

PEOPLE'S POSTCODE TRUST
TRUSTEES' REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2010



Scottish Charity Registration No: SC040387

Company Registration No: 356549 (Scotland)

PEOPLE'S POSTCODE TRUST

REPORT OF THE TRUSTEES

Reference and Administration Details

People's Postcode Trust was formally constituted and awarded charitable status on 23 March 2009. The charity number is SC040387 and is a company limited by guarantee (356549). The registered address is Suite G4, Great Michael House, 14 Links Place, EDINBURGH, EH6 7EZ

Trustees

People's Postcode Trust set up in April 2009 with the following Board of Trustees.

- Jo Bucci – Managing Director, People's Postcode Lottery
- Annemiek Hoogenboom – Country Director, People's Postcode Lottery
- Lawson Muncaster – Managing Director, City AM
- Stephen Naysmith – Editor, Herald Society
- Elizabeth Partyka – Channel Controller, STV
- Juliet Simpson – Managing Director, Stripe Communications

Management

Claire Montgomery – Executive Manager [maternity cover: Clara Govier from October 2010)

Lynsie Anderson – Trust Advisor [replaced by Clare Oliver in May 2010]

Michael O'Connor – Finance Manager

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Structure, Government and Management

Trustees

A Trustee 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 Trustee unless the Trustees resolve that there are exceptional circumstances in that such individual possesses specific or unique skills and expertise, experience or ability of significant value to the Company. In such circumstances, a retiring Trustee may, if willing to act, be re-appointed by the Trustees 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 Trustee shall hold office as Trustee for more than eight years in total.

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

- he is recommended by the Trustees; 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 Trustees for appointment or re-appointment as a Trustee 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 Trustee. 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 Trustees.
- The Company may by Ordinary Resolution appoint a person who is willing to act to be a Trustee either to fill a vacancy or as an additional Trustee.
- The Trustees may appoint a person who is willing to be a Trustee, either to fill a vacancy or as an additional Trustee, provided the appointment does not cause the number of Trustees to exceed any number fixed by or in accordance with the Articles as the maximum number of Trustees

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

The business of the People's Postcode Trust is managed by the Trustees 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 Trustees. The Trustees ultimately decide the procedures for selection of projects and the amounts of grants involved. Trustees meet quarterly. These are chaired and fully minuted to discuss and decide the following:

- Applications received
- Outcomes of completed projects
- Progress of current funding

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- Bi-annual visit by one or more trustees to selection of People's Postcode Trust funded projects
- Any other business

The Board of Trustees appointed an Executive Manager of the People's Postcode Trust to oversee the day to day management 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 Advisor to undertake day to day activities including the following:

- Screening of all funding proposals, preparing a monthly 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 Trustees to make decisions
- Monthly financial updates including income position, breakdown of costs, and awards made.
- Creation of monthly 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 £2,000.
- Management of quarterly trustee meetings including consultation of Trustees where desirable or needed to provide their charitable causes in Scotland and Northern England.

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

- Management of holding account which will receive payments direct from the People's Postcode Lottery.
- Making payments to recipient projects
- Creation of People's Postcode Trust annual accounts and submissions of these to the People's Postcode Lottery and OSCR

Risk Management

People's Postcode Trust keeps under review the adequacy of the systems and procedures now in place and those implemented in the year. We use a Sage accounting system to keep records and RBS Bankline system to make payments.

Objectives and Activities

People's Postcode Trust distributes 3-month project funding ranging from £500 up to £10,000. Decisions are made on a quarterly basis. Registered charities can apply for up to

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£10,000. Community groups not formally registered as a charity can apply for up to £2,000. All funding decisions are made by an independent Board of Trustees.

People's Postcode Lottery (PPL) operates lotteries including on behalf of the People's Postcode Trust. In 2009, PPL managed 18 draws, and in 2010, PPL operated 19 draws on behalf of PPT. The People's Postcode Trust is regulated by the Gambling Commission under certificate 000-018971-N-0302359-004 and 000-018971-R-302358-003.

People's Postcode Trust agrees to:

- redistribute a minimum of 80% of the receipts;
- operate a quick and efficient application process; and,
- accept applications which have a strong appeal to people.

Public Benefit

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

- To prevent poverty
- To advance citizenship or community development
- To promote, maintain, improve and advance health
- To advance public participation in sport
- To promote, improve and advance human rights, conflict resolution or reconciliation
- To promote and advance environmental protection or improvement

Achievements and Performance

People's Postcode Trust funded a total of 301 projects across Great Britain with funds raised in 2010.

The first Welsh funding awards for projects up to the value of £5,000 were made in December 2010.

In October 2010, the Dream Fund was launched with £300,000 available in Scotland for 12-month collaborative projects. The Fund was designed to give organisations the chance to deliver a project they have always dreamed of, but never had the opportunity to bring to life. The winners will be announced in January 2011.

Sports Driving – Lockerbie and Langlands Project



Sports Driving provides opportunities for people of all ages who have a disability, mental and behavioural disorder or terminal illness to enjoy the fun of pony driving. Sports Driving were awarded £7,746 from People's Postcode Trust to cover a programme of coaching sessions that in Boreland, Lockerbie. The children were taught to drive a pony and control its speed and direction around a set course, as well as experiencing the practical aspects of caring for a pony, including grooming, leading, harnessing and feeding.

The funding has enabled 34 children and young people to try something they have never done

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before and parents have been amazed at the improvement in concentration and behaviour their children show following pony driving!

Sport 4 Life – Exercise and Healthy Living

Sport 4 Life is a charity dedicated to changing lives through the power of sport in Birmingham. They provide sports activities, exercise classes, and healthy lifestyle projects in deprived areas. They were awarded £2,801 in May 2010 for their Smoothie Bike Project - an initiative that promoted a message of healthy eating, physical activity and healthy lifestyles to disadvantaged children and young people through the use of a fun, innovative and interactive "smoothie bike" - an exercise bike fitted with a pedal-powered food blender. The smoothie bike was taken into 15 school and community group settings by qualified instructors, with 1,000 people getting involved. As a direct result, some participants have drastically changed the way they eat and been inspired to lose weight and become more active.



Venture Trust – Inspiring Young Futures



Venture Trust gives young care leavers and young carers time, space and support to reflect on their lives, then helps them to develop the skills necessary to make positive changes. £9,431 was awarded by People's Postcode Trust which was used to purchase expedition equipment and enable Venture Trust offered a personal development journey to 10 young care leavers and carers from Clackmannanshire, with the aim of helping them make a positive transition to

adulthood and independent living. Having taken part in these wilderness-based personal development activities, the young people have continued to be supported in their communities for 12 months by their 'Positive Destinations Advisor' (PDA) who acts as a conduit to opportunities in their local area, linking them into voluntary sector projects, employment, education and training opportunities.

Many of the participants have already been able to use their new skills to make positive changes in their lives at home, including starting a new degree course and moving into their own home.

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Pairc Playgroup – Sensory Garden

Pairc Playgroup on the Isle of Lewis aims to provide a safe and stimulating environment for children not yet attending primary school. The £2,000 from People's Postcode Trust has created a sensory garden, which includes a nature reserve and pond, seating areas and shelters for quiet contemplation and hide and seek games, a fruit and vegetable garden, a herb garden and a scented flower garden, as well as new ride on toys and equipment for sand/water/scientific play.



The nature reserve will encourage children to respect and care for the environment around them, and to learn about animal species and habitats. The garden will help children to use their senses to explore their surroundings, and will promote a sense of pride in their achievements once their plants have grown, especially as the sensory garden was their idea.

Pinefleet Wolfreton Girls – Ladies Team



Pinefleet Wolfreton Girls are a community based football club in Hull that provides training and playing opportunities for girls between the ages of 7 to 16. Over 100 girls and women are involved and £750 funding awarded from People's Postcode Trust in December 2010 was used to purchase a new kit for the ladies team in order to replace the very old borrowed kit they were using previously.

Financial Review

The People's Postcode Trust promoted 19 draws throughout 2010. This generated £1.55m revenue

General costs, which includes staffing, amounted to £69,275.

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Funds over £2,000 are distributed on a quarterly basis and all applications must satisfy one of the six requirements. Suitable applications are considered by the Board of Trustees.

Reserves Policy

The major financial risk is of a decline in player numbers per a charity draw. The present target is to hold back 15% of all income received and this will be used to cover operational costs and activities.

Future Plans

People's Postcode Trust expects to build on its success across 2011.

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 applicants for grants. We aim to provide more grants throughout 2011.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees 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 Trustees 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 Trustees 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 regulations 6 and 8 of the Charities Accounts (Scotland). 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.

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

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AUDITORS

The Trustees will place a resolution before the Annual General Meeting to re-appoint The Gallagher Partnership LLP as auditors for the ensuing year.

By order of the Board

Lawson Muncaster
Trustee

May 2011

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DETAILS OF THE REGISTERED OFFICE OF THE PEOPLE'S POSTCODE TRUST AND ADDRESSES OF ITS PROFESSIONAL ADVISERS

Registered Office

Suite G4
Great Michael House
14 Links Place
Edinburgh
EH6 7EZ

Scottish Charity Registration No: SC040387

Company Registration No: 356549 (Scotland)

Bankers

Royal Bank of Scotland
2 Bernard Street
Leith
Edinburgh
EH6 6PU

Auditors

The Gallagher Partnership LLP
Chartered Accountants
Registered Auditors
Titchfield House
69/85 Tabernacle Street
London
EC2A 4RR

Solicitors

Tods Murray LLP
Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9AG

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INDEPENDENT AUDITORS' REPORT TO MEMBERS OF

PEOPLE'S POSTCODE TRUST

We have audited the group and parent company financial statements of The People's Postcode Trust for the period ended 31 December 2010 set out on pages 11 to 14. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of The People's Postcode Trust for the purpose of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with those Acts. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you if in our opinion the information given in the Trustees' Annual Report is not consistent with the financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charity's financial statements are not in agreement with those records, if we have not received all the information and explanations we require for our audit or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to other information.

Basis of opinion

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We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

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 2010 and of the incoming resources and application of resources, including its income and expenditure, for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

Samuel David Clarke
Senior Statutory Auditor
For and on behalf of
The Gallagher Partnership LLP
Statutory Auditor
London

23 May 2011

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Statement of Financial Activities for the period ended 31 December 2010

Incorporating the Income and Expenditure account

	Note	Total 2010 £	Total 2009 £
Incoming Resources from Generated Funds			
Lottery funds allocation		1,553,849	1,191,937
Interest receivable	3		387
Total Incoming Resources		<u>1,553,849</u>	<u>1,192,324</u>
Resources Expended Charitable activities:			
Grants payable	4	1,658,390	580,231
Management and administration	4	107,577	60,602
Total Resources Expended	4	<u>1,765,967</u>	<u>640,833</u>
Net (outgoing)/incoming resources for the Period and Net Movement in Funds		(212,118)	551,491
Fund balance brought forward as at 1 January 2010		551,491	
Fund balance carried forward at 31 December 2010		<u>339,373</u>	<u>551,491</u>

All of the above results were derived from continuing activities. The Charity has no recognised gains or losses other than those dealt with in the Statement of Financial Activities

The notes on 8 to 10 form part of these accounts

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Balance Sheet at 31 December 2010

	Note	2010 £	2009 £
CURRENT ASSETS			
Bank		195,529	0
Accrued income	5	572,682	0
Other Debtors		0	551,491
		<u>768,211</u>	<u>551,491</u>
Creditors: Amount falling due within one year	5	<u>(428,838)</u>	<u>0</u>
NET CURRENT ASSETS			
		339,373	551,491
AND NET ASSETS			
Un restricted funds	6	339,373	551,491
TOTAL FUNDS			
		<u>339,373</u>	<u>551,491</u>

The financial statements were approved by the Board on 29 March 2011 and signed on its behalf by:

Lawson Muncaster
Trustee

Scottish Charity Registration No: SC040387

Company Registration No: 356549 (Scotland)

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Notes to the Accounts for the year ended 31 December 2010

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:

i. Basis of Accounting

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) and applicable accounting standards.

Income

Charitable income is recognised on a cash received basis other than where an accruals basis provides a more accurate basis or will give a fairer representation of the underlying nature of the transaction. Income is recognised so far as there is entitlement to the income, there is certainty of its receipt and the amount is quantifiable.

ii Expenditure

Expenditure is charged to the revenue account on an accruals basis and has been classified under headings that aggregate costs related to each particular charitable activity. There are no specific Governance costs.

2. NET INCOME FOR THE YEAR

	2010	2009
	£	£
The net income for the year is stated after charging:		
Audit fee	<u>5,000</u>	<u>5,000</u>

3. INCOME FROM INVESTMENTS

	2010	2009
	£	£
Interest receivable	<u>0</u>	<u>387</u>

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Notes to the Accounts for the period ended 31 December 2010 (cont)

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Total £	
	2010	2009
Direct charitable expenditure		
Charitable grants	1,658,390	580,231
Management and administration	107,577	60,602
Total	<u>1,765,967</u>	<u>640,833</u>

Management and administration costs are apportioned costs from the People's Postcode Lottery Limited, the organisation that generates the income of the Charity.

5. ANALYSIS OF CREDITORS

	Total £	
	2010	2009
Direct charitable expenditure		
Charitable grants committed	413,386	0
Management and administration accruals	15,452	0
Total	<u>428,838</u>	<u>0</u>

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Notes to the Accounts for the period ended 31 December 2010 (cont)

6. FUNDS

	2010	2009
Net movement in funds	(212,118)	551,491
Balance at 31 December 2010	<u>339,373</u>	<u>551,491</u>
Represented by:		
Net current assets	339,373	551,491
	<u>339,373</u>	<u>551,491</u>

7. The Trustees receive no remuneration or expenses

The Charity has no employees

8. STATUS

People's Postcode Trust is a registered charity constituted as a company limited by guarantee, and does not have share capital. The liability of each member is limited to £1.

9. CAPITAL COMMITMENTS

The Trustees are not aware of any capital commitments.

10. CONTINGENT LIABILITIES

The Trustees are not aware of any contingent liabilities.