



**Eleventh Report
Of the
Manx Lottery Trust**

**Annual Report and Financial Statements
For the year ended
31st March 2019**

Trustees and Officers

Trustees

Mrs J A McNicholl	- appointed 21 st May 2013 (Re-appointed May 2018)
Mrs S Kelly	- appointed 18 th March 2016
Mr J N Watson	- appointed 18 th March 2016 (Resigned October 2018)
Mr G R Peake MHK	- appointed 20th January 2017
Ms N Plumley	- appointed 23 rd June 2017
Mr MC Dempsey	- appointed 23 rd June 2017 (Resigned August 2018)
Mrs H Summerscales	- appointed 23 rd November 2018
Mrs Sophie Pearce	- appointed 23 rd November 2018

Treasurer

Mrs J A Blake ACIB

Secretary

Mr T Butler ACIB

Grants Officer

Mrs B J Craine



7 Auckland Terrace
Parliament Street
Ramsey
IM8 1AF

(Isle of Man Registered Charity Number 1021)

ELEVENTH REPORT OF THE MANX LOTTERY TRUST

The Trustees present their annual report and financial statements of the charity for the year ended 31st March 2019.

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 six Trustees, five of whom are appointed by the Trust with Treasury concurrence. The sixth 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 Trustee 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, the National Lottery Community 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:

Mrs J A McNicholl	Appointed 21 st May 2013	Retirement 20 th May 2023
Mrs S Kelly	Appointed 18 th March 2016	Retirement 20 th May 2020
Mr G R Peake MHK	Appointed 20 th January 2017	Retirement 20 th May 2021
Ms N Plumley	Appointed 23 rd June 2017	Retirement 20 th May 2022
Mrs H Summerscales	Appointed 23 rd November 2018	Retirement 20 th May 2023
Mrs S Pearce	Appointed 23 rd November 2018	Retirement 20 th May 2023

NB: Mrs S Kelly, Mr G R Peake MHK, Ms N Plumley, Mrs H Summerscales and Mrs S Pearce 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 reviewed on a regular basis.

Income and expenditure

The Isle of Man Budget 2018/19 made provision for the Manx Lottery Trust to receive the first **£150,000** of Lottery Duty, the same amount as the previous year.

In accordance with the External Delegated Agreement (EDA) between Big Lottery Fund and the Manx Lottery Trust, a grant of **£600,000 from BIG Lottery Fund (now The National Lottery Community Fund)** was available for distribution on the Island.

During the year a total of **£1,636,134** was available for distribution, made up from the following: Cash at bank **£880,651** (excluding the £2500 retained in an Emergency Fund financed by the Trust and administered by the Department of Health and Social Care), Government grant £150,000, Big Lottery Fund £600,000, returned grants £3,685, donation £350 and bank interest £1,448.

During the accounting period the Trustees made **grant payments totalling £800,766** to **60 organisations** as listed in the notes of the attached financial statements, together with **£59,945 of non-grant payments** by way of administration, public relations and website costs.

At the **year-end** the available **cash balance** stood at **£775,423** (excluding £3722 retained in an Emergency Fund financed by the Trust and administered by the Department of Health and Social Care). From this figure the sum of **£668,630 was already committed by the Trustees** for payment to organisations upon completion of formalities. Of this figure, **£490,031 related to grant offers and commitments made under the Community Awards Programme** as Delegated Partner of The National Lottery Community Fund.

The **balance available for distribution** at the year-end, and **carried forward** to the 2019/20 financial year, was **£106,843**.

Grant awards

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

- 1. Smaller Grants (£300 to £2500)**
- 2. Community Awards (£2501 to £50,000) as delegated partner of BIG Lottery Fund.**

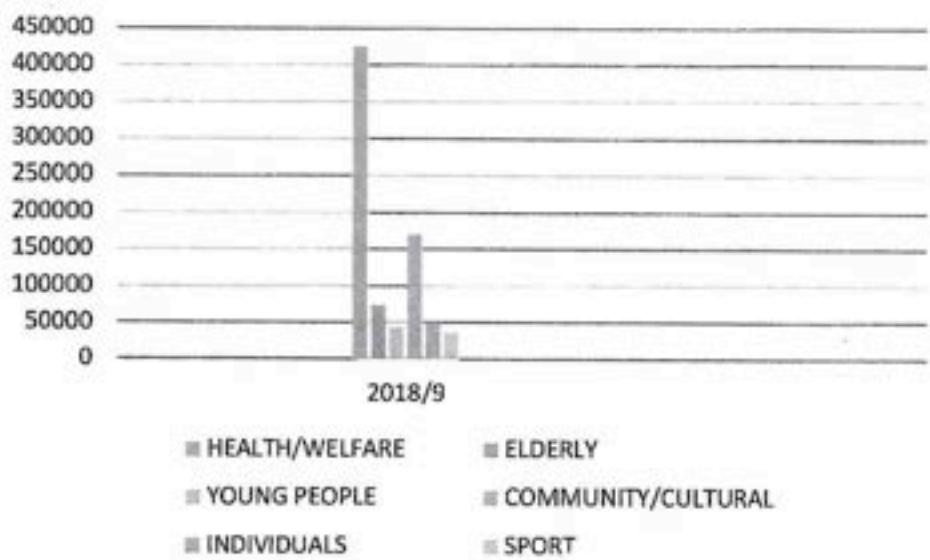
The Trustees continue to endeavour to exercise their powers in a fair and helpful way with the aim of supporting as many deserving causes throughout the Island as possible.

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.

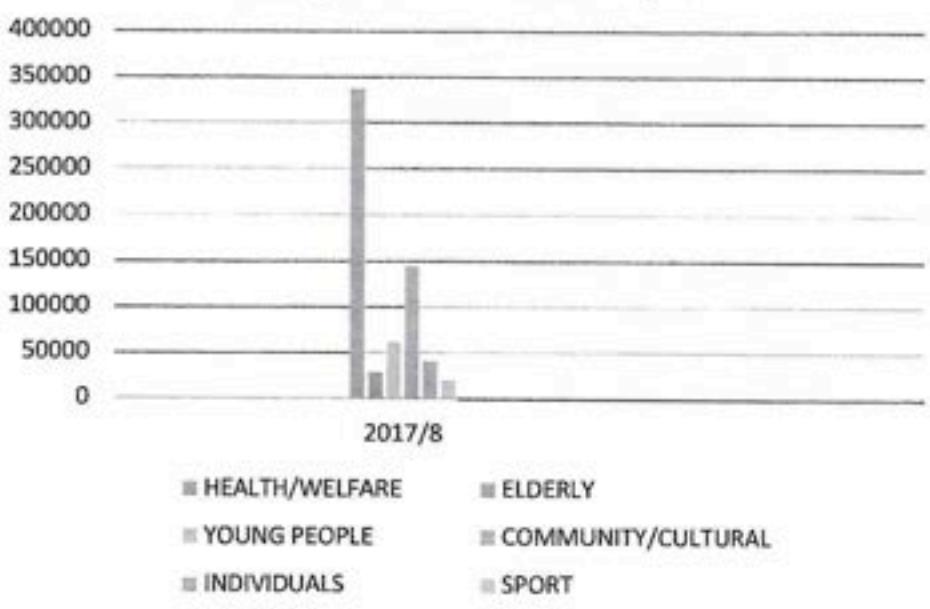
A list of the recipients of **grants paid** during the 12 month period ended 31st March 2019, totalling **£800,767**, forms Note 3 attached to the financial statements. Of this figure, **£596,320 was paid from designated National Lottery Funds** under the Community Awards Programme.

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.

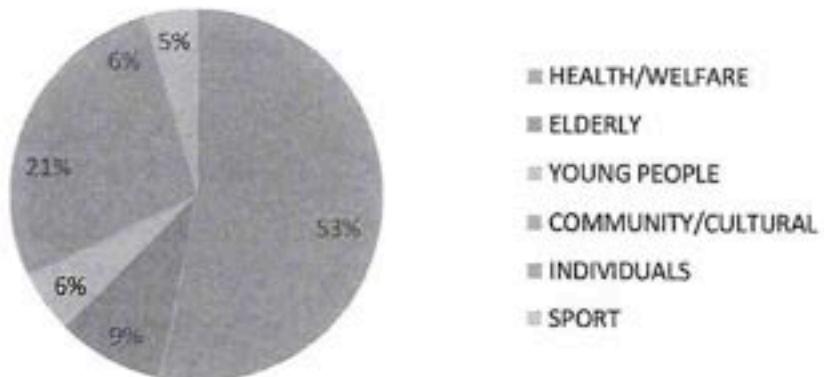
£800,767 distributed 2018/19



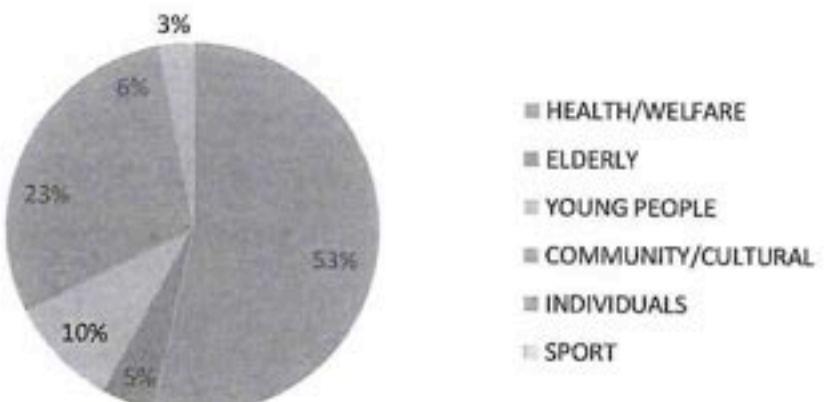
£632,388 distributed 2017/18



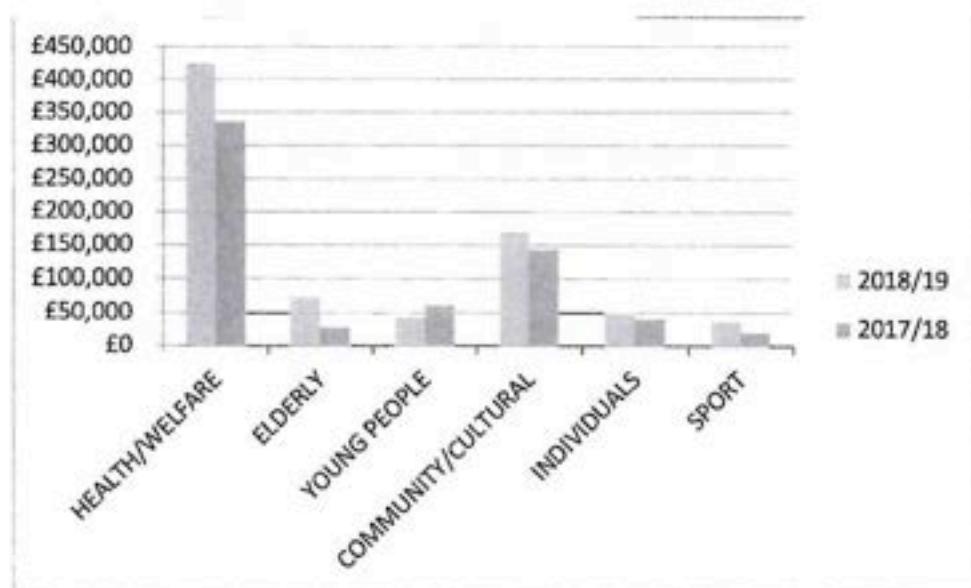
DISTRIBUTED 2018/19



DISTRIBUTED 2017/18



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**" continues to be evidenced in the increased distribution figure in this category of **£415,137**

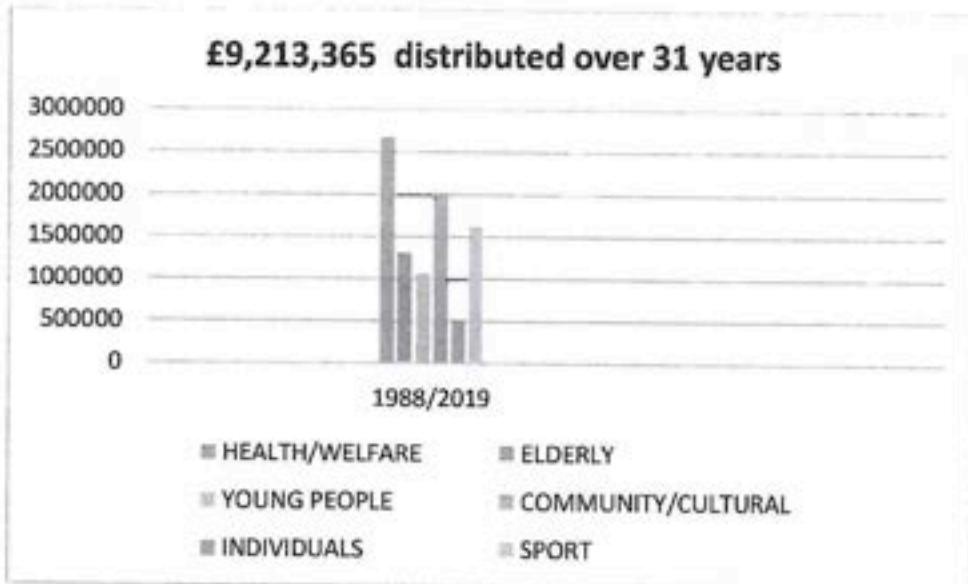
Elderly

The amounts awarded to Coal Funds and Endowment Committees, included in the Elderly category, were calculated at £70 per household during 2018/19, an **increase of £10 per household** over the previous year.

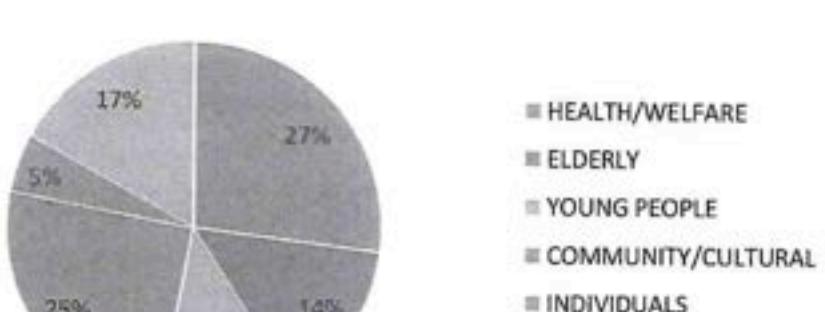
Individuals

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 **£50,000** was provided over the course of the year, an **increase of 22.4%** over the previous year.

The following charts give the distribution split of total grants made over the last 30 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.



Percentage distribution over 31 years



Beneficiary Logo:

Recipients of grants under the Community 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 2019/20

Details of a new **Community Fund** to be administered by the Manx Lottery Trust were published in the Manx Budget 2019/20 together with the allocation to good causes resulting from Lottery Duty.

Treasury has made **£250,000** available to assist with the development of community projects in keeping with the Island's UNESCO Biosphere status.

Grants payable 2019-20

Organisation	National Lottery £	Treasury/Other £	Lottery Duty £	Total 2019/20 £
Manx Lottery Trust	600,000	250,000	150,000	1,000,000
Sports Council		21,000	480,000	501,000
Arts Council		99,000	440,000	539,000
Culture Vannin		100,000	330,000	430,000

Chairman's summary

During the year we said goodbye to two trustees which gave us the opportunity to welcome two new people to the Trust, Helen Summerscales and Sophie Pearce. I wish to put on record my thanks to all the Trustees throughout the year for their interest, enthusiasm and commitment to the Trust.

A highlight of the year for me was in May when we welcomed "The Big Walk" to the Isle of Man. The Big Walk is an Eden Project supported by the National Lottery. The route covers more than 250 miles over 18 days across the UK, and for the first time the Isle of Man was included as a stop en-route to Northern Ireland. The aim is to celebrate groups and events that work to bring local communities together. During their visit to the Island the walkers visited Men in Sheds, Southern Community Initiatives, The Dalby Community Hub, and Groudle Glen Railway, who have all received assistance from the Manx Lottery Trust.

The gloriously sunny day was perfectly planned to collect a volunteer walker from each place visited and continue the walk which ended at Groudle Glen Railway. It was a great opportunity to make new friends and get to know some of the N. I. Lottery Team.

The year was a fairly challenging one for the Trust with applications far exceeding the amounts available to distribute. As an example, every year we ring fence an amount of £150k for "thematic" funding. Mental Health and Wellbeing was the theme for 2018 which proved very popular with 11 applications received requesting funding of £977k. This made for the longest and most difficult meeting I have chaired. Overall across the year, grants awarded represented 53% of the total grant funding requested.

Another highlight of the year was a meeting we had with the Treasury Minister, Alfred Cannan MHK who informed that Isle of Man Government had made available £250,000 to assist the development of community driven projects that are in keeping with the Island's UNESCO Biosphere recognition and wondered if the Manx Lottery Trust could administer and distribute this new fund alongside our existing grant schemes. We confirmed that we would be delighted to do so and that the new fund would be a welcome addition to our funding programme.

I would like to thank our Officers who have again gone above and beyond in what they do for the Trust, and, of course, I know they will be even busier going forward with the addition of the new Island Community Fund.

Finally, I would like to thank PricewaterhouseCoopers LLC, Sixty Circular Road, Douglas, for their continued support in acting as Honorary Auditor to the Trust. Their help and guidance is very much appreciated.

Signed



Mrs Sarah Kelly, Chairman

THE MANX LOTTERY TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2018-2019	2017-2018
		£	£
Government grant	1&2	150,000	150,000
From Big Lottery Fund	1&2	600,000	603,325
Interest		1,448	253
Donation		350	-
Grants returned		3,685	-
		-----	-----
		755,483	753,578
Less:			
Grant expenditure MLT	3	204,447	82,905
Grant Expenditure BIG	3	596,320	549,482
Movement in committed grants	1	22,785	34,072
Non grant expenditure	4	59,945	57,809
		(883,497)	(724,268)
Net movement in funds		(128,014)	29,310
		-----	-----
Fund account brought forward		234,857	205,547
		-----	-----
Balance available for distribution	6	106,843	234,857
		-----	-----

The notes on pages 14 to 17 form part of these financial statements.

THE MANX LOTTERY TRUST

STATEMENT OF ASSETS AND LIABILITIES AT 31 MARCH 2019

		2018-2019	2017-2018
Assets:			
Cash at bank	5	775,423	890,651
Petty cash		50	50
		-----	-----
Total assets		775,473	890,701
 Liabilities:			
Committed and earmarked grants due within 1 Year	1		
MLT		(178,600)	(66,764)
BIG		(352,434)	(501,620)
		-----	-----
Net current assets		244,439	312,317
Committed and earmarked grants due after 1 year			
MLT		-	(20,000)
BIG		(137,596)	(57,460)
		-----	-----
Net assets		106,843	234,857
		-----	-----

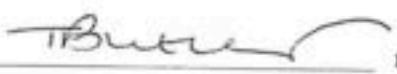
Represented by:

Fund account	6	106,843	234,857
		-----	-----

The notes on pages 14 to 17 form part of these financial statements.

The financial statements on pages 12 to 17 have been approved by the Trustees on the 9th August 2018 and signed on their behalf by:

 Mrs. Sarah Kelly (Trustee)

 Mr. Trevor Butler (Secretary)

THE MANX LOTTERY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Note 1

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' Section 1A ("FRS 102") applicable to small entities, and the 'Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)' (the "SORP"). The financial statements of the Manx Lottery Trust (the "Charity") are prepared under the historical cost convention and on an accruals basis in order to comply with FRS 102 and the SORP.

The Charity's registered office is 7 Auckland Terrace, Parliament Street, Ramsey, Isle of Man, IM8 1AF.

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 2019.

Note 2

In the year ended 31 March 2019 the Manx Lottery Trust received a total of **£150,000** (2018: £150,000) from the Treasury Isle of Man, being a prescribed share of betting duty received in respect of the UK National Lottery.

The National Lottery Community Fund has agreed that the Manx Lottery Trust can distribute its funds to local causes as an "Award Partner" and a payment of **£600,000** (2018: £603,325) was received during the year ended 31 March 2019.

THE MANX LOTTERY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (continued)

Note 3

Grants Paid to 60 organisations totalling £800,767

A Little Piece of Hope
Age Concern IOM
Anagh Coar School
Arbory Endowments Committee
Ballasalla Netball Club
Ballaugh Bowling Club
Ballaugh Endowments Committee
Beach Buddies
Castletown Endowments Committee
Centenary Centre Peel
Crossroads Care IOM
Douglas Borough Council
Douglas Bowling Club
Ellan Vannin Home
Foxdale Heritage Centre
Friends of Jurby Church
Graih
Groudle Glen Railway
Guide Association IOM
Housing Matters IOM
IOM Beekeepers Federation
IOM Live at Home Scheme
IOM Youth Motor project
Joey Dunlop Foundation
Laxey & Lonan Allotments
Lawn Bowls IOM
Malew Endowments
Manx Basking Shark Watch
Manx Cancer Help
Manx Carriage Driving 4 Disabled
Manx Credit Union
Manx Eating Disorder Support
Manx Museum & National Trust
Manx Whale and Dolphin Watch
Manx Wildlife Trust
Michael Endowments Committee
Moolinjer Veggey
Motiv8
Onchan Endowments Committee
Parkinson's Disease Society

THE MANX LOTTERY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (continued)

Port Erin Festival of the Beach
Quing
Relate IOM
Rob Vine Fund
Rushen Endowments Committee
St German's Cathedral Foundation
St James Steering Group Dalby
St John's Aikido Club
St John's Church
St Ninian's Church
Santon Endowments Committee
Scout Association IOM
Search and Rescue Dogs Association IOM
Skills for Independent Living scheme
South Ramsey Bowling Club
Southern Community Initiatives
Southern 100 Motorcycle Racing
Sustain our Seas IOM
The Children's Centre
Victim Support IOM

Note 4

Non Grant Payments were made as follows:

	2018	2019
	£	£
Officers' Salaries	43,459	43,905
Office Expenses	4,521	3,787
Public relations/website	7,107	9,637
Insurance	1,553	1,642
Miscellaneous Expenses	865	384
Bank charges	304	590
<hr/>		
Total	57,809	59,945

Note 5

The cash at the bank at 31 March 2019 totalled **£779,195** (2018: £883,201) which included the £3722 (2018: £2500) 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.

THE MANX LOTTERY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

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 FRS 102 Section 1A the Charity is exempt from the requirement to produce a cash flow statement on the grounds that it is a small entity.

Note 9

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

Note 10

The Trustees consider there is no ultimate controlling party.

Note 11

There have been no related party transactions during the period (2018: none).

Note 12

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 regulations.

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,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards, comprising Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland (Section 1A)" ("FRS 102") 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 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

25th September 2019

Mrs Sarah Kelly (Trustee)

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

Report on the audit of the financial statements

Our opinion

In our opinion, the Manx Lottery Trust's financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2019 and of its deficit for the year then in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A; and
- comply with the provisions of the Charity's Trust Deed.

What we have audited

Manx Lottery Trust's financial statements comprise:

- the statement of assets and liabilities as at 31 March 2019;
- the statement of financial activities for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

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

Independence

We are independent of the Charity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of the financial statements that give a true and fair view in accordance with United Kingdom Accounting Standards and Isle of Man law, 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.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for overseeing the Charity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

This report, including the opinion, has been prepared for and only for the trustees as a body in accordance with Section 15 of the Isle of Man Companies Act 1982 and 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.

PricewaterhouseCoopers LLC

PricewaterhouseCoopers LLC

Chartered Accountants

Douglas, Isle of Man

26 September 2019