

Notes to the NLPU Accounts as at 31 March 2012

1 Background

The National Lottery Promotions Unit is a joint venture between Camelot Group plc, Lottery distributors and the Department for Culture, Media & Sport. The Unit is accountable to a Management Board comprising representatives from the three key stakeholders with the National Lottery Commission attending as an observer. The Chair of the Management Board throughout this reporting period is Peter Wanless, Chief Executive of the Big Lottery Fund and Chair of the UK Lottery Forum. The NLPU has been set up to raise positive public awareness of and support for Lottery funding across the UK, thereby contributing to the broad health of the National Lottery. It is a PR unit, and the campaigns it runs aim to generate positive coverage in national, consumer, regional and social media highlighting the range of projects funded by the National Lottery. Campaigns include the National Lottery Awards, Changemakers which celebrate the people making a difference with Lottery funding, and a 2012 campaign aimed at showcasing the Lottery investment in athletes, grassroots sports projects, the Cultural Olympiad, Olympic themed community activities and the Olympic Park and Olympic and Paralympic Games and their legacy. All work is independently evaluated and assessed and in the financial period April 2011 - March 2012, the Unit generated 3,324 pieces of coverage with a combined estimated audience reach of 128 million people. During 2011-12, we piloted a method of tracking the outcome of our activity in terms of people's knowledge. We worked closely with Camelot's Insight team, who kindly agreed to include our questions within their rolling tracking research at no cost to the Unit. We do not have a complete set of data for 2011/12 and with research of this sort it is the overall trend that counts, but early indications are promising:

- The number of people who are able to name three or more Lottery-funded projects has fluctuated between 40% and 41%;
- The number of people who are aware of at least one national and local project has increased from 40% to 43%; and
- The number of people who agree with the statement 'my local area benefits' has increased from 32% to 38% (this figure has been tracked throughout 2011/12)

In accordance with the Lottery Licence, the funding for the NLPU is drawn down at the start of the financial year based on the agreed budget for NLPU activities in that year. The funding is deposited in a ring fenced commercial bank account. Interest earned on balances held are used to reduce the Partner's future contributions.

The NLPU was established as part of Camelot, and until February 1, 2007, Camelot was responsible for the management of its finances and operations (HR, legal, IT etc). This responsibility passed to the Big Lottery Fund in February 2007, and Peter Wanless, the Chief Executive and Accounting Officer of BIG is the Accounting Officer for the NLPU.

In the period under review the Directorship of the NLPU is shared by two Directors - Jackie O'Sullivan and Vicki Kennedy.

2 Contribution from the Partners

The Contribution from Partners shows the income receivable to meet the net expenses of the NLPU in the relevant accounting period.

3 Interest received

Funding drawn down from the partners is invested within commercial bank accounts.

4 Staff costs

	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 March 2010
Wages and salaries	445,544	407,944	543,287
Employer's NI payments	44,188	38,437	53,312
Pension costs	67,454	57,393	87,614
Agency	-	-	-
	<u>557,186</u>	<u>503,774</u>	<u>684,212</u>

The average number of employees on a full time equivalent basis employed by the NLPU was 10.4 (2010/11 8.4). This included two members of staff who were on maternity leave,

The combined Directors' salary was £80,000. This was paid on a pro rata basis.

5 Other operating costs

These are the direct and support costs of running NLPU's campaigns.

6 Corporation tax

Corporation Tax of £665 (2010/11 £950) is due on bank interest received. Tax is calculated at an effective rate of 28% (2010/11 28%)

7 Balance due from or to the Partners

Funding is paid to the NLPU based on the annual budget approved by the Management Board. Any surplus arising due to expenditure being less than budget, can either be carried forward to the next year or can be refunded to the Partners. Any deficit, up to a cap on total expenditure of £3 million, will be requested from the Partners; any deficit in excess of £3 million requires prior approval. At 31 March 2011 the surplus was repaid to the partners. For the 12 month period to 31 March 2012, the underspend of £559,872 will be paid back to the partners.

	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 March 2010
Balance due (from)/ to Partners b/f	928,865	373,709	572,176
Received in period	2,436,500	2,997,197	2,592,410
Payment to Camelot minus retained surplus (refunded to Camelot)	(928,864)	(810,209)	(572,176)
Net NLPU expenditure	<u>(1,876,629)</u>	<u>(1,631,833)</u>	<u>(2,218,700)</u>
Balance due (from)/ to Partners c/f	<u><u>559,872</u></u>	<u><u>928,865</u></u>	<u><u>373,709</u></u>

8 Creditors

	As at 31 March 2011	As at 31 March 2011	As at 31 March 2010
Accruals	- 761,661	- 121,636	471,257
Corporation tax	- 665	- 950	1,136
	<u><u>- 762,326</u></u>	<u><u>- 122,586</u></u>	<u><u>472,393</u></u>