership, collectively, is designed to provide perspectives from experience of a range of gambling harms. Gambling harms take many forms and can result from people's own gambling or from the gambling of somebody else – such as a family member.

The LEAP is co-chaired by Susan Cox and Leon Green.

Industry Forum

The Industry Forum (IF) provides the Commission with insight into the views of industry about the Commission's plans, the quality of Commission services, and the wider environment in which gambling operators work.

The IF is chaired by Nick Rust OBE.

Board performance

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	Remuneration and Nomination Committee	National Lottery Committee
	(Note 1)	(Note 2)	(Note 3)	(Note 4)
Marcus Boyle (Note 7)	3/6		3/3	
Charles Counsell OBE (Note 6) Interim Chair	9/9		2/3	
Lloydette Bai-Marrow	9/9		3/3	
Stephen Cohen (Note 8)	3/3			
Helen Dodds	9/9	9/9		2/2
Sheree Howard	9/9	9/9		
Claudia Mortimore (Note 5)	9/9		0/0	2/2
Helen Phillips	9/9		3/3	
David Rossington	8/9	8/9		
Andrew Rhodes	9/9			
Chris Andrew (Note 9)		6/7		
Victor Olowe (Note 10)				2/2
Rachel Sexton (Note 11)		3/3		

Notes

1. Includes three extraordinary Board meetings.
2. Includes four extraordinary ARC meetings.
3. Includes one extraordinary Remuneration and Nominations Committee meeting.
4. Committee closed on 11 September 2024.
5. Joined RNC from December 2024
6. Senior Independent Director up to 31 January 2025, Member of the Remuneration and Nominations Committee up to 11 December 2024, Interim Chair from 1 February 2025.
7. Board Chair until 31 January 2025.
8. Stephen Cohen's term ended 11 November 2024.
9. Independent member Term Ended: 31 December 2024.
10. Independent member Term Ended: 30 September 2024.
11. Independent member Term Started: 1 January 2025.
12. John Baillie was not due to attend any meetings before his term ended on 10 April 2024.
13. Catharine Seddon was not due to attend any meetings before her term ended on 10 April 2024.

Risk and internal control framework

Risk management

The Board is responsible for the approval of the Commission’s risk appetite and the arrangements for risk management. Through the ARC, the Board seeks assurance that controls are in place and applied, and that risks are appropriately managed. The Commission is supported in this work through an independent Internal Audit service. The Commission’s risk management process was reviewed and revised during 2023-2024 with a focus on securing dedicated risk and assurance resource and developing the risk management culture of the organisation.

Key actions to increase the effectiveness of risk management and internal controls in 2024-2025 were implementing a new process for reviewing internal policies, improvements to information management culture and practice, supported by an internal audit review, and provision of dedicated risk support for key projects. These activities were reviewed by ARC and the Committee’s analysis of progress and effectiveness was reported to Board.

The 2024-2025 Internal Audit Annual opinion reflected progress in the development of risk management practices and the internal control environment, and assessed the Commission’s governance, risk management and control framework as maturing. The Internal Audit service will review the Commission’s risk management process again in 2025-2026 as the Commission implements new software to enhance consistency and risk reporting

The Commission operates a Risk Management Policy and a Risk Appetite statement which are reviewed at least annually. Risk Registers are in place at the Strategic, Programme and Business Area (team) levels. There is an agreed schedule for the review of risk at Board, ARC and Executive meetings. The Commission’s Board, ARC and Executive Team are committed to continue strengthening risk management maturity across the organisation and have been sighted on our future development plans for risk management.

Current practice is based on regular review and updating of key risks and control adequacy and effectiveness, including assessing the progress in completing mitigating actions, with new and changed risks being submitted to the Performance and Delivery Panel and Executive Team for approval, with regular reporting to the ARC. The ARC reports at least quarterly to the Board, and the Board considers the Strategic Risk Register at least twice a year, as well as setting the risk appetite at least annually.

The risk management policy

The risk management policy sets out how the Commission will continue to develop and maintain a mature risk management culture over time, grounded in the Commission's operating context and supporting continuous improvement. The policy outlines roles and responsibilities, goals for enhancing the risk management culture, the Commission's approach to determining risk appetite, the use of risk registers and risk management processes, and review and reporting arrangements. The policy is reviewed at least annually by the Board, following review by the ARC.

The Commission's risk appetite

The Commission's risk appetite is expressed in an overarching risk appetite statement which describes its attitude, at a point in time, to accepting risk in each of the areas of principal risk (based on the categories set out in the Orange Book (opens in new tab)). The statement outlines the risks that the Commission is exposed to and the risks that it is willing to take to achieve its strategic objectives and strategy. Draft appetite statements are developed with subject matter experts to set out the acceptable level of risk. Appetite statements are reviewed and agreed with the Board at least annually to enable risk appetite to inform risk management, escalation and decision making.

Emerging risks for 2025 - 26

The Commission has identified a range of emerging risks for the coming year. The list below features the highest rated risks:

- Risks arising from the delay to the achievement of 4NL full functionality, which has necessitated the further extension of the Commission's 4NL programme, has resulted in enforcement action being commenced against Allwyn and may result in an adverse impact on expected returns

to Good Causes This risk was present and increasing during 2024-2025 as full functionality was not delivered in year as planned, but the Commission expects to see further developments during 2025-2026 as transition continues.
- Continuing litigation in respect of the 4NL competition and related matters, of which the scale, complexity and associated risks have grown during the year. Risks relate to the potential impact on returns to Good Causes, the availability and costs of legal resource and potential litigation risk, although the litigation is being defended vigorously by the Commission.
- Risks arising from the current structure of the Commission's fees framework, and the processes required to predict future costs and demand. Slippage in the timescale to implement the revised fees framework will impact on the Commission's ability to deliver against its corporate strategy and statutory objectives.
- Balancing internal and external appetites and drivers for change with the need to focus on core regulatory activity and delivery of Corporate Strategy objectives. Risks relate to the need to maintain services whilst undergoing major change activities in relation to key internal software platforms and systems.
- Expectations and workload in respect of tackling the illegal market, balanced with the funds available to support this work.
- Risks arising from the volume and complexity of legal casework and the resource demand this places on the Commission. In addition to litigation relating to 4NL, which stands as a risk in its own right, the Commission is managing an increasing caseload of litigation across a range of courts and jurisdictions. In part, this reflects the Commission's strategic objectives relating to tackling illegal gambling, but there are also wider pressures as a result of either litigation or other legal processes where parties have sought to engage the Commission.

Principal risks and uncertainties during 2024 - 25

The principal risks and uncertainties are managed through the Commission's Strategic Risk Register as part of the internal control framework. Risks and controls are subject to continuous review and improvement activity.

During the reporting period, consideration was given to changes arising from political, legislative and regulatory changes. During 2024-25, the change of Government had an impact, in particular as the new Government considered its approach to the Gambling Act Review and the White Paper which was published under the previous Government. Policy changes, including the implementation of the statutory Gambling Levy were moved back, and the Commission has had to review and adjust both its approach to engagement and its implementation plans.

The change in government has resulted in adjustments to the planned legislative programme, which has directly impacted the Gambling Commission's work on addressing illegal gambling. A previously proposed Criminal Justice Bill, containing provisions for enhanced enforcement powers, was not enacted prior to the dissolution of Parliament on 30 May 2024.

The new administration is progressing a revised Crime and Policing Bill that reintroduces those powers and provisions. Subject to successful passage through Parliament, the Bill is expected to be implemented by April 2026.

In addition, the Commission has considered the impact of external and internal events during the year, including additional litigation in respect of the 4th National Lottery licence and a major investigation into election betting.

IT and Operational Resilience

Risks relating to inadequate or ineffective organisational security, including vulnerability to cyber-attacks, and lapses in the management and maintenance of critical functions, including the pipeline of IT systems development and replacement.

Mitigating actions: Business impact assessments were refreshed in year, additional financial and people resource in place focused on security, infrastructure and technological resilience. Roadmap, programme structure and strengthened governance arrangements in place for the removal and replacement of key systems, including ensuring holistic oversight of change.

Opportunities and further work: Removal of legacy systems and the introduction and development of new systems bring opportunities to streamline processes and improve services.

Operations and Regulatory Role

The risks that the Commission does not have the appropriate resources, skills or tools to adequately and effectively regulate the gambling industry both now and as it continues to develop and innovate, including as a result of rapidly changing technology; failures to appropriately carry out our remit in respect of licensing, compliance and enforcement functions; and negative impact on gambling consumers, the industry and/or the wider public as a result of regulatory action or inaction.

Mitigating actions: Corporate strategy commitment to increasing our understanding of the gambling market and consumer behaviour has resulted in the delivery of work on evidence gaps, changes to the submission of regulatory returns and work with licensees to improve data and submission processes. The Commission has piloted data sharing and the development of an account management framework to improve industry engagement. Plans to enhance core operational capabilities through the implementation of a new case management system; the improvement of data collection and reporting; and the enhancement of operational efficiencies to support delivery against the Corporate Strategy and the licensing objectives.

Legal

Risks relating to litigation and regulatory decisions, including those related to the significant quantum of disclosure required in the ongoing 4NL litigation case. These risks include legal challenges to Commission decisions, including policy changes arising from the Gambling Act Review as well as challenges to our regulatory work. Legal risks can also arise from performance or non-performance of contracts, as well as in relation to employee relations casework. The Commission managed an increasing litigation caseload in 2024-25, in a range of courts and jurisdictions, including criminal prosecutions.

Mitigating actions: Increasing in-house and contracted legal resource to appropriately manage demand for legal advice and support; regular engagement with sponsor department on legal issues and litigation.

Opportunities and further work: Continuous enhancement of in-house legal resource and knowledge. Ongoing support from key external legal partners secured to ensure appropriate capacity to manage litigation alongside other complex case work.

Financial

A range of risks covering income and expenditure, forecasting and budgetary controls.

In particular, the risk that as a fees-based regulator, the Commission's income and planned expenditure are impacted by market changes; the risk that the current fees model does not offer independence for the Commission to review the licence fees, resulting in a lack of flexibility to respond at pace to emerging regulatory challenges; and the risk that the Commission is unable to adequately forecast and manage income to meet obligations.

Mitigating actions: Horizon scanning and tracking of licence changes to inform forecasting resulting in an outturn of under 1.5% variance between budgeted fees and other income. Work to model options for a fees review, and liaison with DCMS to take forward the review, business planning processes to prioritise work and evaluate capacity.

Opportunities and further work: Ongoing development of the finance function and reporting to improve forecast accuracy and budget management. Regular engagement with DCMS on fees position.

People

Risks associated with the inability to attract, recruit and retain suitably skilled and experienced staff; not having the right number of people with the right skills to deliver the Commission's objectives and strategy; inadequate and/or ineffective learning and development strategy to facilitate key business activities and prepare appropriately for future challenges; and lack of appropriate diversity and inclusion in the organisation structure which may impact the Commission's ability to effectively regulate the gambling industry.

Mitigating actions: Development of a new People and Culture Strategy and our response to key organisational priorities in respect of recruitment, retention, leadership, management capability and inclusion, along with setting out an Employee Value proposition for the Commission. Developing a pay flexibility case to address key pay issues which impact recruitment and retention.

Opportunities and further work: Outcome of pay flexibility business case awaited and development of a Total Reward philosophy to be a focus regardless of the outcome.

The Commission is reviewing its strategic risks following the approval of the 2025-2026 budget and business plan by the Commission Board.

Internal control

The Commission has in place a wide range of internal controls to manage the risk of failure to meet our strategic and operational objectives. The systems of internal control described in this report have been in place for 2024 - 2025 and up to the date of approval of the annual report and accounts.

These systems include the following:

- effective delegations – from Board to Committees, to the Executive and to individuals
- key risk and control policies and standards in place in finance, information management, governance, IT, and people services (further detail on information management incidents can be found in this section), which are subject to ongoing review and improvement
- an internal audit programme of work that tests performance against key policies and controls
- Complaint and Speak Up (whistleblowing) policies and reporting that are monitored by the Executive Team and the ARC
- financial and operational performance reporting, considered monthly by the Executive Team and quarterly by Board, and submitted quarterly to the DCMS
- quality assurance processes for licensing, compliance and enforcement, which are subject to continuous review and enhancement, including actions arising from internal audit review and a risk-based approach to proactive compliance activity
- lessons learned exercises conducted following casework and other significant issues. In 2024-25 these have included internal assurance reviews.

The Commission is further developing its assessment of policies, procedures and internal controls based on the Risk Control Framework set out in the Orange Book, which will enable regular testing of key controls aligned to the government functional standards and other relevant standards applicable to our work. Further detail on this review of adequacy and effectiveness can be found in this section.

Information security

The Commission has policies, processes and procedures in place to maintain compliance with General Data Protection Regulation (GDPR), the Data Protection Act 2018, and related legislation. The Information Management Team supports the Data Protection Officer to mitigate the risks and impacts of information security incidents, ensure adequate and effective policies and controls are in place to deliver compliance, and manage Freedom of Information requests and requests from data subjects.

Information management incidents, including cyber security incidents, are reported quarterly to ARC, and the Executive Team receives escalations as needed, with an annual report produced to provide an overview of issues and lessons learned.

No personal data incidents met the threshold for reporting to the ICO in 2024-25. In total, 51 information security incidents were reported and investigated internally: 0 high risk, 0 medium risk, 22 low risk and 29 very low risk. Common causes were misdirected emails and post, misfiling of information within Commission systems and loss of equipment.

The Commission's privacy policy is available on our website.

Speak up (whistleblowing) policy

The Commission has a Speak up (whistleblowing) policy in place for the confidential reporting of unlawful conduct or malpractice. During 2024-25 the Commission successfully defended an employment tribunal claim concerning whistleblowing. Although the claim was unsuccessful, the Commission has undertaken a lesson learned exercise and undertook a comprehensive review of the policy supported by external advice on best practice. The revised policy is due to be presented to the Commission Board for approval in July 2025.

The current policy is published on the Commission's website and is available to all employees and appointees. The Commission also maintains an external confidential reporting service for staff who do not wish to raise issues internally.

ARC receive quarterly updates on the number and topics of disclosures under the policy, as well as the outcome of subsequent investigations. They also track the completion of any actions recommended following investigation. Two new whistleblowing reports were received in 2024-25 concerning recruitment processes and pay. Both were subject to investigation, the outcome of which will be reported to ARC in 2025-26.

Operational and financial reporting

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

Performance against the budget and business plan deliverables are tracked and reported to the Executive Team each month. The Executive Team also reviews the performance of core activity and Key Performance Indicators (KPIs). Together, this performance pack is provided to the Board and the DCMS each quarter. During 2024-25, the performance reporting process and outputs were systematically reviewed. Revised reporting was developed to provide the Board and Executive with a consistent set of KPI reporting with accompanying narratives to explain changes, variations to expectations and progress made.

Effectiveness of risk management and internal controls

The internal audit programme

The internal audit programme focuses on the requirement to provide assurance that the key risks faced by the Commission are properly managed and controlled. Where control weaknesses are identified in Internal Audit reviews, senior management are responsible for determining and implementing an appropriate response.

The Commission’s internal audit function was provided by the Government Internal Audit Agency (GIAA) in 2024-25. The GIAA maintain a rolling three-year audit plan which aims to cover all key areas of the Commission in a cycle, taking a risk-based approach. The plan for a particular year is confirmed by ARC, following input from the AO and Executive Team.

GIAA's annual report provides an independent opinion on the adequacy and effectiveness of the Commission's system of internal control, together with recommendations for improvement.

GIAA provided an overall Moderate opinion in both 2024-25 and 2023-24. In their 2024-25 annual opinion, GIAA noted continued progress with the development of risk management practices and the internal control environment, and an ongoing commitment to further mature the Commission's approach to governance, risk management and control.

Improvement actions

For each internal audit report, the Commission has agreed plans of action to resolve any issues identified. Progress against these actions is tracked by ARC and closure is subject to the approval of the internal auditors. Processes have been revised and disseminated during 2024-25 to provide clarification on the role of Internal Audit review owners and action owners. A Change Control process has been introduced to improve oversight of progress against internal audit actions and to ensure that there is an approval process for any changes requested to agreed actions.

Review of effectiveness

To review the adequacy and effectiveness of Internal Controls, the Accounting Officer receives a report setting out the nature of internal controls, how they compare with government functional standards and/or other relevant standards, any breaches or near misses in the year, and the efficacy of remedial action.

The report analyses the Commission's compliance with 93 possible control lines, drawn from the Orange Book Risk Control Framework. Of the 93 possible control areas, 79 apply to the Commission across 16 areas. The analysis for controls in place in 2024-25 found that 65 were rated as effective, 12 were partially effective and 1 was ineffective. This represents an overall increase in effectiveness from 2023-24 with progress in internal governance structures, planning processes, performance reporting, internal policy development, and workforce planning. As a result of this analysis, areas identified for further improvement in 2025-26 are project and programme management, information management (noting the impact of disclosure of privileged information in the 4NL litigation), consistency of adherence to functional standards and the effectiveness testing of internal policies.

The Audit and Risk Committee have also reviewed the report submitted to the Accounting Officer as part of their annual report to the Board of Commissioners. The Committee note the progress made but also stressed the need to strengthen work to review and enhance internal policies.

Remuneration and staff report

Remuneration report - Introduction

This report covers the 12 months ending 31 March 2025 and sets out the policy and disclosures in relation to the remuneration of the Commissioners and Senior Managers of the Commission.

Executive Directors

Executive Directors are normally employed directly by the Commission. Increases in pay are performance based and are broadly in line with Senior Civil Service (SCS) 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 Team's performance targets, achievements against targets, and recommendations on changes in remuneration, are reviewed by the RNC. 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 included in the Corporate Governance report above, including the duration of their service.

Senior Managers

Senior Managers include Executive Directors, and other Senior Managers grade 15 and above.

Remuneration report - Remuneration (including salary) (audited)

The following provides details of the remuneration of the Commissioners and Directors.

Directors	2024-25					2023-24				
	Salary (in bands of £5,000)	Bonus payments (in bands of £5,000)	Expenses as BiK[13] (to nearest £100)	Pension benefits (to the nearest £1000)[14]	Total (in bands of £5,000)	Salary (in bands of £5,000)	Bonus payments (in bands of £5,000)	Expenses as BiK[13] (to nearest £100)	Pension benefits (to the nearest £1000)[14]	Total (in bands of £5,000)
Andrew Rhodes Chief Executive	190-195	15-20	-	91,000	300-305	185-190	10-15	-	82,000	280-285
Sarah Gardner Deputy Chief Executive	150-155	5-10	-	183,000	340-345	130-135	0-5	-	29,000	160-165
Alistair Quigley Chief Technology Officer	110-115	-	-	57,000	165-170	105-110	0-5	-	60,000	170-175
Helen Child Head of Governance	95-100	5-10	-	38,000	140-145	85-90	0-5	-	34,000	125-130
Helen Gibson Finance Director	120-125	5-10	-	79,000	205-210	110-115	0-5		85,000	200-205

[13] BiK - Benefits in Kind for Travel and Subsistence travelling to Victoria Square House.
[14] The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

	2024-25					2023-24				
Directors	**Salary (in bands of £5,000)**	**Bonus payments (in bands of £5,000)**	**Expenses as BiK[13] (to nearest £100)**	**Pension benefits (to the nearest £1000)[14]**	**Total (in bands of £5,000)**	**Salary (in bands of £5,000)**	**Bonus payments (in bands of £5,000)**	**Expenses as BiK[13] (to nearest £100)**	**Pension benefits (to the nearest £1000)[14]**	**Total (in bands of £5,000)**
John Tanner Executive Director – 4NLC	155-160	5-10	-	93,000	255-260	150-155	0-5	-	40,000[15]	190-195
Katharine Diamond General Counsel (from January 2024)	110-115	-	-	331,000	440-445	20-25 (105-110 fye[16])	-	-	-6,000[17]	15-20
Lucy Denton Director of Communications	95-100	-	-	40,000	135-140	90-95	0-5	-	36,000	130-135
Natasha Harris Director of People Services (from August 2023)	120-125	5-10	-	64,000	190-195	75-80 (115-120 fye[16])	-	-	15,000	90-95
Tim Miller Executive Director – Policy and Research	125-130	5-10	-	49,000	180-185	115-120	0-5	-	47,000	170-175

[15] Prior year corrected pension benefit value from MyCSP
[16] fye = full-year equivalent
[17] Final salary member (classic or classic plus or premium) who has transitioned to alpha. The final salary pension of a person in employment is calculated by reference to their pay and length of service. The pension will increase from one year to the next by virtue of any pay rise during the year. Where there is no or a small pay rise, the increase in pension due to extra service may not be sufficient to offset the inflation increase – that is, in real terms, the pension value can reduce, hence the negative values.

Previous employees

	2024-25					2023-24				
Directors	**Salary (in bands of £5,000)**	**Bonus payments (in bands of £5,000)**	**Expenses as BiK[13] (to nearest £100)**	**Pension benefits (to the nearest £1000)[14]**	**Total (in bands of £5,000)**	**Salary (in bands of £5,000)**	**Bonus payments (in bands of £5,000)**	**Expenses as BiK[13] (to nearest £100)**	**Pension benefits (to the nearest £1000)[14]**	**Total (in bands of £5,000)**
Kay Roberts Executive Director of Operations (to 31 March 2025)	120-125[18]	-	-	41,000	160-165	120-125	0-5	-	48,000	170-175
Nadine Pemberton Jn Baptiste General Counsel (to 30 November 2023)	-	-	-	-	-	70-75 (105-110 fye[16])	0-5	-	29,000	105-110

Fair pay disclosure – pay multiples (audited)

Review of Fair Pay Disclosures

During the year, a comprehensive review of the Hutton Review of Fair Pay Implementation Guidance was undertaken. As a result, the basis of reporting has been updated to ensure consistency across all fair pay and staff-related disclosures. Where changes were identified, prior year figures have been restated to reflect the revised approach. This ensures greater transparency and comparability in line with best practice and public sector reporting standards.

[18] Includes payment of outstanding annual leave.

The Commission is required to disclose the relationship between the highest-paid director remuneration and the lowest, medium and highest quartiles salary and remuneration of the organisation's workforce.

The banded full year equivalent total remuneration of the highest-paid director in the Commission in the financial year 2024-25 relates to the Chief Executive who received **£205,000 to £210,000** (2023-24 £195,000 to £200,000) an increase of 5%. This was **4.98 times** (2023-24 4.93 times) the median remuneration of the workforce, which was **£41,666** (2023-24 £40,081).

The table below shows the ratios of the mid-point of the banded remuneration of the highest paid director, to the pay and benefits figures of the employees whose pay and benefits are on the 25th, 50th and 75th percentiles of Commission employees:

	2024-25					2023-24[19]			
	Total Pay and benefits ratio	Total pay and benefits £	Salary Ratio	Salary component £	Total pay and benefits % change compared to prior year	Total Pay and benefits ratio	Total pay and benefits £	Salary Ratio	Salary component £
25th percentile ratio	5.61:1	37,000	5.25:1	37,000	3.62%	5.53:1	35,709	5.18:1	35,709
Median pay ratio	4.98:1	41,666	4.66:1	41,666	3.95%	4.93:1	40,081	4.62:1	40,081
75th percentile ratio	3.75:1	55,337	3.51:1	55,337	3.83%	3.71:1	53,295	3.47:1	53,295

[19] The average percentage change in salary and allowances is calculated based on employees who were in post for the full financial year, excluding the highest paid director. This approach ensures that the calculation reflects underlying pay progression and is not distorted by changes in workforce composition, such as new joiners or leavers, in line with FReM and Hutton Review guidance. Prior year comparatives have been updated to reflect this change.

These changes are attributable to:

i. Changes in base salary for employees who have changed roles within the Commission during 2024-25 and the realignment of salaries on certain generic roles within the organisation.
ii. The median pay ratio is consistent with the pay, reward and progression policies for the Commission's employees taken as a whole.

In 2024-25, none (2023-24 none) of the Commission's employees received salary in excess of the highest paid director. Employee salary ranged from **£26,000 to £194,000** (2023-24 £26,000 to £185,000).

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

We continue to develop our approach to pay and reward as part of the continued implementation of our People Strategy.

Fair pay disclosures (audited)

Percentage change in total pay and benefits for the highest paid director and staff average:

	2024-25		2023-24	
	Total Pay and benefits	Bonus payments	Total Pay and benefits[19]	Bonus payments[20]
Staff Average	6.83%	24.31%	8.90%	147.91%
Highest paid Director	5.00%	33.33%	4.90%	0.00%

Highest paid Director 2024-25 base salary has changed during the year due to **a 5.0%** salary increase.

[20] Bonus payments are contractually available only to members of the Senior Civil Service (SCS). Accordingly, the average percentage change in performance pay and bonuses payable is calculated based solely on this group, in line with the Hutton Review of Fair Pay and FReM guidance. Prior year comparatives have been updated to reflect this change.

Staff Average

This is the average percentage change in base salary from the previous financial year in respect of the employees of the entity taken as a whole. The Commission applied a **4.6%** salary increase during 2024-25 (4.5% salary increase during 2023-24) to all non-Executive employees. The total pay award was approved for the Commission, as per the Civil Service pay remit guidance.

Bonus and Recognition Schemes

Performance-Related Pay

Bonus payments are available only for Executive staff, who are in roles equivalent to the Senior Civil Service (SCS). These bonuses are awarded based on individual performance assessments and are subject to Cabinet Office guidance and departmental moderation processes.

In accordance with the Hutton Review of Fair Pay and the Government Financial Reporting Manual (FReM), the average percentage change in performance pay and bonuses payable is calculated based solely on the SCS population, as they are the only staff eligible for such payments.

For Executive staff members, bonus payments are made as end-of-year non-consolidated performance related pay awards, as part of the annual review process. There were **£55,210** bonuses paid to Directors during 2024-25 (2023-24: £37,750).

Recognition and Reward Scheme

For non-executive staff, the Commission also operates a **discretionary recognition and reward scheme** to celebrate exceptional contributions and promote a culture of appreciation. This scheme allows colleagues to nominate peers who demonstrate outstanding performance beyond their normal responsibilities and objectives.

While some awards may include non-contractual monetary elements, such as reward vouchers, these are not guaranteed and are awarded at management discretion. The scheme does not form part of a structured performance-related pay framework and is not contractual in nature.

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 United Kingdom (UK) taxation. This report is based on accrued payments made by the Commission and thus recorded in these accounts.

Commissioners are paid a fixed amount for work that equates to approximately one day of time per week. There are a few exceptions to this, including the Chair and Chief Executive who receive a salary, and one Commissioner who has opted not to be remunerated for their role. No employees or Commissioners were remunerated by way of service companies or third parties.

Expenses as benefit 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 and Customs (HMRC) as a taxable emolument. To avoid doubt, such taxes are paid by the Commission.

Senior Manager exits (audited)

There was one Senior Manager exit during 2024-25 (2023-24 - no exits).

The table below shows the total cost of exit packages agreed and accounted for in 2024-25 and 2023-24.

Director	2024-25 Total exit packages	Director	2023-24 Total exit packages
Kay Roberts Executive Director of Operations (to 31 March 2025)	£30,938	No Senior Manager Exits	£nil
Total value	**£30,938**	Total value	£nil

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.

Non- Executive Directors - Commissioners

The Chair and Commissioners are appointed by the Secretary of State on terms based on 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. Marcus Boyle was appointed as Chair for a five-year term commencing 6 September 2021 and resigned with effect from 31 January 2025. Marcus's contract provided for the Chair to work two days per week on average. Charles Counsell OBE became Interim Chair from 1 February 2025.

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.

Independent committee members

The Commission has two independent committee members, who are remunerated for their roles. Chris Andrew sat as a member of ARC until 31 December 2024. Rachel Sexton was appointed as the independent member of ARC from 1 January 2025. Victor Olowe sat as a member of the National Lottery Committee until 13 September 2024.

Remuneration of Commissioners (salary, expenses, and payments in kind)

Commissioners	2024-25			2023-24		
	Salary (in bands of £5k)	**Expenses as BiK[13] (to nearest £100)**	**Total (in bands of £5k)**	**Salary (in bands of £5k)**	**Expenses as BiK[13] (to nearest £100)**	**Total (in bands of £5k)**
Rachel Sexton Independent Audit Committee Member (from 1 January 2025)	0-5	-	0-5	-	-	-
Charles Counsell OBE Commissioner and Interim Chair (from 1 February 2025)	20-25 (50-55 fye[16])	3,100	20-25	5-10 (10-15 fye[16])	1,100	5-10
Claudia Mortimore	10-15	2,600	15-20	5-10 (10-15 fy[e16])	1,000	5-10
David Rossington Commissioner and Senior Independent Director	10-15	600	10-15	15-20	900	15-20
Helen Dodds	10-15	300	10-15	5-10 (10-15 fye[16])	200	5-10
Helen Phillips	10-15	1,800	15-20	5-10 (10-15 fye[16])	100	5-10
Lloydette Bai-Marrow	10-15	1,600	15-20	5-10 (10-15 fye[16])	800	5-10
Sheree Howard[21]	-	900	0-5	-	600	0-5

[21] As a full-time employee of another public body (the FCA), Sheree Howard has chosen not to be remunerated in her role at the Commission.

Previous Commissioners

Commissioners	2024-25			2023-24		
	Salary (in bands of £5k)	Expenses as BiK[13] (to nearest £100)	Total (in bands of £5k)	Salary (in bands of £5k)	Expenses as BiK[13] (to nearest £100)	Total (in bands of £5k)
Carol Brady (to 31 July 2023)	-	-	-	-	0-5 (10-15 fye[16])	0-5
Catharine Seddon (to 10 April 2024)	0-5 (10-15 fye[16])	-	0-5	10-15	1,100	15-20
Chris Andrew Independent Audit Committee Member (to 31 December 2024)	0-5	-	0-5	0-5	-	0-5
John Baillie (to 10 April 2024)	0-5 (10-15 fye[16])	100	0-5	10-15	2,600	15-20
Marcus Boyle Chair (to 31 January 2025)	45-50 (50-55 fye[16])	1,400	45-50	50-55	1,600	55-60
Stephen Cohen (to 11 November 2024)	5-10 (10-15 fye[16])	500	5-10	10-15	1,300	15-20
Trevor Pearce (to 31 December 2023)	-	-	-	10-15 (10-15 fye[16])	900	10-15
Victor Olowe Independent Member of the National Lottery Committee (to 13 September 2024)	0-5 (0-5 fye[16])	-	0-5	0-5 (0-5 fye[16])	-	0-5

Remuneration report - Pension entitlements

The following provides details of the pension interests of the Directors. The information is subject to audit.

Pension benefits 2024-25

Directors	Accrued pension at pension age as at 31March 2025	Real increase in pension and related lump sum at pension age[22]	CETV[23] at 31March 2025	CETV[23] at 31March 2024	Real increase in CETV*
	£'000	£'000	£'000	£'000	£'000
Andrew Rhodes Chief Executive	55 - 60	5 – 7.5	969	859	60
Sarah Gardner[24] Deputy Chief Executive	55 – 60 plus a lump sum of 135 - 140	7.5 – 10 plus a lump sum of 15 – 17.5	1,108	910	153
Alistair Quigley Chief Technology Officer	35 – 40	2.5 – 5	766	686	45
Helen Child Head of Governance	10 - 15	0 – 2.5	143	105	22
Helen Gibson Finance Director	45 – 50 plus a lump sum of 65 - 70	2.5 – 5 plus a lump sum of 2.5 – 5	758	662	54
John Tanner[24& 25] Executive Director – 4NLC	85 – 90 plus a lump sum of 205 - 210	5 – 7.5 plus a lump sum of 2.5 – 5	1,968	1,872	83
Katharine Diamond[24] General Counsel	50 – 55 plus a lump sum of 10 - 15	15 – 17.5 plus a lump sum of 2.5 – 5	944	609	304

[22] Pension benefits accrued during the year calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contribution made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.
[23] CETV = Cash Equivalent Transfer Values
[24] Final salary member (classic/classic plus/premium) who has transitioned to alpha. The final salary pension of a person in employment is calculated by reference to their pay and length of service. The pension will increase from one year to the next by virtue of any pay rise during the year. Where there is no or a small pay rise, the increase in pension due to extra service may not be sufficient to offset the inflation increase – that is, in real terms, the pension value can reduce, hence the negative values.
[25] CETV as at the 31 March 2024 has been restated to correct an error of data provided by MyCSP.

Pension benefits 2024-25 – continued

Directors	Accrued pension at pension age as at 31March 2025	Real increase in pension and related lump sum at pension age[22]	CETV[23] at 31March 2025	CETV[23] at 31March 2024	Real increase in CETV*
	£'000	£'000	£'000	£'000	£'000
Kay Roberts Executive Director of Operations (to 31 March 2025)	5 – 10	0 – 2.5	92	56	23
Lucy Denton Director of Communications	15 – 20	0 – 2.5	192	154	19
Natasha Harris Director of People Services (from August 2023)	35 – 40	2.5 – 5	519	438	37
Tim Miller Executive Director - Insight and Safer Gambling	25 – 30	2.5 – 5	364	302	28

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

Average number of persons employed as at 31 March 2025 (audited)

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

	2024-25			2023-24
	Permanently employed staff	Temporarily employed staff	Total	Total
Directly employed	357	30	387	349
Agency staff	-	15	15	2
Total	**357**	**45**	**402**	**351**

Number of Senior Staff by grade (audited)

The total number of Senior Staff by grade was as follows.

Analysis of Senior staff by grade as at 31 March 2025

Grade	2024-25	2023-24
17	1	1
16	8	8
15	2	2
Non-executive directors	8	11
Total	**19**	**22**

The Commission has eleven Executive Directors and eight Non-Executive Directors. These are the only staff categorised as being at a grade equivalent to the senior civil service.

Staff report

Analysis of Commissioners and employee costs (audited)

	2024-25			2023-24
	Permanent £'000	Short term £'000	Total £'000	Total £'000
Salaries and wages	17,939	2,539[25]	20,478	17,768[25]
Social security costs	2,060	128	2,188	1,854
Other pension costs	4, 842	315	5,157	4,379
Total Commissioners and staff costs	**24,841**	**2,982**	**27,823**	**24,001**

Retirement benefits

The following disclosures are made in accordance with Internal Accounting Standard (IAS) 19, 'Employee Benefits'.

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 2025. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation.

For 2024-25, employers' contributions of **£4,067,376** were payable to the PCSPS (2023-24 £4,336,610). Civil service employer pension contribution rate was updated to 28.97% for the financial years 2024–25 through 2026–27, across all salary bands.

[25] Includes agency and apprenticeship levy costs that have been reclassified under staff costs. These costs were previously classified under other expenditure. Prior year figures have been reclassified to conform with the current year's presentation. This reclassification aligns with the requirements of the Financial Reporting Manual (FReM), (see note 3a for further information).

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 2024-25 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 **£29,070** were paid to one or more of the panels of three appointed stakeholder pension providers (2023-24 £41,530). 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, **0.5%** of pensionable pay was 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 **£777,944** (2023-24 £459,336). No contributions were pre-paid.

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 CSOPS 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 is divided into a few different sections – classic, premium and classic plus provide benefits on a final salary basis, while nuvos provides benefits on a career average basis. The PCSPS and alpha are unfunded statutory schemes. The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the 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 were switched to 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, classic plus, premium, nuvos and alpha. Benefits in classic and classic plus 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 uprated 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 on retirement up to the limits set by the Finance Act 2004.

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, classis plus and premium, 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.

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.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2025. HMT published updated guidance on 27 April 2023; this guidance has been used in the calculation of 2024-25 CETV figures.

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.

Former Director General – OFLOT

Upon the merger between the 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 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 the scheme was carried out by the Government Actuary as at 31 March 2025 and the present value of the liability as at 31 March 2025 is **£164,000** (2023-24 £169,000).

Off-payroll appointments

i) Highly paid off-payroll worker engagements as at 31 March 2025, earning £245 per day or greater and that last for longer than six months:

	Number of payroll engagements
Existing engagements as of 31 March 2025 **Of which, engagements that have existed at time of reporting for:**	**25**
Less than one year	**2**
Between one and two years	**11**
Between two and three years	**4**
Between three and four years	**4**
Four or more years	**4**

Confirmation that all existing off-payroll engagements, outlined previously, have at some point been subject to a risk-based assessment as to whether assurance is required and where necessary that the individual is paying the right amount of tax.

ii) All highly paid off-payroll workers engaged at any point during the year ended 31 March 2025, earning £245 per day or greater:

	Number of payroll engagements
New engagements or those that reached six months in duration, between 1 April 2024 and 31March 2025 **Of which, engagements assessed by:**	**25**
caught by IR35	**21**
not caught by IR35	**2**
PSC engagements treated as employees and paid through payroll	**2**
reassessed for consistency and/or assurance purposes during the year	**Nil**
engagements that saw a change to IR35 status following the consistency review	**Nil**

iii) For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2024 and 31March 2025

	Number of payroll engagements
Number of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year	**Nil**
Total number 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	**22**

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

	2024-25			**2023-24**
Exit package cost band (including any special payment element)	**Number of compulsory redundancies**	**Number of other departures agreed**	**Number of exit packages by cost band**	**Number of exit packages by cost band**
£0 - £25,000	-	-	-	4
£25,001 – £50,000	-	1	1	1
£50,001 – £100,000	-	-	-	-
£100,001 – £150,000	-	-	-	-
£150,001 – £200,000	-	-	-	-
Greater than £200,000	-	-	-	-
Total number of exit packages	**-**	**1**	**1**	**5**

Exit package cost band (including any special payment element)	2024-25					2023-24
	Cost of compulsory redundancies (by band)		Cost of other departures agreed (by band)		Total exit packages by cost band	Total exit packages by cost band
	(£'000)		(£'000)		(£'000)	(£'000)
	Excluding CILON	CILON	Excluding CILON	CILON		
£0 - £25,000	-	-	-	-	-	56
£25,001 – £50,000	-	-	-	31	31	27
£50,001 – £100,000	-	-	-	-	-	-
£100,001 – £150,000	-	-	-	-	-	-
£150,001 – £200,000	-	-	-	-	-	-
Greater than £200,000	-	-	-	-	-	-
Total number of exit packages	-	-	-	31	31	83
					(£)	(£)
Total exit costs paid in year					30,938	82,816
Highest paid (excl. CILON)					30,938	19,629
Median paid (excl. CILON)					30,938	10,579
Lowest paid (excl. CILON)					30,938	10,579

Compensation for loss of office (audited)

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 previous table shows the total cost of exit packages agreed and accounted for in 2024-25 (2023-24 comparative figures are also given).

One employee left under Voluntary Exit terms during 2024-25. They received payment in lieu of notice of **£0.031m** (2023–24 £0.083m), which was paid in 2024-25, the year of departure.

Exit costs are accounted for in full in the year of departure.

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

Where the department has agreed early exit retirement or ill-health retirement, the additional costs are met by the department and not by the Civil Service pension scheme.

Professional Services External Resources (non-payroll staff)

Consultancy costs

During 2024-25, the Commission incurred consultancy costs totalling £129k (2023-24 £88k).

Below shows a summary of costs by consultancy type:

Type	2024-25	2023-24
	Amount £000	Amount £000
Human Resource, Training & Education Consultancy	-	-
Finance Consultancy	-	-
IT/IS Consultancy	-	66
Technical Consultancy	129	22
	129	88

Temporary (non-payroll) Staff

During 2024-25, the Commission incurred agency staff costs totalling £1,235k (2023-24 £564k). The main reason for the increase in temporary workers relates to exceptional additional work connected with the 4NL Licence competition.

Below shows a summary of costs by type:

Type	2024-25	2023-24
	Amount £000	Amount £000
Temporary Workers – Admin and Clerical	500	409
Interim Managers	275	114
Specialist Contractors	460	41
	1,235	564

Employment statistics for 2024-25 (as at 31 March 2025)

Department Split Summary

Organisational area	As at 31 March 2025 Number of Employees	As at 31 March 2024 Number of Employees
National Lottery	**31**	29
Regulatory Delivery Operations	**154**	125
Enabling Services	**231**	219
Total	**416**	373

Total Employment by contract type

Contract type	As at 31 March 2025 Number of employees	As at 31 March 2024 Number of employees
Fixed term employees	**41**	38
Permanent employees	**375**	335
Total	**416**	373

Diversity - Disability

Diversity Type	As at 31 March 2025 Number of employees	As at 31 March 2024 Number of employees
Employees with a disability as defined under the Equality Act 2010	**37**	31
Employees without a disability as defined under the Equality Act 2010	**379**	342
Total	**416**	373

Employees by Department

Department	As at 31 March 2025 Number of employees	As at 31 March 2024 Number of employees
3rd National Lottery Licence	**1**	2
4th National Lottery Licence	**19**	10
4th National Lottery Competition	**8**	17
Compliance and Licensing	**88**	67
Enforcement, Intelligence, Sports Betting Intelligence (SBI) and Anti-Money Laundering (AML)	**50**	48
Communications and Engagement	**29**	26
Finance, Legal, People Services and Project Management Office (PMO)	**62**	61
Digital, Technology and Facilities	**48**	37
Executive	**11**	11
Governance and Information Management	**32**	31
Research and Policy	**54**	50
Strategy	**14**	13
Total	**416**	373

Policies for Disabled People

We display the “Disability Confident” kite mark and “Happy to talk flexible working” to send a clear signal that our organisation welcomes applications from everyone and is an inclusive employer. We are happy to offer flexible working options across the Commission and always ask at interview what people are looking for and try to accommodate where possible.

At interview stage we offer reasonable adjustments to ensure equal opportunity for all applicants to share their competencies. Every new starter receives an office and technology orientation, as well as a face-to-face Display Screen Equipment (DSE) assessment and a Health and Safety training session within the first few days of joining. This allows us to ensure that colleagues can work safely, comfortably, and where any reasonable adjustments may be required, ensure that these are addressed.

Our website is fully accessible thanks to the redesign work led by our Digital team, who are ambassadors for accessibility and have delivered awareness training and development support to all colleagues during the past 18 months.

Diversity - Ethnic origin

Ethnic Origin Type	As at 31 March 2025 Number of employees	As at 31 March 2024 Number of employees
Asian or Asian British – Indian	**29**	24
Asian or Asian British – Other	**5**	1
Asian or Asian British – Pakistani	**12**	11
Black or Black British – African	**15**	11
Black or Black British – Caribbean	**6**	6
Black or Black British – Other	**1**	0
Mixed – White and Asian	**3**	4
Mixed – White and Black Caribbean	**6**	4
Mixed – Other	**3**	0
Not disclosed	**0**	8
Other Ethnic Background	**2**	8

Other Mixed Background	**3**	3
Other White Background	**8**	6
White British	**294**	261
White Irish	**6**	5
Prefer not to say	**23**	21
Total	**416**	373

Diversity – Age

Age range	**As at 31 March 2025** **Number of employees**	**As at 31 March 2024** **Number of employees**
25 and under	**13**	12
26-34	**94**	85
35-44	**133**	124
45-54	**115**	104
55 and over	**61**	48
Total	**416**	373

Diversity - Gender

2024-25 (As at 31 March 2025)				
Gender	**Directors**	**Senior Management**	**Other employees**	**Total**
Female	**7**	**8**	**202**	**217**
Male	**4**	**9**	**186**	**199**
Total	**11**	**17**	**388**	**416**

2023-24 (As at 31 March 2024)				
Gender	**Directors**	**Senior Management**	**Other employees**	**Total**
Female	7	10	173	190
Male	4	9	170	183
Total	11	19	343	373

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 well-being both through our recruitment processes and internal policies to support our ethos of creating a diverse culture.

Sickness rates

	2024-25 **Percentage of working days lost**	**2023-24** **Percentage of working days lost**
Quarter 1	**2.24%**	2.59%
Quarter 2	**2.33%**	2.55%
Quarter 3	**2.93%**	2.52%
Quarter 4	**2.65%**	2.53%
Total	**2.55%**	2.51%

During the year, the average proportion of working days lost to sickness was **2.55%** (2023-24 2.51%). Our occupational health and employee assistance partners provide us with ongoing support for colleagues and management alike.

Staff turnover percentage

As of 31 March 2025, the staff turnover percentage at the Commission was **7.32%** (15.09% as at 31 March 2024). We will continue to report this figure in future years in line with Cabinet Office guidance.

Employee Engagement Survey:

Each November, the Commission takes part in an employee survey conducted by Great Place to Work® UK. This survey provides valuable insights into the experiences and views of our staff, helping us to support our ongoing growth, celebrate our achievements, and identify new opportunities for improvement.

In November 2024, our Trust Index score rose to 74%, up from 72% in November 2023. Following last year's survey, the Commission has already implemented several positive changes, including a refresh of our Learning Zone platform and enhancements to our office environment.

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. These regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation.

Relevant union officials

During 2024-25, there were **8.14 full time equivalent employees** who were relevant union officials. In 2023-24 there were 7.94 full-time equivalent union officials.

Percentage of time spent on facility time

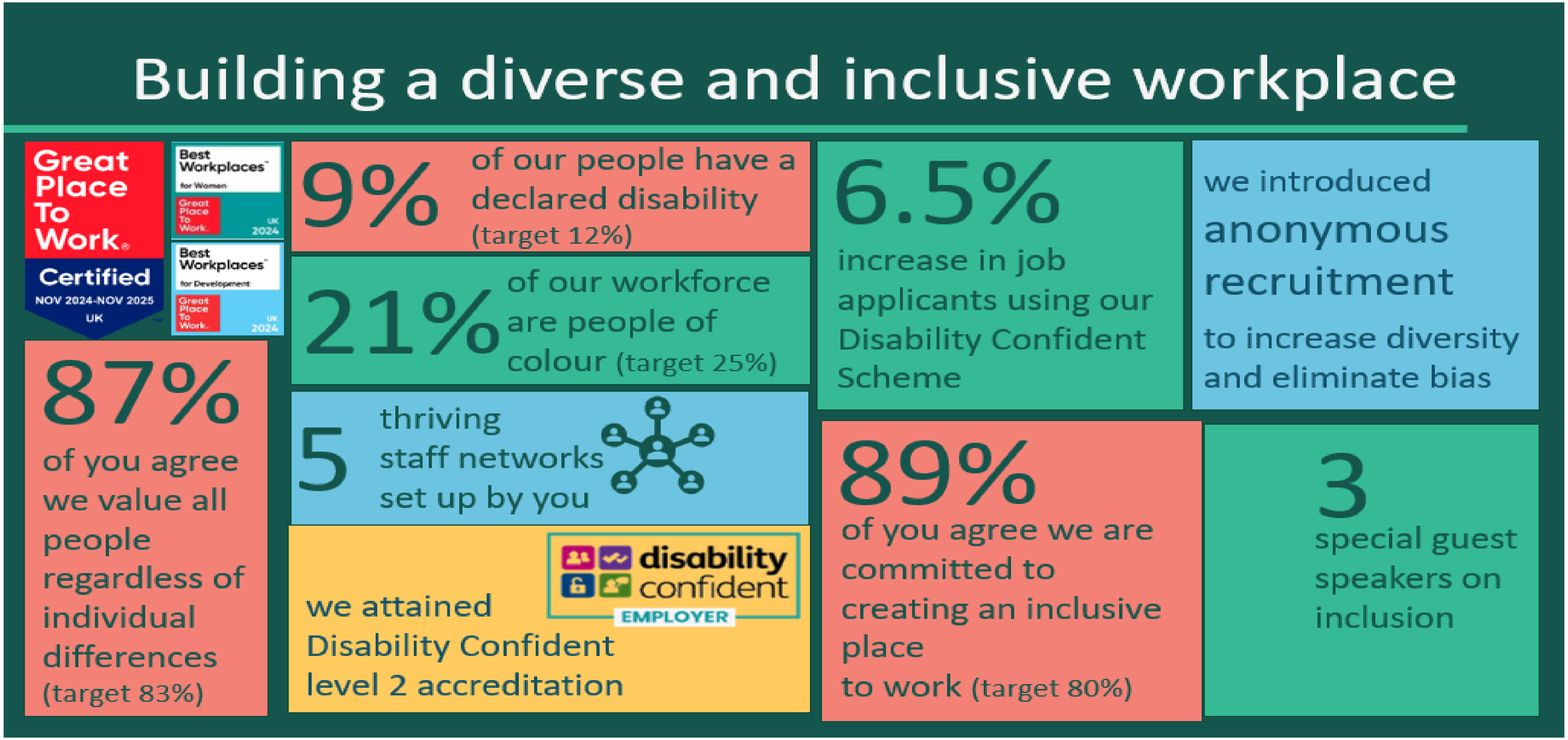
	As at 31 March 2025	**As at 31 March 2024**
Percentage	**Number of employees**	**Number of employees**
0%	-	-
1-50%	**9**	9
51-90%	-	-
100%	-	-

Percentage of pay bill spent on facility time

	As at 31 March 2025 £'000	**As at 31 March 2024 £'000**
Total cost of facility time	8	5
Total pay bill	**28,200**	24,001

The percentage of the total pay bill spent on facility time was **0.03%** in 2024-25 and (0.02% 2023-24).

Our aim is to build a diverse and inclusive workplace, and the figure below illustrates our achievements during 2024-25 to achieving that goal.



Colleague Engagement

Overall colleague engagement is currently **74%** which has continued to improve since 2021 (56%). The Commission has been certified as a Great Place to Work and achieved UK Best Workplace recognition during 2022, reflecting on the positive action being taken to provide colleagues with a positive and rewarding work experience. Our priorities during 2024 include Leadership, Strategy and investing in Careers & Development.

Health & Safety

The Commission recognises our legal requirements under the Health and Safety at Work Act 1974. We consistently ensure as far as reasonably practicable that we meet all legal requirements that are expressed within the Act and the many Approved Codes of Practice associated with it. There have been no accidents to be reported to the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) in the last 12 months.

Employee Well-being

We care about the health and well-being of our colleagues. Our leadership communications convey genuine sentiment that colleagues' health and well-being is of primary importance. These messages set the tone for our well-being culture and filter down through line managers and across colleagues.

Our colleagues recognise and value our well-being-focused culture which was evidenced in the latest annual colleague survey.

We provide a wide range of services and access to support which include an Employee Assistance Programme and access to free counselling, Mental Health First Aiders, monthly 'no meeting day' in the calendar for all colleagues, flexible working policies, Occupational Health support, a Dignity at Work Helpline and Menopause advocates.

We have created a Domestic Abuse / Violence toolkit offering guidance to support our line managers, which has enabled them to recognise warning signs, as well as facilitate conversations.

Hybrid Working

As a result of listening to colleagues' voices, through the pulse survey and the various forums, our Executive Team decided to retain hybrid working and, to support the department heads, published a set of Hybrid Working Principles to facilitate this, which empowered and enabled each department to determine the hybrid working arrangements that met their needs. Informal feedback across the Commission concludes that hybrid working practices continue to be a huge benefit to colleagues in terms of financial and well-being impacts.

Parliamentary Accountability and Audit Report

Fees and charges (audited)

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

The Commission aims to ensure that the costs incurred in delivering the organisation's areas of strategic focus 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.

Operator fees vary and are dependent on the size of the operator and the type of licence they are applying for. This can range from applying for a new licence, varying a licence, or changing who controls a business. Details of all these fees can be found on our website. 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 **£27.44m** for the year (2023-24 £25.83m). There has been no overcharging during the year. Further analysis of fees and charges is provided in the Performance Analysis section.

Regularity of expenditure (audited)

Losses and special payments

MPM states that individual losses and special payments of more than £300,000 should be noted separately.

There were no losses or special payments exceeding £300,000 during 2024-25 (2023-24 nil).

Gifts

MPM states that any gifts where the total value exceeds £300,000 must be recorded and disclosed.

Gifts did not exceed £300,000 in either 2024-25 or 2023-24.

Remote contingent liabilities

MPM states that 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 **four** claims relating to employment tribunal cases assessed as up to a 10% probability of incurring damages totalling **£48,760** as at 31 March 2025 (2023-24 £68,760).

The remote contingent liabilities figure has been calculated under the guidance of IAS 37, based on events existing at the balance sheet date.

Andrew Rhodes
Chief Executive and Accounting Officer
17 July 2025

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 2025 under the Gambling Act 2005.

The financial statements comprise the Gambling Commission's

- Statement of Financial Position as at 31 March 2025;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flow and 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 2025 and its 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 (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. 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 2024*. 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 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 Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is 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 and my auditor's report. 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.

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 subject to audit have been properly prepared in accordance with Secretary of State directions made under the Gambling Act 2005; and
- the information given in the Accountability and Performance reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Gambling Commission and its/their environment obtained in the course of the audit, I have not identified material misstatements in the Accountability and Performance reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Gambling Commission or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or

- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Gambling Commission from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Gambling Act 2005;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions direction issued under the Gambling Act 2005; 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 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 express an opinion 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, I:

- considered the nature of the sector, control environment and operational performance including the design of the Gambling Commission’s accounting policies, and performance incentives.
- inquired of management, internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Gambling Commission’s policies and procedures on:
    - identifying, evaluating and complying with laws and regulations;
    - detecting and responding to the risks of 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, Managing Public Money and National Lottery act 1993.

- inquired of management, the Gambling Commission's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team and the relevant internal IT and external legal specialists, 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, complex transactions, bias in management estimates and disclosure of legal liabilities. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Gambling Commission's framework of authority and other legal and regulatory frameworks in which the Gambling Commission operates. I focused 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 Gambling Act 2005, Managing Public Money, the National Lottery Act 1993, employment law, pensions and tax Legislation, the Gambling Levy Regulations 2025 and the Economic Crime Levy.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed 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;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on 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

- I addressed the risk of fraud in revenue recognition, through my assessment of the design and implementation of controls, through testing of income to ensure it is recognised in accordance with IFRS 15 and through examination of deferred income.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal 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. This description forms part of my report.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income 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.

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 I identify during my audit.

Gareth Davies

18 July 2025

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria, London, SW1W 9SP

Financial statements

Statement of comprehensive net expenditure

(SoCNE) for the year ended 31 March 2025

	Notes	2024 - 2025 £'000	2023 - 2024 £'000
Income			
Licence fee income	4a	27,442	25,825
Other income	4b	440	357
Total Operating Income		**27,882**	**26,182**
Expenditure			
Staff costs	3a	(27,823)	(24,001)
Other expenditure	3b	(31,253)	(15,321)
Provision release	3c	249	24
Interest cost on pensions liability	3c	(8)	(7)
Depreciation and amortisation	3c	(675)	(369)
Right-of-use depreciation	3c	(801)	(740)
Total Operating Expenditure		**(60,311)**	**(40,414)**
Net Operating Expenditure		**(32,429)**	**(14,232)**
Finance Income – Bank Interest received	4c	444	629
Finance Income – interest on lease liabilities	3c	274	(50)
Finance expense	3c	(22)	(29)
Corporation tax	3b	(118)	(177)
Net expenditure for the year		**(31,851)**	**(13,859)**
Other comprehensive expenditure			
Actuarial Gain / (Loss) on pension scheme liabilities	13	(6)	(3)
Comprehensive net expenditure for the year		**(31,857)**	**(13,862)**

The Notes on pages 121 to 164 form part of these accounts.

The Commission receives GIA funding to cover National Lottery expenditure. GIA 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 2025

	Notes	2024-25 £'000	2023-24 £'000
Non-current assets			
Property, plant and equipment	5	1,130	1,086
Right-of-use assets	6	617	1,418
Intangible assets	7	132	315
Total non-current assets		**1,879**	**2,819**
Current assets			
Trade and other receivables	10	2,405	1,405
Cash and cash equivalents	9	31,656	31,132
Total current assets		**34,061**	**32,537**
Total assets		**35,940**	**35,356**
Current liabilities			
Trade and other payables	11a	22,203	17,656
Provisions	12	1,320	1,547
Retirement benefit obligations	13	19	19
Lease Liabilities	14	704	748
Total current liabilities		**24,246**	**19,970**
Total assets less current liabilities		**11,694**	**15,386**
Non-current liabilities			
Deferred Income	11b	668	625
Lease Liabilities	14	-	1,013
Retirement benefit obligations	13	145	150
Total non-current liabilities		**813**	**1,788**
Total assets less total liabilities		**10,881**	**13,598**
Taxpayers' equity			
General Fund Reserve		11,045	13,767
Pension scheme Reserve		(164)	(169)
Total equity		**10,881**	**13,598**

The Notes on pages 121 to 164 form part of these accounts.

Andrew Rhodes
Chief Executive and Accounting Officer
Gambling Commission
17th July 2025

Statement of cash flow for the year ended 31 March 2025

	Notes	2024 – 2025 £'000	2023 – 2024 £'000
Cash flows from operating activities			
Net Operating Expenditure	SoCNE	(31,851)	(13,859)
Adjustments for non-cash transactions expenditure	3c	983	1,171
Trade and other receivables - (Increase)/Decrease in trade and other receivables	10	(1,000)	9,731
Trade and other payables - Increase/(Decrease) in trade payables	11a & 11b	4,590	(9,072)
Adjustments for Corporation Tax Interest Received	4c	(444)	(629)
Pension schemes Unfunded pension scheme – payments	13	(19)	(18)
Net cash inflow/(outflow) from operating activities		**(27,741)**	**(12,676)**
Purchase of property, plant and equipment and Right of Use assets			
Additions	5&6	(536)	(531)
Interest Received	4c	444	629
Net cash inflow/(outflow) from investing activities		**(92)**	**98**
Cash flows from financing activities			
Grant in aid received from DCMS	16	29,140	14,440
Lease liability payments	14	(783)	(781)
Net cash inflow/(outflow) from financing activities		**28,357**	**13,659**
Net increase/(decrease) in cash and cash equivalents in the period (as calculated above)		**524**	**1,081**
Cash and cash equivalents at the beginning of the period	9	**31,132**	**30,051**
Cash and cash equivalents at the end of the period	9	**31,656**	**31,132**

Statement of changes in taxpayers' equity for the year ended 31 March 2025

	Notes	Pension scheme reserves £'000s	General fund £'000s	Total Reserve £'000s
Balance at 31 March 2023		**(177)**	**13,197**	**13,020**
Changes in taxpayers' equity				
Other Adjustments				
Grant in aid received from DCMS	16		14,440	14,440
Movements in Reserves				
Actuarial gains/losses	13	(3)		(3)
Transfers to / from other reserves		11	(11)	-
Total		**8**	**(11)**	**(3)**
SoCNE - Retained (Surplus)/Deficit for year			(13,859)	(13,859)
Balance at 31 March 2024		**(169)**	**13,767**	**13,598**
Changes in taxpayers' equity				
Other Adjustments				
Grant in aid received from DCMS	16		29,140	29,140
Movements in Reserves				
Actuarial gains/losses	13	(6)		(6)
Transfers to / from other reserves		11	(11)	-
Total		**5**	**(11)**	**(6)**
SoCNE - Retained (Surplus)/Deficit for year			(31,851)	(31,851)
Balance at 31 March 2025		**(164)**	**11,045**	**10,881**

Notes to the accounts

1. Statement of accounting policies

The policies adopted are in accordance with the International Financial Reporting Standards (IFRS), to the extent that they are meaningful and appropriate in the public sector context, as adopted and interpreted by the FReM.

a) Accounting conventions

These are the accounts for the Commission, covering the twelve months from 1 April 2024 to 31 March 2025. They have been prepared in a form directed by the Secretary of State for DCMS with the approval of HMT, in accordance with Schedule 4 of the Gambling Act 2005 (The Act). A copy of the account's direction can be obtained from the Commission. The policies adopted by the Commission are described in this section and have been applied consistently during the year.

The Commission have been directed to produce a Trust Statement for the Economic Crime Levy and Fines and Penalties that are payable to the Consolidated Fund. The trust statement is prepared in accordance with the accounting direction issued by HMT under section 7 of the Government resources and Account Act 2000.

For 2024-25, HMT have given the Direction that this can be published separately from the Commission's Annual Report and Accounts, but from 2025-26 onwards they will be prepared, audited and published together.

The Trust Statement will be subject to independent external audit by the NAO.

b) Non-current assets

Capitalisation Policy

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

Valuation of Non-Current Assets

Non-current assets, including property, plant and equipment (PPE), right-of-use (ROU) assets, and intangible assets, are initially recognised at cost, in accordance with IAS 16, IFRS 16, IAS 38, and the HMT Financial Reporting Manual (FReM). Cost includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating as intended (IAS 16.15–16; IFRS 16.23; IAS 38.27).

Subsequently:

PPE and ROU assets are measured using the cost model, i.e., at cost less accumulated depreciation and impairment losses. This is consistent with the FReM, which permits the use of depreciated historical cost as a proxy for fair value where this is not materially different, particularly for short-life assets (FReM 2025–26, Section 6.2).

Intangible assets are carried at fair value, with depreciated historical cost used as a proxy where fair value cannot be reliably measured, in line with IAS 38.74 and FReM 2025–26 guidance.

The useful lives and residual values of all non-current assets are reviewed at least annually and adjusted if expectations differ from previous estimates due to wear and tear, obsolescence, or legal and operational constraints (IAS 16.51; IAS 38.104).

Depreciation and Amortisation

Depreciation and amortisation are applied on a straight-line basis to write off the cost or valuation of assets evenly over their anticipated useful lives, as shown below:

Anticipated life of assets

Assets	Anticipated life
IT Hardware	4 years
IT Software Licences	Over the life of the licence if it exceeds 12 months
IT Developed Software	5 years
Furniture, fixtures and fittings	10 years
Equipment	7 years
Telecoms	7 years
Motor Vehicles	4 years
Right of use asset	Over the life of the lease

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

Property, Plant and Equipment (PPE)

PPE is stated at depreciated historical cost as a proxy for fair value. As all of the Commission's assets are short life (less than 10 years), depreciated historical cost is not considered materially different from fair value. An annual review is undertaken to ensure all items remain in use and that disposals are appropriately accounted for (IAS 16.29; FReM 6.2.1).

Right-of-Use Assets

Property leases assessed under IFRS 16 are valued using the cost model, which is used as a proxy for current value. This is appropriate given the short-term nature of the leases and the limited fluctuation in the underlying asset values (IFRS 16.24; FReM 6.2.3).

Intangible Assets

The Commission's intangible assets are accounted for in accordance with IAS 38. An intangible asset is defined as an identifiable non-monetary asset without physical substance, which is either separable or arises from contractual or legal rights (IAS 38.8–12).

Under IFRS, software development costs are classified as intangible assets and are capitalised only when all the following criteria are met (IAS 38.57):

- The project is technically feasible and will result in an asset for sale or use;
- The Commission intends to complete and use or sell the asset;
- The Commission has the ability to use or sell the asset;
- The asset will generate probable future economic or service delivery benefits;
- Adequate resources are available to complete the development; and
- The costs attributable to the asset during development can be reliably measured.

Internal staff costs directly incurred in the implementation of capital projects are capitalised where they meet the criteria under IAS 38. Research costs are not capitalised (IAS 38.54).

Software purchases that do not require development are recorded as additions within the software category in the intangible fixed asset note.

Software Licences

Software licences are assessed to determine whether they meet the criteria for recognition as intangible assets under IAS 38 *Intangible Assets*, as adapted by the Government Financial Reporting Manual (FReM).

Licences with a term of **12 months or less** are considered **short-term** and do not meet the recognition criteria for capitalisation. These costs are therefore **expensed to the SoCNE** in the period in which they are incurred. This treatment reflects the absence of long-term economic benefit and aligns with the principles of materiality and cost-effectiveness in financial reporting.

Longer-term software licences that meet the recognition criteria are capitalised and amortised over the period of expected benefit.

In accordance with the FReM 2025–26, all intangible assets are carried at fair value, with depreciated historical cost used as a proxy where this is not materially different (FReM 6.2.4).

c) Impairment of intangibles, property, plant and equipment

Each year, the Commission reviews the carrying amount of its intangible assets, property, plant and equipment to determine whether there is any indication that its assets have suffered any impairment in value. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment. The assets' residual values and useful lives are reviewed and adjusted if appropriate. The recoverable amount is the higher of the fair value less costs to sell and the value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment is immediately recognised as an expense.

d) Provisions and Contingent Liabilities

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.

Provisions and contingent liabilities are measured at the best estimate (including risk and uncertainties) of the expenditure required to settle the present obligation and reflects the present value of expenditure required to settle the obligation where the time value of money is material.

Unquantifiable contingent liabilities cannot be measured as it is not possible to obtain a reliable estimate, due to the nature, scope, range and scale of possible scenarios that might occur. These contingent liabilities are treated as unquantifiable.

e) 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 2025.

f) Leases

The Commission applies IFRS 16 Leases and recognises right-of-use (ROU) assets and corresponding lease liabilities for all leases, except for:

- Short-term leases (with less than 12 months remaining at 31 March 2025), and
- Low-value leases (where the value of the underlying asset is less than £5,000).

These exemptions are applied in accordance with the accounting policy choices permitted under IFRS 16.

The Commission has elected not to separate non-lease components from lease payments.

Lease payments are recognised on a straight-line basis over the lease term unless another systematic basis better reflects the pattern of benefit.

g) Right of use assets

The Commission holds two lease arrangements: one for office accommodation and one for photocopiers. Both leases are considered immaterial in value.

Right-of-use assets and lease liabilities are measured using the cost model, which is considered an appropriate proxy for fair value under the FReM. Lease payments are fixed and do not include variable elements such as RPI or CPI uplifts.

The lease term reflects management's judgement on the likelihood of exercising extension or break options, which is reassessed if significant changes occur (IFRS 16.18).

Right-of-use assets are depreciated on a straight-line basis over the lease term. Lease liabilities are measured at amortised cost, using the HMT discount rate where the implicit rate is not readily determinable.

h) 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.

Permanent and short-term employee costs are presented in accordance with IAS19. 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).

i) Value Added Tax

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

j) Licence fee receipts and fee income recognition

Income is recognised in accordance with IFRS 15 – Revenue from contracts with customers, as adapted by the HMT Financial Reporting Manual (FReM).

The Commission collects statutory fees under the Gambling Act 2005. These fees are considered to arise from contracts with customers, as they represent consideration for services provided by the Commission.

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.

The performance obligations and revenue recognition policies are as follows:

Operator Licence Application Fees

Performance obligations:

Assessment and processing of the application, which may result in the grant of a licence. Applies to new operator licence applications (first annual fees), change applications, variation applications for both personal and operator licences and single machine permits. The Commission will not process a licence application until the full fee has been received and matched to the application invoice. Failure to pay the fee will ultimately result in the rejection of the application in line with the Gambling Act 2005 and the Commission’s Income Collection Policy.

The Gambling Act 2005 Section 100(1) stipulates that the holder of a licence shall pay a first annual fee to the Commission within such period after the issue of the licence as may be prescribed and pay an annual fee before each anniversary of the issue of the licence.

Recognition:

Income is recognised in full at the point the licence is issued, as the performance obligation is satisfied at that time.

Operator Licence Annual Fees

Performance obligations:

Ongoing regulatory oversight and compliance monitoring throughout the licence period, in line with the licensing objectives in the 2005 Act.

The Commission issues the renewal annual fee invoice approximately six weeks before the annual fee is due. This invoice is made available through the Commission’s eServices platform, where operators can also make payment by credit or debit card.

The annual fee is due on the anniversary of the date the operating licence was first issued. Payment must be made in full before the anniversary date to avoid revocation of the licence. If the fee is not paid on time, the Commission is required to revoke the licence, and the operator would need to reapply to continue operating.

Recognition:

Annual fee Income is recognised on a straight-line basis over the duration of the licence, as the service is provided evenly over time.

The first annual fee invoice is issued on the date the licence is granted and is due for payment within 30 days. Annual Fee Invoices are automatically raised six weeks prior to the anniversary of the issue of the operating licence. In accordance with the Gambling Act 2005 the annual fee must be paid before the anniversary of the issue of the licence. If the annual fee is unpaid, the licence will be revoked as per the Gambling Act Section 119 (3) and the operator will be unable to continue offering gambling services to UK customers.

Operator Licence Significant Judgements and Estimates

Annual fees are paid to maintain an operating licence for a 12-month period where the licence holder operates their gambling business in the UK regulated environment. The maintenance of the licence is therefore deemed a performance obligation satisfied over a period of time, as the customer simultaneously receives and consumes the benefits provided.

Operator Licence Revenue Recognition Over Time

Operator Licence annual fee revenue is recognised on a straight-line basis over 12 months from the anniversary of the issue of the licence. This method is considered to provide a faithful depiction of the transfer of services, as the Commission’s regulatory activities are delivered evenly throughout the licence period. Income not yet recognised is recorded as deferred income in the Statement of Financial Position.

Personal Licence Application Fees

There are two main types of personal licences issued by the Commission:

1. Personal Management Licence (PML) - this is required for individuals who occupy **key management roles** in a licensed gambling business. Prescribed licence application fee of £370 is payable.

2. Personal Functional Licence (PFL) – this is required for individuals who perform **operational functions** in a casino. Prescribed licence application fee of £185 is payable.

Performance obligations:

Assessment and processing of the application, which may result in the grant of a personal licence. The fee must be paid before submitting the application. The fee is non-refundable, even if the application is unsuccessful or withdrawn. Failure to pay the fee will ultimately result in the rejection of the application in line with the Gambling Act 2005 and the Commission's Income Collection Policy.

The Commission does not act as an agent for another party in this process. It is the principal in delivering the licensing service directly to the applicant.

There is no obligation to arrange for another party to provide the service; the Commission itself is the sole authority responsible for issuing licences and enforcing compliance.

Recognition:

60% of the fee is recognised at the point the licence is issued, reflecting the cost and effort of processing the application.

The remaining 40% is recognised on a straight-line basis over the 5-year licence term, reflecting the ongoing service.

A New personal licence application must be accompanied by the prescribed fee as per the Gambling Act 2005. The Commission will not process an application until the full fee has been received and matched to the application invoice. Failure to pay the fee will ultimately result in the rejection of the application in line with the Gambling Act 2005 and the Commission's Income Collection Policy.

Personal Licence Renewal Fees

There are two main types of personal licences issued by the Commission:

Ongoing PML's have a prescribed licence fee of £370, which is payable every five years.

Ongoing PFL's have a prescribed licence fee of £185, which is payable every five years.

Performance obligations:

The Commission must notify licence holders when their five-year maintenance deadline is approaching.

Under the Gambling (Personal Licence Fees) Regulations 2006, licence holders are required to pay a maintenance fee every five years to retain their licence.

The Commission must provide access to the "Manage Your Personal Licence" portal, where licence holders can:

- Submit required documentation (e.g. ID, DBS checks, overseas police reports if applicable)
- Pay the prescribed fee (£370 for PML, £185 for PFL)
- Download or update their licence

Recognition:

35% is recognised at the point of renewal, with the remaining 65% recognised over the 5-year term.

Where a personal licence is surrendered or revoked, any remaining deferred income associated with that licence will be recognised in full at the end of the financial year in which the surrender or revocation occurs.

Personal Licence Significant Judgements and Estimates

The allocation of income between upfront and deferred recognition is based on management's assessment of the relative effort and cost associated with each performance obligation. Personal Licence deferred recognition percentages are reviewed periodically and reflect the Commission's experience and operational data.

Personal Licence Revenue Recognition Over Time

Personal Licence fee revenue (application fee 40% and renewal 65%) is recognised on a straight-line basis over the 5-year term from the anniversary of the issue of the licence. This method is considered to provide a faithful depiction of the transfer of services, as the Commission's regulatory activities are delivered evenly throughout the licence period. Income not yet recognised is recorded as deferred income in the Statement of Financial Position.

k) Financing grant-in-aid

The Commission receives Grant-in-Aid funding from the DCMS to support its National Lottery operations, as well as to cover any unplanned additional pension contributions relating to the Commission. 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.

l) Reserves

The Commission holds reserves as a matter of prudent financial management, principally so that it can fund 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 other provisions. This also allows the Commission to manage its in year financial position accurately. Following an update to our Reserves Policy during 2024-25, the Commission calculates that reserves of £4.0m are needed to meet this requirement. The Commission set its budget for 2024-25 to start drawing down on the reserve, to fund additional activities and growth, to enable the organisation to continue to deliver on the GAR and other key areas of work such as illegal markets and data. As an arms-length body, the Commission does not hold reserves to cover terminal liabilities as these would be met by DCMS.

We have built up reserves over a number of years. This is due to static fee levels set through legislation, uncertainty, lower than planned spending towards the end of the pandemic and delays in the publication of the GAR White Paper. The Board and DCMS are aware of the reserve excess and approved our plans to start to utilise the reserve from 2024-25 onwards, resulting in utilisation of £3.5m, against a planned drawdown of £4.1m. We have also reviewed and updated the reserves policy this year, reducing it to £4.0m from the previous level of £7.0m.

The Pensions reserve of £168k relates to an inherited pension liability from the merger of the Commission and the National Lottery Commission. It is decreasing annually as the pension is disbursed.

m) 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.

n) Corporation Tax

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

o) Segmental reporting

The Commission operates in three distinct material segments:

- to regulate commercial gambling,
- to regulate the current National Lottery,
- to commission the 4NL.

All three segments fall within one main geographical segment, the UK. The Commission has distinct sources of income for the three segments: licence fees for gambling regulation, GIA for National Lottery regulation, and also GIA to fund National Lottery Commissioning. Each segment is accounted for separately within the procurement and finance systems apart from cross charges.

Staff and non-staff cross charges are calculated as part of the budget (business priorities) process, costs are approved by the Executive Team and recognised monthly in the Financial Accounts based on the forecast.

At the year-end, a reconciliation of forecast to actuals is completed and actual expenditure incurred is used for cross charging. The segmental reporting format in Note 2, Statement of operating costs by operating segment reflects the Commission's management and internal reporting structure.

p) Cash and cash equivalents

The Commission's cash deposits are held with a single commercial bank, and with the Government Banking Service, in accordance with Treasury Management policy. For 2024-25 the Fitch rating for our commercial bank was A.

q) Accounting for Fines and Penalties

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 determines 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 the 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.

In line with FReM 11.3.9, the Commission acts as a principal for the collection of fines and penalties. Cost recovery or amounts due to be passed over to the Consolidated Fund at the year-end are shown within Note 4(b). 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 payable to the Consolidated Fund at the point the enforcement notice is raised and then derecognised if the penalty is appealed successfully.

These amounts are recognised in trade payables and trade receivables and do not form part of the SOCNE.

The Commission's approach to the impairment of financial assets is to provide for expected credit losses on trade receivables relating to the Consolidated Fund as described by IFRS 9. This requires the use of lifetime expected credit loss provisions for all trade receivables. These provisions are based on an assessment of risk of default and expected timing of collection, and an allowance for loss is made for potentially impaired receivables during the year in which they are identified based on a periodic review of all outstanding amounts. Allowance losses are recorded within Consolidated Fund receivables in Note 10, Trade and other receivables, when there is objective evidence that an asset is impaired.

Further details of the in Notes 10 and 17.

r) 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 Review White Paper was published on 27 April 2023, and the Commission has a key role to play in supporting the delivery of proposals. The Review White Paper doesn't propose any legal changes to the Commission body itself; the proposal is that it continues in its current form delivering existing and new functions under the White Paper if it becomes legislation and regulation. We have also confirmed GIA financing for 2025-26 to continue our work on regulation of the National Lottery, as per the National Lottery Act 1993, and 4NL competition (for which HMT approval is required under legislation). As such the accounts have been prepared on a going concern basis.

s) Accruals

Amounts below £1,000 near year-end are not accrued and are instead expensed in full in the subsequent financial year.

t) Accounting standards that have been issued but not yet adopted

IFRS 17 – Insurance Contracts

IFRS 17 replaces IFRS 4 and will be incorporated into the **FReM** for **mandatory implementation from 2025–26**. The Standard establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts.

There is no expected financial impact on the Commission from the adoption of IFRS 17.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 and is effective for **annual reporting periods beginning on or after 1 January 2027** in the private sector. The **public sector implementation date is yet to be confirmed**.
The potential impact of IFRS 18 on the Commission is currently being assessed.

FReM 2025–26 – Changes to Non-Investment Asset Valuation

In December 2023, HMT issued an exposure draft outlining changes to the valuation and accounting of non-investment assets (e.g. PPE and intangible assets), which will be **mandatory from 2025–26**. Key changes include:

- The terms **'service potential'** and **'specialised/non-specialised' assets** are being replaced with **'operational capacity'**. This is a **terminological change only** and does not affect the valuation basis, which remains **Existing Use Value (EUV)**.

- An **adaptation to IAS 16** removes the requirement to revalue an asset solely because its fair value materially differs from its carrying amount. Instead, assets will be valued using one of the following approaches:

    - A **quinquennial revaluation** supplemented by **annual indexation**;

    - A **rolling programme** of valuations over a five-year cycle, with indexation applied in the intervening years;

    - For **non-property assets**, appropriate indices;

    - In rare cases where indices are unavailable, a quinquennial revaluation with a **desktop revaluation in year 3**.

- The **revaluation model for intangible assets** is withdrawn. From **1 April 2025**, the **carrying value at 31 March 2025** will be treated as the **deemed historical cost**.

2. Statement of operating costs by operating segment
a) Statement of comprehensive net expenditure by operating segment as at 31 March 2025

31 March 2025					
	Gambling operations £'000	**National Lottery operation 3rd Licence £'000**	**National Lottery operation 4th Licence £'000**	**National Lottery Competition 4th Licence £'000**	**Total £'000**
Total Income	**27,882**	**-**	**-**	**-**	**27,882**
Expenditure					
Staff Costs	(23,700)	(258)	(2,715)	(1,150)	**(27,823)**
Accommodation	(735)	-	-	(28)	**(763)**
Professional fees	(522)	-	(10)	(9,982)	**(10,514)**
Consultancy Costs	(129)		-	-	**(129)**
External Legal Fees	(845)	-	(210)	(13,143)	**(14,198)**
Travelling and subsistence	(223)	-	(5)	(18)	**(246)**
Other staff costs	(232)	-	(2)	-	**(234)**
Recruitment, training & development	(634)	-	(14)	(12)	**(660)**
Office services	(2,104)	-	(66)	(220)	**(2,390)**
External audit fee	(113)	-	-	-	**(113)**
Internal audit fee	(142)	-	-	-	**(142)**
Research costs	(1,309)	-	(179)	-	**(1,488)**
General operating costs	98	(13)	(268)	(193)	**(376)**
Provision release	176	-	-	73	**249**
Interest cost on pensions liability	-	-	(8)	-	**(8)**
Depreciation and amortisation	(675)	-	-	-	**(675)**
Right of use asset depreciation	(801)	-	-	-	**(801)**
Total Expenditure	**(31,890)**	**(271)**	**(3,477)**	**(24,673)**	**(60,311)**
Net Operating Expenditure	**(4,008)**	**(271)**	**(3,477)**	**(24,673)**	**(32,429)**
Finance income - Bank Interest received	**444**	**-**	**-**	**-**	444
Finance income/(costs)	**274**	**-**	**-**	**-**	274
Finance expense	**(22)**	**-**	**-**	**-**	(22)
Corporation tax	**(118)**	**-**	**-**	**-**	(118)
Interest and finance costs	**578**	**-**	**-**	**-**	**578**
Net Operating Expenditure after interest and finance costs	**(3,430)**	**(271)**	**(3,477)**	**(24,673)**	**(31,851)**
Other Comprehensive Expenditure Actuarial Gain / (Loss) on pension scheme liabilities	-	-	(6)	-	**(6)**
Comprehensive expenditure for the year	**(3,430)**	**(271)**	**(3,483)**	**(24,673)**	**(31,857)**

31 March 2024[26]					
	Gambling operations £'000	National Lottery operation 3rd Licence £'000	National Lottery operation 4th Licence £'000	National Lottery Competition 4th Licence £'000	Total £'000
Total Income	**26,182**	**-**	**-**	**-**	**26,182**
Expenditure					
Staff Costs	(19,148)	(1,999)	(524)	(2,330)	**(24,001)**
Accommodation	(785)	-	-	-	**(785)**
Professional fees	(356)	(9)	-	(9,196)	**(9,561)**
Consultancy Costs	(77)	(11)	-	-	**(88)**
External Legal Fees	(431)	(20)	-	98	**(353)**
Travelling and subsistence	(217)	(1)	-	(24)	**(242)**
Other staff costs	(140)	(2)	(1)	-	**(143)**
Recruitment, training & development	(673)	(6)	-	(29)	**(708)**
Office services	(1,658)	-	-	(221)	**(1,879)**
External audit fee	(140)	-	-	-	**(140)**
Internal audit fee	(193)	-	-	-	**(193)**
Research costs	(1,011)	(113)	-	-	**(1,124)**
General operating costs	371	(145)	(48)	(283)	**(105)**
Provision release	24	-	-	-	**24**
Interest cost on pensions liability	-	-	(7)	-	**(7)**
Depreciation and amortisation	(369)	-	-	-	**(369)**
Right of use asset depreciation	(740)	-	-	-	**(740)**
Total Expenditure	**(25,543)**	**(2,306)**	**(580)**	**(11,985)**	**(40,414)**
Net Operating Expenditure	**639**	**(2,306)**	**(580)**	**(11,985)**	**(14,232)**
Finance income - Bank Interest received	629	-	-	-	**629**
Finance income/(costs)	(50)	-	-	-	**(50)**
Finance expense	(29)	-	-	-	**(29)**
Corporation tax	(177)	-	-	-	**(177)**
Interest and finance costs	**373**	**-**	**-**	**-**	**373**
Net Operating Expenditure after interest and finance costs	**1,012**	**(2,306)**	**(580)**	**(11,985)**	**(13,859)**
Other Comprehensive Expenditure Actuarial Gain / (Loss) on pension scheme liabilities	-	-	(3)	-	**(3)**
Comprehensive expenditure for the year	**1,012**	**(2,306)**	**(583)**	**(11,985)**	**(13,862)**

[26] *Comparative figures for the year ended 31 March 2024 have been re-presented to reflect a revised allocation of certain intra-group costs between operating segments. This adjustment enhances the accuracy of reported segment performance. The re-presentation has no impact on the Group's total revenue, operating profit, or net assets as previously reported.*

2b) Statement of financial position by operating segment as at the 31 March 2025

31 March 2025					
	Gambling operations £'000	National Lottery operation 3rd Licence £'000	National Lottery operation 4th Licence £'000	National Lottery Competition 4th Licence £'000	Total £'000
Non-current assets	1,879	-	-	-	1,879
Current assets	30,777	-	3,284	-	34,061
Total assets	**32,656**	**-**	**3,284**	**-**	**35,940**
Current liabilities	21,915	-	2,331	-	24,246
Non-current liabilities	668	-	145	-	813
Total liabilities	**22,583**	**-**	**2,476**	**-**	**25,059**
Assets less liabilities	**10,073**	**-**	**808**	**-**	**10,881**

31 March 2024[26]					
	Gambling operations £'000	National Lottery operation 3rd Licence £'000	National Lottery operation 4th Licence £'000	National Lottery Competition 4th Licence £'000	Total £'000
Non-current assets	2,819	-	-	-	2,819
Current assets	31,929	-	608	-	32,537
Total assets	**34,748**	**-**	**608**	**-**	**35,356**
Current liabilities	19,871	-	99	-	19,970
Non-current liabilities	1,638	-	150	-	1,788
Total liabilities	**21,509**	**-**	**249**	**-**	**21,758**
Assets less liabilities	**13,239**	**-**	**359**	**-**	**13,598**

3. Expenditure

3a) Staff costs

Staff Costs	2024-25 £'000	2023-24[27] £'000
Wages and Salaries*	20,478	17,768
Social Security Costs	2,188	1,854
Other Pension Costs	5,157	4,379
Total	**27,823**	**24,001**

One employee left under Voluntary Exit terms during 2024-25. They received payment in lieu of notice of **£31k** (2023–24 £83k), which was paid in 2024-25, the year of departure.

Wages and salaries include agency costs of **£1,235k**, (2023–24 £565k) and apprenticeship levy costs of **£80k** (2023–24 £70k). These costs were previously classified under other expenditure.

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

3b) Other expenditure

Description	2024-25 £'000	2023-24 £'000
Accommodation	763	785
Professional fees	10,514	9,561
Consultancy Costs	129	88
External Legal Fees	14,198	353
Travelling and subsistence	246	242
Other staff costs	234	143
Recruitment, training and development[27]	660	708
Office services	2,390	1,879
External audit fee	113	140
Internal audit costs	142	193

[27] Prior year figures have been reclassified to conform with the current year's presentation. This reclassification aligns with the requirements of the FReM.

3b) Other expenditure - continued

Description	2024-25 £'000	2023-24 £'000
Research costs	1,488	1,124
General operating costs	376	105
Other expenditure	**31,253**	**15,321**
Corporation Tax	118	177
Total other expenditure	**31,371**	**15,498**

Professional fees totalling **£10.51m** (2023-24 £9.56m). **£9.99m** relates to the National Lottery Competition for ongoing project costs, of which **£9.60m** relates to Transition costs, **£0.39m** for other Professional Fees.

Consultancy costs totalling **£0.13m** (2023-24 £0.09m).

Legal costs totalling **£14.20m**, which includes legal costs of **£13.35m** related to ongoing litigation costs for the National Lottery Competition (2023-24 £0.35m). In 2023-24, this was netted off against costs recovered in successful litigation. The majority of funding was spent with two law firms **£9.14m** was spent with Hogan Lovells International LLP and **£3.90m** with Capital Law LLP

External audit fee of **£113k** (2023-24 £140k) represents the cost of the audit of the accounts and the Trust Statement carried out by NAO.

Research costs totalled **£1,488k** in 2024-25 (2023-24 £1,124k) includes costs associated with prevalence studies into gambling and **£865k** with the National Centre for Gambling Survey. This also includes National Lottery research costs totalling £**179k** in 2024-25 (2023-24 £113k).

Corporation tax expense of **£118k** (2023-24 £177k) relating to tax on interest receivable (see Note 4a, Gambling Act 2005 income recognised). Interest received on fee income has decreased during 2024-25 due to the reduction in Bank of England interest rates during the year.

3c) Non-cash items

The following figures are from the SoCNE and Statement of Changes in Taxpayers Equity.

Description	31March 2025 £'000	31March 2024 £'000
Depreciation of property, plant and equipment	492	500
Amortisation of intangibles	183	(131)
Depreciation of Right of use assets	801	740
Non-cash operating expenditure	1,476	1,109
Interest cost on pension scheme liability	8	7
Finance (income)/costs	(274)	50
Finance expense	22	29
Non-cash expenditure	(244)	86
Legal provisions	(176)	(24)
Bloomsbury Street Premises	(73)	-
Provisions released	(249)	(24)
Total non-cash transactions	**983**	**1,171**

Finance income of **£274k** (2023-24 Finance expense £50k) relates to Interest on lease liabilities. Finance income includes actual finance costs of **£29k**, and finance income of **£303k** adjustment resulting in a net finance income of **£274k**. See Note 14, Lease Liabilities for further information.

Finance expense of **£22k** (2023-24 £29k) relating to the unwinding of discounts on provisions (see Note 12, Provisions and Charges).

4. Income cash receipts

4a) Gambling Act 2005 income recognised

Fees payable under the Act are identified by income stream and released to the Commission's SoCNE in accordance with the Commission's Financial and Accounting Policy.

Recognised fee income is included within the SoCNE as 'Licence Fee income'.

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

Description	2024-25 £'000	2023-24 £'000
Operator licence applications		
Application fees	1,473	1,209
Annual fees	25,224	23,865
Personal licence applications	745	751
Total fee income	**27,442**	**25,825**

4(b) Other income

Other income collected during the year relates to desk rental, contributions to costs arising from enforcement action and the collection of the ECL.

Description	2024-25 £'000	2023-24 £'000
Other income	440	357
Total other income	**440**	**357**

4(c) Finance income

Bank Interest received on fee income has decreased during 2024-25 due to changes to rates on our interest-bearing accounts.

Description	2024-25 £'000	2023-24 £'000
Finance Income - Bank Interest received	444	629
Total Finance income	**444**	**629**

5. Property, Plant and equipment

Description	Information Technology £'000	Furniture & fittings £'000	Assets under the course of construction £'000	Total £'000
Cost/valuation				
At 1 April 2024	2,060	2,266	41	4,367
Additions	-	-	536	536
Assets brought into use	531	46	(577)	-
At 31 March 2025	2,591	2,312	-	4,903
Accumulated depreciation				
At 1 April 2024	1,290	1,991	-	3,281
Charged in year	336	156	-	492
At 31 March 2025	1,626	2,147	-	3,773
Carrying value at 31 March 2025	965	165	-	1,130
Carrying value at 31 March 2024	770	275	41	1,086

5. Property, Plant and equipment - Continued

Description	Information Technology £'000	Furniture & fittings £'000	Plant & Machinery £'000	Assets under the course of construction £'000	Total £'000
Cost/valuation					
At 1 April 2023	3,280	2,254	185	111	5,830
Additions	481	9	-	41	531
Disposals	(1,815)	-	(179)	-	(1,994)
Reclassification	3	3	(6)	-	-
Assets brought into use	111	-	-	(111)	-
At 31 March 2024	2,060	2,266	-	41	4,367
Accumulated depreciation					
At 1 April 2023	2,742	1,847	184	-	4,773
Charged in year	359	141	-	-	500
Disposals	(1,813)	-	(179)	-	(1,992)
Adjustment[28]	2	3	(5)	-	-
At 31 March 2024	1,290	1,991	-	-	3,281
Carrying value at 31 March 2024	770	275	-	41	1,086
Carrying value at 31 March 2023	538	407	1	111	1,057

[28] During 2023-24, a review of all assets and their remaining useful life resulted in a one-off depreciation adjustment to align assets to the depreciation policy

6. Right of use assets

In accordance with IFRS 16, the Commission has categorised all leases as \right of use assets, except for those leases which are exempt either by having less than 12 months to run from 31 March 2025 or are considered low value (less than £5,000).

The right of use asset 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.

Description	Victoria Square House Land and Buildings* £'000	Plant & Equipment £'000	Total £'000
Cost/valuation			
At 1 April 2024	**5,094**	**10**	**5,104**
Right of use asset Additions			
Derecognition of right-of-use assets			
At 31 March 2025	**5,094**	**10**	**5,104**
Accumulated depreciation			
At 1 April 2024	**3,683**	**3**	**3,686**
Charged in year	797	4	**801**
Disposal			
At 31 March 2025	**4,480**	**7**	**4,487**
Carrying value at 31 March 2025	**614**	**3**	**617**
Carrying value at 31 March 2024	**1,411**	**7**	**1,418**

6. Right of use assets - Continued

Description	Victoria Square House Land and Buildings £'000	Bloomsbury Street Land and Buildings £'000	Plant & Equipment £'000	Total £'000
Cost/valuation				
At 1 April 2023	5,094	611	16	**5,721**
Right of use asset Additions	-	-	-	**-**
Derecognition of right-of-use assets		(611)	(6)	**(617)**
At 31 March 2024	**5,094**	**-**	**10**	**5,104**
Accumulated depreciation				
At 1 April 2023	2,946	611	6	**3,563**
Charged in year	737	-	3	**740**
Disposal		(611)	(6)	**(617)**
At 31 March 2024	**3,683**	**-**	**3**	**3,686**
Carrying value at 31 March 2024	**1,411**	**-**	**7**	**1,418**
Carrying value at 31 March 2023	**2,148**	**-**	**10**	**2,158**

Victoria Square House:

The Commission holds a current lease for its existing premises in central Birmingham. The lease was signed in May 2015, and 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 2025, the lease at Victoria Square House has a remainder of 11 months, through to February 2026. Discussions are ongoing to agree a contract modification to remain in Victoria Square House until September 2029.

Plant & Equipment:

The Commission holds a current lease for two photocopiers for the office. The lease is for a period of 3 years and commenced with effect from 24 February 2023. The lease will continue to 23 February 2026.

7. Intangible assets

Description	IT Software £'000	IT Software licences £'000	Total £'000
Cost/valuation			
At 1 April 2024	2,220	-	2,220
At 31 March 2025	2,220	-	2,220
Accumulated amortisation			
At 1 April 2024	1,905	-	1,905
Charge in year	194		194
Useful economic life (UEL) Adjustment	(11)	-	(11)
At 31 March 2025	2,088	-	2,088
Carrying value at 31 March 2025	132	-	132
Carrying value at 31 March 2024	315	-	315

During 2024-25, a review of all assets and their remaining UEL resulted in a depreciation adjustment to align assets to the depreciation policy.

Description	IT Software £'000	IT Software licences £'000	Websites £'000	Total £'000
Cost/valuation				
At 1 April 2023	6,534	432	298	7,264
Disposals	(4,314)	(432)	(298)	(5,044)
At 31 March 2024	2,220	-	-	2,220
Accumulated amortisation				
At 1 April 2023	6,356	432	292	7,080
Charge in year	104	-	6	110
Disposals	(4,314)	(432)	(298)	(5,044)
UEL Adjustment	(241)	-	-	(241)
At 31 March 2024	1,905	-	-	1,905
Carrying value at 31 March 2024	315	-	-	315
Carrying value at 31 March 2023	178	-	6	184

During 2023-24, a review of all assets and their remaining UEL resulted in a depreciation adjustment to align assets to the depreciation policy.

8. 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 commercial 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 DCMS 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 right of use assets, 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 GIA for specific projects, the Commission has very low exposure to credit risk.

All fees must be paid on or before the date prescribed to prevent being in breach of the payment agreement, failure to pay will result in interest charges. Interest shall accrue and shall be payable by operators on any part of the financial penalty that is not paid at the rate of 2.5% per annum above Bank of England base rate until the date of payment.

Historically, payment plans have not been required, and fines and penalties were non-complex financial assets which were low risk of not being paid.

In accordance with IFRS9 Financial Instruments, an impairment review is carried out regularly to assess these assumptions.

Where fines and penalties are uncollectible or, for policy reasons, (other than the imposition of an alternative penalty), the Commission decides that it is inappropriate to pursue collection, the amounts not collected are recorded as an expense. The amounts not collectible are estimated from the most appropriate data available to the Commission.

Liquidity risk

Other than right of use assets, the Commission has no borrowings and relies on fees receivable from the gambling industry and departmental GIA for its cash requirements; therefore, the Commission is exposed to minimal liquidity risk.

(i) Financial assets and financial liabilities

Financial assets	**Type of financial asset £'000**	**2024-25 £'000**	**2023-24 £'000**
Cash and cash equivalents	Amortised cost	31,656	31,132
Trade and other receivables	Amortised cost	1,332	489
Deposits	Amortised cost	-	-
Loans	Amortised cost	2	29
Contract assets	Amortised cost	-	-
Total financial assets		**32,990**	**31,650**

Financial liabilities	Type of financial asset £'000	2024-25 £'000	2023-24 £'000
Trade and other payables, including Consolidated Fund	Amortised cost	(2,414)	(1,334)
Lease liability	Amortised cost	(704)	(1,761)
Contract liabilities	Amortised cost	-	-
Total financial liabilities		**(3,118)**	**(3,095)**
Total		**29,872**	**28,555**

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 (for example, a simple debt instrument not classified at fair value).

9. Cash and cash equivalents

Description	As at 31 March 2025 £'000	As at 31 March 2024 £'000
Balance at 1 April	31,132	30,051
Net change in cash and cash equivalent balances	524	1,081
Balance at 31 March	**31,656**	**31,132**
The following balances at 31 March were held at:		
Government Banking Service	19,677	20,537
Commercial banks and cash in hand	11,979	10,595
Balance at 31 March	**31,656**	**31,132**

Most of the Commission's cash and cash equivalent balances are held with the Government Banking Service apart from **£11,979k** (2023-24 £10,595k) which is held with commercial banks or as cash in hand. Please refer to Note 1p) Cash and cash equivalents for further details.

10. Trade and other receivables

Description	As at 31 March 2025 £'000	As at 31 March 2024 £'000
Trade and receivables	653	489
Consolidated Fund receipts due	2,489	2,310
Consolidated Fund impairment	(1,810)	(2,310)
Deposits and advances	2	29
Accrued income	61	88
Prepayments	1,010	799
Balance at 31 March	**2,405**	**1,405**

Consolidated Fund receipts due of £**2.49m** (£2.31m 2023-24), of which, **£1.81m** is not expected to be received and has been fully impaired.

The net amount payable to the Consolidated Fund is **£0.68m**. See **Note 17(a)**for more details.

Accrued income includes **£60k** (2023-24 £88k) for interest received April 25 relating to March 25.

11. (a): Trade and other payables

Amounts falling due within one year

Description	2024-25 £'000	2023-24 £'000
Trade and other payables	1,471	1,054
Consolidated fund payables	679	158
Other taxation and social security	1,661	960
Staff Holiday Pay Accrual	339	88
Other payables	264	122
Accruals	3,142	1,320
Deferred Income	14,647	13,954
Balance at 31 March	**22,203**	**17,656**

Other payables 2024-25 includes **£115k** (£104k 2023-24) which is payable to operators for refunds in Q1 2025-26

Accruals 2024-25 includes **£2,317k** (£2,241k for legal fees and £76k for secondments and subcontractors) for the 4NL licence.

Deferred Income held by the Commission totalled of **£15,315k** (£14,579k in 2023-24).

These relate to:

- Licence fees received, due to be released to income within one year of **£14,647k** (£13,954k in 2023-24).
- Licence fees received, due to be released to income after one year of **£668k** (see Note 11b) (£625k in 2023-24).

11. (b): Amounts due after more than one year

Description	2024-25 £'000	2023-24 £'000
Deferred Income	668	625
Balance at 31 March	**668**	625

In accordance with IFRS 15, 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 2026-2027 onwards.

12. Provisions and charges

Description	Victoria Square House premises dilapidations £'000	Bloomsbury Street service charge £'000	Legal provisions £'000	2025 Total £'000	2024 Total £'000
Balance as at 1 April	1,274	73	200	**1,547**	**1,542**
Provided in the year	-	-	-	**-**	**72**
Provisions not required written back	-	(73)	(176)	**(249)**	**(24)**
Provisions utilised in the year	-	-	-	**-**	**-**
Unwinding of discount	22			**22**	**(43)**
Balance at 31 March	**1,296**	**-**	**24**	**1,320**	**1,547**
Not later than one year	1,296	-	24	**1,320**	**273**
Later than one year and not later than five years	-	-	-	**-**	**1,274**
Later than five years	-	-	-	**-**	**-**
Balance at 31 March	**1,296**	**-**	**24**	**1,320**	**1,547**

Victoria Square House premises – dilapidations

The Victoria Square House lease expires in February 2026. The Dilapidations estimate of **£1,329k**, based on the independent assessments carried out during 2024 on behalf of the Commission has been used as the basis and includes the discounted rate of **£1,296k** for the valuation as at 31 March 2025.The provision has then been adjusted using PES 2024 inflation and short-term general provision discounting rates. The Commission has prudently included VAT in the estimate due to it not being possible to recover the cost if charged, which is currently uncertain.

Bloomsbury Street premises – service charge

The Bloomsbury Street lease expired on 8 November 2022. The provision is no longer required, as the landlord confirmed no further payments in respect of this lease were due, and it was released in 2024 - 2025.

Legal provisions

As at 31 March 2025, there were twelve legal cases which remained un-resolved out of the twenty-eight cases, resulting in a provision of **£24k** (2023-24 £200k) which relates to a data breach incident which occurred in 2021.

Unwinding of discounts

Provisions have been assessed under IAS 37 as either having a legal or constructive obligation at the balance sheet date 31 March 2025 and a probable outflow of costs.

13. Retirement benefit obligations

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

As set out in accounting policy 1e, Statement of accounting policies, Pension costs, for further details refer to the Retirement benefits section of the staff report.

Description	2024 - 25 £'000	2023 – 24 £'000
Balance at 1 April	169	177
Interest cost	8	7
Actuarial loss/gain in the period	6	3
Pensions paid in year	(19)	(18)
Balance at 31 March	**164**	**169**
Liabilities included in the balance sheet		
Current	19	19
Non-Current	145	150
Balance at 31 March	**164**	**169**

The pension liability provision of **£164k** is split between, liability not later than one year (£19k), and liability greater than one year (£145k).

14. Lease liabilities

Description	Victoria Sq House Land and Buildings £'000	Plant & Equipment £'000	2024 -2025 Total £'000	2023 -2024 Total £'000
Leases under IFRS 16				
Total future lease payments under leases are given in the table below for each of the following periods:				
No later than one year	700	3	**703**	**748**
Later than one year and not later than five years	-	1	**1**	**1,013**
Later than five years	-	-	**-**	**-**
Balance as at 31 March	**700**	**4**	**704**	**1,761**
Lease Liabilities included in the balance sheet				
Current	700	3	**703**	**748**
Non-Current	-	1	**1**	**1,013**
Balance as at 31 March	**700**	**4**	**704**	**1,761**
Movement in lease during the year				
At 1 April	1,753	8	**1,761**	**2,492**
Interest on lease liabilities - finance costs @ 1.99%	(274)	-	**(274)**	**50**
Lease liability payments	(779)	(4)	**(783)**	**(781)**
Balance as at 31 March	**700**	**4**	**704**	**1,761**

Interest on lease liabilities – Finance Cost - amounts recognised in SoCNE, a discount rate of **1.99%** per annum has been applied in the calculations of interest on lease liabilities.

Lease Liabilities Adjustment: As part of the calculation of lease liabilities under IFRS 16, an incorrect assumption was made regarding inflation, leading to an overstatement of the lease liability. No inflation increases were applied to the lease payments. To correct this, an adjustment was made during the year ended 31 March 2025, reducing the liability and resulting in a credit of **£303,200** recognised in the financial statements. The actual finance cost for the year amounted to **£29,113**, resulting in a net finance income of **£274,087**. This adjustment ensures that the lease liabilities reflect the revised, accurate assumptions.

Lease liability payments amounts are recognised in the Statement of cash flow.

15. Contingent liabilities disclosed under IAS 37

Gambling Regulation

We have one ongoing case, this is a misuse of private information/breach of confidence claim brought against the GC in respect of "Licence Review Information" which is said to be private and confidential and which was published in a Regulatory Services Notice dated 14 July 2023 ("the 2023 RNS") and in a Press Release dated March 2024 ("the 2024 Statement").

Claimant is seeking estimated damages of £50,000 at the 31 March 2025 (2023-24 £56,200), there is a high probability of the Commission successfully defending the claim.

4NL Competition

Contingent Liability – 4NL disclosure (subject to confirmation from DCMS)

The Commission is facing two legal claims from an unsuccessful bidder in relation to the 4NL Competition and subsequent award that was made in February 2024. The Commission is defending these claims, and a trial date has been scheduled for October 2025. The unsuccessful bidder is claiming significant damages, which the Commission is vigorously defending.

The Commission considers that, due to the ongoing litigation and impending trial, disclosure of further information could be prejudicial to the Commission's position. Disclosure in relation to any estimate of probability assessment or potential financial impacts have therefore not been made, in accordance with IAS 37.

The Commission is funded by GIA from DCMS to support and regulate the National Lottery operations. Any liability that could arise from the case is likely to be met by the National Lottery Distribution Fund.

16. Related party transactions

The Commission is a Non-Departmental Public Body of DCMS, which is funded through the collection of licence fees from the industry and GIA for National Lottery operations. DCMS is regarded as a related party. During the year, the 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.

Description	Gambling Commission £'000	National Lottery 3rd Licence £'000	National Lottery 4th Licence £'000	National Lottery Competition £'000	2024-25 Total £'000	2023-24 Total £'000
GIA for revenue expenditure	275	271	3,477	24,673	**28,696**	**14,871**
GIA (repaid)/payable 2022-23	-	-	-	-	**-**	**(959)**
GIA (repaid)/payable 2023-24	-	-	(528)	-	**(528)**	**528**
GIA repayable 2024-25	-	87	193	692	**972**	**-**
	275	**358**	**3,142**	**25,365**	**29,140**	**14,440**

In addition, the Commission has had a small number of transactions with other government departments and other central government bodies.

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

The details of Gambling Commissioners' pay are set out in the Remuneration Report.

GIA funding is received monthly based on forecast expenditure during the next month. Where the expenditure is not required, funds are either returned to DCMS or deducted from future claims. The details on the GIA repayable at year end are provided below.

During 2023-24 **£959k** GIA was repaid, which related to 2022-23, GIA was to cover potential litigation costs which did not materialise before 31 March 2023.

Of the GIA received, **£528k** relating to 2023-24 was repaid during 2024-25, GIA was to cover potential litigation costs which did not materialise before 31 March 2024.

GIA received during 2024-25, includes **£972k** which was drawn down to cover potential litigation and other costs which did not materialise before 31 March 2025, this will be repayable as a reduction in 2025-26 payments.

17: Amounts of income to the Consolidated Fund

17(a): Analysis of income payable to the Consolidated Fund

Income collected is not recognised in the Commission’s Statement of Comprehensive Net Expenditure (SoCNE), as it represents funds collected on behalf of the Consolidated Fund

The Commission held the following balances on behalf the Consolidated Fund as at 31 March 2025.

Description	Fines and Penalties £’000	ECL £’000	Total 2024-25 £’000	Total 2023-24 £’000
Fines and penalties	878	-	878	7,156
Levy income	-	1,989	1,989	1,940
Less:				
Costs of collection	(44)	(70)	(114)	(225)
Uncollectable debts	-	-	-	(2,310)
Amount payable to the Consolidated Fund	**834**	**1,919**	**2,753**	**6,561**
Balance held at the start of the year	-	158	158	11,599
Payments into the Consolidated Fund	(155)	(2,077)	(2,232)	(18,002)
Balance held on trust at the end of the year	**679**	**-**	**679**	**158**

Fines and penalties income

As set out in Note 1(q), Statement of accounting policies, treatment of penalty packages, income payable to the Consolidated Fund does not form part of the SoCNE. There was **£0.68m** payable for fines and penalties at the 31 March 2025 (2023-24 £0m).

Allowances for bad debts

All fees must be paid on or before the date prescribed to prevent being in breach of the payment agreement. Failure to pay will result in interest charges. Interest accrues and shall be payable by Operators on any part of the financial penalty that is not paid at the rate of 2.5% per annum above Bank of England base rate until the date of payment. Historically, payment plans have not been required, and fines and penalties were considered to be non-complex financial assets which were low risk of not being paid.

As per *IFRS 9, Financial Instruments*, the Commission's Impairment Policy is to provide for expected credit losses on trade receivables relating to the Consolidated Fund. This requires the use of lifetime expected credit loss provisions for all financial penalties issued. These provisions are based on an assessment of risk of default and expected timing of collection, and an allowance for loss is made for potentially impaired receivables during the year in which they are identified based on a periodic review of all outstanding amounts.

During 2024-25, consolidated fund aged receivables amounting to **£500k** were written off as uncollectible. These amounts had been fully provided for in previous periods. There currently remains one doubtful debt which is being pursued via the courts, an Impairment allowance has been recognised in previous periods. Consolidated Fund receipts due total **£1.81m** all of which is fully impaired. Allowance losses are recorded within this note, before there is objective evidence an asset is impaired, it is an estimate of future loss including where impairment events have yet to happen.

Significant areas of judgement

There is uncertainty in the estimate of the amount to be realised by the Commission from outstanding Consolidated Fund Receivables. This estimate is based on historic recovery data and data gathered from similar companies. In line with IFRS 9, Consolidated Fund debts have been grouped into similar types, in this case preferential or non-preferential claims against the insolvency. Analysis of historic trends of recovery of these types of debts has revealed that the best estimate of recovery is 0% for non-preferential, and 35% for preferential.

Expected credit losses are recorded within Consolidated Fund receivables in Note 10, Trade and other receivables. Before there is objective evidence that an asset is impaired, it is an estimate of future loss including where impairment events have yet to happen.

During 2024-25, a review of Consolidated Fund aged receivables determined two doubtful debts which are being pursued via the courts. An Impairment allowance has been adjusted in year.

18. Events after the reporting period

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

There are no post balance sheet events to report since 31 March 2025.

Annex A – Key Operational Data

Licensing		**2024-25**	**2023-24**	**Difference**
Operating Licence applications received:	OL New	156	132	24
	OL Variations	709	686	23
	CoCC	169	100	69
	Personal Licences	3491	3359	132
Licence applications determined:	OL New	143	133	10
	OL Variations	709	707	2
	CoCC	174	171	3
	Personal Licences	3396	3306	90
Determined application outcomes:	Granted	4262	4159	103
	Refused	46	59	-13
	Withdrawn	122	93	29
	Revoked	1	0	1
	Rejected Incomplete	5	6	-1
	Granted with conditions	2	14	-12
Performance against SLAs:	OL New	75%	75%	0%
	OL Variations	96%	92%	4%
	CoCC	71%	54%	17%
	Personal Licences	95%	94%	1%

Compliance	**2024-25**	
Licensee compliance with Consumer Protection requirements:	Good	33.80%
	Satisfactory	39.44%
	Improvement required	7.04%
	Significant failings	19.72%
Licensee compliance with Fair and Open requirements:	Good	73.24%
	Satisfactory	19.72%
	Improvement required	2.82%
	Significant failings	4.22%

Licensee compliance with Crime Prevention requirements:	Good	36.62%
	Satisfactory	39.44%
	Improvement required	5.63%
	Significant failings	18.31%

<u>Additional information</u>

- This data covers full initial assessments only from April 2024 to March 2025.
- We started publishing compliance snapshot data in 2024-25 as part of an updated suite of impact metrics published on our website.
- The compliance data we have recorded for 2023-24 uses a different outcome categorisation system (e.g. compliant / non-complaint) and therefore does not provide a baseline for comparison.

Enforcement		**2024-25**	**2023-24**	**Difference**
Regulatory cases:	Cases opened	263	294	-31
	Cases closed	259	254	5
Performance against regulatory case SLAs:	% closed within SLA	85.89%	94.67%	-8.78%
Criminal cases:	Cases opened	35	9	26
	Cases closed	4	7	-3

Governance		2024-25	2023-24	Difference
Complaints:	Total no. of complaints about the Commission	7	20	-13
	Complaints upheld/partially upheld	1	10	-9
	Complaints investigated by the Parliamentary and Health Services Ombudsman	0	1 (of 6 reported)	-1
Freedom of information requests:	FOI Requests Received	230	234	0
	Full response	52	63	-18
	Partial response	52	38	18
	Response refused	97	86	11
	Requested information not held	29	44	-12
	No response	0	1	-1
	Extension applied	0	2	-1
	% Responded to on time	97.00%	91.88%	5.14%

People		2024-25	2023-24	Difference
Staff turnover:	Staff turnover percentage	7.32%	15.09%	-7.77%
Staff sickness:	Percentage of working days lost	2.55%	2.51%	0.04%
Workplace survey engagement:	Survey engagement rate	74.00% (Nov ’24)	72.00% (Nov ’23)	2.00%

Annex B Performance by Business Plan Deliverable in 2024 - 2025

Deliverable	2024-25 End Status
Close evidence gaps in priority areas	**Completed**
Revise our approach to regulatory return data	**Completed**
Pilot industry data project	**Partially completed** **This is a multi-year project.** **ROCD is now receiving a daily feed of data from one operator in the pilot - we are expecting other operators to start sharing data over the next two months from April 2025 onwards. ROCD phase 1 has demonstrated the value of this approach, and we will be progressing to phase 2 in 2025-26**
Complete the full launch of the Gambling survey for Great Britain	**Completed**
Build on the Commission's capacity to use, report on and analyse data	**Completed**
Establish an approach that better supports industry engagement and communication	**The pilot for the relationship management project (licensee services) has been completed, but the service has not been fully rolled out to all operators. An industry engagement forum has been established on a bi-annual basis.** **An account management framework is planned for 25/26 - this will be delivered along with the new Industry Liaison Managers within Compliance**
Enhance our core operational capabilities	**Partially completed** **The** multi-year implementation **of a**

	new case management system is underway
Respond to the consultation on financial penalties	**Missed** **The review process was complex. We are close to publishing a response document and have approval from Board to proceed. We anticipate being able to publish the response in Q1; with changes being implemented in the Summer of 2025.**
Improve the transparency of industry compliance	**Completed**
Deliverable	**2024-25 End Status**
Implementation of Gambling White Paper reforms: undertake a pilot on our approach to implementing Financial Risk assessments.	**Completed**
Implementation of Gambling White Paper reforms: publish details of a joint evaluation model with DCMS.	**Completed**
Implementation of Gambling White Paper reforms: support DCMS on Government and industry-led White Paper measures.	**Completed**
1) Implementation of Gambling White Paper reforms: publish consultation responses and implement any changes arising in the following areas: a)Financial Vulnerability Checks b) Remote Technical Standards c) direct marketing d) underage gambling in the land based sector. e) incentives are constructed in a socially responsible manner f) customer-led gambling	**Completed**

management tools and barriers to consumer choice g) removal of the requirement to contribute to Research, Prevention and Treatment from our Licence Conditions and Codes of Practice, in preparation for a statutory levy h) improved transparency on customer funds 2) Commence consultations in relation to Gaming Machine Technical Standards	
Strategically Assess the Fair and Open licensing objective	**Completed**
Develop and Embed an industry Forum	**Completed**
Fully embed the 4NL licence: ensure the Licensee delivers its application in full in 2024 – 2025 (FIC)	**Missed** **Licensee has not delivered application in full in 2024-2025 - enforcement investigation ongoing**
Fully embed the 4NL licence: closedown the 4NL Programme	**Missed** **Licensee has not delivered application in full in 2024-2025 - enforcement investigation ongoing**
Fully embed the 4NL licence: embed our revised regulatory approach, team structure and high-level frameworks and processes. finalise activity relating the Third National Lottery licence.	**Completed**
Enhance cooperation with international regulators	**Completed**
Implementation of the People Strategy: Develop a new people strategy and implement priority actions	**Completed**
Deliverable	**2024-25 End Status**

Implementation of the People Strategy: Embed our work on equality, diversity and inclusion	**Completed**
Funding framework for regulation	**Partially completed** **The interim fees review is progressing, and the funding framework is under development. The need to carry out an interim fee review has resulted in an extended timetable for the framework changes. This work continues into 2025-26.**

GAMBLING COMMISSION

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