



**Ninth Report
Of the
Manx Lottery Trust**

**Report and Financial Statements
For the year ended
31st March 2017**

Trustees and Officers

Trustees

Mr M C Kelly	- appointed 11 th February 2008 (re-appointed May 2012) (retired March 2017)
Miss L M Gillow	- appointed 11 th February 2008 (re-appointed May 2014)
Mr R Ronan MHK	- appointed 15 th December 2011 (retired July 2016)
Mrs J A McNicholl	- appointed 21 st May 2013
Mrs S Kelly	- appointed 18 th March 2016
Mr J N Watson	- appointed 18 th March 2016
Mr G R Peake MHK	- appointed 20 th January 2017
Ms N Plumley	- appointed 23 rd June 2017
Mr MC Dempsey	- appointed 23 rd June 2017

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)

NINTH REPORT OF THE MANX LOTTERY TRUST

The Trustees present their annual report and financial statements of the charity for the year ended 31st March 2017.

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 seven Trustees, six of whom are appointed by the Trust with Treasury concurrence. The seventh 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, 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 R Ronan MHK, Tynwald Trustee, retired as he was not seeking re-election as an MHK in the September 2016 election. Following the election, Mr G R Peake MHK was appointed as Tynwald Trustee.

Mr M C Kelly, Trustee, retired after completion of the maximum two terms.

Two new Trustees, Ms N Plumley and Mr M C Dempsey, were appointed in June 2017.

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

Miss L M Gillow	- appointed 11 th February 2008	- retirement 19 th January 2018
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
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
Mr M C Dempsey	- appointed 23 rd June 2017	-retirement 20 th May 2019

NB: Mrs J A McNicholl, Mrs S Kelly, Mr J N Watson, Mr G R Peake MHK, Ms N Plumley and Mr M C Dempsey 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 2016/17 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** was available for distribution on the Island.

During the year a total of **£1,339,110** was available for distribution, made up from the following: Cash at bank **£819,769** (including the £2,500 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, bank interest £5,266, and donations £400.

During the accounting period the Trustees made **grant payments totalling £464,286 to 56 organisations** as listed in the notes of the attached financial statements, together with **£55,056 of non-grant payments** by way of administration, research and website costs.

At the **year-end** the available **cash balance** stood at **£817,985** (including £666 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 **£611,772 was already committed by the Trustees** for payment to organisations upon completion of formalities. Of this figure, **£520,598 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 **£205,547**.

Grant awards

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

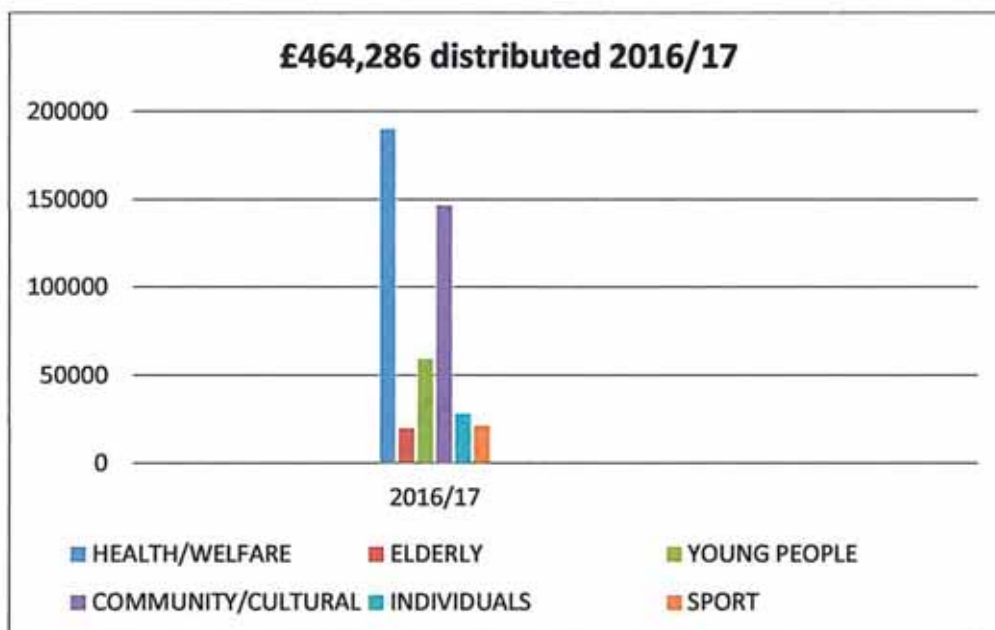
1. **Smaller Grants** (£300 to £2500)
2. **Community Awards** (£2501 to £50,000) as delegated partner of BIG Lottery Fund.

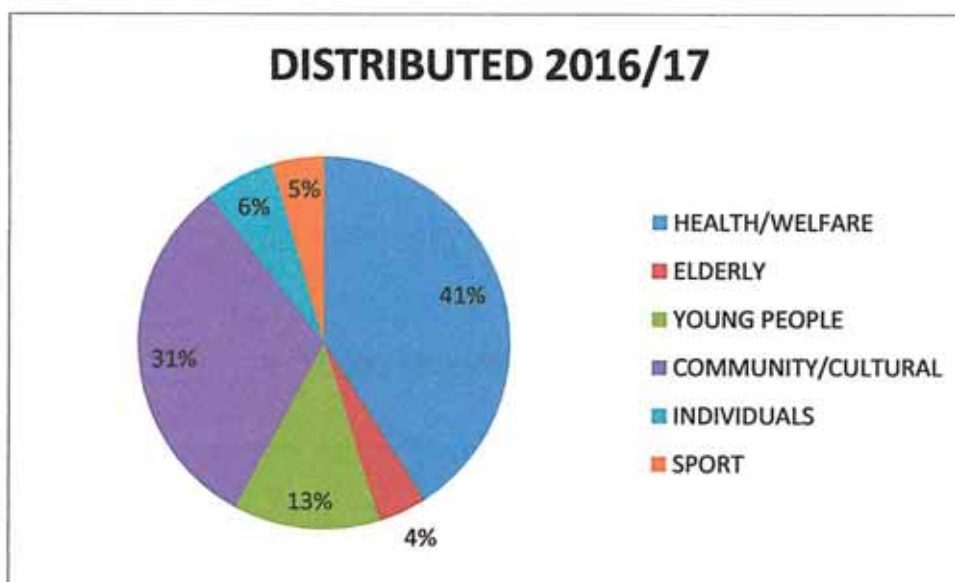
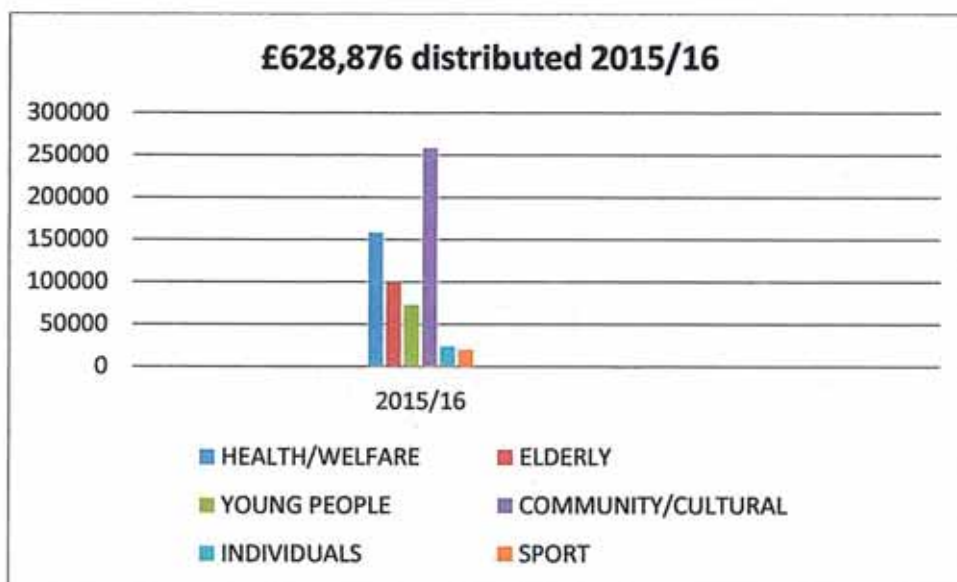
The Trustees continue to endeavour to exercise their powers in a fair and helpful way with the aim of supporting as many deserving causes throughout the Island as possible.

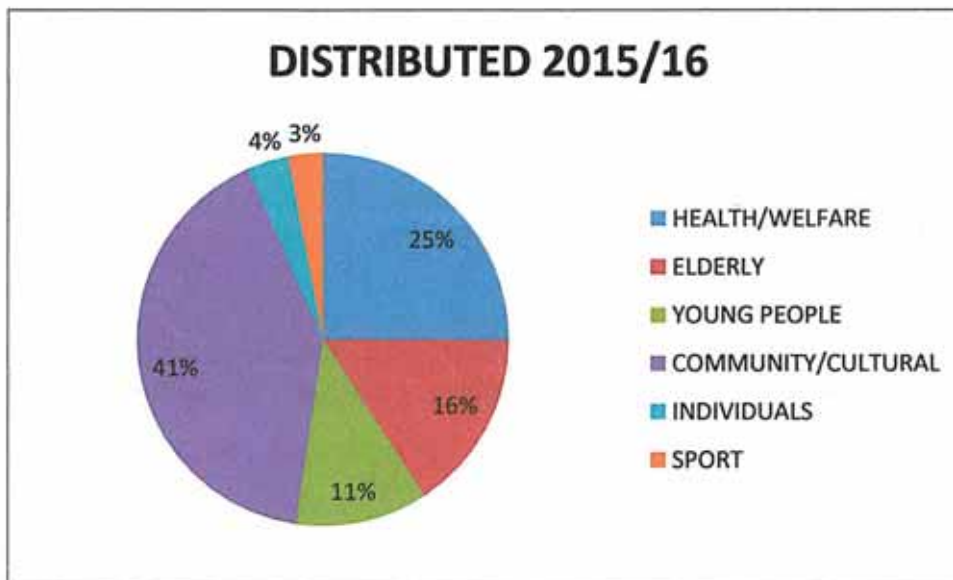
Applications are carefully assessed with the aim of providing consistency in the consideration of all grant applications. Guidance notes and application forms for current programmes are available to download from the Trust's website.

A list of the recipients of **grants paid** during the 12 month period ended 31st March 2017, totalling **£464,286**, forms Note 3 attached to the financial statements. Of this figure, **£357,241 was paid from designated Big Lottery Funds** under the Community Awards Programme.

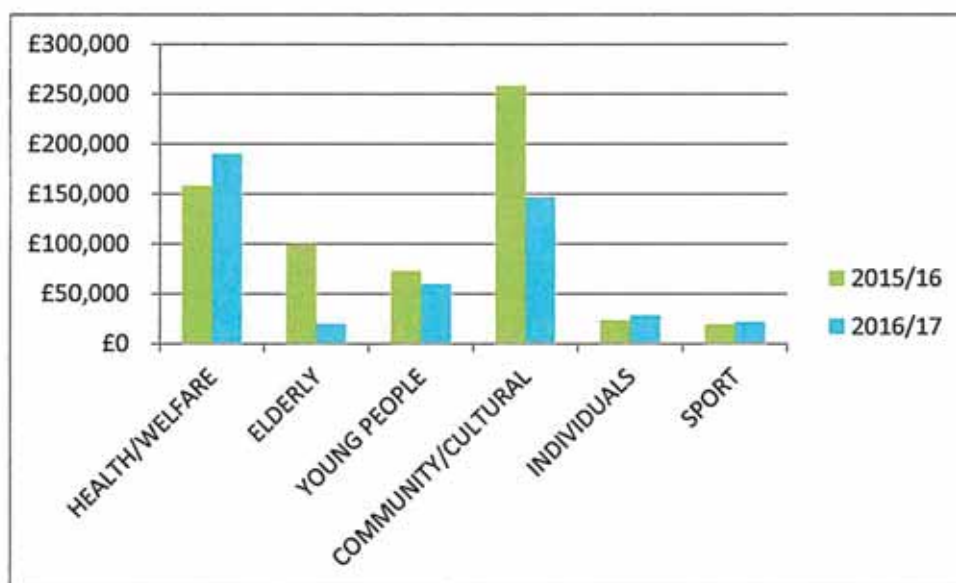
The distribution split of grants paid is shown in the following charts which demonstrate the types of assistance provided by the Manx Lottery Trust over the past two years to diverse charitable causes in the Island.







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.

Health/Welfare

The current policy of “**focusing on those in need**” continues to be evidenced in the increased distribution figure in this category of £189,772.

Elderly

The amounts awarded to Coal Funds and Endowment Committees, included in the Elderly category, were calculated at £60 per household during 2016/17, the same as in the previous year.

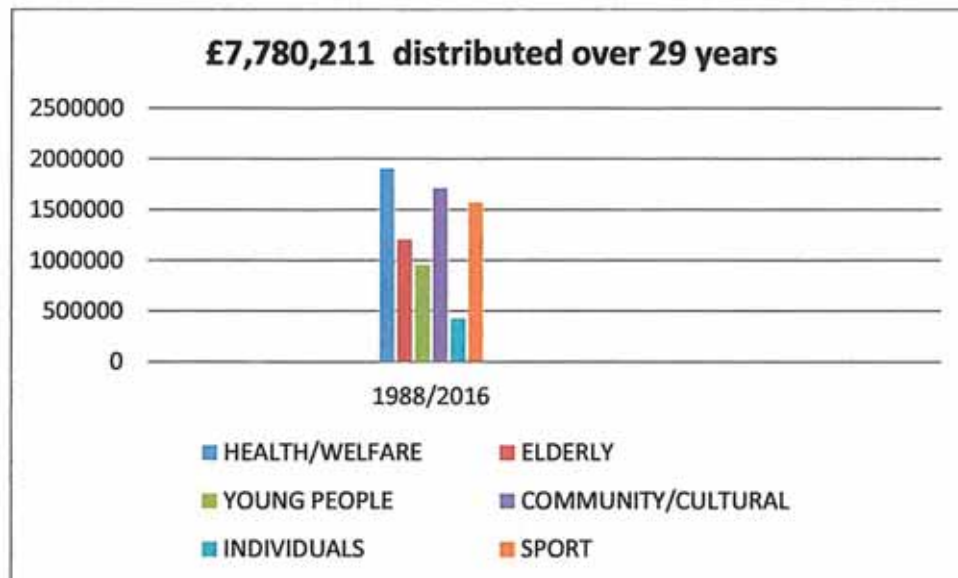
Individuals

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 **£28,164** was provided over the course of the year, an increase of 21.5% over the previous year.

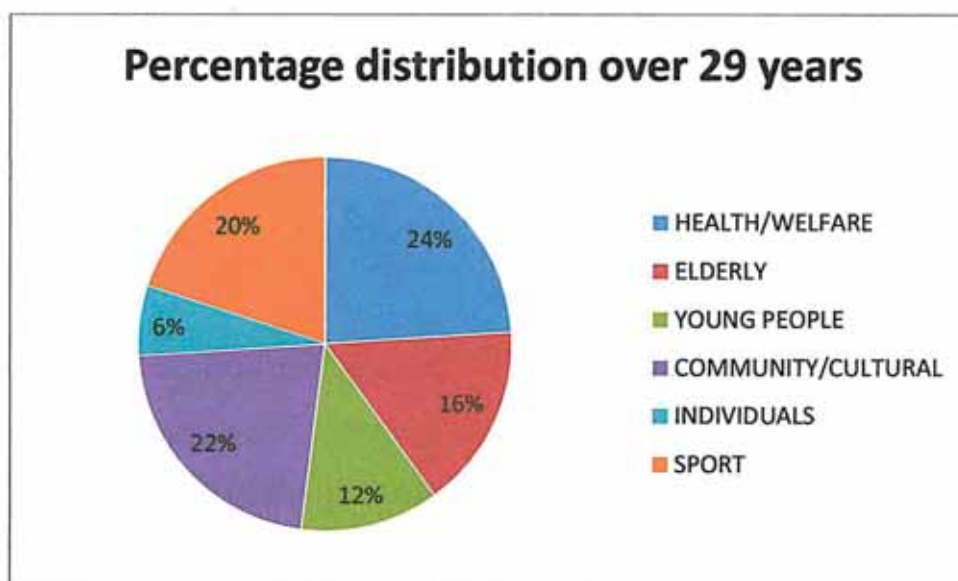
Sport

Whilst the percentage figure distributed to this category has increased to 5%, the Trustees have, in addition, awarded grants to sports clubs 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 29 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 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 2017/18

Details published in the Manx Budget 2017 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.

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>
		Other grant	Duty	2017/18	2016/17
	£	£	£	£	£
Manx Lottery Trust	600,000	Nil	150,000	750,000	750,000
Sports Council	Nil	21,000	457,500	478,500	514,500
Arts Council	Nil	99,000	410,000	509,000	567,000
Culture Vannin	Nil	100,000	307,500	407,500	443,500
The Veterans Grant	Nil	Nil	-	-	25,000

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

Chairman's summary

I am pleased to submit this report for 2016/17.

The Trust has continued to operate the model of meeting need via the offer of Community Awards, Smaller Grants and Thematic Funding Programmes, as well as delegating responsibility for direct action via the Emergency fund.

A total of £716,004 was awarded by the Trust during the year. It is hoped that the Thematic Funding Programme had, and will continue to have, a positive impact on early intervention projects.


The focus for Thematic funding in 2017/18 will be "Environment" which will be interpreted according to research on the Manx demographic.

I am pleased to report that we have retained our Big Lottery Funding Manager who, once again, visited in March. During a two-day stay, time was spent with both Officers and Trustees who have benefited from this consistent and on-going relationship. I am gratified to be able to record that the Fund continues to be duly impressed and reassured with the way the Trust conducts its business. I would like to thank our Officers and my fellow Trustees.

Whilst the Trust has lost Richard Ronan and Malcolm Kelly via retirement, three new Trustees have recently been appointed, Ralph Peake MHK, Tynwald Trustee, Nicolle Plumley and Myles Dempsey. The decision to recruit an extra Trustee was made with the hope that some pressure be alleviated from Trustees and that the likelihood that more meetings are quorate is increased. I wish both Richard Ronan and Malcolm Kelly well and would like to acknowledge their in-put to the Trust over their years of association with MLT and I would also like to officially welcome our three new Trustees.

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

L M Gillow (Miss) MA, BA, Chair

THE MANX LOTTERY TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2016-2017		2015-2016	
		£	£	£	£
Government grant	1&2	150,000		150,000	
From Big Lottery Fund	1&2	600,000		600,000	
Interest		5,266		3,789	
Donation		400		-	
		-----		-----	
			755,666		753,789
Less:					
Grant expenditure MLT	3	107,045		178,858	
Grant expenditure BIG	3	357,241		450,018	
Movement in committed grants	1	248,616		48,792	
Non grant expenditure	4	55,055		57,805	
		-----		-----	
			(767,957)		(735,473)
			-----		-----
Net movement in funds			(12,291)		18,316
			=====		=====
Fund account brought forward			217,838		199,522
			-----		-----
Balance available for distribution	6		205,547		217,838
			=====		=====

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

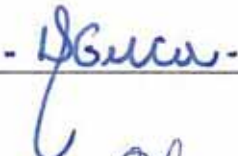
THE MANX LOTTERY TRUST

STATEMENT OF ASSETS AND LIABILITIES AT 31 MARCH 2017


		2017 £	2016 £
Assets:			
Cash at bank	5	817,935	583,444
Petty cash		50	50
		-----	-----
Total assets		817,985	583,494
Liabilities:			
Committed and earmarked grants due within 1 Year	1	(403,348)	(341,656)
		-----	-----
Net current assets		414,637	241,838
Committed and earmarked grants due after 1 year		(209,090)	(24,000)
		-----	-----
Net assets		205,547	217,838
		=====	=====
Represented by:			
Fund account	6	205,547	217,838
		=====	=====

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 27th September 2017 and signed on their behalf by:



Miss L M Gillow (Trustee)



Mrs J A Blake (Treasurer)

THE MANX LOTTERY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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.

This is the Charity's first financial statements since adopting FRS 102. The last financial statements under the United Kingdom Generally Accepted Accounting Practice ("UK GAAP") were for the year ended 31 March 2016. The date of transition to FRS 102 was 1 April 2015. There have been no adjustments to the Charity's financial results as a result of adopting FRS 102.

The Charity's registered office is Harbourmaster's House, East Quay, Ramsey, Isle of Man, IM8 1BG.

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 2017.

Note 2

In the year ended 31 March 2017 the Manx Lottery Trust received a total of **£150,000** (2016: £150,000) from the Treasury Isle of Man, 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** (2016: £600,000) was received during the year ended 31 March 2017.

THE MANX LOTTERY TRUST

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

Note 3

Grants Paid to 56 organisations totalling £464,286

Arbory Endowments Committee
Autism Initiatives
Ballakermeen High school
Ballaugh Endowments Committee
Cathedral Quarter trust
Castletown Endowments Committee
Castletown MFC
Colby Over 60's Club
Children's Centre
Connect2Charity
Creative Network
Crossroads Care IOM
Ellan Vannin Home
Friends of Foxdale School
Friends of Jurby Church
Friends of Malew Church
Grai
Great Laxey Mines Railway Co
Hospice Isle of Man
Housing Matters
Joey Dunlop Foundation
Key Club
Kirk Michael Thursday Club
Laxey Working Men's Institute
1st Malew Scouts
Manx Carriage Driving 4 Disabled
Manx Cancer Help
Manx Hedgehog Society
Manx SPCA
Manx Whale & Dolphin Watch
Manx Workshop For Disabled
Marown & District Bowling Club
Michael Endowments Committee
Middle & Western (Moddhey Dhoo) Explorer Scout Unit
Motiv8 – Developing Family Alcohol Service
Onchan Endowments Committee
Parkinson's Disease Society
Peel AFC
Peel Centenary Centre
Peel Coal Fund
Perree Bane Traditional Music & Dance group
Port Erin Beach Festival
Port Erin Over 60's Club

THE MANX LOTTERY TRUST

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

Note 3 (continued)

Relate IOM
Rushen Endowments Committee
Rushen Explorer Scouts
Rushen Scout & Guide Headquarters Management Committee
Santon Endowments Committee
Sayle Gallery
South Douglas Old Friends Association
St James' Dalby - Dalby Hub
St John's Aikido Club
UCM- Creative Industries Festival; Prison Education
Unified Sports Centre
Willaston Primary School
Youth Motor project

Note 4

Non Grant Payments were made as follows:

	2016 £	2017 £
Officers' Salaries	39,983	41,304
Office Expenses	4,942	3,276
New website/revised stationery	8,076	-
Research	2,049	1,971
Public relations	-	4,289
Insurance	1,536	1,553
Miscellaneous Expenses	894	2,323
Bank charges	325	340
Total	57,805	55,056

Note 5

The cash at the bank at 31 March 2017 totalled **£817,935** (2016: £583,444) which included the £666 (2016: £2,500) 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.

THE MANX LOTTERY TRUST

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

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 (2016: 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


27th September 2017

Miss L M Gillow (Trustee)

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

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 2017 and of its deficit for the year then ended 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

We have audited the financial statements of the Charity, which comprise:

- the statement of assets and liabilities as at 31 March 2017;
- 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 trustees are responsible for the other information. The other information comprises the Annual Report (but does not include the financial statements and our auditor's report thereon).

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 directors 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 related 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 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

28 September 2017