Gambling Industry Statistics 2007|08

GAMBLING COMMISSION

Contents

Gambling industry statistics

The statistics

- Detailed statistics relating to the gambling industry in Great Britain have been collated from a range of sources including industry trade bodies, DCMS and HMRC.
- Where sources are not provided the figures have been collated by the Gambling Commission (the Commission) from statistical data received mainly from the industry and licensing authorities.
- Figures cover the financial year 1 April 2007 to 31 March 2008 unless stated otherwise.
- The information contained in this document covers betting, bingo, casinos, gaming machines and arcades, lotteries and remote gambling. It does not cover the National Lottery (except as a comparison) or spread betting.
- Statistics and information relating to the Commission and its activities are contained in the annual report for the financial year 1 April 2007 to 31 March 2008.

The gambling industry

The gambling industry in Britain is substantial, with a turnover of over £84.2 billion in 2006/07. Gross gambling yield (ie the amount retained by operators after the payment of winnings but before the deduction of the costs of the operation) was estimated at £9.9 billion in 2006/07, 1.9% higher than in 2005/06. Other estimates suggest that 25% of this £9.9 billion was generated by the National Lottery and most of the remainder by those industries which, since 1 September 2007, have been regulated by the Commission.[1]

Between 1 January 2007 and 31 March 2008, 3,428 operators were licensed by the Commission and 4,199 operating licences were issued to those operators. Some operators hold both remote and non-remote licences.

Gamblers

A prevalence survey commissioned by the Commission sampled over 9,000 adults between 2006 and 2007 and was published in September 2007. It showed that 68% of the population (about 32 million adults) had participated in some form of gambling activity within the past year. Excluding people who had only gambled on the National Lottery in the last year, 48% of the population (about 23 million adults) had participated in another form of gambling in the past year.

The most popular gambling activities in Britain in 2007 were The National Lottery Draw (57% had participated in the past year), scratchcards (20%), betting on horse races (17%) and playing slot machines (14%). Only a small proportion of people took part in the new forms of gambling available in Great Britain: for example 6% of people used the internet to gamble (3% did online gaming like playing poker or casino games and 4% placed bets with a bookmaker).

Problem gambling

The prevalence survey found that the rate of problem gambling in the adult population was about 0.6% (about 284,000 adults). This is the same percentage of the population as identified in an earlier survey published in 1999.

[1] HM Revenue and Customs Statistical Bulletins, Office for National Statistics, DCMS estimates based on industry trends.

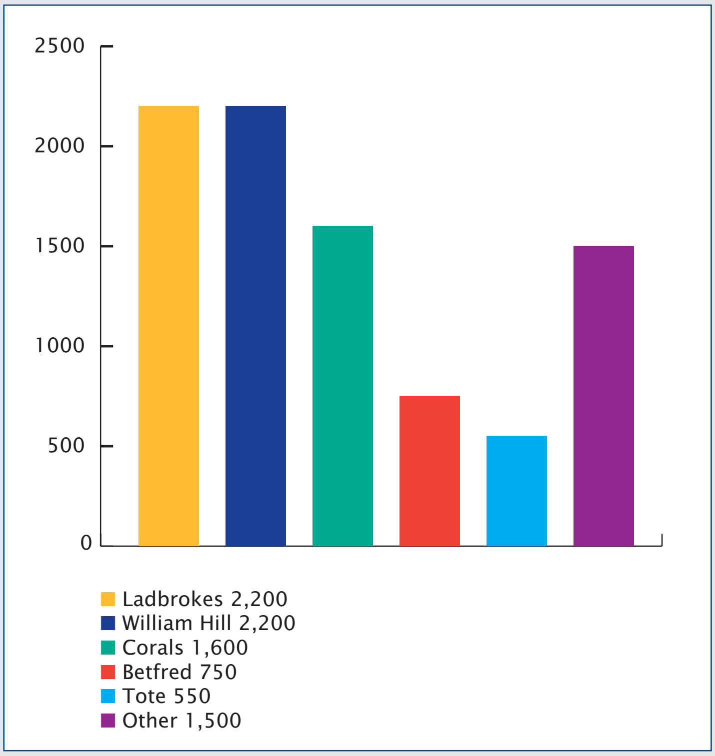
Betting

Total on course bookmakers licensed	579
Total off course bookmakers licensed	801
Total betting shops	8,800[2]
	£ million
Turnover (off course) (2006/07)	36,553[3]
Turnover (on course) (2006/07)	864[3]
Gross gambling yield (off course) (2006/07)	3,425[3]
Gross gambling yield (on course) (2006/07)	81[3]

The Gambling Act 2005 brought regulation to all betting operators for the first time and between 1 January 2007 and 31 March 2008 the Commission licensed 801 off course bookmakers and 579 on course bookmakers.

Structure of the betting industry

The betting industry is made up of both on course and off course bookmakers. The industry is dominated by five operators that account for approximately 7,300 (over 80%) of all betting shops. The approximate numbers of betting shops operated by each of these operators is as follows:



[2] ABB estimate.

[3] HM Revenue and Customs Statistical Bulletins, Office for National Statistics, DCMS estimates based on industry trends for 2006/07.

Bingo

Total bingo clubs	675	
	£ million	
Gross gambling yield (2006/07)	171[4]	
	Amount staked £million[4]	**Percentage change from previous year[4]**
April 03 to March 04	1,445	17.8%
April 04 to March 05	1,783	23.4%
April 05 to March 06	1,826	2.4%
April 06 to March 07	1,820	(0.3%)
April 07 to March 08	1,620[5]	(11%)[5]

Structure of the bingo industry

Gala Bingo and Mecca Bingo between them make up over 43% of the industry.

Operator	**Estimated number of bingo clubs 31 March 2008**	
Bourne Leisure	34	5.04%
Buckingham Bingo	12	1.78%
Carlton Clubs	16	2.37%
Gala Bingo	162	24%
Mecca Bingo	103	15.26%
Riva Bingo	13	1.93%
Top Ten Bingo	37	5.48%
Independent/small operators	298	44.15%
Total	**675**	

[4] HM Revenue and Customs Statistical Bulletins, Office for National Statistics, DCMS estimates based on industry trends for 2006/07 (as a result of a change in the method of calculating bingo duty (2003 Budget) and implemented later that year, the figures for the amounts staked from then onwards are on a somewhat different basis to earlier years. The main difference is that figures for November 2003 and later include participation fees).

[5] Provisional figures. Confirmation of 2007/08 figures will be available later in the year.

Casinos

Total casinos operating	144[6]
Total casino personal licence holders	1,156[7]

Structure of the casino industry

The casino industry is dominated by three companies, namely the Gala Group who have 28 casinos throughout Great Britain, Grosvenor Casinos who have 32 casinos and Stanley Casinos/Stanley Leisure/Genting International who amalgamated in 2007 and now have 46 casinos in Britain.

Casino ownership by region as at 31 March 2008

Organisation	**Scotland**	**North West**	**North East**	**Midlands**	**South East**	**South West**	**Total**
Gala Group	6	2	5	6	5	4	28
Grosvenor Casinos Limited (Rank)	0	6	5	5	9	7	32
London Clubs International	1	1	0	1	7	0	10
A & S Leisure Group	0	0	5	0	1	0	6
Stanley Casinos Limited / Stanley Leisure / Genting International (UK) Ltd	4	11	1	12	9	9	46
Aspinall's	0	0	1	0	1	1	3
Clermont Leisure UK Ltd					1		1
Blue Chip Casinos Limited				2			2
Clockfair Ltd				2			2
Individual operators	2	2	1	3	3	1	12
Card Clubs				1	1		2
Total							**144**

The location of casinos is indicated at Appendix 1.

[6] Two casinos operate as card clubs, primarily offering only games of equal chance.

[7] Many individuals still hold a Section 19 certificate under the 1968 Gaming Act. Like casino personal licences, this certificate is designed to ensure that those who work on the gaming floor and/or manage such employees are fit and proper to act in that capacity. The Commission does not hold statistics on the number of certificate holders who are currently employed in the casino industry.

Casino attendance by region

There were over 16 million visits to casinos in Britain between April 2007 and March 2008, an increase of 6.6% over the previous year.

Sum of Attendance	Region					
Year	South	London	Midlands and Wales	North	Scotland	Total
2006/07	2,997,503	3,043,610	3,180,094	4,675,534	1,223,383	**15,120,124**
2007/08	3,061,312	3,325,764	3,695,664	4,758,518	1,360,645	**16,201,903**

Total drop and win by year and by region

Although drop has increased slightly, the total house win and the win % are significantly reduced from the previous year.

Region	Casinos operating	Year	Drop	House win	House win %
Scotland	12	April 06 to March 07	£183,562,966	£29,115,943	15.9%
	14	April 07 to March 08	£201,271,517	£32,426,333	16.1%
North	40	April 06 to March 07	£671,234,948	£107,663,036	16.0%
	38	April 07 to March 08	£671,739,380	£102,232,209	15.2%
Midlands and Wales	31	April 06 to March 07	£571,296,966	£87,774,388	15.4%
	36	April 07 to March 08	£592,057,557	£87,286,152	14.7%
South	30	April 06 to March 07	£490,487,958	£80,567,402	16.4%
	30	April 07 to March 08	£469,086,278	£73,967,495	15.8%
Provinces total	113	April 06 to March 07	£1,916,582,838	£305,120,768	15.9%
	118	April 07 to March 08	£1,934,154,732	£295,912,189	15.3%
London	25	April 06 to March 07	£2,417,719,011	£407,008,508	16.8%
	26	April 07 to March 08	£2,497,666,864	£360,646,655	14.4%
Great Britain total	138	April 06 to March 07	£4,334,301,849	£712,129,276	16.4%
	142	April 07 to March 08	£4,431,821,596	£656,558,844	14.8%

The drop figures above do not include monies wagered on the Casino stud poker progressive jackpot

Total drop by game

	2006/07	2007/08
American Roulette	2,115,920,756	2,195,783,490
Blackjack	795,587,947	794,339,615
Electronic Roulette	658,090,622	702,203,817
Punto Banco	353,358,570	368,283,606
Three Card Poker	241,680,307	219,773,354
Casino Stud Poker	38,176,171	25,584,343
Craps	19,544,543	21,066,692
Big Six/Sic Bo	5,927,717	408,343
Trial Games		19,051,477
Total	**4,228,286,633**	**4,346,494,736**

* Unallocated drop not included within figures

Gaming machines and arcades

Total technical and operator (AGC and FEC) licences issued	1,615
Total gaming machines	261,000[8]

Structure of the industry

The industry consists of a range of different types of operator, including some Section 27 certificate holders (under the 1968 Act) who can continue to operate under their existing certificate until it expires. A Section 27 certificate holder is licensed to sell, supply or maintain gaming machines.

	Type of operator	Number of licences
1968 Act	operating under a Section 27 certificate	439
2005 Act	Machine manufacturers	93
	Machine suppliers	146
	Adult Gaming Centre (AGC)	601
	Family Entertainment Centre (FEC)	336

Machine manufacturers[9]

The primary business of machine manufacturers is the design and manufacture of new games for machines in categories B – D, including cranes and pushers. The five primary manufacturers are:

- Barcrest / IGT
- Astra Novomatic
- Global Draw (Scientific Games)
- Bell Fruit (Danoptra)
- Inspired Group[10]

Machine suppliers[9]

The primary business of machine suppliers is the supply and maintenance of gaming machines on behalf of the operator, usually on a rental basis. There are three main large suppliers:

- Crown Leisure
- Inspired Group[10]
- Danoptra Group

Adult Gaming Centre (AGC) / Family Entertainment Centres (FEC)[9]

The four main operators running adult gaming centres and family entertainment centres are:

- The Noble Organisation
- Talarius
- Shipley Leisure
- Agora Leisure

[8] BACTA have revised the method by which they calculate the number of machines available for use in Britain. B2 machines are now included in the total figure and additionally B3 machines have been allowed in AGCs since the Gambling Act 2005 came into force.

[9] As at 31 March 2008.

[10] Inspired sold its Pubs Division to a subsidiary of Danoptra Holdings Ltd on 7 July 2008.

Gaming machines

The British Amusement Catering Trade Association (BACTA) estimates that there were approximately 261,000 gaming machines in the UK in 2007/08. These consisted of:

Category of machine	Previously classed as:	Maximum stakes and prizes		Machine Numbers as at 31 March 2008[11]
		Stake	Prize	
A	jackpot machines	unlimited	unlimited	0 (these will only ever be permitted in regional casinos)
B1	jackpot machines	£2	£4000	2,000
B2	fixed odds betting terminals (FOBTs)	£100	£500	27,000
B3	jackpot machines	£1	£500	12,000
B4	(jackpot machines	£1	£250	17,000
C	amusement with prizes machines	50p	£35	131,000
D	amusement with prizes machines	10p (cash) 30p (non-monetary)	£5 (cash) £8 (non-monetary)	72,000
Total				**261,000**

Gaming machines by location

An estimation of the distribution of these machines by location is provided below.

Location	%
AGC	22.4
Betting	11.6
Bingo	6.6
Casinos	0.8
Clubs	6.5
FEC	26
Pubs	26
Others	0.1
Total	**100**

[11] Based on the highest category of machine offered for use.

Gaming machines in other commercial premises

Gaming machines are available in certain premises such as take-away food shops, minicab and taxi offices. Under the Gambling Act 2005 gaming machines will no longer be permitted in these premises. As a result over 6,000 fruit machines are now being phased out, once their current three year permit expires.

Permits

The Commission issued 14 single machine permits under section 27 of the 1968 Act between 1 April and 31 August 2007 and six under section 250 of the Gambling Act 2005 between 1 September 2007 and 31 March 2008. It is Commission policy to issue such permits to allow for “one off” isolated transactions involving the disposal of gaming machines by persons not normally in the trade. It is not intended that these permits should be issued on a regular or continuing basis to a person or business involved in the frequent sale, supply or maintenance of gaming machines.

Lotteries

Total societies licensed	562
Total External Lottery Managers	33
Total number of lotteries conducted	9,462

The term society lotteries covers charities, sporting clubs, cultural bodies and other bodies registered with the Commission.

Year	Hotspot Lotteries*	Non-Hotspot Lotteries	Proceeds (ticket sales) £ million	Expenses held £ million	Prizes £ million	Balance £ million
2002/03	38,373	5,992	129.9	34.0 (26.2%)	28.1 (21.6%)	67.8 (52.2%)
2003/04	44,059	6,471	126.6	33.3 (26%)	28.6 (23%)	64.6 (51%)
2004/05	54,669	7,419	141.1	36.2 (25.7%)	29.9 (21.2%)	75.0 (53%)
2005/06	52,555	7,567	138.7	35.3 (25%)	29.7 (21%)	73.7 (53%)
2006/07	13,806	8,422	163.8	40.3 (25%)	33.0 (20%)	90.5 (55%)
2007/08	-	9,462	169.9	39.6 (23.3%)	29.8 (17.5%)	100.5 (59.14%)

* The closure of one significant operator of 'Hotspot' lotteries in 2006/07 caused the number of individual lottery returns to fall and these 'Hotspot' lotteries ceased to exist in 2007/08.

The 2007/08 figures show an increase of over £5 million in total ticket sales, a reduction in expenses and prizes and an increase in the proportion of the proceeds going directly to the promoting societies. This is consistent with previous years which show a steady increase in sales and greater proportion going to the societies.

As 31 March 2008 the total number of society lotteries registered with the Commission totalled 562, against 681 as at 31 March 2007. The total number of External Lottery Managers (ELMs) registered with the Commission totalled 33 (as at 31 March 2008) against 16 (as at 31 March 2007).

Remote Gambling

The Commission started to collect statistical data on the remote gambling industry following the introduction of the 2005 Act on 1 September 2007 when remote gambling operators based in Britain came under regulation for the first time.

The following statistics are taken from the quarterly regulatory returns received to date from remote operators between 1 October 2007 and 31 March 2008. The figures thus relate to 6 months only and are based on incomplete returns.

	£ million
Gross gambling yield (betting)	595
Gross gambling yield (casino)	18.5
Gross gambling yield (bingo)	1

	as at 31 March 2008
Approximate total customer account funds held by remote operators	275 million
Approximate number of new player registrations	1.6 million
Approximate total number of registered player accounts	12 million
Approximate number of active accounts[12]	5.4 million (45% of total)

Structure of the remote gambling industry

By the end of March 2008, 300 remote licences had been issued to over 160 operators, with the majority of these covering remote betting (this includes betting exchanges, pool and general betting).

Breakdown of types of remote gambling licence issued in Britain

betting intermediary	16
bingo	9
casino	19
gaming machines technical - (full, supplier and software)	25
gambling software	42
general betting	80
general betting (telephone)	43
number of lottery managers	13
pool betting	28
society lottery	25

[12] Accounts active during the previous 12 months.

The remote industry is made up as follows:

- Most of the large and familiar high street bookmakers (see under the betting industry)
- large remote-only betting operators including Betfair and Bet365
- smaller betting operators that select to operate their remote gambling facilities themselves
- smaller betting operators that have their remote operations hosted by more experienced operators
- new football-fantasy style remote pool betting operators.

The majority of gambling sites accessible to UK citizens are regulated overseas. In many cases an operator is licensed by the Commission for remote betting but (for fiscal and other operational reasons) its remote casino and poker operations are licensed overseas. The main European overseas jurisdictions regulating remote gambling are Alderney, Gibraltar, the Isle of Man and Malta.

Alderney
http://www.gamblingcontrol.org/

Gibraltar
http://www.gra.gi/

Isle of Man
http://www.gov.im/gambling/

Malta
http://www.lga.org.mt/

Useful contacts

Organisation	Address	Website and emails
Association of British Bookmakers (ABB)	Regency House 1-4 Warwick Street London W1B 5LT	www.abb.uk.com mail@abb.uk.com
Betting Exchange Trade Association (BETA)	Waterfront Hammersmith Embankment Winslow Road, London W6 9HP	corporate@betfair.com
Bingo Association	Lexham House 75 High Street, North Dunstable Bedfordshire LU6 1JF	www.bingo-association.co.uk enquiries@bingo-association.co.uk
British Amusement Catering Trades Association (BACTA)	Alders House 133 Aldersgate Street London EC1A 4JA	www.bacta.org.uk info@bacta.org.uk
British Association of Leisure Parks, Piers and Attractions	Suite 12 37 Tanner Street London SE1 3LF	www.bboa.co.uk
British Beer & Pub Association	Market Towers 1 Nine Elms Lane London SW8 5NQ	www.beerandpub.com
British Casino Association	38 Grosvenor Gardens London SW1W 0EB	www.britishcasinoassociation.org.uk enquiries@britishcasinoassociation.org.uk
British Holiday & Home Parks Association Ltd	Chichester House 6 Pullman Court, Great Western Road Gloucester GL1 3ND	www.bhhpa.org.uk
British Horseracing Authority	151 Shaftesbury Avenue London WC2H 8AL	www.britishhorseracing.com enquiries@britishhorseracing.com
Business in Sport and Leisure (BISL)	17a Chartfield Avenue Putney, London SW15 6DX	www.bisl.org info@bisl.org
Casino Machines Manufacturers Group (CMMG)	Buchanan House 3 St James's Square London SW1 Y 4JU	
Casino Operators Association (COA)	15 Livesey Street Sheffield S6 2BL	www.casino-coa.co.uk coasec@hotmail.co.uk
Financial Services Authority (FSA)	25 The North Colonnade Canary Wharf London E14 5HS	www.fsa.gov.uk
GamCare	2nd Floor 7-11 St Johns Hill Clapham Junction London SW11 1TR	www.gamcare.org.uk info@gamcare.org.uk
Gordon House Association	114 Wellington Road Dudley West Midlands DY1 1UB	help@gordonhouse.org.uk
Horserace Betting Levy Board	52 Grosvenor Gardens London SW1W 0AU	www.hblb.org.uk

Useful contacts continued

Organisation	Address	Website and emails
Hospice Lotteries Association	ty Hafan Childrens Hospice St Hilary Court, Copthorne Way Calderhouse Cross Cardiff CF5 6ES	www.hospicelotteries.org.uk
Independent Betting Arbitration Service		www.ibas-uk.com
Independent Bookmakers Association (IBA)	187-189 London Road Liverpool L3 8JG	www.independentbookmakers.com
Lotteries Council	The Croft Church Road Little Leigh Northwich Cheshire CW6 3RR	www.lotteriescouncil.co.uk
National Joint Pitch Council (NJPC)	2b Kings Hall St Ives Business Park St Ives PE27 4WY	www.njpc-ltd.co.uk
Pools Promoters Association	Sportech House Enterprise Way Liverpool L13 1FB	
Racecourse Promoters Association (RCPA)	24 Lancashire Road Bishopston Bristol BS7 9DL	
Racecouse Association (RCA)	Winkfield Road, Ascot Berkshire SL5 7HX	www.britishracecourses.org
Remote Gambling Association	Regency House 1-4 Warwick Street London W1B 5LT	www.rga.eu.com
Responsibility in Gambling Trust	The Blackfriars Foundry 156 Blackfriars Road London SE1 8EN	www.rigt.org.uk enquiries@rigt.org.uk
Scottish Independent Bookmakers Association (SIBA)	White Craigs House Glasgow G46 6SN	mail@abb.uk.com

Appendix 1

Casino permitted areas

(amended from Annual Report and Accounts 2007/2008)

List of areas in which the licensing of clubs for gaming other than bingo is permitted showing the number of licensed clubs operating on 1 April 2007 and 31 March 2008.

England				**01 April 07**	**31 March 08**
That area which is within the area specified in the licensing (Metropolitan Special Hours Area) Order 1961 - Plus of Westminster and the Royal Borough of Kensington and Chelsea.				25	26
The areas of the Former County Boroughs, Non-County Boroughs and Urban Districts of:					
	31 March 07	**31 March 08**		**31 March 07**	**31 March 08**
Birkenhead	1	1	Northampton	2	2
Birmingham	7	7	Nottingham	2	4
Blackpool	3	3	Plymouth	2	2
Bolton	2	2	Portsmouth and Southsea	3	3
Bournemouth	2	2	Ramsgate	1	1
Bradford	2	2	Reading	2	2
Brighton	3	3	Ryde	0	0
Bristol	5	5	Salford	2	2
Coventry	2	3	Sandown/Shanklin	0	0
Derby	2	2	Scarborough	1	1
Dudley	1	1	Sheffield	3	3
Great Yarmouth	2	3	Southampton	3	3
Hove	1	1	Southend-on-Sea	3	3
Huddersfield	1	1	Southport	1	1
Kingston-upon-Hull	2	2	Stockport	2	2
Leeds	4	4	Stoke-on-Trent	2	2
Leicester	3	3	Sunderland	1	1
Liverpool	4	3	Teesside/Middlesbrough	1	1
Luton	3	3	Torbay	1	1
Lytham St Annes	0	0	Walsall	1	1
Manchester	6	6	Warley	0	0
Margate	2	2	West Bromwich	1	1
Newcastle upon Tyne	3	3	Wolverhampton	2	2
Wales					
The areas of the former County Boroughs of:				**31 March 07**	**31 March 08**
Cardiff				3	3
Swansea				1	2
Scotland					
The areas of the former Counties of the Cities of:				**31 March 07**	**31 March 08**
Aberdeen				2	3
Dundee				1	1
Edinburgh				4	4
Glasgow				5	5
Total				**138**	**144**

Keeping gambling fair and safe for all

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