DATA REPORT

Half the prize-draw operators with filed balance sheets have net assets under £33,000

What Companies House shows about the 138 operators that signed the government's voluntary code for prize draws.

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18 years in lottery finance · independent

THE 5 NUMBERS

98

of 138 signatories matched to a Companies House company

1 in 4

of those have not filed a first set of accounts yet

£33k

median net assets (66 companies with figures)

17%

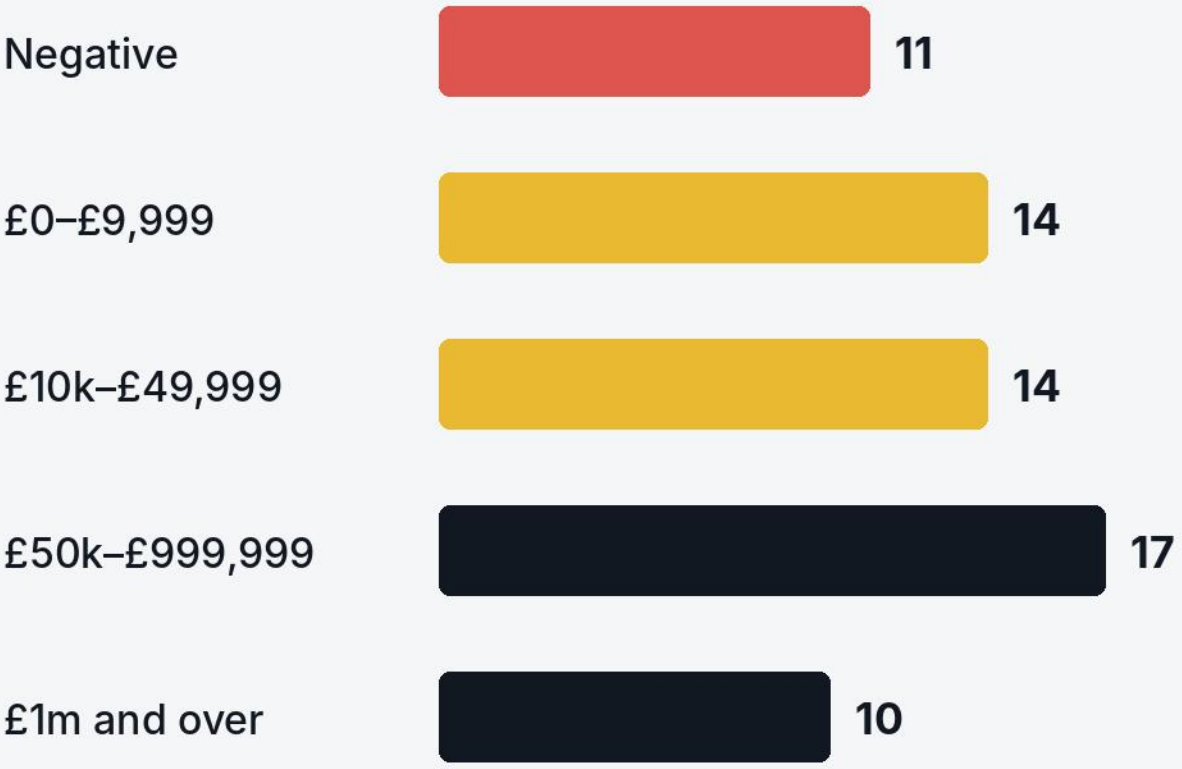
report negative net assets: they owe more than they own

88%

of all net assets sit in just 10 companies

NET ASSETS, LATEST FILED ACCOUNTS

Most balance sheets are small



Base: 66 companies. 25 of them (38%) have under £10,000 of net assets.

WHY IT MATTERS NOW

Most of these cushions were measured before the VAT question

HMRC wrote to prize-draw operators about VAT on paid entries in July 2026. 63 of the 66 balance sheets are dated before that.

Worked example: one sold-out £30,000 car draw at £1.99

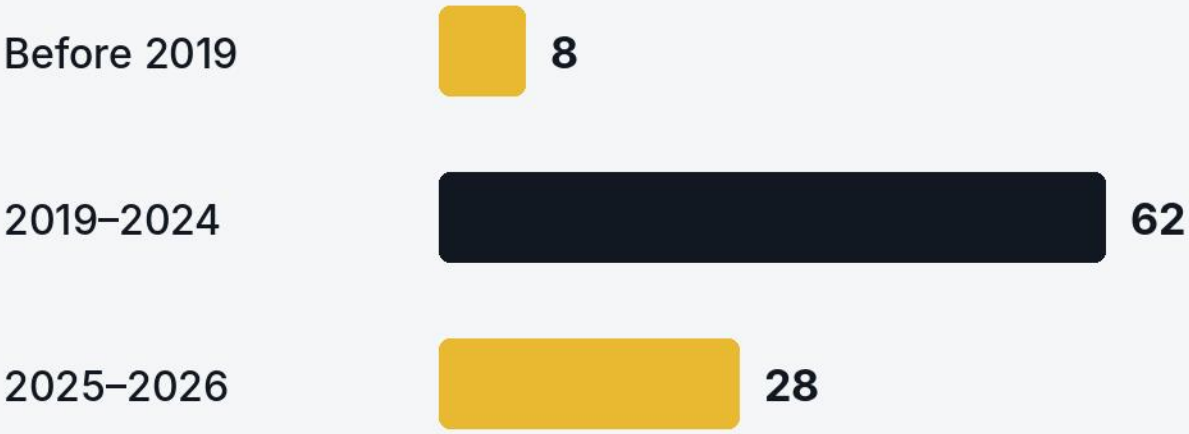
+£1,174
before VAT

−£5,127
once VAT is counted

On paper, two draws like that use up £10,000 of net assets. Net assets aren't cash.

A YOUNG SECTOR

28 of 98 started in 2025–26



25 are so new that no accounts are due yet. For a quarter of the matched companies, there is no public balance sheet at all.

2 median headcount. 42 of 65 report 2 people or fewer.

42% of the 31 companies reporting both figures have short-term creditors at 90%+ of current assets.

That leaves little room to pay a prize and a VAT bill in the same quarter.

Four checks before the next draw

1. Does each draw's price still work if VAT applies, at your expected sell-through and not only at sell-out?
2. Is cash for a possible VAT bill kept separate from the prize fund?
3. How many loss-making draws could your net assets absorb?
4. Have you taken advice from a VAT specialist? Nothing here is tax advice.

METHOD

Source: GOV.UK list of code signatories (updated 19 Oct 2026), matched to Companies House. Figures from each company's latest electronic accounts, read 11 Nov 2026. 98 high/medium-confidence matches; 66 with usable balance sheets. Snapshots at each year end; net assets aren't cash. No company is named.

Full report and method

thelotterycfo.com/prize-draw-balance-sheets

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