GD No: 2015/0047

Seventh Report
Of the
Manx Lottery Trust

To The Hon. Clare Christian MLC

President of Tynwald

and

The Honourable Council and Keys

in Tynwald Assembled

Report and Financial Statements

For the year ended

31st March 2015

August 2015

Trustees and Officers

Trustees

Mr M C Kelly	-	appointed 11th February 2008 (re-appointed May 2012)
Miss L M Gillow	-	appointed 11th February 2008 (re-appointed May 2014)
Mr S J Turner FCA	-	appointed 11th July 2011 (re-appointed May 2015)
Mr R Ronan MHK	-	appointed 15th December 2011
Mrs J A McNicholl	-	appointed 21st May 2013

Treasurer

Mrs J A Blake ACIB	-	appointed 28th February 2011

Secretary

Mr T Butler ACIB	-	appointed 1st October 2010

Grants Officer

Mrs B J Craine	-	appointed 1st February 2009

MANX LOTTERY TRUST

PO Box 16
Ramsey
IM99 4QF

(Isle of Man Registered Charity Number 1021)

SEVENTH REPORT OF THE MANX LOTTERY TRUST

TO THE PRESIDENT OF TYNWALD

AND THE HONOURABLE COUNCIL AND KEYS IN TYNWALD ASSEMBLED

The Trustees present their annual report and financial statements of the charity for the year ended 31st March 2015.

Structure, governance and management

The Manx Lottery Trust is an Isle of Man registered charity, number 1021, and is an independent charitable trust constituted under a trust deed dated 21st May 2008.

The objects of the Trust are:

a) the relief of poverty
b) the relief of elderly persons
c) the relief of ill or disabled persons
d) the advancement of education and
e) any other purpose beneficial to the community.

The Trust carries out these objects by providing grants to appropriate institutions and individuals. The benefit of any grant must be for a person or persons ordinarily resident in the Isle of Man.

There are five Trustees, four of whom are appointed by the Trust with Treasury concurrence. The fifth Trustee is a Member of Tynwald appointed by the Treasury Minister to serve on the Trust. The Trustees do not represent specific areas but are generally appointed in such a way as to provide a geographical spread of knowledge of needs and provision throughout the Island.

At Trustees meetings held every six to eight weeks, the Trustees agree the areas of activity for the Trust, including consideration of grant making, grant policy, balances available for distribution, BIG Lottery Fund reporting requirements, risk management policies and performance. The day to day administration of grants and the processing and handling of applications prior to consideration by the Trustees is delegated to the Secretary and the Grants Officer.

All Trustees give of their time freely and no Trustee remuneration was paid in the year. Trustees are required to disclose all relevant interests and register them with the Secretary and in accordance with the Trust's policy, withdraw from decisions where a conflict of interest arises.

The Trustees have adopted the following order of retirement for the present Trustees :

Miss L M Gillow	- appointed 11th February 2008	- retirement 20th May 2019
Mr S J Turner	- appointed 11th July 2011	- retirement 20th May 2020
Mr R Ronan MHK	- appointed 15th December 2011	- retirement 20th May 2016
Mr M C Kelly	- appointed 11th February 2008	- retirement 20th May 2017
Mrs J A McNicholl	- appointed 14th June 2013	-retirement 20th May 2018

NB: Mr R Ronan MHK and Mrs J A McNicholl are eligible to serve further 5 year terms.

Risk management

The Trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks. A Risk Register is maintained and this forms part of the annual review carried out by the Assurance Advisory Division of the Treasury.

Income and expenditure

The Isle of Man Budget 2014/15 made provision for the Manx Lottery Trust to receive the first £100,000 of Lottery Duty, the same figure as the previous year.

In accordance with the External Delegated Agreement (EDA) between BIG Lottery Fund and the Manx Lottery Trust, a grant of **£311,158 from BIG Lottery Fund** was available for distribution on the Island.

During the year a total of **£1,025,858** was available for distribution, made up from the following:

Cash at bank **£609,223**, Government grant £100,000, Big Lottery Fund £311,158, bank interest £3,858 and the sum of £1,619 retained in an Emergency Fund financed by the Trust and administered by the Department of Health & Social Care.

During the accounting period the Trustees made **grant payments totalling £464,482** to **49 organisations** as listed in the notes of the attached financial statements, together with **£45,921 of non-grant payments** by way of administration costs.

At the **year-end** the available **cash balance** stood at **£513,836**. From this figure the sum of **£314,364 was already committed by the Trustees** for payment to organisations upon completion of formalities. Of this figure, **£216,548** related to Grant offers and commitments made under the General Awards Programme as Delegated Partner of the Big Lottery Fund.

In addition, the sum of £2,230 was retained in an Emergency Fund financed by the Trust and administered by the Department of Health & Social Care.

The **balance available for distribution** at the year-end, and **carried forward** to the 2015/16 financial year, was **£199,522**.

Grant awards

The Trustees held eight formal meetings during the year to consider applications for assistance under the following programmes:

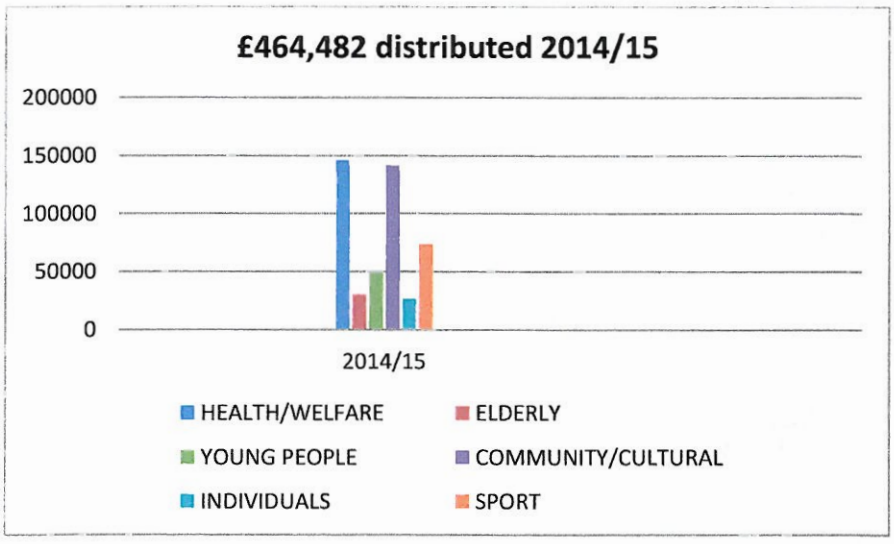
1. **Minor Grants** (£300 to £1000)
2. **General Awards** (£1001 to £50,000) as delegated partner of BIG Lottery Fund.

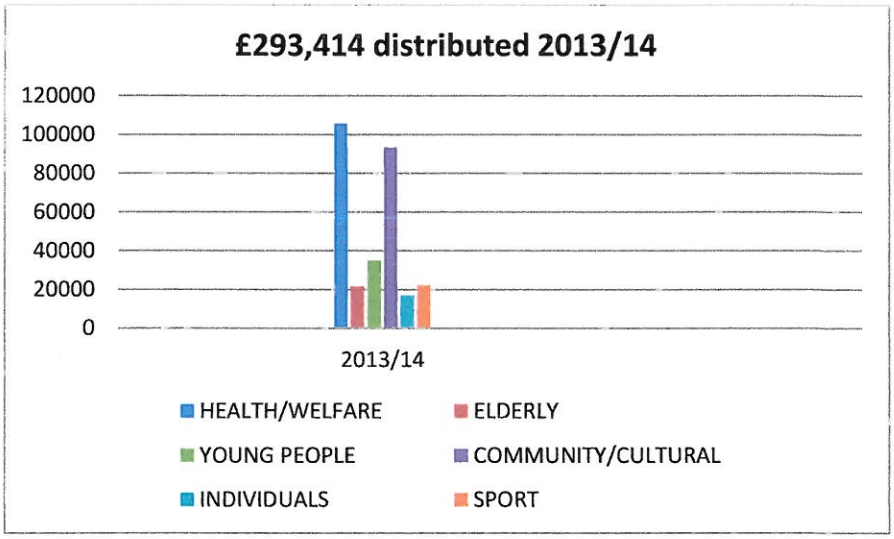
The Trustees continue to endeavour to exercise their powers in a fair and helpful way with the aim of supporting as many deserving causes throughout the Island as possible.

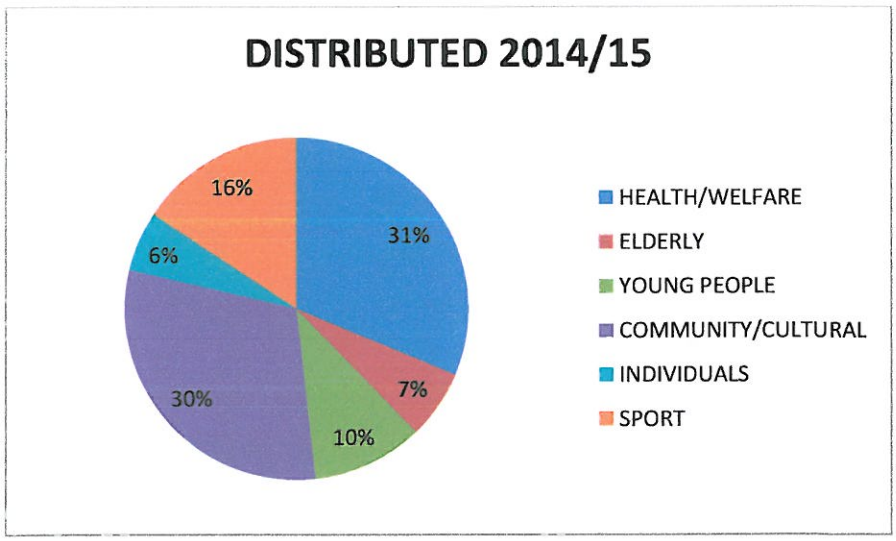
Applications are carefully assessed with the aim of providing consistency in the consideration of all grant applications. Guidance notes and application forms for current programmes are available to download from the Trust's website.

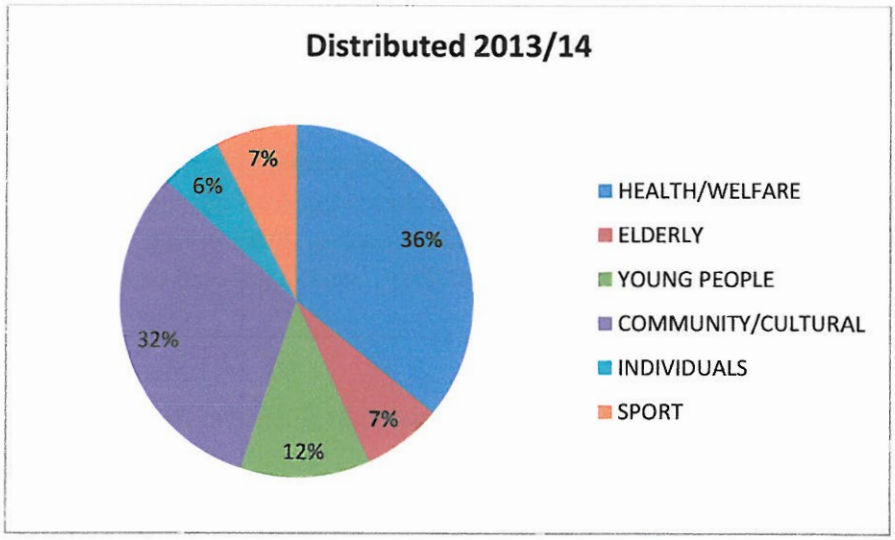
A full list of the recipients of **grants paid** during the 12 month period ended 31st March 2015, totalling **£464,482**, forms Note 3 attached to the financial statements. Of this figure, **£358,853 was paid from designated BIG Lottery Funds** under the General Awards Programme.

The distribution split of grants paid is shown in the following charts which demonstrate the types of assistance provided by the Manx Lottery Trust over the past two years to diverse charitable causes in the Island.

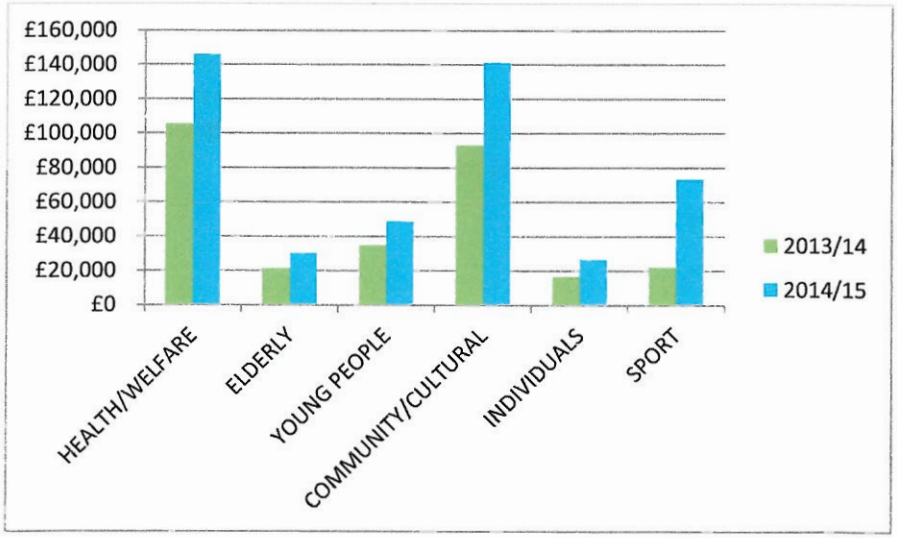



£293,414 distributed 2013/14
120000
100000
80000
60000
40000
20000
0
2013/14
HEALTH/WELFARE
ELDERLY
YOUNG PEOPLE
COMMUNITY/CULTURAL
INDIVIDUALS
SPORT


DISTRIBUTED 2014/15
16%
31%
6%
7%
30%
10%
HEALTH/WELFARE
ELDERLY
YOUNG PEOPLE
COMMUNITY/CULTURAL
INDIVIDUALS
SPORT



NB: The category Health/Welfare includes disability, and the Elderly category includes Coal Funds & Endowments.



The above chart compares the funding awarded to each category over the last two years.

Health/Welfare

The current policy of "**focusing on those in need**" is evidenced in the increased distribution figure in this category.

Elderly

The amounts awarded to Coal Funds and Endowment Committees, included in the Elderly category, were kept at the same level of £60 per household during 2014/15 despite a small decrease in average fuel prices evidenced in the comparative domestic heating costs figures issued by the Isle of Man Office of Fair Trading for August 2014, when compared to August 2013.

Community/Cultural

Funding distributed in this category was £141,073, an increase of 51.36% over the previous year.

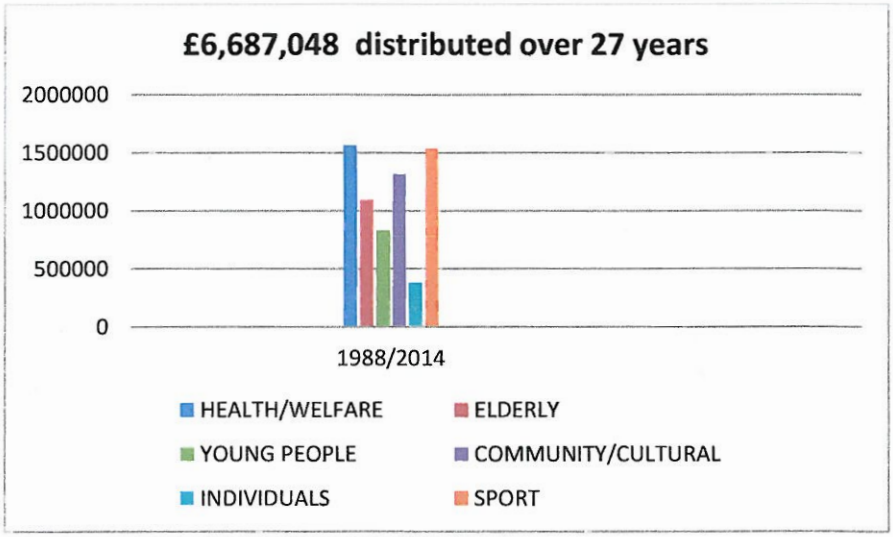
Individuals

The current programmes do not allow the Trust to fund individuals, other than through the Manx Lottery Trust Emergency Fund. The Trustees continue to finance and monitor the Emergency Fund which enables social workers to provide needy individuals with immediate assistance in emergency and exceptional circumstances for which no statutory or voluntary funding is available. Funding totalling **£26,195** was provided over the course of the year, an increase of 57.25% over the previous year.

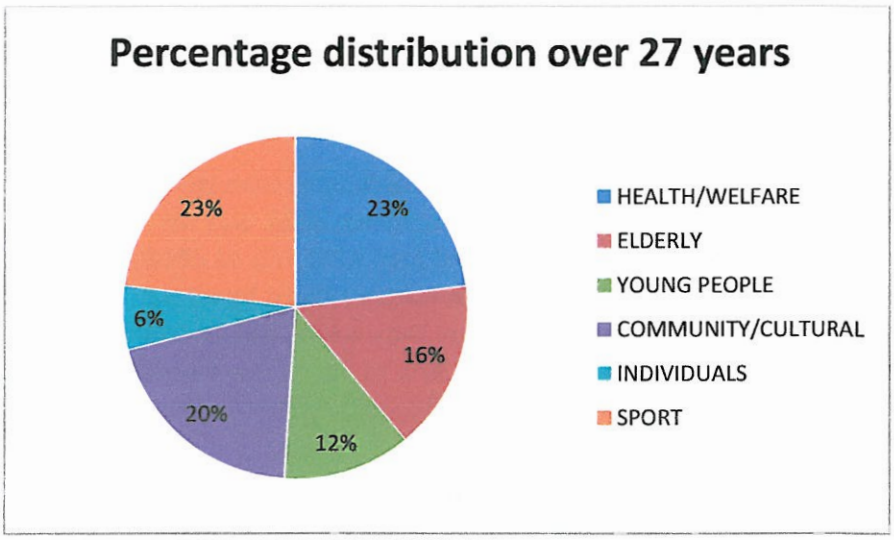
Sport

The increase of funding seen under this category during the year is, in the main, due to a grant of £40,000 awarded to Southern 100 Motorcycle Racing Ltd towards the cost of a new mobile grandstand, upon the condition that the grandstand is made available to other organisations, throughout the Island, when not needed for racing events.

The following charts give the distribution split of total grants made over the last 27 years by both the Public Lottery Trust and the Manx Lottery Trust and evidence the endeavours of the Trustees to support, with fair balance, a wide range of deserving causes throughout the Island.



NB: The category Health/Welfare includes disability, and the Elderly category includes Coal Funds & Endowments.



The Treasury

The Manx Lottery Trust continues to operate under The Treasury umbrella.

The Assurance Advisory Division of The Treasury carries out an annual review of the Trust's internal controls and procedures.

The BIG Lottery Fund continues to cover 75% (up to a maximum of 10% of the amount of grant funding) of the administration costs of the MLT, with Treasury covering the remaining 25% and any excess.

Beneficiary Logo:

Recipients of grants under the General Awards Programme must use the beneficiary logo below to acknowledge and celebrate the award of National Lottery funding from us. A booklet entitled Manx Lottery Trust "Acknowledging Funding" is provided.



Our website www.mlt.org.im provides information about the Trust. All current programme applications and guidance notes are available to download. The" latest news" is given in headlines for regular visitors to the site.

Manx Budget 2015/16

Details published in the Manx Budget 2015 revealed changes in the allocation to good causes resulting from Lottery Duty.

The **Manx Lottery Trust** has successfully secured £3 million of funding from the Big Lottery Fund to deliver a grant programme from April 2015 to March 2020, and will therefore have its grant from the Big Lottery Fund increased from £300,000 to **£600,000 per annum, and** will receive the **first £150,000 of local Lottery Duty** from total receipts of £1.35 million. The remainder of the local Lottery Duty will be split as follows: first £150,000 to Sports Council and the remainder shared 30% to Sports Council, 40% to Arts Council and 30% to Culture Vannin (formerly Manx Heritage Foundation). Each body is expected to receive:

	BIG	**Treasury Grant**	**Lottery Duty**	**Total 2015/16**	Total 2014/15
	£	**£**	**£**	**£**	£
Manx Lottery Trust	600,000	Nil	150,000	**750,000**	400,000
Sports Council	Nil	18,000	465,000	**483,000**	483,000
Arts Council	Nil	96,700	420,000	**516,700**	494,900
Culture Vannin	Nil	100,000	315,000	**415,000**	415,000

Lottery Duty payments are identified separately in Treasury's budget and will not be used for any other purpose.

Chairman's summary

It is my pleasure to submit this annual report for 2014/15 after what has been a particularly busy year both for Officers and Trustees.

The General Awards Funding Programme, which commenced in 2010, was successfully concluded on 31st March 2015. During the initial 5 year period of the agreement with Big Lottery Fund, 100 projects were funded, with the total number of beneficiaries exceeding 87,000.

Following lengthy negotiations, the agreement with the Fund has been extended for a further five year period, until March 2020, with a substantially increased sum of £3,000,000 being made available to distribute under the new Community Awards Programme. From this amount the sum of £150,000 each year is to be allocated to thematic funding, and for 2015/16 funding will be available for new projects which meet the needs of older people.

A launch event, for the Community Awards and Smaller Grants Programmes, held in February 2015, was well attended by stake holders and other interested parties. In preparation for the launch, the Trust's website, logo, forms and literature were refreshed. The new-look website gives a simple breakdown of the criteria for each programme so potential applicants can quickly see whether or not they qualify. They can also download guidance notes, terms and conditions and application forms, which can be filled in and returned via email.

The new funding and surrounding publicity has resulted in an increased level of demand from organisations, particularly for larger amounts of funding. Difficult decisions continue to have to be made by the Trustees in trying to ensure funding is distributed where there is the greater need, and inevitably, there are disappointments amongst applicants.

Once again, both Officers and Trustees have visited many of the funded projects around the Island, and it has been very gratifying to see the successes and learn what works, and in some cases does not work, in the Isle of Man.

I would once again like to thank my fellow Trustees for their help and guidance, and a huge thank you to our three Officers who have gone above and beyond in their work for The Manx Lottery Trust over the past year.

The Trustees, once again, express their sincere and grateful thanks to PricewaterhouseCoopers LLC, Sixty Circular Road, Douglas, for acting as Honorary Auditor.

Signed



..... Mr Malcolm Crellin Kelly, Chairman

THE MANX LOTTERY TRUST

INCOME AND EXPENDITURE ACCOUNT & STATEMENT OF ASSETS AND LIABILITIES FOR THE YEAR ENDED 31 MARCH, 2015

	Notes	2014-2015		2013-2014	
INCOME AND EXPENDITURE ACCOUNT		£	£	£	£
Government grant	1&2	100,000		100,000	
From Big Lottery Fund	1&2	311,158		311,159	
Interest		3,858		4,812	
			415,016		415,971
Less:					
Grant expenditure MLT	3	105,629		56,188	
Grant expenditure BIG	3	358,853		237,226	
Movement in committed grants	1	(92,996)		54,888	
Non grant expenditure	4	45,921		39,520	
			(417,407)		(387,822)
Net incoming/(outgoing) resources available for charitable application			(2,391)		28,149
STATEMENT OF ASSETS AND LIABILITIES					
Assets:					
Cash at bank	5		516,066		610,842
Petty cash			50		50
Total assets			516,116		610,892
Liabilities:					
Committed and earmarked grants due within 1 Year	1		(316,594)		(361,189)
Net current assets			199,522		249,703
Committed and earmarked grants due after 1 year			-		(47,790)
Net assets			199,522		201,913
Represented by:					
Fund account brought forward			201,913		173,764
Net incoming/(outgoing)resources for the period			(2,391)		28,149
Balance available for distribution	6		199,522		201,913

The notes on pages 13 to 16 form part of these accounts. The charity has no recognised gains or losses other than those shown in the above income and expenditure account and therefore no separate statement of recognised gains and losses has been presented.

Approved by the Trustees on 11th August 2015

Mr M C Kelly (Chairman)

Mrs. J.A. Blake (Treasurer)

THE MANX LOTTERY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2015

Note 1

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and the statement of recommended practice (SORP), "Accounting and Reporting by Charities". The accounts of the Manx Lottery Trust are prepared on an accruals basis in order to comply with the SORP. A summary of the more important accounting policies, which have been applied consistently, is set out below:

Government and Big Lottery Fund grants
Government and Big Lottery Fund grants are accounted for as they accrue.

Grant expenditure
Grant expenditure represents grants paid in the period.

Committed and earmarked grants
Committed and earmarked grants represent the provision made for funds that had been committed or earmarked for payment by the Trustees but which had not been paid at 31 March 2015.

Note 2

In the year ended 31 March, 2015 the Manx Lottery Trust received a total of £100,000 (2014: £100,000) from the Isle of Man Government in accordance with a resolution of Tynwald, being a prescribed share of betting duty received in respect of the UK National Lottery.

The Big Lottery Fund has agreed that the Manx Lottery Trust can distribute its funds to local causes as an "Award Partner" and payments of **£311,158** (2014: £311,159) were received during the year ended 31 March, 2015.

Note 3

Applicant	£	Purpose
Arbory Endowments	180.00	Heating and lighting costs
Autism Initiatives	5,653.72	Activity room equipment
Ballakermeen High School	497.20	Allotment project
Ballaugh Endowments	900.00	Heating and lighting costs
BMX IOM	23,100.00	
Bunscoill Rhumsaa	10,000.00	Towards cost of playground equipment
Castletown Bowling Club	2,000.00	Towards cost of enclosed shelter
Castletown Endowments	3,120.00	Heating and lighting costs
Cathedral Quarter Trust	35,000.00	Towards cost of ground works
Colby Over 60s	750.00	Towards costs of activities
Connect2Charity	4,183.20	Towards Roaming Coding Bus
DASH	13,720.00	Youth worker salary
Emergency Fund	26,195.07	DHSC individuals
Embassy Jazz Club	1,000.00	Towards sound equipment
Friends of Centenary Centre	7,500.00	Towards cost of disabled facilities
Friends of Malew Church	10,000.00	Towards cost of renovations
Friends of Robert Owen House	13,048.00	Towards refurbishment cost
Groudle Glen Railway	32,270.00	Cost of replacement carriages
Hospice IOM	19,815.00	Youth worker salary
IOM College	1,403.21	Towards Burroo project
Kenyon's Cafe	991.05	New seating
Kevin Gray Memorial Trust	20,000.00	Air Compressor
Kirk Michael Thursday Club	750.00	Towards costs of activities
Laxey Sailing Club	3,000.00	Towards new roof
Laxey Working Men's Institute	29,000.00	Towards cost of improved disabled access
Malew Endowment Committee	3,000.00	Heating and lighting costs
1st Malew Scout group	800.00	Purchase of new tents
Manx Development Education Network	770.00	Towards Manx Connections Wiki
Manx Cancer Help	24,702.00	Towards salary costs, equipment and resources
Men in Sheds	4,500.00	Clean Hobbies room
Michael Endowments	1,800.00	Heating and lighting costs
Onchan Endowments	3,660.00	Heating and lighting costs
Peel Coal Fund	8,820.00	Heating and lighting costs
Peel Carnival Committee	2,000.00	Promenade Flags
Port Erin Over 60s	750.00	Towards costs of activities
Relate IOM	11,480.00	Young Persons Counsellors
Ramsey Rowing Club	5,002.00	Junior Sculling scheme
Royal British Legion Port Erin	2,300.00	Cost of emergency lighting
1st Rushen Scout Group	1,085.17	Camping equipment
Santon Endowments	1,560.00	Heating and lighting costs

Scout Association IOM	4,745.94	Refurbishment of HQ
Southern Community Initiative	781.26	Coordinator salary
Southern 100 Motorcycle Racing	40,000.00	Towards mobile grandstand
Vikings of Mann	1,200.00	Towards replacement vehicle
Waverly Court Residents	150.00	Purchase of Bingo machine
Yn Cruinnaght	617.60	Towards costs of equipment
Extended Term Funding		
Children's Centre	50,339.00	Thriving families project
Crossroads Care	6,240.00	Young Carers Young Adults Project
IOM Youth Motor Project	24,102.96	NEETs Project
Total	**£464,482.38**	

Note 4

Non Grant Payments were made as follows:

	2014 £	**2015** £
Secretary/Grant's Officer	32,238	**33,725**
Treasurer's Honorarium	1,750	**1,750**
Office Expenses	3,650	**3,951**
Insurance	1,520	**1,536**
Miscellaneous Expenses	180	**4,656**
Bank charges	182	**303**
Total	39,520	**45,921**

Note 5

The cash at the bank at 31 March 2015 totalled **£513,836** (2014: £609,223). A further **£2,230** (2014: £1,619)was held in a bank account operated by the Department of Health and Social Security on behalf of the Manx Lottery Trustees in order to make payments of an emergency nature to needy individuals without having to wait for the next meeting of the Trustees.

Note 6

The balance available for distribution represents an unrestricted fund available for use at the discretion of the Trustees subject to the terms of the Trust deed.

Note 7

No Trustee has received any remuneration for services during the period.

Note 8

Under Financial Reporting Standard No 1 (Revised) the Charity is exempt from the requirement to produce a cash flow statement on the grounds that it is a small charity.

Note 9

The Charity is exempt from Manx income tax pursuant to Section 15(a) of the Income Tax Act 1970.

Note 10
The Charity received a benefit in kind estimated at £3,000 in respect of professional services rendered by PricewaterhouseCoopers LLC for auditing these accounts without charge.

THE MANX LOTTERY TRUST

Statement of Trustees' Responsibilities in respect of the Report and Financial statements

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable Isle of Man law, and United Kingdom Accounting Standards.

The Law applicable to charities in the Isle of Man requires the Trustees to prepare financial statements for each financial year. The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing those financial statements, the Trustees are required to select suitable accounting policies and then apply them consistently, observe the methods and principles in the Charities SORP, make judgements and estimates that are reasonable and prudent, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees confirm that they have complied with the above requirements in preparing the financial statements.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charity's Trust Deed and the Charities Registration Act 1989. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Agreed by the Trustees and signed on their behalf by

_____ Chairman and Trustee

11th August 2015

Independent auditor's report to the trustees of the Manx Lottery Trust

We have audited the accompanying financial statements of the Manx Lottery Trust (the 'Charity') which comprise the statement of assets and liabilities as at 31 March 2015 and the income and expenditure account for the year then ended and a summary of significant accounting policies and other explanatory notes.

Trustees' Responsibility for the Financial Statements

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with applicable Isle of Man law and United Kingdom Accounting Standards, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report, including the opinion, has been prepared for and only for the Charity's trustees, as a body in accordance with Section 5 of the Charities Registration Act 1989 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements:

- give a true and fair view of the Charity's state of affairs as at 31 March 2015, and of its deficit for the year then ended in accordance with United Kingdom Accounting Standards; and
- comply with the provisions of the documents constituting the Charity.

LLC

PricewaterhouseCoopers LLC
Chartered Accountants
Douglas, Isle of Man

17 August **2015**