

# **People's Postcode Trust**

**Directors' report and financial statements  
for the year ended 31 December 2015**

**Company number: SC356549  
Scottish charity number: SC040387**

# People's Postcode Trust

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# People's Postcode Trust

## Reference and administrative details

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<b>Directors</b>	Lawson Muncaster Michael Pratt Judith Hills Robert Flett
<b>Registered office</b>	76 George Street Edinburgh EH2 3BU
<b>Auditors</b>	Henderson Loggie 34 Melville Street Edinburgh EH3 7HA
<b>Bankers</b>	Lloyds Plc 39 Threadneedle Street London EC2R 8AU
<b>Gambling licence numbers</b>	Non remote: 000-018971-N-302359-009 Remote: 000-018971-R-302358-009
<b>Charity number</b>	SC040387
<b>Company number</b>	SC356549
<b>Executive Manager</b>	Clara Govier

# People's Postcode Trust

## Directors' Report

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The Directors (who are also trustees of the charitable company for the purposes of charity law) have pleasure in presenting their report and the financial statements of the charity for the year to 31 December 2015. The information on page 1 forms part of this report.

### **Structure, governance and management**

#### Governance

People's Postcode Trust is governed by a Board of Directors in accordance with its Memorandum and Articles of Association. New Directors are elected at quarterly meetings and a Director shall hold office for a maximum period of four years from the date of appointment and shall then retire. Such person shall not again be appointed as a Director unless the Directors resolve that there are exceptional circumstances in that such an individual possesses specific or unique skills and expertise, experience or ability of significant value to the Company. In such circumstances, a retiring Director may, if willing to act, be re-appointed by the Directors for a second and final term of a maximum of four years and shall at the end of that second term retire altogether so that no Director shall hold office as Director for more than eight years in total.

No person shall be appointed or re-appointed a Director at any general meeting unless:

- he is recommended by the Directors; or
- not less than fourteen or more than thirty five clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment or re-appointment together with notice executed by that person of his willingness to be appointed or reappointed.
- Not less than seven nor more than twenty eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person who is recommended by the Directors for appointment or re-appointment as a Director at the meeting or in respect of whom notice has been duly given to the Company of the intention to propose him at the meeting for appointment or re-appointment as a Director. The notice shall give the particulars of that person which would, if he were so appointed or re-appointed, be required to be included in the Company's register of Directors.
- The Company may by Ordinary Resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director.
- The Directors may appoint a person who is willing to be a Director, either to fill a vacancy or as an additional Director, provided the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles as the maximum number of Directors.

Unless otherwise determined by ordinary resolution, the number of Directors shall not be subject to any maximum, but shall not be less than three. The Board of Directors shall at all times comprise a majority of non-remunerated Directors.

#### Directors' induction & training

Directors receive an induction handbook covering all relevant policies, procedures and any other relevant information. They also have the opportunity for yearly training and continued professional development.

# People's Postcode Trust

## Directors' Report *(continued)*

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### *Structure, governance and management (continued)*

#### Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 surplus or deficit of the charity for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 to operate.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. 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.

#### Risk management

The Directors have a risk management strategy which comprises:

- evaluation and review of risks to the Trust and its External Lottery Manager (ELM) at each Board meeting against the Risk Register;
- the Risk Register will be managed on a day-to-day basis by the Trust management team and they will establish systems and procedures to mitigate these risks;
- in the event of a risk rising above 'high' the Directors must implement procedures to manage any potential impact.

This strategy has identified the following key risks:

- Risk of the Government changing the law in relation to Society Lotteries. A review of the law relating to Society Lotteries is on-going, and both Directors and the Trust management team keep up-to-date with any information in relation to this.
- Risk of losing Gambling Licence due to non-compliance with the Gambling Commission Licence Conditions and Code of Practice. Again, this is managed by adhering closely to the LCCP and being aware of changes to guidance and keeping abreast of industry best practice.
- Risk of dependence on one source of income and this income being lost. If the income were to reduce, this would be on a gradual basis. The Trust management team receive daily reports regarding ticket sales, so would be aware of any issues very quickly and these would be communicated to Directors.

# People's Postcode Trust

## Directors' Report *(continued)*

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### *Structure, governance and management (continued)*

#### Management

The business of the People's Postcode Trust is managed by the Directors who exercise all the powers of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the Directors. The Directors ultimately decide the procedures for selection of projects and the amounts of grants involved. Directors meet quarterly. These are chaired and fully minuted to discuss and decide the following:

- Management of the Trust's Society Lottery, including social responsibility and current management by the Trust's External Lottery Manager
- Applications received
- Outcomes of completed projects
- Progress of current funding
- New funding streams/programmes
- Review of finances
- Review of Risk Register
- Any other business

The Trust do not currently have a firm of solicitors appointed, but Shepherd & Wedderburn are available if and when we require their services.

#### Staff Structure

The Board of Directors appointed an Executive Manager of the People's Postcode Trust to oversee the day-to-day administration of the Trust. The Executive Manager is responsible for strategy advice and the day-to-day operations of People's Postcode Trust. The Manager appointed the Trust Manager to undertake day-to-day activities including the following:

- Screening of all funding proposals, preparing a list with 3 categories of projects: proposed for funding, not-decided, and rejected - based on approved funding criteria
- Assessing complete applications and providing short summaries for the Directors to make decisions
- Creation of semi-annual summary reports detailing all of the above. It is the responsibility of the Manager and the Chairperson to approve the list of projects proposed for funding which request funding below £10,000.
- Management of Directors' meetings including consultation of Directors where desirable or needed
- Management of marketing/communication on behalf of the Trust including websites, newsletters, publicity etc.

The Directors also appointed a Trusts' Finance Manager to take responsibility for the financial management for People's Postcode Trust including the following:

- Monthly financial updates including income position, breakdown of costs, and awards made
- Management of holding account which will receive payments direct from the People's Postcode Lottery
- Making payments to recipient projects
- Reporting of lottery proceeds to Gambling Commission

As part of services provided as outlined in the Services Agreement that exists between the Trust and Postcode Lottery Limited, staff mentioned above are employed by Postcode Lottery Limited.

# People's Postcode Trust

## Directors' Report *(continued)*

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### *Objectives and activities*

People's Postcode Trust is solely funded by the proceeds of its society lottery and awards grants to good causes and charities.

People's Postcode Trust supports projects which fit one or more of the following purposes:

- the prevention or relief of poverty;
- the advancement of health;
- the advancement of citizenship or community development;
- the advancement of public participation in sport;
- the advancement of human rights, conflict resolution or reconciliation;
- the advancement of environmental protection and improvement; and,
- the relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.

The Directors have agreed to focus on the prevention of poverty, promotion of health and promotion and advancement of human rights for the next two years.

### **The Trust has two main funding streams:**

- **Small Grants Programme**  
Allows charities in Great Britain to apply for 12-month project-funding ranging from £500 to £20,000. Decisions are made on a semi-annual basis. Registered charities can apply for up to £20,000. Community groups not formally registered as a charity can apply for up to £2,000.
- **Year-Long Partnerships**  
Charities can apply for up to £100,000 to deliver a year-long project anywhere in Great Britain. Charities are selected on an invitation only basis and awards are paid in instalments upon successful monitoring and evaluation of the project.

People's Postcode Trust operates its own society lottery which is regulated by the Gambling Commission under licences 000-018971-N-302359-009 and 000-018971-R-302358-009. The Trust engages Postcode Lottery Limited (PLL), trading as People's Postcode Lottery, as its External Lottery Manager. In 2015, PLL operated four draws on behalf of PPT.

The Trust has the following policies in support of its society lottery licence conditions which are available in full on the Trust's website: [postcodetrust.org.uk](http://postcodetrust.org.uk). The Trust works closely with its External Lottery Manager to ensure these policies are acted on in relation to its Lottery.

- Social Responsibility Policy
- Self-Exclusion Policy

### Grant making policies

People's Postcode Trust provides funding opportunities to small organisations, community groups and charities in Scotland, England and Wales, through grants ranging from £500 - £20,000. People's Postcode Trust aims to distribute funds according to areas where the ratio of players of PPL are at their highest concentration.

### **Achievements and performance**

People's Postcode Trust funded a total of 170 projects across Great Britain in 2015 amounting to £1.7m. 168 of these were small grants projects totalling £1.5m and two were year-long partnerships. This was achieved through two funding rounds. These covered funding themes of advancement of community development, advancement of environmental impact, advancement of health, advancement of human rights, prevention of poverty and advancement of participation in sport.

# People's Postcode Trust

## Directors' Report *(continued)*

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### *Achievements and performance (continued)*

#### **2015 Small Grants Programme Projects**

The following are examples of projects that People's Postcode Trust has funded through the Small Grants Programme in 2015:

#### **Equal Scotland (advancement of human rights)**

Survivors Support Scotland: Bridging the Gap received £20,000 towards the establishment of aftercare services and volunteer support for those affected by complex issues such as Human Trafficking, Honour Based Violence, Domestic Violence and Female Genital Mutilation.

#### **FareShare (prevention of poverty)**

FareShare were awarded £19,100 towards capacity-building for their work supporting families and individuals experiencing homelessness, drug or alcohol addiction, mental health problems, the elderly and those on low or no income in Lewisham.

#### **Inverurie & District Men's Shed (advancement of community development)**

£10,875 was awarded to establish a Metalwork Shop, bringing together members of the local community from a diverse range of ages and backgrounds to learn and share skills.

#### **Bangor Gymnastics Club (advancement of participation in sport)**

£1,867 was given to the club for their Disability Gymnastics works – providing mats, bars and various other aids.

#### **Cancer United (advancement of health)**

£15,000 supported the start-up of their C U Fitter gym, providing therapeutic exercise in order to help those to stay in shape and keep healthy during treatment or in recovery.

#### **Bristol Avon Rivers Trust (advancement of environmental protection)**

A £6,000 award enabled the Trust to deliver the Sherston River Improvement Project. This trained and supported volunteers to monitor and improve the environment of the river to encourage biodiversity.

### **Financial review**

All the funds received from the proceeds of People's Postcode Lottery relating to People's Postcode Trust have been included in the financial statements. Income amounted to over £8m (2014: £7.2). Of this, 40%: £3.2m (2015: 40%: £2.8m) is given out as prizes and 35%: £2.8m (2014: 35%: £2.5m) is retained by our External Lottery Manager which is People's Postcode Lottery. The remaining 25%: £2m (2014: £1.78m) is managed by People's Postcode Trust.

People's Postcode Trust promoted four draws throughout 2015 (2014: 7 draws) which generated £8,045,896 revenue (2014: £7.1m). £13,502 of other costs were incurred in raising funds during 2015 (2014: £108,307). £1,808,148 (2014: £1.89m) was allocated to charitable activities in the year with £1,706,214 (2014: £1.77m) being given out directly to charitable causes. £9,631 was included in Governance costs (2014: £8,143).

Grants under £20,000 are distributed on a semi-annual basis and all applications must satisfy one of the objects. Suitable applications are considered by the Board of Directors.



# People's Postcode Trust

## Directors' Report *(continued)*

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### **Reserves Policy**

Reserves should be held to service an unexpected need for funds, covering unforeseen day-to-day operational costs, a shortfall in income or to fulfil its obligations.

The Trust's sole income is generated by its society lottery operated by its External Lottery Manager, People's Postcode Lottery.

Reserves are set according to our budgeted income and against our obligations for continuous funding for our supported charities. It is intended to mitigate uncertainty relating to our cash flow and to ensure that there are sufficient reserves to cover any shortfalls against income.

We aim to set general reserves at a maximum of £500,000.

At 31 December 2015, general reserves are £236,164, which is an increase of £123,436 from 31 December 2014. This level is adequate to cover day-to-day expenditure for the foreseeable future and the majority of it will be allocated to fund grants during the second funding round of 2016.

### **Plans for future periods**

People's Postcode Trust expects to build on its success across 2016.

We believe that the Charity has a sound financial basis upon which to build for the future, despite a sharp increase in the number of applications for grants. In 2016, People's Postcode Trust will focus on projects that focus on the prevention of poverty, support healthy living initiatives and uphold human rights for some of society's most vulnerable groups. It will also consider projects which help different communities for the benefit of their local area.

### **Approval of the Directors' report**

The report was prepared in accordance with the special provisions of the Companies Act relating to small companies.

So far as each of the Directors at the date of this report is aware, there is no relevant audit information of which the charity's auditors are unaware. Each Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The financial statements on pages 10 to 19 were approved by the Directors on 12 April 2016 and signed on its behalf by:



**Lawson Muncaster**  
*Chair*

# People's Postcode Trust

## Independent Auditors' report to the Directors and Members of People's Postcode Trust

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We have audited the financial statements of People's Postcode Trust for the year to 31 December 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's directors, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's directors those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body and its directors as a body for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement (set out on page 3), the directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for auditors, including APB Ethical Standard – Provisions Available for Smaller Entities (Revised) in the circumstances set out in note 16 to the financial statements.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

# People's Postcode Trust

## Independent Auditors' report to the Directors and Members of People's Postcode Trust *(continued)*

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### Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you, if in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.



### James Davidson (Senior Statutory Auditor)

For and on behalf of Henderson Loggie Statutory Auditors

Henderson Loggie is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

34 Melville Street  
Edinburgh  
EH3 7HA  
United Kingdom

12 April 2016

# People's Postcode Trust

## Statement of financial activities (including income and expenditure account)

for the year ended 31 December 2015

	Note	Unrestricted funds			2015 Total £	2014 Total £
		2015 General £	2015 Designated £	2015 Restricted £		
<b>Income</b>						
Donations and legacies	2	-	-	(22,545)	(22,545)	89,396
Other trading activities	3	8,045,896	-	-	8,045,896	7,151,270
Income from investments	4	3,612	-	-	3,612	3,525
<b>Income and endowments</b>		<b>8,049,508</b>	<b>-</b>	<b>(22,545)</b>	<b>8,026,963</b>	<b>7,244,191</b>
<b>Expenditure</b>						
Expenditure on raising funds	5	(6,047,924)	-	-	(6,047,924)	(5,471,759)
Expenditure on charitable activities	6	(1,808,148)	-	-	(1,808,148)	(1,898,319)
<b>Total expenditure</b>		<b>(7,856,072)</b>	<b>-</b>	<b>-</b>	<b>(7,856,072)</b>	<b>(7,370,078)</b>
<b>Net income/(expenditure)</b>		<b>193,436</b>	<b>-</b>	<b>(22,545)</b>	<b>170,891</b>	<b>(125,887)</b>
Transfers between funds		(70,000)	70,000	-	-	-
<b>Net movement between funds</b>		<b>123,436</b>	<b>70,000</b>	<b>(22,545)</b>	<b>170,891</b>	<b>(125,887)</b>
Fund balance brought forward at 1 January 2015		112,728	-	22,545	135,273	261,160
<b>Fund balance carried forward at 31 December 2015</b>		<b>236,164</b>	<b>70,000</b>	<b>-</b>	<b>306,164</b>	<b>135,273</b>

All of the above results were derived from continuing activities.

# People's Postcode Trust

## Balance sheet at 31 December 2015

	Note	2015 £	2014 £
<b>Current assets</b>			
Debtors	9	256,718	602,890
Cash at bank and in hand		1,373,107	417,945
		<u>1,629,825</u>	<u>1,020,835</u>
<b>Creditors</b>			
Amounts falling due within one year	10	(1,323,661)	(885,562)
		<u>306,164</u>	<u>135,273</u>
<b>Net current assets</b>		<u>306,164</u>	<u>135,273</u>
<b>Accumulated funds</b>			
Unrestricted funds	11	306,164	112,728
Restricted funds	12,13	-	22,545
		<u>306,164</u>	<u>135,273</u>
<b>Total funds</b>		<u>306,164</u>	<u>135,273</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. Approved by the Board and authorised for issue on 12 April 2016.



**Lawson Muncaster**  
Chair

Company number: SC356549

# People's Postcode Trust

## Statement of cash flows at 31 December 2015

	2015 £	2015 £	2014 £	2014 £
<b>Cash flows from operating activities</b>				
Net income/(expenditure)	170,891		(125,887)	
Income from investments	(3,612)		(3,525)	
Decrease/(increase) in debtors	346,172		(4,771)	
Increase/(decrease) in creditors	438,099		(320,524)	
	<hr/>		<hr/>	
Cash provided/(used in) operating activities		951,550		(454,707)
<b>Cash flows from investing activities</b>				
Investment income	3,612		3,525	
	<hr/>		<hr/>	
Cash provided by investing activities		3,612		3,525
		<hr/>		<hr/>
Increase/(decrease) in cash and cash equivalents in the year		955,162		(451,182)
Cash and cash equivalents at the beginning of the year		417,945		869,127
		<hr/>		<hr/>
<b>Total cash and cash equivalents at the end of the year</b>		<b>1,373,107</b>		<b>417,945</b>
		<hr/> <hr/>		<hr/> <hr/>
<b>Cash and cash equivalents comprise:</b>				
Cash at bank		1,373,107		417,945
		<hr/> <hr/>		<hr/> <hr/>

# People's Postcode Trust

## Notes to the financial statements

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### 1 Accounting policies

A summary of principal accounting policies, all of which have been applied consistently throughout the year and the preceding year is set out below.

#### Basis of accounting

The financial statements have been prepared on a going concern basis in accordance with applicable accounting standards and under the historical cost convention. The charity is a Public Benefit Entity and a company limited by guarantee, incorporated in Scotland with the registered office as noted on page 1. The financial statements are compliant with the charity's constitution, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, the Statement of Recommended Practice (SORP) FRS 102 "Accounting and Reporting by Charities" (revised 2015), and in accordance with Financial Reporting Standard 102 (FRS 102).

#### Reconciliation with previous Generally Accepted Accounting Practice

In preparing the financial statements, the directors have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, the restatement of comparative items was required. At the date of transition no restatements were required. No change was required to net income/(expenditure) and the opening balance remained as previously stated:

	31 December 2014			1 January 2014		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Total funds	112,728	22,545	135,273	238,260	22,900	261,160
	=====	=====	=====	=====	=====	=====

#### Going concern

These financial statements have been prepared on the going concern basis which assumes that the charity will continue its operations. There are no material uncertainties that exist or material changes in the way the charity operates and the Directors consider it appropriate to prepare financial statements on a going concern basis.

#### Income

Income is recognised when the charity has entitlement to the funds, when it is probable that the income will be received and the amount can be measured reliably. Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource. Income from other trading activities include gross proceeds from the sale of Lottery tickets before deduction of up to 40% of proceeds for prizes and 35% for operations costs.

#### Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the statement of financial activities.

#### Grants payable

Grants awarded are recognised in full in the year in which they are approved. Small Grants are not noted individually.

# People's Postcode Trust

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### Expenditure on raising funds

The expenditure on raising funds consist of direct expenditure and include prize monies and operational costs as well as marketing and PR.

#### Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### Fund accounting

Unrestricted funds are available for use at the discretion of the Directors in furtherance of the general objectives of the charity.

Restricted funds are those fund which are subject to restrictions on their expenditure imposed by the funder.

#### Operating leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

### 2 Analysis of income

	Unrestricted £	Restricted £	2015 £	2014 £
<b>Donations and legacies</b>				
Dream fund refund	-	(22,545)	(22,545)	-
E Gaming donation	-	-	-	29,396
Charity gala	-	-	-	60,000
	-----	-----	-----	-----
	-	(22,545)	(22,545)	89,396
	=====	=====	=====	=====

Income arising in 2014 included £29,396 of unrestricted income and £60,000 of restricted income.

### 3 Other trading activities

	2015 £	2015 %	2014 £	2014 %
Total proceeds	8,045,896	100.0	7,151,270	100.0
Prizes	(3,215,732)	(40.0)	(2,838,690)	(39.7)
Operational cost	(2,818,690)	(35.0)	(2,524,763)	(35.3)
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	2,011,474	(25.0)	1,787,817	25.0
	=====	=====	=====	=====



# People's Postcode Trust

## Notes to the financial statements (continued)

4	Income from investments		2015	2014	
			£	£	
	Bank interest		3,612	3,525	
			=====	=====	
5	Expenditure on raising funds	Unrestricted	Restricted	2015	2014
		£	£	£	£
	Prizes	3,215,732	-	3,215,732	2,838,690
	Operational costs	2,818,690	-	2,818,690	2,524,763
	PR	6,267	-	6,267	43,571
	Charity gala	7,235	-	7,235	64,736
		-----	-----	-----	-----
		6,047,924	-	6,047,924	5,471,760
		=====	=====	=====	=====
6	Expenditure on charitable activities			2015	2014
	Type of project	Unrestricted	Restricted	£	£
		£	£		
	<b>Grants</b>				
	Small grants	1,506,214	-	1,506,214	1,447,466
	Vote that Counts	-	-	-	246
	Jamie Oliver Food Foundation	-	-	-	80,000
	NSPCC	100,000	-	100,000	80,000
	Amnesty International	-	-	-	80,000
	Barnardos	100,000	-	100,000	-
	WWF Scotland	-	-	-	80,000
	Waka Waka Foundation	-	-	-	5,000
		-----	-----	-----	-----
		1,706,214	-	1,706,214	1,772,712
		-----	-----	-----	-----
	<b>Support costs</b>				
	Cost recharges	67,150	-	67,150	93,672
	Insurance	681	-	681	673
	Travel and subsistence	2,956	-	2,956	7,049
	Subscriptions	1,094	-	1,094	489
	Printing, postage and stationery	227	-	227	5,619
	Equipment hire	3,605	-	3,605	-
	Maintenance	-	-	-	649
	Web development	16,137	-	16,137	8,811
	Bank charges	151	-	151	112
	Miscellaneous expenses	302	-	302	390
	Governance costs (note 7)	9,631	-	9,631	8,143
		-----	-----	-----	-----
		101,934	-	101,934	125,607
		-----	-----	-----	-----
		1,808,148	-	1,808,148	1,898,319
		=====	=====	=====	=====

# People's Postcode Trust

## Notes to the financial statements (continued)

### 6 Expenditure on charitable activities (continued)

168 projects were funded by the grants made (2014: 265) across the following geographical areas and funding themes. No grants were made to individuals.

<b>Geographical split of grants</b>	<b>No</b>	<b>£</b>
England	103	1,046,801
Scotland	38	328,512
Wales	27	132,924
Grant monies refunded	-	(2,023)
	<b>168</b>	<b>1,506,214</b>
	=====	=====
<b>Funding themes</b>	<b>No</b>	<b>£</b>
Community	54	572,436
Environment	19	180,446
Health	24	283,779
Human Rights	15	57,793
Poverty	22	228,865
Sport	34	184,898
Grant monies refunded	-	(2,023)
	<b>168</b>	<b>1,506,194</b>
	=====	=====

Cost recharges include salary, property and office costs incurred by Postcode Lottery Limited which are recharged to the Trust under a services agreement.

### 7 Governance costs

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Legal and professional fees	2,843	3,763
Audit fees	4,800	4,380
Charity workshops	1,988	-
	<b>9,631</b>	<b>8,143</b>
	=====	=====

### 8 Staff costs

No Directors received remuneration during the year or the previous year.

Expenses of £43 (2014: £Nil) were reimbursed to one Director during the year. Directors' Indemnity Insurance costing £681 was purchased during the year.

The charity has no employees.

# People's Postcode Trust

## Notes to the financial statements (continued)

<b>9</b>	<b>Debtors</b>	<b>2015</b>	<b>2014</b>			
		£	£			
	Trade debtors	<b>27,950</b>	451,708			
	Other debtors	<b>227,654</b>	150,157			
	Prepayments and accrued income	<b>1,114</b>	1,025			
		<b>256,718</b>	602,890			
		=====	=====			
<b>10</b>	<b>Creditors</b>	<b>2015</b>	<b>2014</b>			
		£	£			
	Amounts falling due within one year:					
	Trade creditors	<b>11,290</b>	2,840			
	Other creditors	<b>1,307,571</b>	877,922			
	Accruals and deferred income	<b>4,800</b>	4,800			
		<b>1,323,661</b>	885,562			
		=====	=====			
<b>11</b>	<b>Analysis of net assets between funds</b>	<b>Net current assets</b>				
		<b>2015</b>	<b>2014</b>			
		£	£			
	Unrestricted funds	<b>306,164</b>	112,728			
	Restricted funds	-	22,545			
		<b>306,164</b>	135,273			
		=====	=====			
<b>12</b>	<b>Accumulated funds</b>					
		<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>
		<b>Unrestricted</b>	<b>Designated</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
		£	£	£	£	
	Balance brought forward	<b>112,728</b>	-	<b>22,545</b>	<b>135,273</b>	261,160
	Surplus/(deficit) for the year	<b>193,436</b>	-	<b>(22,545)</b>	<b>170,891</b>	-
	Transfers between funds	<b>(70,000)</b>	<b>70,000</b>	-	-	-
		<b>236,164</b>	<b>70,000</b>	-	<b>306,164</b>	261,160
	<b>Balance carried forward</b>	<b>236,164</b>	<b>70,000</b>	-	<b>306,164</b>	261,160
		=====	=====	=====	=====	=====

### Designated funds include:

- £50,000 set aside by the directors for a stakeholder engagement campaign.
- £20,000 of grants committed by the directors in 2015 for payment in 2016. At the Board meeting on 8 December 2015 directors agreed to award a one-off grant of £20,000 to Liberty. This grant was formally announced at the charity gala held in January 2016.

# People's Postcode Trust

## Notes to the financial statements (continued)

### 13 Restricted funds

	Opening balance £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
Dream Fund (Postcode Green Trust)	13,666	-	(13,666)	-	-
Dream Fund (Postcode Culture Trust)	8,879	-	(8,879)	-	-
	<u>22,545</u>	<u>-</u>	<u>(22,545)</u>	<u>-</u>	<u>-</u>

Dream Fund (Post code Green Trust) This fund represented funding received from the Postcode Green Trust which is their contribution towards the Dream Fund for a theme relating to its charitable objectives. Unused funds were refunded to Postcode Green Trust in 2015.

Dream Fund (Postcode Culture Trust) This fund represents funding received from the Postcode Culture Trust which is their contribution towards the Dream Fund for a theme relating to its charitable objectives. Unused funds were refunded to Postcode Culture Trust in 2015.

### 14 Operating lease commitments

Total commitments under non cancellable operating leases are as follows:

	2015 Other £	2014 Other £
Due within 1 year	3,341	3,341
Due within 2-5 years	835	4,176
Expiring in 2-5 years	<u>4,176</u>	<u>7,517</u>

### 15 Related party transactions

Each Postcode Trust transfers 10% of the net proceeds from every lottery draw into a separate bank account which is held in the name of People's Postcode Trust. Support costs are then paid from this account and split between each of the Trusts. L Muncaster, J Hills, M Pratt and R Flett are also directors of Postcode Local Trust, Postcode Community Trust and Postcode Dream Trust. The value of funds transferred from these Trusts to PPT and costs paid by PPT on the Trusts' behalf is set out below:

	Opening balance due to/(from) PPT £	Repayment of balance due to/(from) PPT £	Transfer of net proceeds to PPT £	Support costs paid on behalf of Trusts £	Monies refunded by PPT to the Trusts £	Trust's share of year end trade creditors £	Closing balance due to/(from) PPT £
Local			-	23,179	-	(14,170)	9,009
Community	30,101	(30,101)	(227,717)	96,095	121,717	(11,290)	(21,195)
Dream	20,272	(20,272)	(256,193)	97,024	153,414	(13,235)	(18,990)
	<u>50,645</u>	<u>(50,645)</u>	<u>(544,007)</u>	<u>216,298</u>	<u>275,131</u>	<u>(38,695)</u>	<u>(11,176)</u>

# People's Postcode Trust

## Notes to the financial statements *(continued)*

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**16 APB Ethical Standard – Provisions Available for Smaller Entities**

In common with many other charities of our size and nature the Trust uses its auditors to assist with the preparation of the financial statements.

**17 Ultimate controlling party**

The charity is constituted by Memorandum and Articles of Association and is governed by its elected Directors.

