



For immediate release
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‘New Figures Prove Bingo Players Get Raw Deal’

A new report by Ernst and Young has helped confirm that calculations made by the Treasury in setting Gross Profit Tax (GPT) rates for bingo earlier this year were not accurate, leading to the false claim that the new regime and rate would be of benefit to the industry.

Under a new campaign heading of ‘Bingo Tax Should Be Based On Fact’ players up and down the country are preparing to voice their displeasure to Exchequer Secretary to the Treasury Sarah McCarthy-Fry MP. Bingo players are preparing to send petitions ahead of the Chancellor’s Pre-Budget Report later this year, demanding fair treatment.

Following the surprise announcement in the Spring Budget Statement that Gross Profit Tax for licensed bingo was to rise to 22%, an increase of 47%, the Treasury claimed that this figure, coupled with revisions to VAT, would reduce bingo’s overall tax burden and be of benefit to the industry.

The claims made by The Treasury, based on calculations using industry data from 2008, failed to take into account the impact of VAT revision, in respect of recoverable VAT claimed and the decline in receipts to the Treasury, as a result of a significant number of club closures during the intervening period.

Paul Talboys, Chief Executive of The Bingo Association said:

“The industry has argued its case firmly with the Treasury, who in the face of a demonstration by bingo players in Westminster earlier this year stated that if we could provide evidence of error in their calculations then they would review the decision on GPT.

Results of the work by Ernst and Young and the bingo industry on the differing composite levels of tax applicable to bingo, under the old and new regimes, show that rather than reducing the total tax burden for the industry, the new rate and regime has only served to increase it! The industry has raised its concerns with Exchequer Secretary to the Treasury Sarah McCarthy-Fry MP in a formal meeting earlier this month, at which the findings of the Ernst and Young Report

were presented, but we have as yet to receive and firm confirmation that these issues will be addressed.

The increase for many smaller, independently run clubs will mean that they face an uncertain future, with many being forced to close. The rate of club closures this year has increased, with 29 closed to date. The negative impact of club closures on the communities they serve is devastating for many players, who will seek to demonstrate the human cost of this latest decision through petitioning the Treasury to base bingo tax on fact.

There is an opportunity for the Treasury to correct this error and not penalise bingo players and local communities.”

- ENDS -

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NOTES TO EDITORS

Additional material:

A case study of Coronet Bingo, an independent family run bingo club.

Images:

Coronet Bingo – club, players, staff and owners

Key Facts

- Since 2006 117 licensed bingo clubs have closed.
 - 26 in 2006
 - 37 in 2007
 - 25 in 2008
- 29 in 2009 (as at 16 October).
- Year on year falling admissions:
 - 2007 Admissions - England and Wales down by an average of 11.6%
 - Scotland down by an average of 15.12%
 - 2008 Admissions - England and Wales down by an average of 16.22%
 - Scotland down by an average of 8.54%
- Declining Treasury receipts:
 - 2005 £83,914,000
 - 2006 £77,203,000
 - 2007 £73,380,000
 - 2008 £62,280,000
- Women make up 73% of the bingo audience.

- The age range of players runs from 18 to 80+, with England's oldest active regular player celebrating her 102nd birthday in April at her local club, with friends and family.
- The average (mean) age of bingo players is 52, with the modal age group being 38-48.
- Many players arrive at venues early in order to socialise, eat and play ancillary games.
- The average cost of an evening at bingo is £15-£20, excluding ancillary games and winnings.

Social Impact

- Research was conducted in October 2007 by Dr. Carolyn Downs from Manchester Metropolitan University into the communities and social interaction. Dr. Downs also contributed to the Henley Centre Headlight Vision research into the impact of club closures on players, staff and local communities.
- Bingo clubs were found to be not just places of employment and venues for leisure, but creators and providers of social networks for both staff and players.
- For some key player groups the social function provided by bingo clubs was a disproportionately significant factor of attendance, with some respondents stating that their social interaction would be severely damaged should their club close.
- Bingo was viewed as a 'socially inclusive' activity, welcoming of all ages and backgrounds, providing a safe environment for women to socialise on their own or with friends.
- Many bingo clubs are located in communities and areas that are not well served for social facilities, particularly those that cater to women and the elderly.
- The nature of personal relationships established at and through bingo provided many with their primary, and in some cases only, social interaction.
- Bingo address key societal issues, which appear on the public agenda, including social inclusion, intergenerational engagement and active aging.
- Club closures also have a negative effect on supporting services i.e. cleaning, food and beverage supply, in some cases leading to redundancies in those companies.

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