

# **Postcode Local Trust**

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

**Company number: SC503019  
Scottish charity number: SC045504**

# Postcode Local Trust

## Contents

---

	<b>Page</b>
Reference and administrative details	1
Directors' Report	2
Independent auditors' report to the Directors and Members	8
Statement of financial activities (including income and expenditure account)	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13

# Postcode Local Trust

## Reference and administrative details

---

**Directors** Lawson Muncaster (Chair) (appointed 10 April 2015)  
Robert Flett (appointed 10 April 2015)  
Judith Hills (appointed 10 April 2015)  
Michael Pratt (appointed 10 April 2015)

**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

**Gambling licence numbers** Non remote: 000-041861-N-322043-001  
Remote: 000-041861-R-322042-001

**Charity number** SC045504

**Company number** SC503019

**Executive Manager** Clara Govier

# Postcode Local 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 period to 31 December 2015. The Trust was incorporated on 10 April 2015. The information on page 1 forms part of this report.

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

#### Governance

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

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

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

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

#### Directors' induction & training

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

# Postcode Local 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 Local Trust

## Directors' Report *(continued)*

---

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

#### Management

The business of Postcode Local 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 Local 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 Local 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 quarterly 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 Local 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 Local Trust

## Directors' Report *(continued)*

---

### **Objectives and activities**

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

Postcode Local 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 agreed to focus on promotion and advancement of environmental protection or improvement for the next two years.

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

- **Small Grants Programme**  
Allows charities to apply for 12-month project funding ranging from £500 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.
- **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.

Postcode Local Trust operates its own society lottery which is regulated by the Gambling Commission under licences 000-041861-N-322043-001 and 000-041861-R-322042-001. The Trust engages Postcode Lottery Limited (PLL), trading as People's Postcode Lottery, as its External Lottery Manager. In 2015, PLL operated three draws on behalf of Postcode Local Trust.

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

- Social Responsibility Policy
- Self-Exclusion Policy

### Grant making policies

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

# Postcode Local Trust

## Directors' Report *(continued)*

---

### ***Achievements and performance***

Postcode Local Trust small grants programme will officially launch in 2016, with £2,000,000 of funds being awarded from the first funding round.

In 2015, a grant was provided to Local Giving Foundation for the North West development project, helping to boost capacity building amongst local grassroots organisations for environmental causes.

### ***Financial review***

All the funds received from the proceeds of People's Postcode Lottery relating to Postcode Local Trust have been included in the financial statements. This amounted to £9.1m. Of this and included in expenditure on raising funds, around 40%: £3.6m is given out as prizes and around 32.5%: £2.9m is retained by our External Lottery Manager which is Postcode Lottery Limited. The remaining 27.5%: £2.5m is managed by Postcode Local Trust.

Postcode Local Trust promoted three draws throughout 2015 which generated £9.1m revenue. £1,735 of other costs were included in expenditure on raising funds, £119,704 was allocated to charitable activities in the year with £96,364 being given out directly to charitable causes. £5,745 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 £2,342,475 as Postcode Local Trust draws were promoted in the final month of 2015. A launch fund of £2 million is available for distribution in the first funding round of 2016.

### ***Plans for future periods***

We believe that the charity has a sound financial basis upon which to build for the future. Postcode Local Trust will have its first funding round in the first funding round of 2016 and will provide support to community-based environmental projects which benefit wildlife, enhance biodiversity, or renovate/create new green habitats. Postcode Local Trust will also consider sustainable energy projects benefitting local areas.



# Postcode Local Trust

## Directors' report *(continued)*

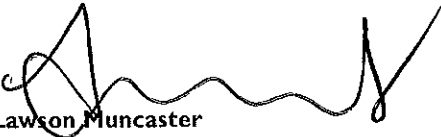
---

### *Approval of the Directors' report*

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

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

The financial statements on pages 10 to 17 were approved by the Directors on 12 April 2016 and signed on its behalf by:



Lawson Muncaster  
Chair

# Postcode Local Trust

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

---

We have audited the financial statements of Postcode Local Trust for the period to 31 December 2015 which comprise the Statement of Financial Activities, the Balance Sheet, 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 12 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 period 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 Local Trust

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

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

for the period ended 31 December 2015

	Note	9 months to 31 Dec 2015 Unrestricted £	9 months to 31 Dec 2015 Designated £	9 months to 31 Dec 2015 Total £
<b>Income</b>				
Other trading activities	2	9,141,504	-	9,141,504
<b>Total income and endowments</b>		<b>9,141,504</b>	<b>-</b>	<b>9,141,504</b>
<b>Expenditure</b>				
Expenditure on raising funds	3	(6,629,325)	-	(6,629,325)
Expenditure on charitable activities	4	(119,704)	-	(119,704)
<b>Total expenditure</b>		<b>(6,749,029)</b>	<b>-</b>	<b>(6,749,029)</b>
<b>Net income</b>		<b>2,392,475</b>	<b>-</b>	<b>2,392,475</b>
Transfers between funds		(50,000)	50,000	-
<b>Net movement in funds</b>		<b>2,342,475</b>	<b>50,000</b>	<b>2,392,475</b>
<b>Total funds carried forward</b>		<b>2,342,475</b>	<b>50,000</b>	<b>2,392,475</b>

All of the above results were derived from continuing activities.

# Postcode Local Trust

## Balance sheet at 31 December 2015

	Note	2015 £
<b>Current assets</b>		
Debtors	7	391,784
Cash at bank and in hand		2,513,914
		<u>2,905,698</u>
<b>Creditors</b>		
Amounts falling due within one year	8	(513,223)
		<u>2,392,475</u>
<b>Net current assets</b>		<u>2,392,475</u>
<b>Accumulated funds</b>		
<i>Unrestricted funds</i>		
General funds		2,342,475
Designated funds		50,000
		<u>2,392,475</u>
<b>Total funds</b>	9,10	<u>2,392,475</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: SC503019

# Postcode Local Trust

## Statement of cash flows at 31 December 2015

---

	9 months to 31 December 2015 £
<b>Cash flows from operating activities</b>	
Net income	2,392,475
(Increase) in debtors	(405,954)
Increase in creditors	527,393
	<hr/>
Cash provided by operating activities	2,513,914
	<hr/>
<b>Increase in cash and cash equivalents in the year</b>	<b>2,513,914</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>-</b>
	<hr/>
<b>Total cash and cash equivalents at the end of the year</b>	<b>2,513,914</b> =====
<b>Cash and cash equivalents comprise:</b>	
Cash at bank	2,513,914 =====

# Postcode Local Trust

## Notes to the financial statements

---

### 1 Accounting policies

A summary of principal accounting policies, all of which have been applied consistently throughout the period 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" (revised 2015), 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 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 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 expenditure in the statement of financial activities.

#### **Grants payable**

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

#### **Expenditure on raising funds**

The expenditure on raising 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.

# Postcode Local Trust

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

---

### 1 Accounting policies *(continued)*

#### 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

	9 months to 31 December 2015	
	£	%
Total proceeds	9,141,504	100.0
Payment of prizes	(3,656,602)	(40.0)
Operational cost	(2,970,988)	(32.5)
	<u>2,513,914</u>	<u>27.5</u>
	=====	=====

### 3 Expenditure on raising funds

	9 months to 31 December 2015
	£
Prizes	3,656,602
Operational cost	2,970,988
PR	1,735
	<u>6,629,325</u>
	=====



# Postcode Local Trust

## Notes to the financial statements (continued)

### 4 Expenditure on charitable activities

	Type of project	9 months to 31 December 2015 £
<b>Grants</b>		
Local Giving Foundation	Community development	96,364
		<hr/>
		96,364
<b>Support costs</b>		
Cost recharges		14,378
Travel and subsistence (including sundry)		96
Insurance		129
Internet and website		2,992
Governance costs (Note 5)		5,745
		<hr/>
		23,340
		<hr/>
		119,704
		=====

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

### 5 Governance costs

	9 months to 31 December 2015 £
Legal and professional fees	1,545
Audit fees	4,200
	<hr/>
	5,745
	=====

### 6 Staff costs

No Directors received remuneration during the period.

Expenses of £43 were reimbursed to one Director in the year. Directors' indemnity insurance costing £769 was purchased in the year.

The charity has no employees.

# Postcode Local Trust

## Notes to the financial statements (continued)

<b>7</b>	<b>Debtors</b>		<b>2015</b> £	
	Other debtors		389,480	
	Prepayments		2,304	
			391,784	
			=====	
<b>8</b>	<b>Creditors</b>		<b>2015</b> £	
	Amounts falling due within one year:			
	Trade creditors		14,170	
	Other creditors		493,413	
	Accruals and deferred income		5,640	
			513,223	
			=====	
<b>9</b>	<b>Analysis of net assets between funds</b>	<b>Net current assets</b> £	<b>Total</b> £	
	<i>Unrestricted funds</i>			
	General funds	2,342,475	2,342,475	
	Designated funds	50,000	50,000	
		2,392,475	2,392,475	
		=====	=====	
<b>10</b>	<b>Accumulated funds</b>	<b>Unrestricted funds</b> <b>General</b> £	<b>Designated</b> £	<b>Total</b> £
	Surplus for the period	2,392,475	-	2,392,475
	Transfers between funds	(50,000)	50,000	-
		2,342,475	50,000	2,392,475
	<b>Balance carried forward</b>	2,342,475	50,000	2,392,475
		=====	=====	=====

Designated funds comprise £50,000 set aside by Directors in 2015 for a stakeholder engagement campaign.

# Postcode Local Trust

## Notes to the financial statements (continued)

### 11 Related party transactions

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

	Balance due to/(from) PPT £	Transfer of net proceeds to PPT £	Support costs paid on behalf of Trusts £	Monies refunded by PPT to the Trusts £	Trust's share of year end trade creditors £	Balance due to/(from) PPT £
Local		-	(23,179)	-	14,170	(9,009)
	=====	=====	=====	=====	=====	=====

### 12 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.

### 13 Ultimate controlling party

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

