

GD No: 2014/0060



**Sixth 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 2014**

Trustees and Officers

Trustees

- | | | | |
|---------------------------------------------------------------------|---|------------------------------------------|-------------------------------------|
| Mrs M M Hendy BA (Hons) Arch;
BA (Hons)(L'pool); PG Dip Cons Sci | - | appointed 21 st July 2003 | (retired 20 th May 2013) |
| Miss L M Gillow | - | appointed 11 th February 2008 | (re-appointed May 2014) |
| Mr M C Kelly | - | appointed 11 th February 2008 | (re-appointed May 2012) |
| Mr S J Turner FCA | - | appointed 11 th July 2011 | |
| Mr R Ronan MHK | - | appointed 15 th December 2011 | |
| Mrs J A McNicholl | - | appointed 21 st May 2013 | |

Treasurer

- | | | |
|--------------------|---|------------------------------------------|
| Mrs J A Blake ACIB | - | appointed 28 th February 2011 |
|--------------------|---|------------------------------------------|

Secretary

- | | | |
|------------------|---|----------------------------------------|
| Mr T Butler ACIB | - | appointed 1 st October 2010 |
|------------------|---|----------------------------------------|

Grants Officer

- | | | |
|----------------|---|-----------------------------------------|
| Mrs B J Craine | - | appointed 1 st February 2009 |
|----------------|---|-----------------------------------------|



PO Box 16
Ramsey
IM99 4QF

(Isle of Man Registered Charity Number 1021)

SIXTH 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 2014.

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.

During the period of this report Mrs J A McNicholl was appointed as a Trustee following the retirement of Mrs M M Hendy in May 2013.

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

Miss L M Gillow	- appointed 11 th February 2008	- retirement 20 th May 2019
Mr S J Turner	- appointed 11 th July 2011	- retirement 20 th May 2015
Mr R Ronan MHK	- appointed 15 th December 2011	- retirement 20 th May 2016
Mr M C Kelly	- appointed 11 th February 2008	- retirement 20 th May 2017
Mrs J A McNicholl	- appointed 14 th June 2013	-retirement 20 th May 2018

NB: Mr S J Turner, 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 Internal Audit Division of the Treasury.

With the full backing of Treasury, negotiations have taken place with Big Lottery Fund UK and the Manx Lottery Trust has been successful in securing funding, as delegated partner of The Fund, for a further five year period from April 2015.

Income and expenditure

The Isle of Man Budget 2013/14 made provision for the Manx Lottery Trust to receive the first £100,000 of Lottery Duty, the same figure as in the previous year.

In accordance with the External Delegated Agreement (EDA) between BIG Lottery Fund and the Manx Lottery Trust, a grant of **£300,000 from BIG Lottery Fund** was available for distribution on the Island.

A total of **£944,657** was available for distribution, made up from the following:

Cash at bank £526,186, Government grant £100,000, Big Lottery Fund £311,159, bank interest £4,812 and the sum of £2,500 retained in an Emergency Fund financed by the Trust and administered by the Social Services Division of the Department of Social Care.

During the accounting period the Trustees made **grant payments totalling £293,414 to 37 organisations** as listed in the notes of the attached financial statements, together with **£39,520 of non-grant payments** by way of administration costs.

At the **year-end** the **cash balance** stood at **£609,223**. From this figure the sum of **£407,360 was already committed by the Trustees** for payment to organisations upon completion of formalities. Of this figure, £326,273 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 £1,619 was retained in an Emergency Fund financed by the Trust and administered by the Social Services Division of the Department of Social Care.

The **balance available for distribution** at the year-end, and **carried forward** to the 2014/15 financial year, was **£201,913**.

Grant awards

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

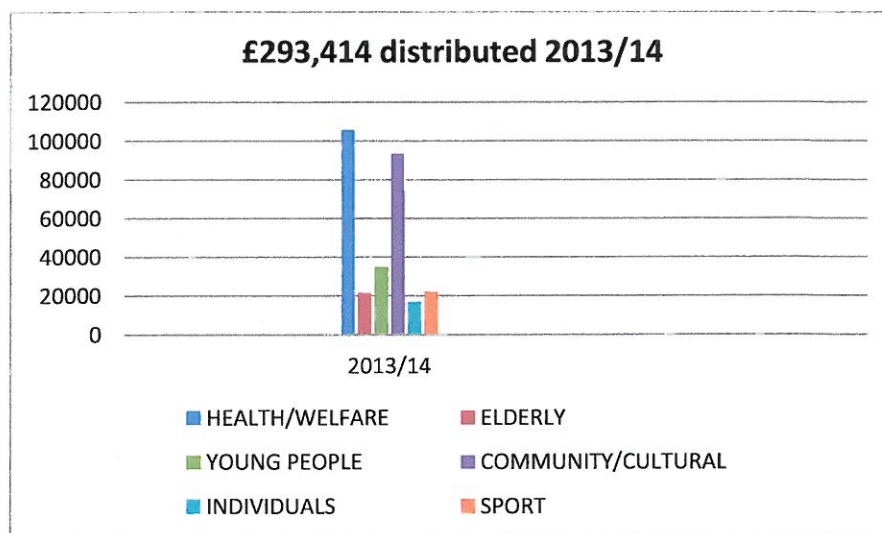
1. **Minor Grants** (£300 to £1000)
2. **General Awards** (£1001 to £50,000) as delegated partner of BIG Lottery Fund.

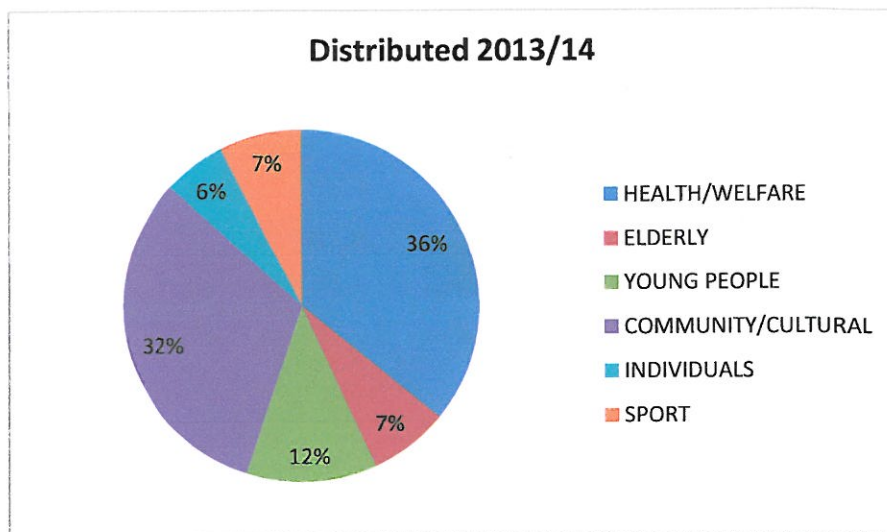
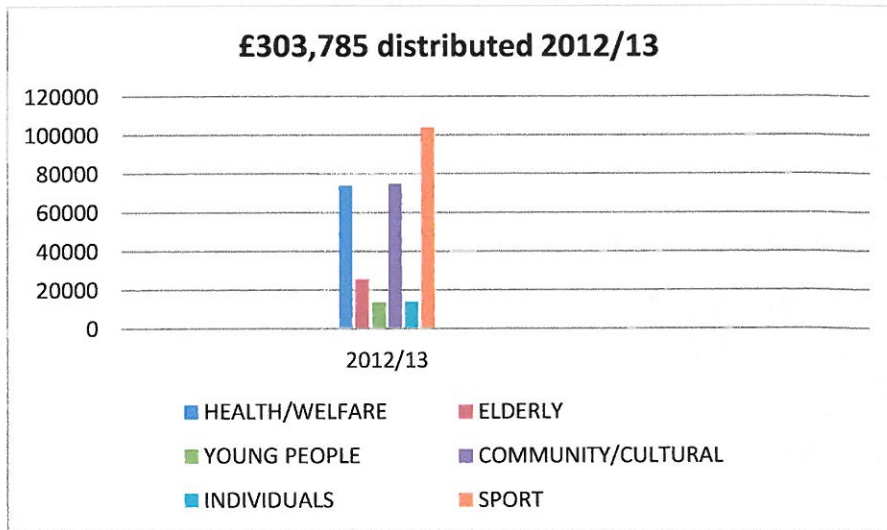
The Trustees continue to endeavour to exercise their powers in a fair and helpful way with the aim of supporting as many deserving causes throughout the Island as possible.

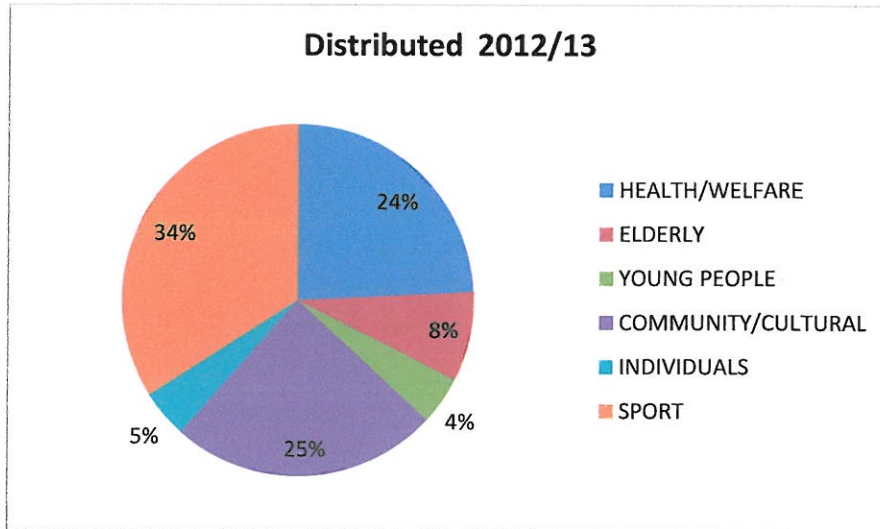
Applications are carefully assessed with the aim of providing consistency in the consideration of all grant applications. Guidance notes and application forms for current programmes are available to download from the Trust's website.

A full list of the recipients of **grants paid** during the 12 month period ended 31st March 2014, totalling **£293,414**, forms Note 3 attached to the financial statements. Of this figure, **£237,226 was paid from designated BIG Lottery Funds** under the General Awards Programme.

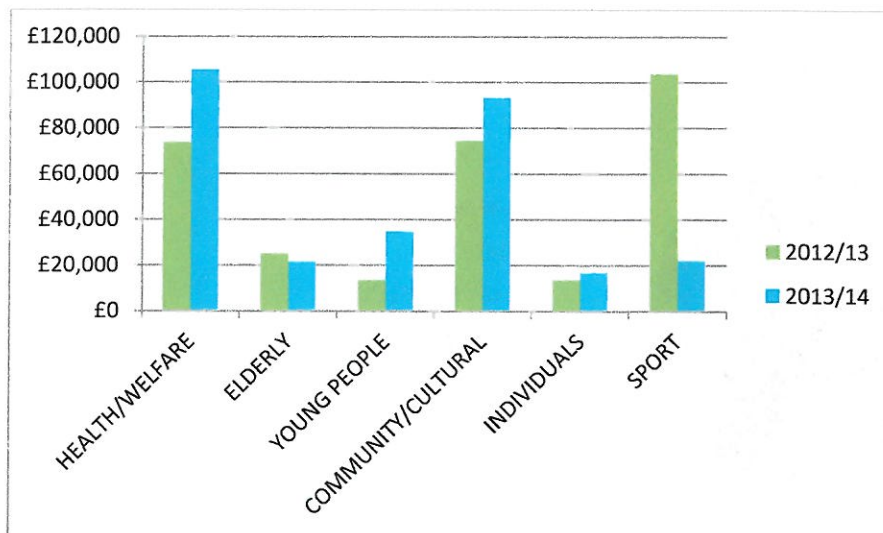
The distribution split of grants paid is shown in the following charts which demonstrate the types of assistance provided by the Manx Lottery Trust over the past two years to diverse charitable causes in the Island.







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 2013/14 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 2013, when compared to August 2012.

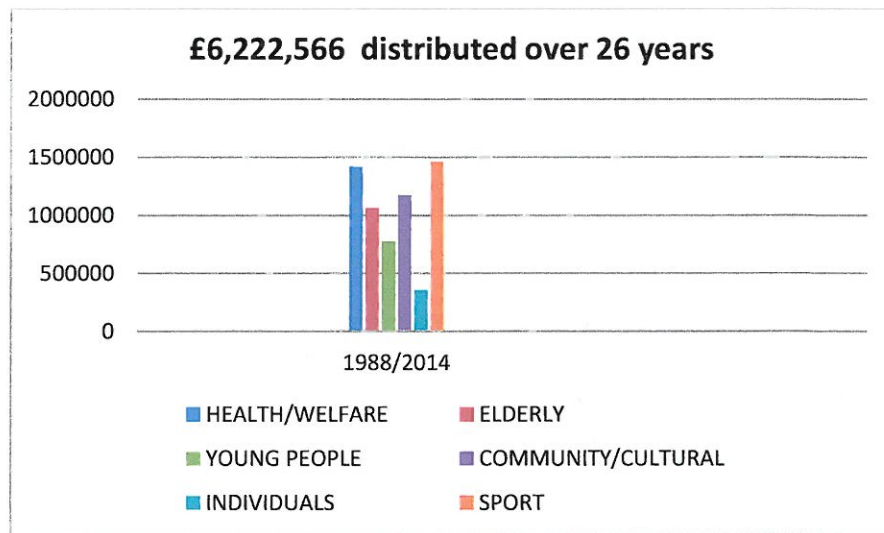
Individuals

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 **£16,658** was provided over the course of the year, an increase of 23.10% over the previous year.

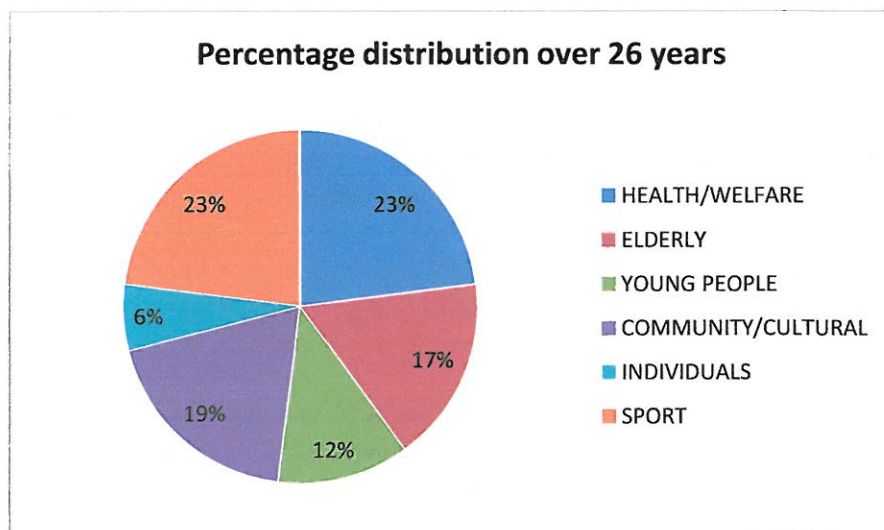
Sport

The Trustees have continued to make a conscious effort to reduce the amount of funding committed to sporting projects, with priority being given to other categories evidencing need. As a result, a 27% reduction over the previous year was achieved in the percentage figure for grants paid to Sport out of total grants paid, and the grant commitment percentage figure carried forward to the Year 2014/15 is 7% of total grant commitments carried forward, the same as carried forward to 2013/14.

The following charts give the distribution split of total grants made over the last 26 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 Internal Audit 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 2014/15

Details published in the Manx Budget 2013 revealed that the allocation of resources to good causes resulting from Lottery Duty remained unchanged.

The Manx Lottery Trust continues to receive a grant of £300,000 per annum from the Big Lottery Fund, and the first £100,000 of local Lottery Duty.

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 Manx Heritage Foundation. Each body is expected to receive:

	<u>BIG</u>	<u>Treasury</u>	<u>Lottery</u>	<u>Total</u>	<u>Total</u>
		Grant	Duty	2014/15	2013/14
	£	£	£	£	£
Manx Lottery Trust	300,000	Nil	100,000	400,000	400,000
Sports Council	Nil	18,000	465,000	483,000	464,400
Arts Council	Nil	74,900	420,000	494,900	461,300
Manx Heritage Foundation	Nil	100,000	315,000	415,000	400,000

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 after my first full year in office as Chairman. It has been a rewarding year, but also a very frustrating one as the amount of money available to distribute to worthy causes has been significantly less than the amounts applied for.

The Trustees have been faced with difficult choices and, to achieve a reasonable balance in distribution of funds, have found it necessary to part-fund many projects, with other worthy projects being unsuccessful. Of the total amount requested from applicants through the General Awards programme, the Trustees were only able to award 47.2%. In order to support as many applications as possible, the Trustees have, in exceptional circumstances, provided additional funding from the duty portion of Manx Lottery Trust funds.

I am delighted that, following lengthy negotiations with Big Lottery Fund UK, funding for the Manx Lottery Trust, as delegated partner of The Fund, has been secured for a further five year period commencing April 2015.

Along with the Secretary and Grants Officer, I have visited several of the projects we have funded, and it has been most rewarding to see most of them achieve their aims, with measurable outcomes. The Trustees and Officers continue to learn from the feedback given from projects and value it greatly. This knowledge will help with future policies and decision making.

Priority has been given to community projects evidencing need, for example, early intervention, young people who are not in education, employment or training, and people with addictions. Our hope is for the focus to turn a little more to the elderly in our community over the next twelve months.

I would like to thank my fellow Trustees for their invaluable support during the year. In addition, I must record the Trustees' appreciation and thanks to our Officers, for all their hard work and extra effort in developing the work of the Trust. With a view to further streamlining the operation of the Manx Lottery Trust over the coming months, the Secretary and Grants Officer recently spent time in England with the Big Lottery Fund UK. I look forward with excitement to the next twelve months working with the same close knit team and building on our work within the Manx Community.

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, 2014

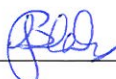
	Notes	2013-2014		2012-2013	
INCOME AND EXPENDITURE ACCOUNT		£	£	£	£
Government grant	1&2	100,000		100,000	
From Big Lottery Fund	1&2	311,159		263,110	
Interest		4,812		4,050	
		-----		-----	
		415,971		367,160	
Less:					
Grant expenditure MLT	3	56,188		100,154	
Grant expenditure BIG	3	237,226		203,631	
Movement in committed grants	1	54,888		150,327	
Non grant expenditure	4	39,520		35,788	
		-----		-----	
		(387,822)		(489,900)	
		-----		-----	
Net incoming resources					
available for charitable application		28,149		(122,740)	
		=====		=====	
STATEMENT OF ASSETS AND LIABILITIES					
Assets:					
Cash at bank	5	610,842		528,686	
Petty cash		50		50	
		-----		-----	
Total assets		610,892		528,736	
Liabilities due within one year:					
Committed and earmarked grants	1	(361,189)		(312,072)	
		-----		-----	
Net current assets		249,703		216,664	
Liabilities due after one year:					
Committed and earmarked grants		(47,790)		(42,900)	
		-----		-----	
Net assets		201,913		173,764	
Represented by:					
Fund account brought forward		173,764		296,504	
Net incoming resources for the period		28,149		(122,740)	
		-----		-----	
Balance available for distribution	6	201,913		173,764	
		=====		=====	

The notes on pages 13 to 15 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 15/08/2014



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, 2014

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 2014.

Note 2

In the year ended 31 March, 2014 the Manx Lottery Trust received a total of £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 UK's Big Lottery Fund has agreed that the Manx Lottery Trust can distribute its funds to local causes as an "Award Partner" and payments of £311,159 were received during the year ended 31 March, 2014.

Note 3

Applicant	£	Purpose
Arbory Endowments	180.00	Heating and lighting costs
Ballakermeen High School	202.80	Allotment project
Ballaugh Heritage Fund	2,300.00	Towards restoration of railway goods shed
Castletown Bowling Club	6,000.00	Towards cost of enclosed shelter
Castletown Endowments	3,120.00	Heating and lighting costs
Children's Centre	7,455.56	Youth karting project
Colby Over 60s	750.00	Towards costs of activities
Emergency Fund	16,658.34	DHSS individuals
Groudie Glen Railway	9,750.00	Cost of replacement carriages
Friends of Foxdale School	7,000.00	Community exercise equipment
IOM Fungus Group	500.00	Equipment
Kirk Michael Thursday Club	750.00	Towards costs of activities
Housing Matters IOM	5,943.00	Towards Multi-agency Work Project
Manx Development Education Network	4,320.00	Towards Manx Connections Wiki
Manx Basking Shark Watch	10,965.47	There's a shark on my phone project
Manx Cancer Help	19,798.00	Towards salary costs, equipment and resources
Manx Wildlife Trust	842.20	Ramsey Forest project
Michael Endowments	1,680.00	Heating and lighting costs
Motiv8	50,000.00	Pathways to addiction
MSPCA	5,000.00	Towards animal ambulance
Northern Lights	18,750.01	Towards staff costs of project
Onchan Endowments	6,000.00	Heating and lighting costs
Peel Coal Fund	6,575.00	Heating and lighting costs
Peel Sailing Club	1,000.00	Towards cost of disabled access
Port Erin Over 60s	600.00	Towards costs of activities
Port St Mary School	3,589.00	Towards Wildlife interactive garden
QE II School	985.15	Grow your own clothes project
Ramsey RUFC	15,000.00	Towards cost of new floodlighting
1st Rushen Scout Group	1,414.83	Camping equipment
Santon Endowments	1,680.00	Heating and lighting costs
Southern Community Initiative	20,181.92	Coordinator salary
Sulby School	8,000.00	Towards new minibus
West Taekwondo Club	1,000.00	Towards cost of equipment
Women's Aid	3,640.00	Towards costs of new telephone service
Yn Cruinnaght	2,000.00	Towards costs of PA equipment
Extended Term Funding		
Children's Centre	25,053.00	Thriving families project
Crossroads care	12,480.00	Young Carers Young Adults Project
IOM Youth Motor Project	12,250.00	NEETs Project
Total	293,414.28	

Note 4

Non Grant Payments were made as follows:

	2013	2014
	£	£
Secretary/Grant's Officer	30,235	32,238
Treasurer's Honorarium	1,500	1,750
Office Expenses	1,434	3,650
Insurance	1,520	1,520
Miscellaneous Expenses	831	180
Bank charges	268	182
	-----	-----
Total	35,788	39,520

Note 5

The cash at the bank at 31 March 2014 totalled **£609,223**. A further **£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. This figure does not include a scheduled draw-down of £50k in September 2014 from Big Lottery Fund UK, to cover Extended Term Funding commitments.

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 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

15/08/2014

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 2014 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 2014, and of its surplus for the year then ended in accordance with United Kingdom Accounting Standards; and
- comply with the provisions of the documents constituting the Charity.



PricewaterhouseCoopers LLC
Chartered Accountants
Douglas, Isle of Man

18 August 2014