



Twelfth Report Of the Manx Lottery Trust

Annual Report and Financial Statements

For the year ended

31st March 2020

Trustees and Officers

Trustees

Mrs J A McNicholl

- appointed 21st May 2013
(Resigned March 2020)

Mrs S Kelly

- appointed 18th March 2016
(Reappointed May 2020)

Mr G R Peake MHK

- appointed 20th January 2017

Ms N Plumley

- appointed 23rd June 2017

Mrs H Summerscales

- appointed 23rd November 2018

Mrs Sophie Pearce

- appointed 23rd November 2018

Treasurer

Mrs J A Blake ACIB

- appointed 28th February 2011
(Retired August 2019)

Secretary/Treasurer

Mr T Butler ACIB

- appointed 1st October 2010

Grants Officer

Mrs B J Craine

- appointed 1st February 2009



7 Auckland Terrace
Parliament Street
Ramsey
IM8 1AF

(Isle of Man Registered Charity Number 1021)

TWELFTH REPORT OF THE MANX LOTTERY TRUST

The Trustees present their annual report and financial statements of the charity for the year ended 31st March 2020.

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 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 S Kelly	Appointed 18 th March 2016	Retirement 20 th May 2024
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 2019/20 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 **£621,675 from The National Lottery Community Fund (TNLCF)** was available for distribution on the Island.

During the year a total of **£1,736,617** was available for distribution, made up from the following: Cash at bank **£775,423** (excluding the £3,722 retained in an Emergency Fund financed by the Trust and administered by the Department of Health and Social Care), Government grants £337,500, TNLCF £621,675, returned grants and bank interest £2,018.

During the accounting period the Trustees made **grant payments totalling £909,741 to 57 organisations** as listed in the notes of the attached financial statements, together with **£76,717 of non-grant payments** by way of administration, public relations and website costs.

At the **year-end** the available **cash balance** stood at **£750,159** (excluding £12,222 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 **£697,577 was already committed by the Trustees** for payment to organisations upon completion of formalities. Of this figure, **£549,903 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 2020/21 financial year, was **£52,632**.

Grant awards

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

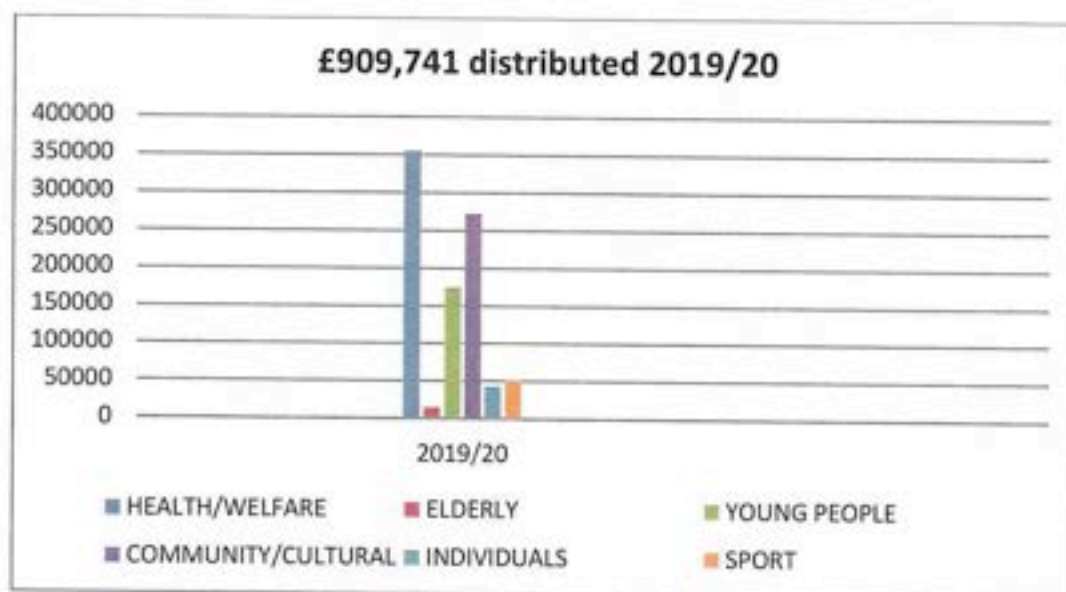
1. **Smaller Grants** (£300 to £2,500)
2. **Community Awards** (£2,501 to £50,000) as delegated partner of the National Lottery Community Fund.
3. **Island Community Fund** (£300 to £25,000 with a match funding requirement of 30/70 for charities and 50/50 for other organisations)

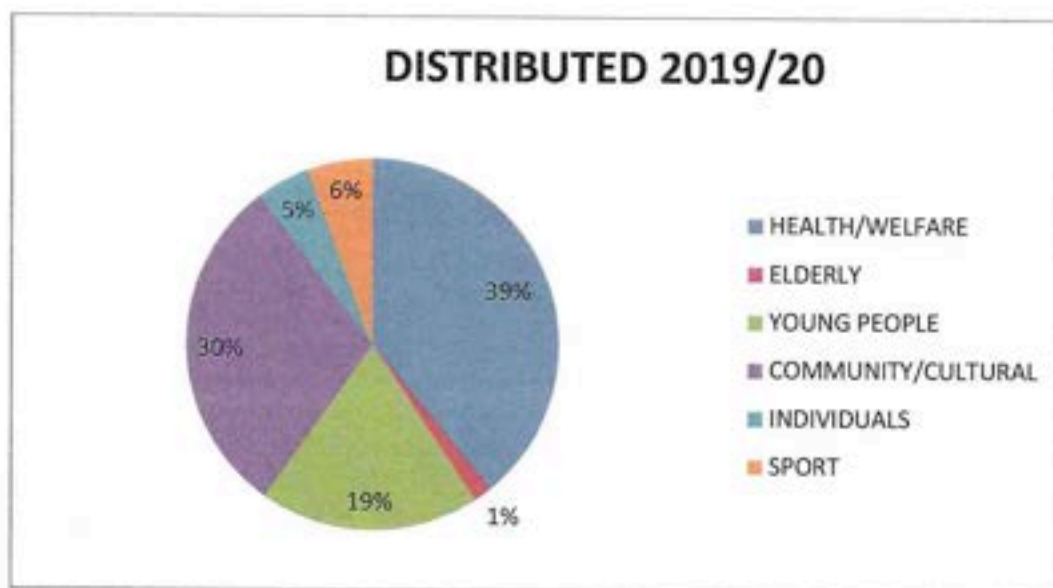
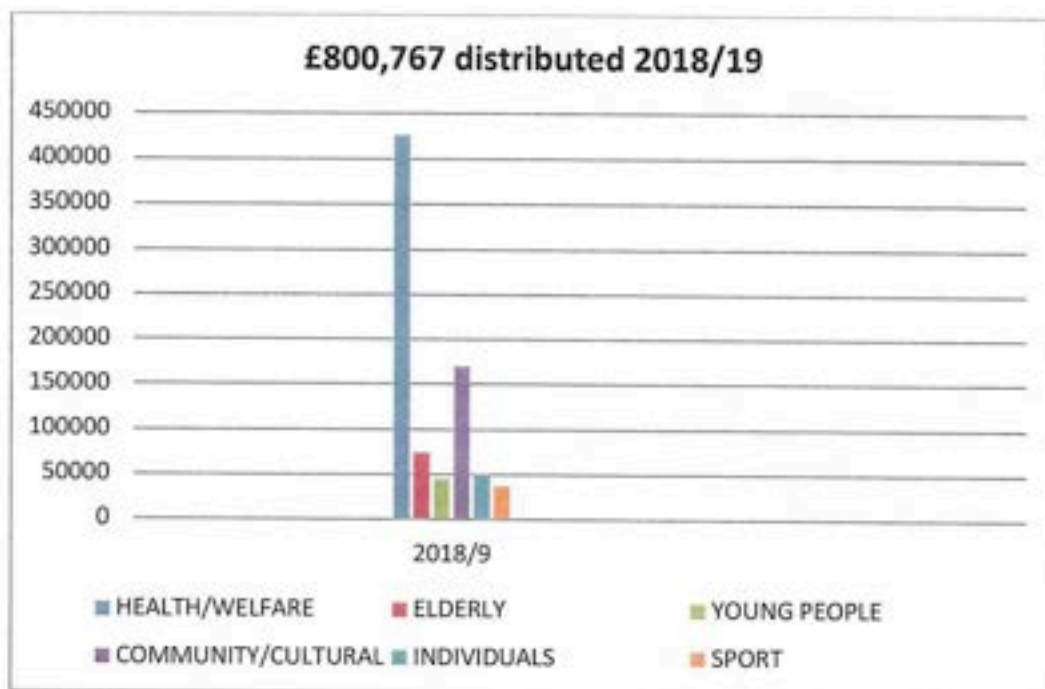
The Trustees continue to endeavour to exercise their powers in a fair and helpful way with the aim of supporting as many deserving causes throughout the Island as possible.

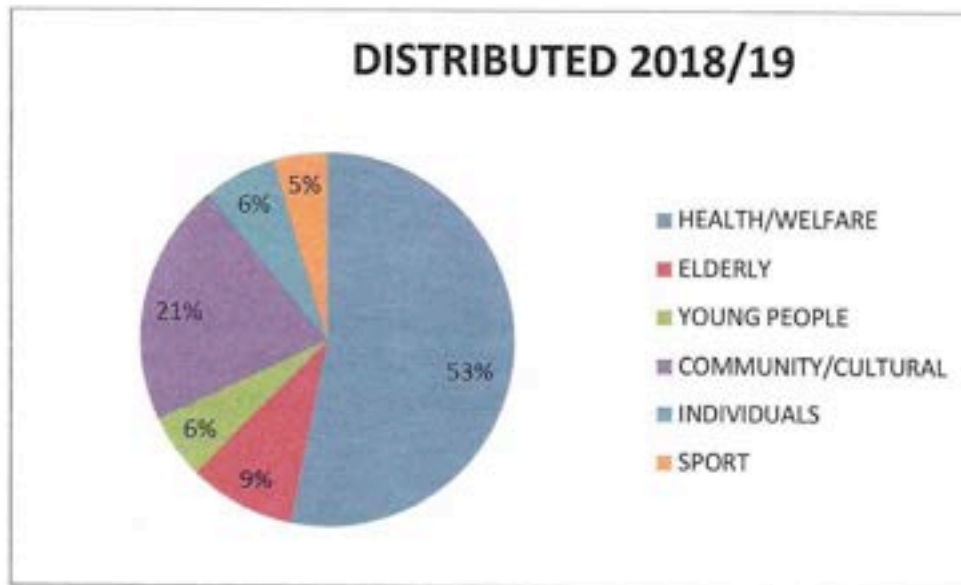
Applications are carefully assessed with the aim of providing consistency in the consideration of all grant applications. Guidance notes and application forms for current programmes are available to download from the Trust's website.

A list of the recipients of **grants paid** during the 12-month period ended 31st March 2020, totalling **£909,741**, forms Note 3 attached to the financial statements. Of this figure, **£555,458 was paid from designated National Lottery Funds** under the Community Awards Programme.

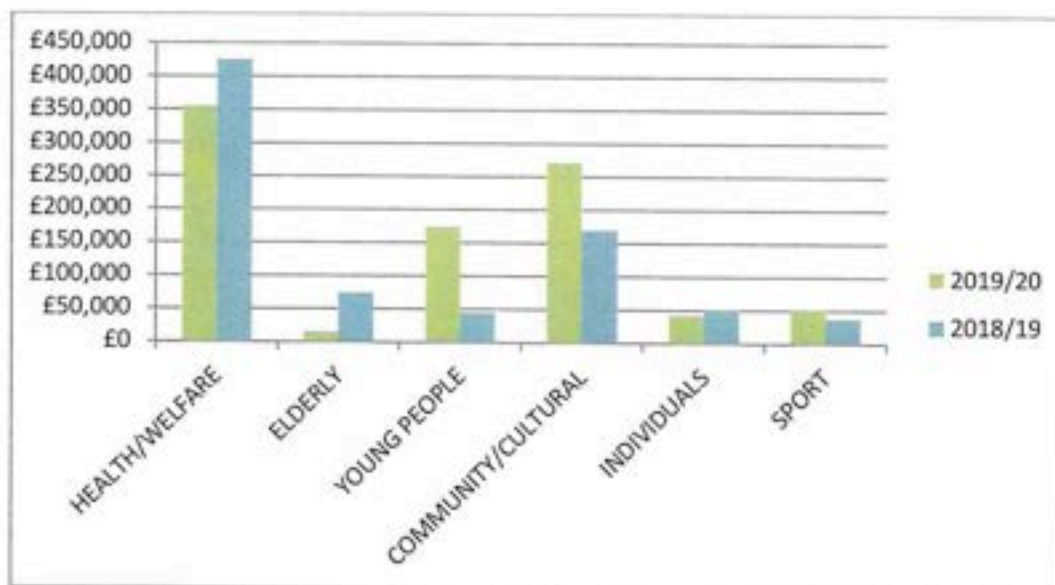
The distribution split of grants paid is shown in the following charts which demonstrate the types of assistance provided by the Manx Lottery Trust over the past two years to diverse charitable causes in the Island.







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.

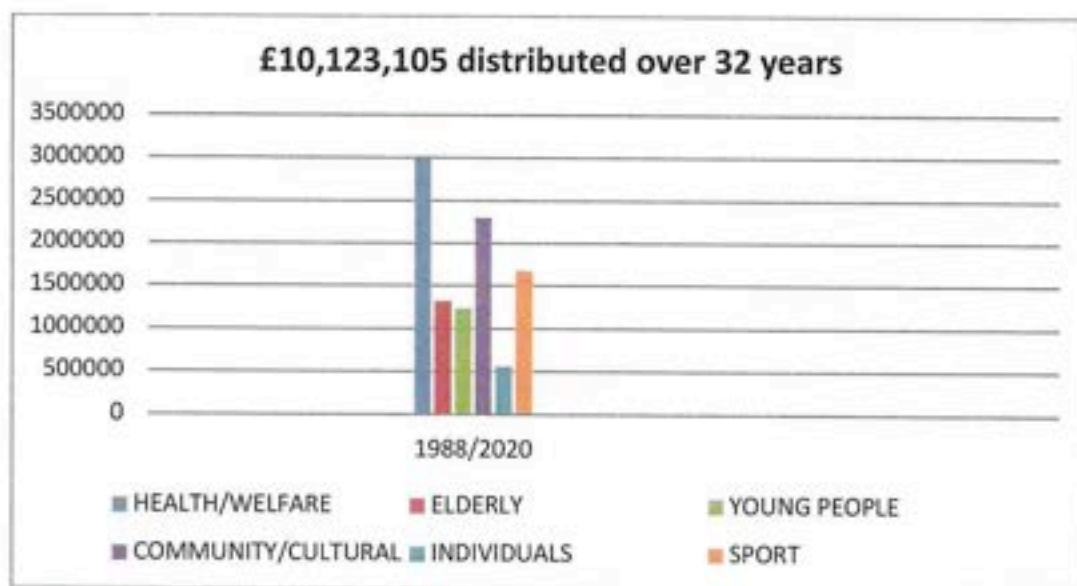
Elderly

The amounts awarded to Coal Funds and Endowment Committees, included in the Elderly category, were calculated at £70 per household during 2019/20, the same level as the previous year.

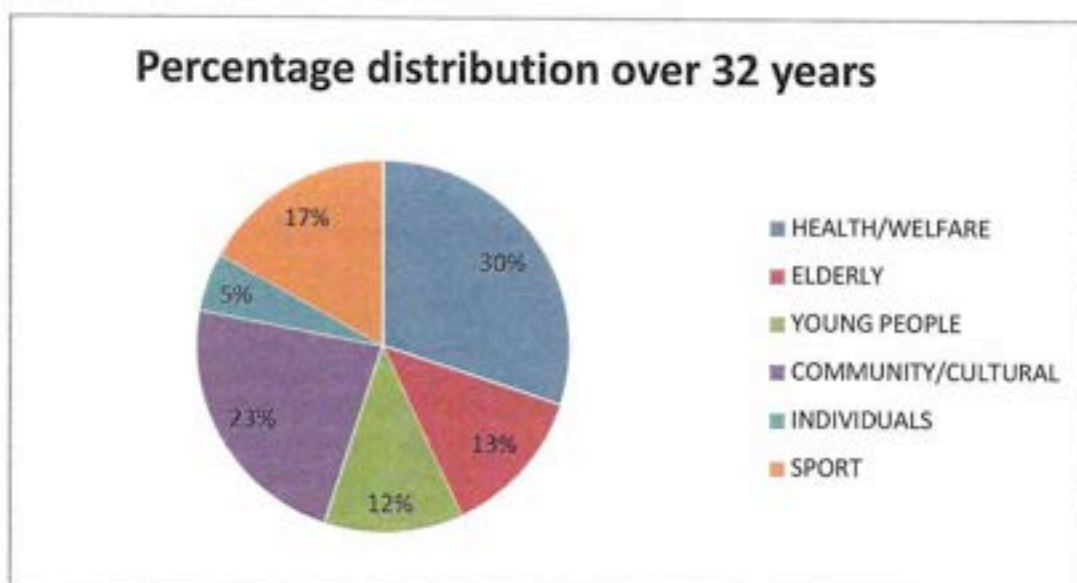
Individuals

The current programmes do not allow the Trust to fund individuals, other than through the Manx Lottery Trust Emergency Fund. The Trustees continued to finance and monitor the Emergency Fund and funding totalling **£42,752** was provided over the course of the year, a **decrease of 14.5%** over the previous year.

The following charts give the distribution split of total grants made over the last 32 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.



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 2020/21

The allocation to good causes resulting from Lottery Duty was published in the Manx Budget 2020/21.

Grants payable 2020-21

Organisation	National Lottery £	Treasury/Other £	Lottery Duty £	Total 2020/21 £
Manx Lottery Trust	600,000	-----	150,000	750,000
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

As I write this during lock-down, I am very proud of how we quickly moved to working from home and remotely too. Before Covid-19 was amongst us we had reviewed our Trust Deed and drawn up supplemental regulations which were agreed by the Attorney General's Office and covered some areas which the Trust Deed did not; mainly around online meetings being allowed when face to face meetings were impossible (it was almost like we knew the pandemic was coming).

Highlight of the year for the Trust was the addition of the Island Community Fund, with IOM Treasury granting MLT an additional £250k for distribution. Whilst this presented some additional challenges, the Officers coped admirably with the increased workload. This has given us great confidence that the delayed Dormant Assets Fund will be an easy transition, once funds are made available for distribution.

Our 5-year, external delegated authority (EDA) with The National Lottery Community Fund (TNLCF) expired at the end of this financial year. Whilst we were capable, and hopeful, of being able to distribute more funds, it was a tricky negotiation with the knowledge that IOM Government were considering starting their own online Lottery for a worldwide audience, which could, potentially, have an impact upon the sales of TNL tickets locally. After much discussion, compromise was reached and it was agreed that we would continue to receive a grant of £600k per annum, but that the agreement would be for a 10- year period, as opposed to the previous 5-year terms. We can, however, renegotiate after 5 years should we feel it necessary, bearing in mind Island need and a review of sale of Lottery tickets. We are very grateful to the team at TNLCF for continuing to support the Island and for allowing us to distribute community funding on their behalf.

Given the record number of applications that we received during the year it was inevitable that we were always going to be oversubscribed. However, I am confident that we have given every request for funding the same level of attention and that right decisions were made.

We said goodbye to our Treasurer in August 2019, and a Trustee in March this year, and I would like to place on record our thanks to Jan Blake and Julie McNicholl for all their work for the Trust. Thank you also to all my fellow Trustees for their time and contribution over the last year.

I would also like to thank our Officers who have again gone above and beyond in what they do for the Trust. It has been a year of change for them with the office move to No 7, Auckland Terrace, Ramsey. This brought about the added challenge of new equipment, but I know that both of these changes have brought with them advantages, particularly in that systems and processes have improved and become less cumbersome and time consuming, with a significant reduction in the use of paper.

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 are very much appreciated.

Signed



Mrs Sarah Kelly, Chairman

THE MANX LOTTERY TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2019-2020		2018-2019	
		£	£	£	£
Government grants	142	337,500		150,000	
From TNLCF	142	621,675		600,000	
Interest		2,018		1,448	
Donation		-		350	
Grants returned		-		3,685	
		-----		-----	
			961,193		755,483
Less:					
Grant expenditure MLT	3	354,282		204,447	
Grant Expenditure TNLCF	3	555,458		596,320	
Movement in committed grants	1	28,947		22,785	
Non grant expenditure	4	76,717		59,945	
			(1,015,404)		(883,497)
			-----		-----
Net movement in funds			(54,211)		(128,014)
			-----		-----
Fund account brought forward			106,843		234,857
			-----		-----
Balance available for distribution	6		52,632		106,843
			-----		-----

The notes on pages 13 to 16 form part of these financial statements.

THE MANX LOTTERY TRUST

STATEMENT OF ASSETS AND LIABILITIES AT 31 MARCH 2020

		2019-2020	2018-2019
Assets:			
Cash at bank	5	750,159	775,423
Petty cash		50	50
		-----	-----
Total assets		750,209	775,473
Liabilities:			
Committed and earmarked grants due within 1 Year	1		
MLT		(147,674)	(178,600)
TNLCP		(357,103)	(352,434)
		-----	-----
Net current assets		245,432	244,439
Committed and earmarked grants due after 1 year			
TNLCP		(192,800)	(137,596)
		-----	-----
Net assets		52,632	106,843
		-----	-----
Represented by:			
Fund account	6	52,632	106,843
		-----	-----

The notes on pages 13 to 16 form part of these financial statements.

The financial statements on pages 11 to 16 have been approved by the Trustees on the 31st July 2020 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 2020

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 The National Lottery Community 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 2020.

Note 2

In the year ended 31 March 2020 the Manx Lottery Trust received a total of **£337,500** (2019: £150,000) from the Treasury Isle of Man, being £150,000 in respect of a prescribed share of betting duty received from the UK National Lottery and £187,500 being part payment of a one off sum of £250,000 made available in the Manx Budget 2019/20.

The National Lottery Community Fund has agreed that the Manx Lottery Trust can distribute its funds to local causes as an "Award Partner" and payments of **£621,675** (2019: £600,000) were received during the year ended 31 March 2020.

THE MANX LOTTERY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020(continued)

Note 3

Andreas Commissioners
Arbory Endowments Committee
Ballaugh Endowments Committee
Cathedral Quarter Trust
Castletown Commissioners
Castletown Scout and Guide HQ
Colby AFC
Crossroads
1st Douglas Scout Group
Ellan Vannin Home
EPSA IOM
Family Library
Friends of Foxdale School
Grai
Hospice IOM
Housing Matters IOM
IOM Scout Association
IOM Live at Home Scheme
IOM Youth Motor Project
IOM Samaritans
Isle of Play
Laxey Sailing Club
Manx Bat Group
Manx Blind Welfare
Manx Carriage Driving 4 Disabled
Manx Footpaths Conservation Group
Manx Museum & National Trust
Manx National Youth Band
Manx Scrabble
Manx Wildlife Trust
Marown and District Bowling Club
Maughold and South Ramsey PCC
Michael Endowments Committee
Motiv8
Onchan Crown Green Bowling
Onchan Endowments Committee
PCC Bride
Peel Youth Club
Perree Bane Dance Group
Peveril Motorcycle Club
Pulrose Youth Club
Quing
Rob Vine Fund
Rushen Endowments Committee

THE MANX LOTTERY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (continued)

Rushen Heritage Trust
Rushen Silver Band
Santon Endowments Committee
Scout Association IOM
Singing Jo and Co
Skills for Independent Living Scheme
South Ramsey Bowling Club
Southern Community Initiatives
Supporters of Curraghs Wildlife Park
The Children's Centre
Union Mills FC
Victim Support IOM
Yn Cruinnaght

Note 4

Non Grant Payments were made as follows:

	2020	2019
	£	£
Officers' Salaries	44,303	43,905
Office Expenses	15,651	3,787
Public relations/website	14,420	9,637
Insurance	1,503	1,642
Miscellaneous Expenses	297	384
Bank charges	543	590
	<hr/>	<hr/>
Total	76,717	59,945

Note 5

The cash at the bank at 31 March 2020 totalled **£762,431** (2019: £779,195) which included the £12,222 (2019: £3,722) 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 2020 **(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 (2019: none).

Note 12

The Charity received a benefit in kind estimated at £3,500 in respect of professional services rendered by PricewaterhouseCoopers LLC for auditing these accounts without charge.

THE MANX LOTTERY TRUST

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable Isle of Man law and regulations.

Isle of Man law requires the Trustees to prepare financial statements for each financial year which comply in their form and content with regulations made under Section 27 of Charities Registration and Regulation Act 2019.

In preparing the financial statements, the Trustees are responsible for:

- selecting suitable accounting policies and then applying them consistently,
- making judgements and estimates that are reasonable and prudent,
- stating 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
- preparing 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 assets and liabilities of the charity and to enable them to ensure that the financial statements comply with the Charity's Trust Deed and the Charities Regulations 2020. 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

31st July 2020



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 financial position of the charity as at 31 March 2020 and of its financial performance for the year then ended in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A and comply with the provisions of the Trust Deed.

What we have audited

Manx Lottery Trust's financial statements comprise:

- the statement of assets and liabilities as at 31 March 2020;
- 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 and Financial Statements 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 27 of the Charities Registration and Regulation Act 2019 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

3 August 2020