



**Eighth Report
Of the
Manx Lottery Trust**

**To The Hon. Stephen Charles Rodan
President of Tynwald
and
The Honourable Council and Keys
in Tynwald Assembled**

**Report and Financial Statements
For the year ended
31st March 2016**

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 2013)
(Resigned January 2016)

- Mr R Ronan MHK - appointed 15th December 2011
- Mrs J A McNicholl - appointed 21st May 2013
- Mrs S Kelly - appointed 18th March 2016
- Mr J N Watson - appointed 18th March 2016

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



PO Box 16
Ramsey
IM99 4QF

(Isle of Man Registered Charity Number 1021)

EIGHTH 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 2016.

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 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 covered by this report, Mr S J Turner resigned as a Trustee upon leaving the Island, and two new Trustees, Mrs S Kelly and Mr J N Watson, were appointed on the 18th March 2016.

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 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
Mrs S Kelly	- appointed 18 th March 2016	- retirement 20 th May 2020
Mr J N Watson	- appointed 18 th March 2016	- retirement 20 th May 2021

NB: Mr R Ronan MHK , Mrs J A McNicholl, Mrs S Kelly, and Mr J N Watson 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 2015/16 made provision for the Manx Lottery Trust to receive the first **£150,000** of Lottery Duty, an increase of £50,000 over 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** was available for distribution on the Island.

During the year a total of **£1,269,856** was available for distribution, made up from the following: Cash at bank **£516,066** (including the £2231 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, and bank interest £3,789.

During the accounting period the Trustees made **grant payments totalling £628,876 to 63 organisations** as listed in the notes of the attached financial statements, together with **£57,805 of non-grant payments** by way of administration, research and website costs.

At the **year-end** the available **cash balance** stood at **£583,494** (including £2,500 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 **£363,156 was already committed by the Trustees** for payment to organisations upon completion of formalities. Of this figure, **£294,288** related to Grant offers and commitments made under the Community Awards Programme as Delegated Partner of the Big Lottery Fund.

The **balance available for distribution** at the year-end, and **carried forward** to the 2016/17 financial year, was **£217,838**.

Grant awards

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

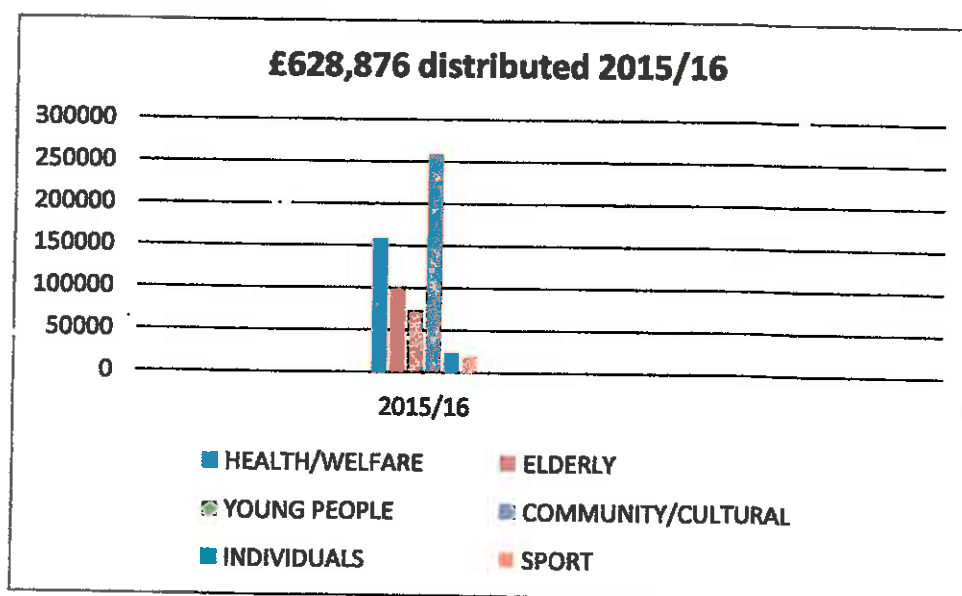
1. **Smaller Grants** (£300 to £2500)
2. **Community Awards** (£2501 to £50,000) as delegated partner of BIG Lottery Fund.

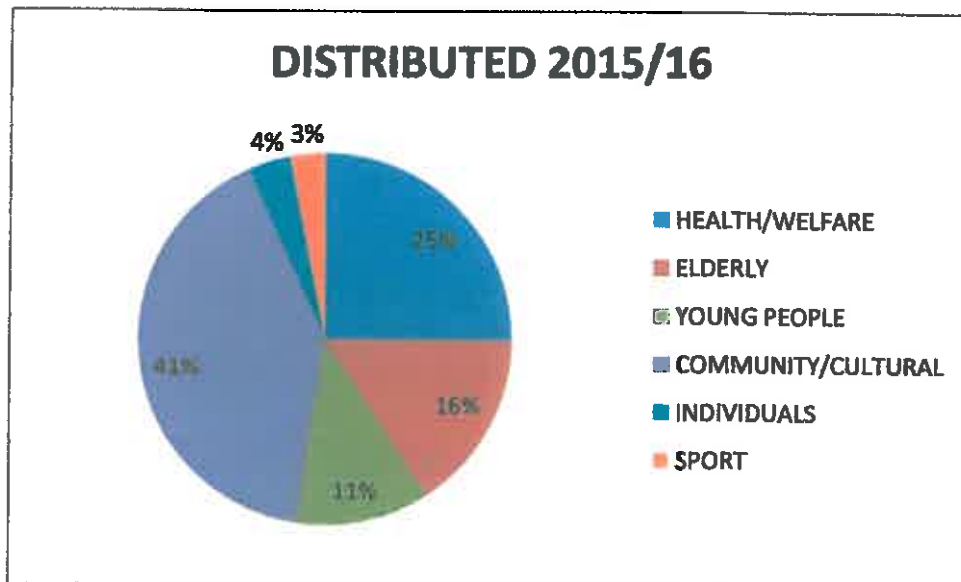
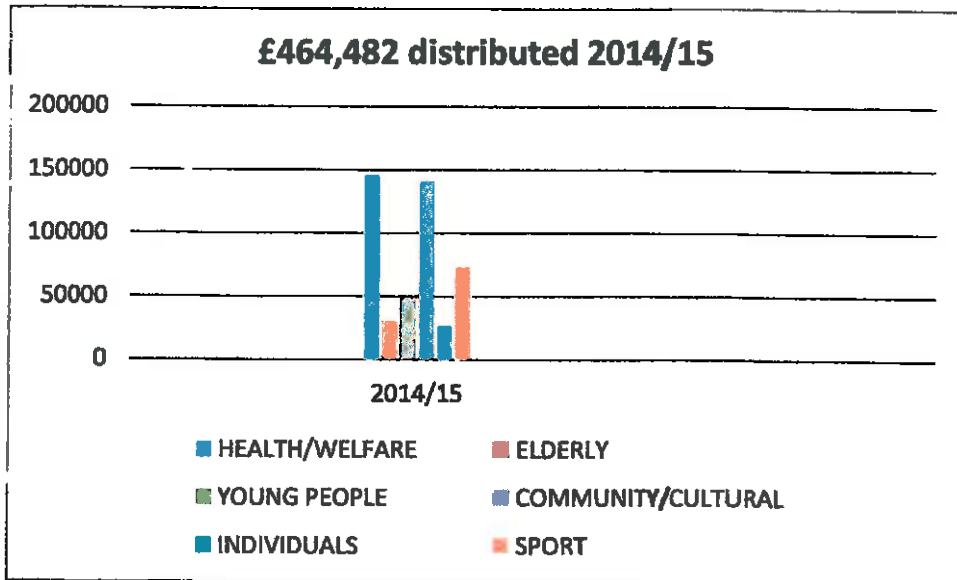
The Trustees continue to endeavour to exercise their powers in a fair and helpful way with the aim of supporting as many deserving causes throughout the Island as possible.

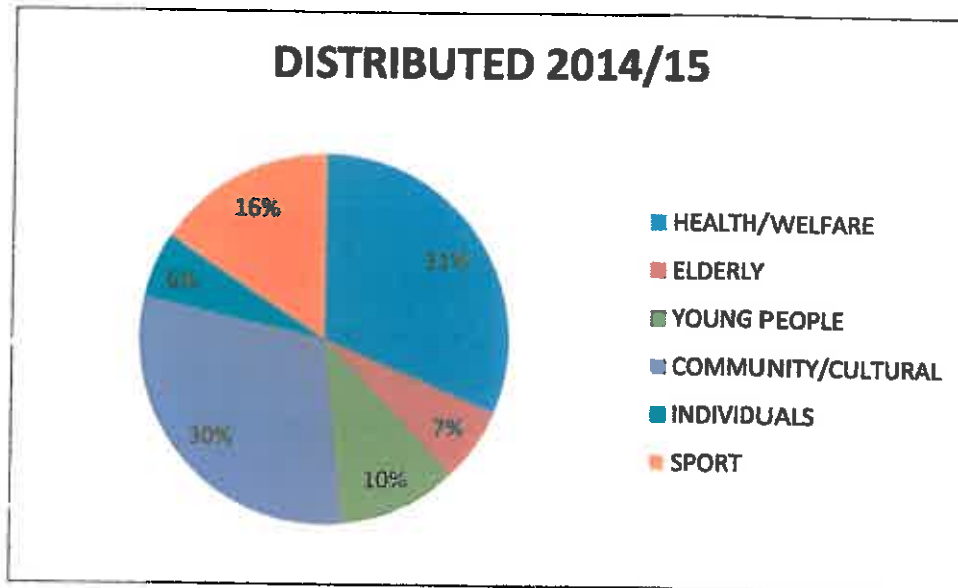
Applications are carefully assessed with the aim of providing consistency in the consideration of all grant applications. Guidance notes and application forms for current programmes are available to download from the Trust's website.

A full list of the recipients of **grants paid** during the 12 month period ended 31st March 2016, totalling **£628,876**, forms Note 3 attached to the financial statements. Of this figure, **£450,018 was paid from designated BIG Lottery Funds** under the General Awards and Community Awards Programmes.

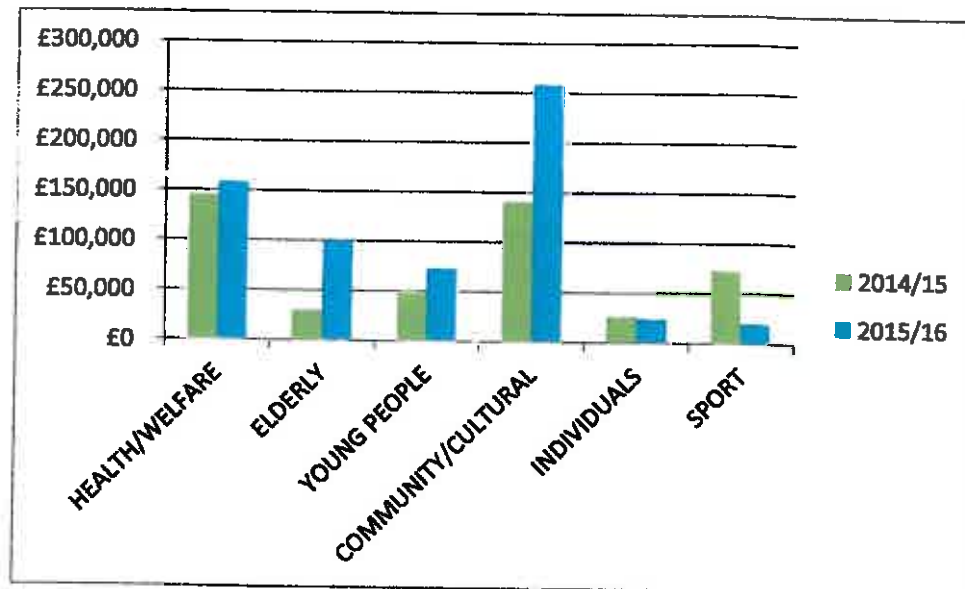
The distribution split of grants paid is shown in the following charts which demonstrate the types of assistance provided by the Manx Lottery Trust over the past two years to diverse charitable causes in the Island.







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**” continues to be evidenced in the increased distribution figure in this category, £157,569.

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 2015/16 despite an overall 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 2015, when compared to August 2014.

Thematic Funding for projects that met the needs of older people in the Isle of Man has resulted in an increase in distribution to £98,875 in this category, an increase of 230% over the previous year. It is anticipated that the balance of the £150,000 Thematic Funding awarded by the Trustees will be paid out during the next financial year as projects progress.

Community/Cultural

The increased funding made available from the Big Lottery Fund for the Community Awards Programme has resulted in distribution of £257,755 in this category, an increase of 83% over the previous year.

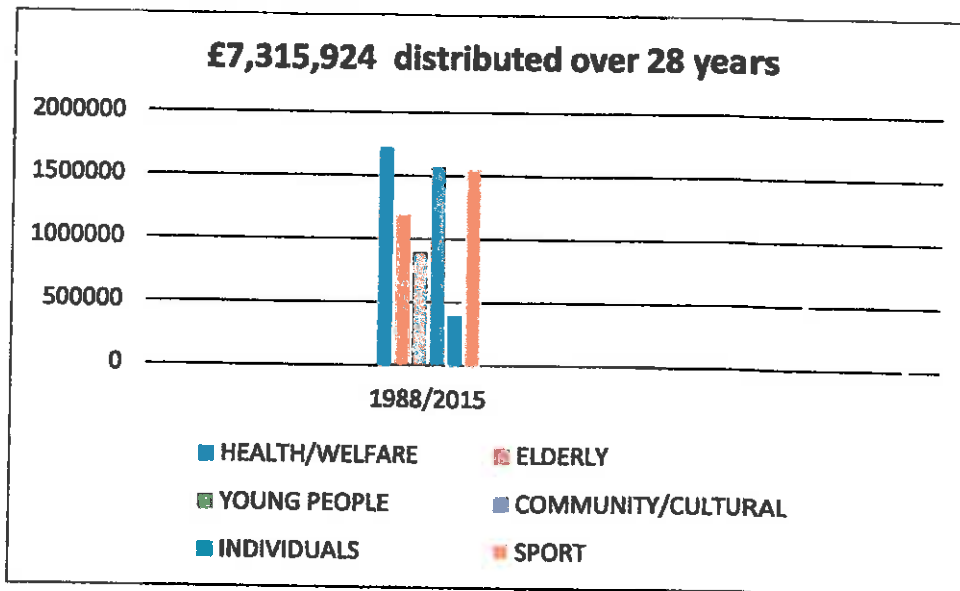
Individuals

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 **£23,179** was provided over the course of the year, a decrease of 12% over the previous year.

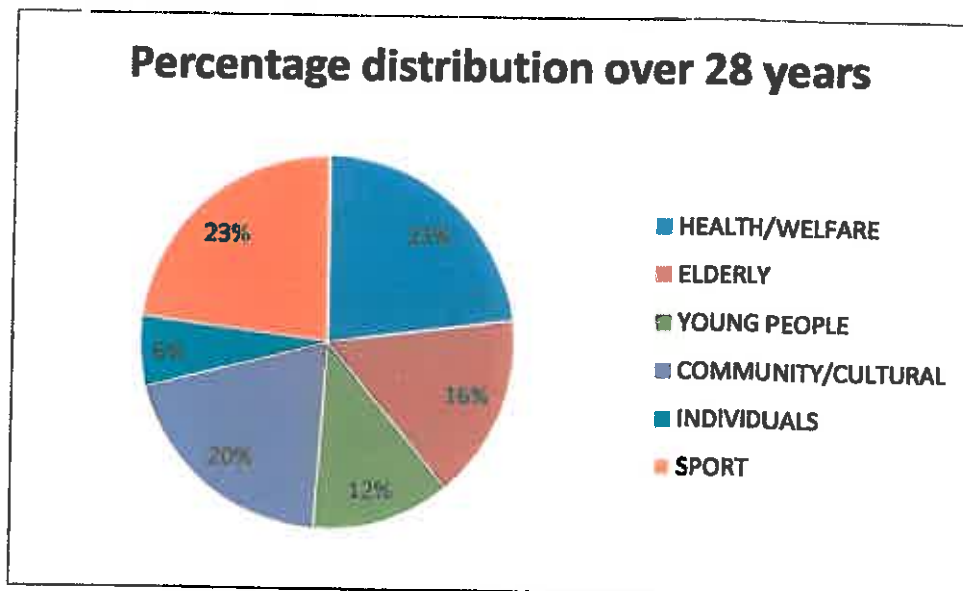
Sport

Whilst the percentage figure distributed to this category has decreased to 3%, the Trustees have, in addition, awarded grants to Sports Club for projects of benefit to the wider Community which have been included in the Community/Cultural category.

The following charts give the distribution split of total grants made over the last 28 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% of the administration costs of the MLT (capped at £30,000), with Treasury covering the remaining 25% and any excess over the cap.

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 2016/17

Details published in the Manx Budget 2016 revealed changes in the allocation to good causes resulting from Lottery Duty.

In terms of allocation, the first £300,000 is allocated to the Manx Lottery Trust and the Sports Council equally.

£25,000 will be utilised to fund a new grant aimed at providing adaptations for Manx resident veterans.

The remaining balance is divided between the Sports Council, Arts Council and Culture Vannin at 30%, 40%, and 30% respectively.

	<u>BIG</u>	<u>Treasury</u>	<u>Lottery</u>	<u>Total</u>	<u>Total</u>
		<u>Grant</u>	<u>Duty</u>	<u>2016/17</u>	<u>2015/16</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Manx Lottery Trust	600,000	Nil	150,000	750,000	750,000
Sports Council	Nil	21,000	493,500	514,500	483,000
Arts Council	Nil	109,000	458,000	567,000	516,700
Culture Vannin	Nil	100,000	343,500	443,500	415,000
The Veterans Grant	Nil	Nil	25,000	25,000	-

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 2015/16

As the statistics show, it has been another busy year for the Trust. The roll out of the Community Awards and Smaller Grants Programmes proved successful; a total of £628,876 was distributed by the Trust. The Thematic Funding clearly went some way to meet the needs of an ageing population. In that way, members of the older generation would have benefited from six grants awarded under this heading; indeed all of the Thematic Funding applications received by the Trust were granted.

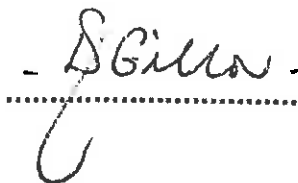
Following the success of the launch of the Community Awards Programme, the Trust was able to secure further funding that will allow for a similar event to take place annually. This has a dual purpose: it affords opportunity to detail the area of need being targeted that year, whilst also providing a forum for promotion of the Trust's ethos and offer. This year, research has suggested that the focus be on 'early intervention'.

Sam Tague, our BIG Lottery Funding Manager, visited in March. A full itinerary was devised for her two-day visit, which comprised of meetings with MLT officers and trustees, and a number of planned visits to a variety of organisations that have recently been in receipt of a Lottery grant. I am pleased to record that Sam was duly impressed by the high levels of enthusiasm and commitment displayed by the volunteers she met along the way. It is also gratifying to note that she was very content with the administration and governance of the Manx Lottery Trust and I should like to record my thanks to our officers in this regard.

It has been a year of change in trustee membership. Malcolm Kelly stood down as Chair in May; thanks are due for all the work he has carried out during his time as Chair, though we look forward to his continued in-put over the rest of the year. Unfortunately we lost Stephen Turner as a trustee this year, his work commitments dictated that he move off Island. As with Malcolm, Stephen's contribution to the Trust's work is similarly much appreciated; he will be missed. However, response to our advertisement for trustees was healthy and we have been able to recruit two new members both of whom bring expertise and experience valuable to the decision making it is our business to carry out. We welcomed Sarah Kelly and John Watson in March and wish them well in their time with the MLT.

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

Signed



..... **L M Gillow (Miss) MA, BA, Chair**

THE MANX LOTTERY TRUST

**INCOME AND EXPENDITURE ACCOUNT & STATEMENT OF ASSETS AND LIABILITIES FOR THE YEAR ENDED
31 MARCH, 2016**

	Notes	2015-2016		2014-2015	
INCOME AND EXPENDITURE ACCOUNT		£	£	£	£
Government grant	1&2	150,000		100,000	
From Big Lottery Fund	1&2	600,000		311,158	
Interest		3,789		3,858	
			-----		-----
			753,789		415,016
Less expenditure on charitable activities:					
Grant expenditure MLT	3	178,858		105,629	
Grant expenditure BIG	3	450,018		358,853	
Movement in committed grants	1	48,792		(92,996)	
Non grant expenditure	4	57,805		45,921	
			(735,473)		(417,407)
			-----		-----
Net incoming resources available for charitable application			18,316		(2,391)
			=====		=====
STATEMENT OF ASSETS AND LIABILITIES					
Assets:					
Cash at bank	5	583,444		516,066	
Petty cash		50		50	
			-----		-----
Total assets		583,494		516,116	
Liabilities:					
Committed and earmarked grants due within 1 Year	1	(341,656)		(316,594)	
			-----		-----
Net current assets		241,838		199,522	
Committed and earmarked grants due after 1 year		(24,000)		-	
			-----		-----
Net assets		217,838		199,522	
			=====		=====
Represented by:					
Fund account brought forward		199,522		201,913	
Net incoming resources for the period		18,316		(2,391)	
			-----		-----
Balance available for distribution	6	217,838		199,522	
			=====		=====

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 the 12th August 2016



Mr M C Kelly (Trustee)



Mrs J A Blake (Treasurer)

THE MANX LOTTERY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

Note 1

The accounts have been prepared under the historical cost convention and in accordance with United Kingdom Financial Reporting Standard for Smaller Entities (the FRSE) (effective 1 January 2015) and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the SORP) (effective 1 January 2015). 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 2016.

Note 2

In the year ended 31 March 2016 the Manx Lottery Trust received a total of **£150,000** (2015: £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 a payment of **£600,000** (2015: £311,158) was received during the year ended 31 March 2016.

Note 3

Applicant	£	Purpose
Arbory Endowments	180.00	Heating and lighting costs
Ballaugh Endowments	900.00	Heating and lighting costs
2 nd Castletown Brownies	1,010.91	Equipment for hall
Castletown Commissioners	7,000.00	Refurbishment of Community Hall
Castletown Endowments	3,120.00	Heating and lighting costs
Castletown Football Club	20,095.23	Refurbishment of Social Club
Cathedral Quarter Trust	17,500.00	Corrin Hall Entrance
Centenary Centre Peel	9,657.00	Theatre ceiling
Children's Centre	52,107.00	Thriving Families
Cloideryn Productions	2,500.00	Stage extension
Colby Over 60s	750.00	Towards costs of activities
Connect2Charity Coding Bus	9,816.80	Towards Roaming Coding Bus
Connect2Charity Family Library	19,704.31	Towards Bibliotherapy Project
Crossroads Care	49,971.00	ASK project
DASH	13,700	Drug worker
Dianna Princess of Wales Care at Home Trust	20,000.00	Nursing support at home
Douglas Bay Yacht Club	12,000.00	Boats and sailing for young people
Ecovannin	35,000.00	Coordinator post
Emergency Fund	23,179.28	DHSC individuals
Friends of Malew Church	15,945.70	Towards cost of renovations
Groudle Glen Railway	20,000.00	Cost of replacement carriages
Hospice IOM	364.36	Youth worker salary
Housing Matters IOM	2,274.60	Promotional work and materials
IOM Community Foundation	7,820.00	Website, stationery and secretarial costs
IOM College	6,596.79	Towards Burroo project
IOM Cricket Association	2,500.00	Equipment for cricket in the community
IOM County Crown Green Bowling Association	6,774.34	Equipment for Bowls for All project
IOM Scout Association	9,253.36	Improvements to IOM Scout HQ
IOM Youth Motor Project	12,232.00	Employment and engagement project
Kewaigue School	8,000.00	Towards minibus
Kirk Michael Thursday Club	750.00	Towards costs of activities
Manx Basking Shark Watch	9,034.53	Equipment for project
Manx Cancer Help	33,076.00	Towards salary costs, equipment and resources
Manx Carriage Driving 4 Disabled	3,091.63	Adapted carriage, pony and delivery
Manx Hedgehog Conservation Society	480.00	Banners, printing and signage for vehicle
Manx Mountain Bike Club	2,500.00	Towards development of bike skills area
Manx Youth Band	25,250.00	Towards reroofing
Marown Memorial Playing Fields	12,000.00	Community Group Storage Facility

Michael Endowments	1,860.00	Heating and lighting costs
Michael Parish Church	15,000.00	Improvements for community use
Motiv8	10,000.00	Conference and research project
Manx SPCA	2,219.00	Signage and coordinator costs
Onchan Endowments	4,200.00	Heating and lighting costs
Onchan Parish Hall	30,000.00	Refurbishment of Lower Hall
Peel Coal Fund	9,120.00	Heating and lighting costs
Peel Pensioners and Friends	300.00	Promenade Flags
Port Erin Over 60s	833.00	Towards costs of activities
Port St Mary Commissioners	20,000.00	Equipment for Community Hall
Preschool Assessment Centre	955.00	Sensory Room equipment
Relate IOM	2,000.00	Counsellor training
Rushen Endowments	1,800.00	Heating and lighting costs
Rushen Heritage	5,000.00	Towards heritage project
Rushen Primary School	600.00	Towards bike shed
Rushen Twirlers	450.00	Costumes and equipment
Santon Endowments	1,500.00	Heating and lighting costs
Sayle Gallery	1,200.00	Printing press and art project
Southern Community Initiatives	13,774.10	Coordinator and equipment
Southern Explorer Scouts	2,300.00	Equipment
Southern Local Authority		
Swimming Pool Board	938.73	Refurbishment of disabled hoist
Special Olympics	7,260.14	Towards clothing and equipment
St German's Cathedral	520.00	Educational packs
St John Ambulance	20,000.00	Towards heart monitoring equipment
Yn Cruinnaght	910.78	Towards costs of equipment
Total distributed	£628,875.59	

Note 4

Non Grant Payments were made as follows:

	2015	2016
	£	£
Officers' Salaries	33,725	39,983
Treasurer's Honorarium *	1,750	-
Office Expenses	3,951	4,942
New website/revised stationery	-	8,076
Research	-	2,049
Insurance	1,536	1,536
Miscellaneous Expenses	4,656	894
Bank charges	303	325
	-----	-----
Total	45,921	57,805

* The Treasurer's Honorarium has been replaced with a monthly salary payment with effect from April 2015.

Note 5

The cash at the bank at 31 March 2016 totalled **£583,444** (2015: £516,066) which included the £2500 (2015: £2231) 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 FRSSSE 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

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.

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 2016 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 applicable to smaller entities, 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 2016, and of its surplus for the year then ended in accordance with United Kingdom Accounting Standards applicable to smaller entities; and
- comply with the provisions of the documents constituting the Charity.



PricewaterhouseCoopers LLC
Chartered Accountants
Douglas, Isle of Man

12 AUGUST 2016

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



Mr M C Kelly (Trustee)

12th August 2016