



TECHNICAL NOTES

1. The graphs show the average value of grants awarded (x axis) against the percentage of total income spent on administration costs (y axis) for UK and England National Lottery distributors and selected grant-making charities. The charities' costs exclude costs related to fund-raising.
2. In Graph 1, the Lottery distributors' administration costs are calculated before application of the Lottery Forum's definition and the charities shown are those which appear to have additional front-line costs similar to those reported by the Lottery distributors.
3. In Graph 2, the Lottery distributors' administration costs are calculated after application of the Lottery Forum's definition, and the charities shown are those which appear to be solely grant-giving bodies.
4. In both graphs, the Lottery distributors' administration costs are shown both on the basis of current income shares and with income assumed to be apportioned on the basis of the revised shares which will apply from April 2012. No allowance has been made for any changes to the number and value of grants or the associated administration costs which might be expected to occur if the level of income changes.
5. The entries for Sport have been calculated by combining the figures for Sport England and UK Sport. No allowance has been made for any operational efficiencies which might arise from combined operations.
6. For both charities and Lottery distributors:
 - the average value of grants is calculated as the total value of grants awarded divided by the number of grants awarded; and
 - the percentage of income spent on administration costs is calculated as the total amount spent on grant-making as a percentage of total income.

7. The data for the National Lottery distributors is for the financial year 2009-10. Figures for current income have been taken from information provided by the Lottery distributors. For the post-shares change figures it has been calculated from total Lottery income for 2009-10 re-apportioned on the basis of 20% each for the arts, heritage and sport and 40% for the Big Lottery Fund. Figures for administration and other costs have been taken from information provided by the Lottery distributors. Information for National Lottery grants has been taken from the grants database on the DCMS website. These figures may differ from figures given in the Lottery distributors' annual reports.

8. Information for the charities has been taken from their annual reports and accounts on the Charity Commission website (www.charity-commission.gov.uk) and is for the calendar year 2008 or 2009 or for 2008-9 (note that not all charities report on the standard 6 April – 5 April financial year), which at the time of the original research was the latest year for which information was available. The division into charities which appear to have significant or identifiable additional front-line costs and those which do not is illustrative and has been made on the basis of information in the annual reports and accounts. This analysis was carried out as desk based research and given the additional costs it was not within scope to confirm or otherwise our conclusions with individual charities, so no guarantee is made as to the accuracy of the analysis as a whole or the division of charities into two groups.