

# **Postcode Community Trust**

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

**Company number: SC472798  
Scottish charity number: SC044772**

# Postcode Community Trust

## Contents

---

	<b>Page</b>
Reference and administrative details	1
Directors' Report	2
Independent auditors' report to the Directors and Members	9
Statement of financial activities (including income and expenditure account)	11
Balance sheet	12
Statement of cash flows	13
Notes to the financial statements	14

# Postcode Community Trust

## Reference and administrative details

---

<b>Directors</b>	Lawson Muncaster (Chair) Robert Flett Judith Hills Michael Pratt
<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: 000-037612-N-318384-003 Remote: 000-037612-R-318383-003
<b>Charity number</b>	SC044772
<b>Company number</b>	SC472798
<b>Executive Manager</b>	Clara Govier

# Postcode Community 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 charitable company for the year to 31 December 2015. The information on page 1 forms part of this report.

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

#### Governance

Postcode Community 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.

#### Director's 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.

# Postcode Community 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 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 anticipated 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.

# Postcode Community Trust

## Directors' Report *(continued)*

---

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

#### Management

The business of Postcode Community 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 Postcode Community 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 Postcode Community 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 quarterly 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 Postcode Community 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.

# Postcode Community Trust

## Directors' Report *(continued)*

---

### **Objectives and activities**

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

Postcode Community 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 Trust has two main funding streams:**

- **Community Grants Programme**  
Allows charities to apply for 12-month project funding ranging from £500 up to £20,000 undertaken in Great Britain. 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. The Community Grants Programme had its first funding round in the first quarter of 2015.
- **Community Partnership Programme**  
A number of annual community partnerships will be available each year. 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 quarterly instalments upon successful monitoring and evaluation of the project.

### **Special Awards Programme**

Projects that fall outside the scope of the aforementioned funding programmes are eligible for funding through the Special Awards Programme. Special awards are reserved for highly innovative and impactful projects that meet the Trust's objects and are delivered in Great Britain. These can include projects that have applied to the Dream Fund or are requesting more than can be awarded through the Community Partnership Programme.

### **In 2015, the Trust also funded a Dream Fund award:**

Once a year partnerships of charities can apply to the Dream Fund to deliver the dream project they have always wanted to deliver but never had the opportunity to do so. The Dream Fund accepts applications from projects that meet at least one of the Trust's objects and awards funds of up to £1 million for projects of up to two years in length.

Postcode Community Trust operates its own society lottery which is regulated by the Gambling Commission under certificate 000-037612-N-318384-003 and 000-037612-R-318383-003. The Trust engages Postcode Lottery Ltd (PLL), trading as People's Postcode Lottery, as its External Lottery Manager. In 2015, PLL operated four draws on behalf of Postcode Community Trust.

# Postcode Community Trust

## Directors' report *(continued)*

---

### *Objectives and activities (continued)*

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

- Anti-fraud, corruption & bribery policy
- Code of conduct policy
- Conflict of interest policy
- Social Responsibility Policy
- Self-Exclusion Policy

### Grant making policies

Postcode Community Trust provides funding opportunities to small organisations, community groups and charities in Scotland, England and Wales, through grants ranging from £500 - £1m. Postcode Community Trust aims to distribute funds according to areas where players of PPL are at their highest concentration.

### *Achievements and performance*

#### **Dream Fund 2015**

In 2015 Postcode Community Trust awarded funds to one Dream Fund project:

#### **Taming the Floods – Somerset Levels - awarded £750,000 in January 2015**

No one in the UK is unaware of the devastating impact the 2015 floods had on the community and businesses based on the Somerset Levels. The Royal Bath and West of England Society's project will implement a strategy of community engagement and land management to protect against future flooding and rebuild both pride and ecological celebration within the landscape. The project will be delivered in partnership with Somerset Wildlife Trust and the Farming & Wildlife Advisory Group.

#### **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:

#### **Blantyre Soccer Academy (advancement of participation in sport)**

Blantyre Soccer Academy were awarded £13,070 for their Building a Sustainable Future programme, purchasing the equipment and kit necessary to continue their football and community work - with special emphasis on more marginalised groups such as unemployed young people and those with disabilities.

#### **Bumblebee Conservation Trust (advancement of environmental protection)**

The Caithness Community Meadows for Bumblebees project £13,996 has worked with remote communities in Caithness to create and manage community wildflower areas for bumblebees.

#### **Glasgow East Women's Aid (advancement of human rights)**

Funding of £17,672 supported the successful Let's Grow project, which provides a sheltered growing and learning space for women, children and young people to access a range of activities helping them recover from the long-term consequences of living with domestic abuse.



# Postcode Community Trust

## Directors' Report *(continued)*

---

### **Llety Shenkin Tenants Association (advancement of community development)**

£1,410 was awarded towards the start-up of a youth club – providing musical instruments, soft and sensory equipment, arts and crafts materials and other resources required to operate the new weekly group for local children.

### **South Birmingham Young Homeless Project (prevention of poverty)**

£17,295 enabled the Reach Out Project to take the organisation's much-needed services directly to the most deprived and vulnerable people in South Birmingham, by using a converted minibus they provide advice in the heart of the communities in which they work using this vital mobile resource.

### **St John Ambulance (advancement of health)**

The North West Cycle Response Unit was awarded £20,000 towards the training and resources required for volunteers to deliver critical first aid care and information at a range of public events across the area.

### **Financial review**

All the funds received from the proceeds of People's Postcode Lottery relating to Postcode Community Trust have been included in the financial statements. This amounted to £9.1m (2014: £8.3m). Of this 40%: £3.6m (2014: £3.3m) is given out as prizes and 35%: £3.19m (2014: £2.9m) is retained by our External Lottery Manager which is Postcode Lottery Limited. The remaining 25%: £2.2m (2014: £2.08m) is managed by Postcode Community Trust.

Postcode Community Trust promoted four draws throughout 2015 which generated £9,108,680 (2014: £8.3m) revenue. £6,771 (2014: £19) of other costs were included on raising funds. £3,767,261 (2014: £207k) was allocated to charitable activities in the year with £3,679,052 (2014: £175,957) being given out directly to charitable causes. £9,518 (2014: £6,557) 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 2015, general reserves are £290,287, which is a decrease of £841,617 from 31 December 2014. This level is adequate to cover day-to-day expenditure for the foreseeable future and a proportion of this will be allocated to fund grants during the first funding round of 2016.

# Postcode Community Trust

## Directors' Report *(continued)*

---

### *Plans for future periods*

We believe that the charity has a sound financial basis upon which to build for the future.

In 2016, Postcode Community Trust aims to support marginalised groups in obtaining the skills and resources to effect change in their own communities – overcoming barriers to participations in creative and sustainable ways, and increasing social cohesion through developing access to community facilities and activities.

### *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 11 to 19 were approved by the Directors on 12 April 2016 and signed on its behalf by:



**Lawson Muncaster**

*Chair*

# Postcode Community Trust

## Independent auditors' report to the Directors and Members of Postcode Community Trust

---

We have audited the financial statements of Postcode Community 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 (United Kingdom Generally Accepted Accounting Practice).

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 Standards – Provisions Available for Small Entities (Revised) in the circumstances set out in note 13 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).

# Postcode Community Trust

## Independent auditors' report to the Directors and Members of Postcode Community Trust *(continued)*

---

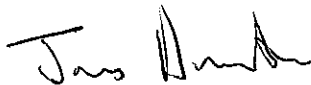
### Opinion on other matters prescribed by the Companies Act 2006

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)**

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

# Postcode Community Trust

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

for the year ended 31 December 2015

	Note	Unrestricted funds			10 months to 31 December
		2015 Unrestricted £	2015 Designated £	2015 Total £	2014 Total £
<b>Income</b>					
Other trading activities	2	9,108,680	-	9,108,680	8,354,240
Income from investments	3	5,245	-	5,245	1,029
<b>Total income and endowments</b>		<b>9,113,925</b>	<b>-</b>	<b>9,113,925</b>	<b>8,355,269</b>
<b>Expenditure</b>					
Expenditure on raising funds	4	(6,838,281)	-	(6,838,281)	(6,265,699)
Expenditure on charitable activities	5	(3,017,261)	(750,000)	(3,767,261)	(207,666)
<b>Total expenditure</b>		<b>(9,855,542)</b>	<b>(750,000)</b>	<b>(10,605,542)</b>	<b>(6,473,365)</b>
<b>Net (expenditure)/income</b>		<b>(741,617)</b>	<b>(750,000)</b>	<b>(1,491,617)</b>	<b>1,881,904</b>
Transfers between funds		(100,000)	100,000	-	-
<b>Net movement in funds</b>		<b>(841,617)</b>	<b>(650,000)</b>	<b>(1,491,617)</b>	<b>1,881,904</b>
<b>Total funds brought forward</b>		<b>1,131,904</b>	<b>750,000</b>	<b>1,881,904</b>	<b>-</b>
<b>Total funds carried forward</b>		<b>290,287</b>	<b>100,000</b>	<b>390,287</b>	<b>1,881,904</b>

All of the above results were derived from continuing activities.

# Postcode Community Trust


## Balance sheet

at 31 December 2015

---

	Note	2015 £	2014 £
<b>Current assets</b>			
Debtors	8	498,410	119,697
Cash at bank and in hand		1,278,066	2,089,587
		<u>1,776,476</u>	<u>2,209,284</u>
<b>Creditors</b>			
Amounts falling due within one year	9	(1,386,189)	(327,380)
		<u>390,287</u>	<u>1,881,904</u>
<b>Net current assets</b>		<u>390,287</u>	<u>1,881,904</u>
<b>Accumulated funds</b>			
<i>Unrestricted funds</i>			
General funds		290,287	1,131,904
Designated funds		100,000	750,000
		<u>390,287</u>	<u>1,881,904</u>
<b>Total funds</b>	10,11	<u>390,287</u>	<u>1,881,904</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: SC472798

# Postcode Community Trust

## Statement of cash flows at 31 December 2015

	2015 £	2015 £	2014 £	2014 £
<b>Cash flows from operating activities</b>				
Net (expenditure)/income	(1,491,617)		1,881,904	
Income from investments	(5,245)		(1,029)	
(Increase) in debtors	(378,713)		(119,697)	
Increase in creditors	1,058,809		327,380	
	<u>                    </u>		<u>                    </u>	
<b>Cash (used in)/provided by operating activities</b>		<b>(816,766)</b>		<b>2,088,558</b>
<b>Cash flows from investing activities</b>				
Investment income	5,245		1,029	
	<u>                    </u>		<u>                    </u>	
<b>Cash provided by investing activities</b>		<b>5,245</b>		<b>1,029</b>
		<u>                    </u>		<u>                    </u>
<b>(Decrease)/increase in cash and cash equivalents in the year</b>		<b>(811,521)</b>		<b>2,089,587</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>2,089,587</b>		<b>-</b>
		<u>                    </u>		<u>                    </u>
<b>Total cash and cash equivalents at the end of the year</b>		<b>1,278,066</b>		<b>2,089,587</b>
		<u>                    </u>		<u>                    </u>
<b>Cash and cash equivalents comprise:</b>				
Cash at bank		<b>1,278,066</b>		<b>2,089,587</b>
		<u>                    </u>		<u>                    </u>

# Postcode Community Trust

## Notes to the financial statements

---

### I Accounting policies

A summary of principal accounting policies, all of which have been applied consistently throughout the 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			18 March 2014		
	Unrestricted	Designated	Total	Unrestricted	Designated	Total
<b>Total funds</b>	1,131,904	750,000	1,881,904	-	-	-
	=====	=====	=====	=====	=====	=====

#### 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 period 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 expenditure in the statement of financial activities.

#### Grants payable

Grants awarded are recognised in full in the period in which they are approved.



# Postcode Community Trust

## Notes to the financial statements

### 1 Accounting policies (continued)

#### Expenditure on raising funds

The cost of generating funds consists of direct expenditure and includes 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.

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

### 2 Other trading activities

	Year to 31 December 2015		10 months to 31 December 2014	
	£	%	£	%
Total proceeds	9,108,680	100.0	8,354,240	100.0
Payment of prizes	(3,642,339)	(40.0)	(3,332,411)	(39.9)
Operational cost	(3,189,171)	(35.0)	(2,933,269)	(35.1)
	<u>2,277,170</u>	<u>25.0</u>	<u>2,088,560</u>	<u>25.0</u>
	=====	=====	=====	=====

### 3 Income from investments

	Year to 31 December 2015	10 months to 31 December 2014
	£	£
Bank interest	<u>5,245</u>	<u>1,029</u>
	=====	=====

# Postcode Community Trust

## Notes to the financial statements

### 4 Expenditure on raising funds

	Year to 31 December 2015 £	10 months to 31 December 2014 £
Prizes	3,642,339	3,332,411
Operational cost	3,189,171	2,933,269
PR	-	19
Charity Gala	6,771	-
	<u>6,838,281</u>	<u>6,265,699</u>
	=====	=====

### 5 Charitable activities

	Type of project	Year to 31 December 2015 £	10 months to 31 December 2014 £
<b>Grants</b>			
Small grants	Note 5	1,999,268	-
Royal Bath & West of England Society	Environment	750,000	-
Place2Be	Health	100,000	-
Debate Mate	Poverty	100,000	-
MyBnk	Poverty	100,000	-
Amnesty International	Human Rights	100,000	-
Music in Hospitals	Community	100,000	-
The Yard Adventure	Community	100,000	-
Jamie Oliver Foundation	Community	100,000	-
Newcastle United Football Foundation	Sport	99,956	-
Saints Foundation	Sport	88,800	-
Gift of Kit	Sport	41,028	-
Social Bite	Community	-	175,000
Foodbank donation	Community	-	957
		<u>3,679,052</u>	<u>175,957</u>
		=====	=====
<b>Support costs</b>			
Cost recharges		67,150	17,382
Travel and subsistence (including sundry)		2,427	83
Printing and stationery		2,959	-
Insurance		128	347
Investment and website		5,981	6,957
Maintenance		-	382
Bank charges		46	1
Governance costs (Note 6)		9,518	6,557
		<u>88,209</u>	<u>31,709</u>
		=====	=====
		<u>3,767,261</u>	<u>207,666</u>
		=====	=====

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

# Postcode Community Trust

## Notes to the financial statements (continued)

### 5 Expenditure on charitable activities (continued)

253 projects were funded by the small grants made (2014: 0) 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	172	1,411,994
Scotland	48	418,789
Wales	33	170,591
Grant monies refunded	-	(2,106)
	<b>253</b>	<b>1,999,268</b>
	=====	=====

<b>Funding themes</b>	<b>No</b>	<b>£</b>
Community	77	622,141
Environment	31	246,490
Health	42	339,772
Human Rights	21	223,474
Poverty	26	214,203
Sport	56	355,294
Grant monies refunded	-	(2,106)
	<b>253</b>	<b>1,999,268</b>
	=====	=====

### 6 Governance costs

	<b>Year to 31 December 2015</b>	<b>10 months to 31 December 2014</b>
	<b>£</b>	<b>£</b>
Legal and professional fees	3,341	2,357
Audit fees	4,200	4,200
Charity workshop	1,977	-
	<b>9,518</b>	<b>6,557</b>
	=====	=====

### 7 Staff costs

No Directors received remuneration during the year.

Expenses of £43 (2014: £Nil) were reimbursed to one Director during the year. Directors' indemnity insurance costing £769 was purchased in the year.

The charity has no employees.

# Postcode Community Trust

## Notes to the financial statements (continued)

<b>8</b>	<b>Debtors</b>	<b>2015</b>	<b>2014</b>
		£	£
	Trade debtors	21,195	-
	Other debtors	474,443	118,079
	Prepayments	2,772	1,618
		<u>498,410</u>	<u>119,697</u>
		=====	=====
<b>9</b>	<b>Creditors</b>	<b>2015</b>	<b>2014</b>
		£	£
	Amounts falling due within one year:		
	Trade creditors	41,290	30,101
	Other creditors	1,329,671	293,079
	Accruals and deferred income	15,228	4,200
		<u>1,386,189</u>	<u>327,380</u>
		=====	=====
<b>10</b>	<b>Analysis of net assets between funds</b>	<b>Net current assets</b>	
		<b>2015</b>	<b>2014</b>
		£	£
	<i>Unrestricted funds</i>		
	General funds	290,287	1,131,904
	Designated funds	100,000	750,000
		<u>390,287</u>	<u>1,881,904</u>
		=====	=====
<b>11</b>	<b>Accumulated funds</b>	<b>Unrestricted funds</b>	
		<b>General</b>	<b>Designated</b>
		£	£
	Brought forward	1,131,904	750,000
	(Deficit) for the year	(741,617)	(750,000)
	Transfers between funds	(100,000)	100,000
		<u>290,287</u>	<u>100,000</u>
	<b>Balance carried forward</b>	<u>290,287</u>	<u>100,000</u>
		=====	=====
		<u>390,287</u>	<u>1,881,904</u>
		=====	=====

Opening designated funds comprise £750,000 of funds set aside for grant awards during 2015.

Closing designated funds comprise:

- £50,000 for the stakeholders' engagement campaign.
- £50,000 for the second trial of Gift of Kit Community Sports Grant programme.

# Postcode Community Trust

## Notes to the financial statements (continued)

### 12 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 (PPT). 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 People's Postcode Trust. The value of funds transferred from the Trust to PPT and costs paid by PPT on the Trust's 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 the Trust £	Monies refunded by the Trust to PPT £	Trust's share of year end trade creditors £	Closing balance due (to)/from PPT £
PPT	<u>(30,101)</u>	<u>30,101</u>	<u>227,717</u>	<u>(96,095)</u>	<u>(121,717)</u>	<u>11,290</u>	<u>21,195</u>

### 13 APB Ethical Standard – Provisions Available for 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.

### 14 Ultimate controlling party

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

