

People's Postcode Trust

**Directors' report and financial statements
for the year ended 31 December 2016**

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

People's Postcode Trust

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People's Postcode Trust

Reference and administrative details

Directors	Lawson Muncaster Michael Pratt Judith Hills Robert Flett
Registered office	76 George Street Edinburgh EH2 3BU
Auditors	Henderson Loggie 34 Melville Street Edinburgh EH3 7HA
Bankers	Lloyds Plc 39 Threadneedle Street London EC2R 8AU
Solicitors	MacRoberts LLP Excel House 30 Sempie Street Edinburgh EH3 8BL
Gambling licence numbers	Non remote: 000-018971-N-302359-011 Remote: 000-018971-R-302358-011
Charity number	SC040387
Company number	SC356549
Executive Manager	Clara Govier

People's Postcode Trust

Directors' Report

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 2016. 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 as 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)*

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 charitable company and of the surplus or deficit of the charitable company 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 (as amended). 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 incompliance 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)*

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 appointed MacRoberts LLP as its solicitor to use in all cases where we require legal 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 three 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 Postcode Lottery Limited
- 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)*

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, the advancement and promotion of human/equal rights and conflict resolution for 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-302359-011 and 000-018971-R-302358-011. The Trust engages Postcode Lottery Limited (PLL), trading as People's Postcode Lottery, as its External Lottery Manager. In 2016, PLL operated four draws on behalf of PPT.

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 with special partnership grants for selected charities of up to £100,000. People's Postcode Trust aims to distribute funds according to areas where the ratio of players of PPL are at their highest concentration.

People's Postcode Trust

Directors' Report *(continued)*

Achievements and performance (continued)

2016 Small Grants Programme Projects

The following are examples of projects that People's Postcode Trust has funded through the Small Grants Programme in 2016:

Fife Migrants Forum (conflict resolution): This project was awarded £15,861 towards its work helping migrants and refugees integrate more fully into their communities in Fife, through the provision of language courses and translation of social welfare needs.

Shelter Cymru (poverty prevention): Shelter Cymru were given £9,472 towards implementing a bi-lingual, on-line video programme to help people at risk of homelessness access housing and debt advice services.

LIVES (health and wellbeing) is a £16,672 programme to train emergency first responders to use bikes to reach people in need, helping to save more lives in Lincoln's busy city centre.

On Road Ltd (equal rights) were given £14,225 towards their advocacy work for transgender young people.

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 £8.5m (2015: £8m). Of this, 40%: £3.4m (2015: 40%: £3.2m) is given out as prizes and 32.5%: £2.8m (2015: 35%: £2.8m) is retained by our External Lottery Manager which is People's Postcode Lottery. The remaining 27.5%: £2.3m (2015: 25%: £2m) is managed by People's Postcode Trust.

£2.3m (2015: £1.8m) was allocated to charitable activities in the year with £2.2m (2015: £1.7m) being given out directly to charitable causes, and with £103.2k (2015: £101.9k) of costs to support this. Of this £10.7k (2015: £9.6k) was included in Governance costs.

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 2016, total reserves are £313,685 of which general reserves are £263,865. 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 2017.

People's Postcode Trust

Directors' Report *(continued)*

Plans for future periods

People's Postcode Trust expects to build on its success across 2017.

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 2017, People's Postcode Trust will focus on the prevention of poverty, upholding human rights for some of society's most vulnerable groups and conflict resolution.

Approval of the Directors' report

The report was prepared in accordance with the special provisions of the Companies Act 2006 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 18 were approved by the Directors on 30 May 2017 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

We have audited the financial statements of People's Postcode Trust for the year to 31 December 2016 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 Financial Reporting Council's (FRC's) Revised Ethical Standard 2016, which include Provisions Available for Audits of Small Entities, in the circumstances set out in note 15 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 2016 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)*

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)

30 May 2017

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

People's Postcode Trust

Statement of financial activities (including income and expenditure account) for the year ended 31 December 2016

Note	Unrestricted funds			2016 Total £	Unrestricted			2015 Total £
	2016 General £	2016 Designated £	2016 Designated £		2015 General £	2015 Designated £	2015 Restricted £	
Income								
2	-	-	-	-	-	-	(22,545)	(22,545)
3	8,506,750	-	-	8,506,750	8,045,896	-	-	8,045,896
4	3,780	-	-	3,780	3,612	-	-	3,612
	8,510,530	-	-	8,510,530	8,049,508	-	(22,545)	8,026,963
Expenditure								
5	(6,175,396)	-	-	(6,175,396)	(6,049,924)	-	-	(6,047,924)
6	(2,307,613)	(20,000)	(20,000)	(2,327,613)	(1,808,148)	-	-	(1,808,148)
	(8,483,009)	(20,000)	(20,000)	(8,503,009)	(7,856,072)	-	-	(7,856,072)
Net income/(expenditure)	27,521	(20,000)	(20,000)	7,521	193,436	-	(22,545)	170,891
Transfers between funds	-	-	-	-	(70,000)	70,000	-	-
Net movement between funds	27,521	(20,000)	(20,000)	7,521	123,436	70,000	(22,545)	170,891
Fund balance brought forward at 1 January 2016	236,164	70,000	70,000	306,164	112,728	-	22,545	135,273
Fund balance carried forward at 31 December 2016	263,685	50,000	50,000	313,685	236,164	70,000	-	306,164

All of the above results were derived from continuing activities.

People's Postcode Trust

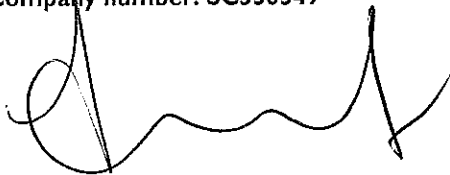
Balance sheet at 31 December 2016

	Note	2016 £	2015 £
Current assets			
Debtors	9	271,545	256,718
Cash at bank and in hand		1,855,926	1,373,107
		<u>2,127,471</u>	<u>1,629,825</u>
Creditors			
Amounts falling due within one year	10	(1,813,786)	(1,323,661)
		<u>313,685</u>	<u>306,164</u>
Net current assets			
		<u>313,685</u>	<u>306,164</u>
Accumulated funds			
Unrestricted funds	11, 12	313,685	306,164
		<u>313,685</u>	<u>306,164</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 30 May 2017.

Lawson Muncaster
Chair

Company number: SC356549



People's Postcode Trust

Statement of cash flows at 31 December 2016

	2016 £	2016 £	2015 £	2015 £
Cash flows from operating activities				
Net income	7,521		170,891	
Income from investments	(3,780)		(3,612)	
(Increase)/decrease in debtors	(14,827)		346,172	
Increase in creditors	490,125		438,099	
	<u> </u>		<u> </u>	
Cash provided by operating activities		479,039		951,550
Cash flows from investing activities				
Investment income	3,780		3,612	
	<u> </u>		<u> </u>	
Cash provided by investing activities		3,780		3,612
		<u> </u>		<u> </u>
Increase in cash and cash equivalents in the year		482,819		955,162
Cash and cash equivalents at the beginning of the year		1,373,107		417,945
		<u> </u>		<u> </u>
Total cash and cash equivalents at the end of the year		1,855,926		1,373,107
		<u> </u>		<u> </u>
Cash and cash equivalents comprise:				
Cash at bank		1,855,926		1,373,107
		<u> </u>		<u> </u>

People's Postcode Trust

Notes to the financial statements

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 (as amended), the Statement of Recommended Practice (SORP) FRS 102 "Accounting and Reporting by Charities", and in accordance with Financial Reporting Standard 102 (FRS 102).

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 up to 32.5% 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.

Expenditure on raising funds

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

Cash and cash equivalents

The Trust considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

People's Postcode Trust

Notes to the financial statements (continued)

1 Accounting policies (continued)

Debtors

Trade and 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.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Fund accounting

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

Designated funds are unrestricted funds earmarked by the Directors for particular purposes.

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

	2016 £	2015 £
Donations and legacies		
Dream fund refund	-	(22,545)
	<u> </u>	<u> </u>

3 Other trading activities

	2016 £	2016 %	2015 £	2015 %
Total proceeds	8,506,750	100.0	8,045,896	100.0
Prizes	(3,402,700)	(40.0)	(3,215,732)	(40.0)
Operational cost	(2,764,694)	(32.5)	(2,818,690)	(35.0)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>2,339,356</u>	<u>27.5</u>	<u>2,011,474</u>	<u>25.0</u>

People's Postcode Trust

Notes to the financial statements (continued)

4	Income from investments			2016	2015
				£	£
	Bank interest			3,780	3,612
5	Expenditure on raising funds	Unrestricted	Designated	2016	2015
		£	£	£	£
	Prizes	3,402,700	-	3,402,700	3,215,732
	Operational costs	2,764,694	-	2,764,694	2,818,690
	PR	3,478	-	3,478	6,267
	Charity gala	4,524	-	4,524	7,235
		6,175,396	-	6,175,396	6,047,924
6	Expenditure on charitable activities				
	Type of project	Unrestricted	Designated	2016	2015
		£	£	£	£
	Grants				
	Barnardos	-	-	-	100,000
	NSPCC	100,000	-	100,000	100,000
	Place 2 Be	100,000	-	100,000	-
	Small grants	2,004,441	20,000	2,024,441	1,506,214
		2,204,441	20,000	2,224,441	1,706,214
	Support costs				
	Cost recharges	62,795	-	62,795	67,150
	Insurance	1,273	-	1,273	681
	Travel and subsistence	5,942	-	5,942	2,956
	Subscriptions	964	-	964	1,094
	Printing, postage and stationery	6,116	-	6,116	227
	Equipment hire	-	-	-	3,605
	Consultancy fees	206	-	206	-
	Web development	14,990	-	14,990	16,137
	Bank charges	60	-	60	151
	Miscellaneous expenses	79	-	79	302
	Governance costs (note 7)	10,747	-	10,747	9,631
		103,172	-	103,172	101,934
		2,307,613	20,000	2,327,613	1,808,148

People's Postcode Trust

Notes to the financial statements (continued)

6 Expenditure on charitable activities (continued)

222 projects were funded by the grants made (2015: 168) across the following geographical areas and funding themes. No grants were made to individuals.

Geographical split of grants	No	£
England	169	1,593,554
Scotland	29	294,570
Wales	24	163,484
Grant monies refunded	-	(27,167)
	222	2,024,441

Funding themes	No	£
Health	99	871,968
Human Rights	23	339,968
Poverty	100	839,672
Grant monies refunded	-	(27,167)
	222	2,024,441

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

	2016	2015
	£	£
Legal and professional fees	5,297	2,843
Audit fees	4,800	4,800
Charity workshops	650	1,988
	10,747	9,631

8 Staff costs

No Director received any remuneration during the year or the previous year.

No Director received reimbursement of expenses during the year (2015: one Director - £43). Directors' Indemnity Insurance costing £1,273 (2015: £681) was purchased during the year.

The charity has no employees.

People's Postcode Trust

Notes to the financial statements (continued)

9	Debtors			2016	2015
				£	£
	Trade debtors			13,625	27,950
	Other debtors			257,920	227,654
	Prepayments and accrued income			-	1,114
				271,545	256,718
10	Creditors			2016	2015
				£	£
	Amounts falling due within one year:				
	Trade creditors			19,017	11,290
	Other creditors			1,789,969	1,307,571
	Accruals and deferred income			4,800	4,800
				1,813,786	1,323,661
11	Analysis of net assets between funds			Net current assets	
				2016	2015
				£	£
	Unrestricted funds:				
	General			263,685	236,164
	Designated			50,000	70,000
				313,685	306,164
12	Accumulated funds	Unrestricted funds		2016	2015
		2016	2016	2016	2015
		General	Designated	Total	Total
		£	£	£	£
	Balance brought forward	236,164	70,000	306,164	135,273
	Net income/(expenditure) for the year	27,521	(20,000)	7,521	170,891
	Balance carried forward	263,685	50,000	313,685	306,164

Opening designated funds comprised £20,000 set aside for a grant awards which were paid during 2016 and £50,000 for the Public Affairs campaign which remains within closing designated funds.

People's Postcode Trust

Notes to the financial statements (continued)

13 Operating lease commitments

Total commitments under non-cancellable operating leases are as follows:

	2016 Other £	2015 Other £
Due within 1 year	835	3,341
Due within 2-5 years	-	835
Total commitment	<u>835</u>	<u>4,176</u>

14 Related party transactions

Each Postcode Trust transfers up to 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 £	Opening share of trade creditors £	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	9,009	14,170	(143,179)	98,404	-	(11,615)	(33,211)
Community	(21,195)	11,290	(145,931)	100,535	35,836	(11,690)	(31,155)
Dream	(18,990)	13,235	(114,245)	102,775	-	(19,780)	(37,005)
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

15 FRC Revised Ethical Standard – Provisions Available for Audits of Small 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.

16 Ultimate controlling party

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