

Postcode Places Trust
(formerly Postcode Education Trust)

Directors' report and financial statements for the
financial period ended 31 December 2020

Company number: SC623202
Scottish charity number: SC049115

Postcode Places Trust *(formerly Postcode Education Trust)*

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Postcode Places Trust *(formerly Postcode Education Trust)*

Reference and administrative details

Directors and Trustees	Francis Fletcher (Appointed 1 st March 2021) Michael Pratt (Chair; Appointed 1 st March 2021) Judith Hills (Appointed 1 st March 2021) Charles Dundas (Chair; Resigned 2 nd March 2021) Jonathan Lee (Resigned 2 nd March 2021) Richard Dixon (Resigned 2 nd March 2021) Joseph Traynor (Resigned 2 nd March 2021) Omolara Plang (Resigned 2 nd March 2021)
Registered office	28 Charlotte Square Edinburgh EH2 4ET
Independent Auditors	PricewaterhouseCoopers LLP Atria One 144 Morrison Street Edinburgh EH3 8EX
Bankers	Lloyds Plc 39 Threadneedle Street London EC2R 8AU
Solicitors	MacRoberts LLP Excel House 30 Sempie Street Edinburgh EH3 8BL
Gambling licence	Non remote: 000-054500-N-330875-001 Remote: 000-054500-R-330874-001
Charity number	SC049115
Company number	SC623202
Executive Manager	Laura Chow

Postcode Places Trust *(formerly Postcode Education 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 audited financial statements of the charity (also referred to as the Trust and the Charitable Company) for the financial period to 31 December 2020. The information on page 1 forms part of this report.

During 2020 Postcode Education Trust was renamed to Postcode Places Trust to better align the charity name to the charitable purposes and future activities.

Structure, governance and management

Governance

Postcode Places Trust is a company limited by guarantee, constituted by the Memorandum and Articles of Association and is governed by its elected Directors. New Directors are elected at twice yearly 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 individual possesses specific or unique skills and expertise, experience or ability of significant value to the Company. In such circumstances, a retiring Director may, if willing to act, be re-appointed by the Directors for a second and final term of a maximum of four years and shall at the end of that second term retire altogether so that no Director shall hold office as Director for more than eight years in total.

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

- he/she 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.

Postcode Places Trust *(formerly Postcode Education Trust)*

Directors' Report *(continued)*

Structure, governance and management (continued)

- 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 and 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.

Statement of Directors' responsibilities

The directors (who are also trustees of Postcode Places Trust for the purposes of company law) are responsible for preparing the Directors' Report and financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, 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;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and

Postcode Places Trust *(formerly Postcode Education Trust)*

Directors' Report *(continued)*

Structure, governance and management (continued)

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply 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). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 Audit & Risk Committee meeting, and full Board meeting against the Risk Register;
- the Risk Register will be managed on a day-to-day basis by the Trust executive 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 executive 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.

Postcode Places Trust *(formerly Postcode Education Trust)*

Directors' Report *(continued)*

Structure, governance and management (continued)

- 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 executive management team receive daily reports regarding ticket sales, so would be aware of any issues very quickly and these would be communicated to Directors.

The Directors do not believe that the current Covid-19 pandemic represents a major risk to the Trust.

Management

The business of Postcode Places 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 formally twice a year. 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 Directors of Postcode Places Trust engage Postcode Lottery Limited (who operate under brand name People's Postcode Lottery) as their external lottery manager.

The Trust engaged MacRoberts LLP as its solicitor to use in all cases where legal services are required.

Staff structure

The Board of Directors appointed an Executive Manager of Postcode Places 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 Places Trust. The Manager appointed the Trust team to undertake day-to-day activities including the following:

Postcode Places Trust *(formerly Postcode Education Trust)*

Directors' Report *(continued)*

Structure, governance and management (continued)

- Screening of all funding proposals;
- Assessing complete applications and providing short summaries for the Directors to make decisions;
- Management of Director meetings including consultation of Directors where desirable or needed;
- Management of marketing/communication on behalf of the Trust including websites, newsletters, publicity etc.

Objectives and activities

The Directors also appointed a Trust Finance Manager to take responsibility for the financial management for Postcode Places Trust including the following:

- Management of the bank account which will receive payments direct from Postcode Lottery Limited;
- Monthly financial updates including income position, breakdown of costs, and awards made;
- 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. Salaries for key management personnel are determined by the Directors of Postcode Lottery Limited.

Postcode Places Trust is solely funded by the proceeds of its society lottery and awards grants to good causes and charities that are inspiring learning, understanding and appreciation of science, music, arts and education to people of all ages.

Postcode Places Trust operates its own society lottery which is regulated by the Gambling Commission under certificate 000-054500-N-330875 and 000-054500-R-330874. The Trust engages Postcode Lottery Limited (PLL), trading as People's Postcode Lottery, as its External Lottery Manager.

Grant making policies

Postcode Society Trust will provide funding opportunities to small organisations, community groups and charities, through grants ranging from £500 - £20,000.

Postcode Places Trust *(formerly Postcode Education Trust)*

Directors' Report *(continued)*

Achievements and performance

Postcode Places Trust will officially launch a Community Grants funding programme during 2021.

Financial review

The Directors have taken steps to ensure the continued operations of the Trust during the current Covid-19 public health crisis and associated government restrictions. They are closely monitoring performance and remain confident in the resilience of the subscription model to protect the Trust's revenues and amounts raised for good causes in 2021 and beyond.

All funds received from proceeds of People's Postcode Lottery relating to Postcode Places Trust have been included in the financial statements. This amounted to £8.17m (2019: £5.66m). Of this and included in expenditure on raising funds 40%: £3.27m (2019: £2.26m) is given out as prizes and 28%: £2.29m (2019: £1.58m) is retained by our External Lottery Manager which is Postcode Lottery Limited. The remaining 32%: £2.61m (2019: £1.81m) is managed by Postcode Places Trust. Postcode Places Trust promoted four draws during 2020 (2019: three draws).

£4.4m (2019: £nil) of funds were transferred to Postcode Education Trust during 2020 due to a change of purpose of Postcode Places Trust. As the funds had been raised in Postcode Places Trust for the purposes of education, equality and human rights the Trustees approved the transfer of funds to Postcode Education Trust.

£6.3k (2019: £4.8k) of support costs were incurred in the year, which includes £4.9k (2019: £4.8k) of Governance Costs. There were no other costs during the financial period.

Reserves Policy

As a company limited by guarantee with no fixed assets, reserves are set according to budgeted income and against obligations for continuous funding for supported charities. It is intended to mitigate against uncertainty relating to cash flow, to ensure that there are sufficient reserves to cover any financial shortfalls, to react to unexpected situations, to protect the Trust's activities if expected income is not received and to retain continuity in relation to expected grant awards.

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

We aim to hold financial reserves at a maximum of £500,000, and a minimum of £250,000 within general funds. We acknowledge that from time to time the Trust's funding strategies and activities

Postcode Places Trust *(formerly Postcode Education Trust)*

Directors' Report *(continued)*

Reserves Policy (continued)

may require the Trust's reserves to exceed the maximum level or fall below the minimum level noted. If this position continues for an extended period, the Directors will revisit and potentially revise this policy.

The Trust only awards grants once there is a of level certainty in the income due to be received. With any downturn in income, the Trust is in a position to adjust grant levels accordingly to ensure that the Trust remains to be a going concern.

At 31 December 2020, reserves were (£249) which all relates to general funds. This is due to the transfer of funds to Postcode Education Trust. Postcode Places Trust will promote draws from January 2021 and during 2021 will build the reserves up to the required level.

Plans for future periods

The current Covid-19 public health crisis creates significant uncertainty for the world economy. With having a single source of income, the Directors remain confident in the resilience of the subscription model of People's Postcode Lottery to protect the Trust income. In the event of a substantial change in circumstances significantly reducing revenue, the Trust holds sufficient cash reserves to ensure it can continue operations for the foreseeable future.

From January 2021, as requested, the External Lottery Manager PPL will run one draw per month for the Trust. This regular draw income will assist with budgeting and planning. In addition, from July, the percentage of lottery income going to good causes from each draw will increase from 32% to 33%. The Trust will open for funding applications monthly from February to November, rather than twice per year as before, in order that charities and good causes do not have to wait so long to apply and those successful can receive funding more quickly.

Postcode Places Trust *(formerly Postcode Education Trust)*

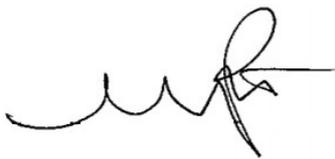
Directors' Report *(continued)*

Statement of disclosure of information to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

The financial statements on pages 15 to 25 were approved by the directors on 27th May 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'mf' with a flourish extending to the right.

Michael Pratt

Chair

Postcode Places Trust *(formerly Postcode Education Trust)*

Independent auditors' report to the members and trustees of Postcode Places Trust

Report on the audit of the financial statements

Opinion

In our opinion, Postcode Places Trust's financial statements (the financial statements“):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Directors' report and financial statements for the year ended 31 December 2020 (the “Annual Report”), which comprise: the balance sheet as at 31 December 2020; the statement of financial activities (including income and expenditure account) and the statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Postcode Places Trust *(formerly Postcode Education Trust)*

Independent auditors' report to the members and trustees of Postcode Places Trust

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Postcode Places Trust *(formerly Postcode Education Trust)*

Independent auditors' report to the members and trustees of Postcode Places Trust

Directors' report

In our opinion, based on the work undertaken in the course of the audit the information given in the Directors' report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Directors' report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in Directors' report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities set out on page 3, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Postcode Places Trust *(formerly Postcode Education Trust)*

Independent auditors' report to the members and trustees of Postcode Places Trust

Auditors' responsibilities for the audit of the financial statements (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company and industry, we identified that the principal risks of non-compliance with laws and regulations related to charity regulations, gambling regulations and UK company law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the inappropriate use of charitable funds, for example through inappropriate awards, including to organisations that are not in line with the charitable purpose of the Trust.

Audit procedures performed by the engagement team to address these risks included:

- enquiring of management and the directors to identify any instances of non-compliance with laws and regulations, fraud or inappropriate use of charitable funds;
- understanding the approach taken by management and the directors to monitor compliance with laws and regulations, and to prevent fraud or inappropriate use of charitable funds;
- validating, for a sample of expenditure, that it was appropriately approved and that the objectives of charities in receipt of funding are aligned to those of the Trust; and
- testing that payments recorded within the financial statements can be traced to appropriate supporting documentation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Postcode Places Trust *(formerly Postcode Education Trust)*

Independent auditors' report to the members and trustees of Postcode Places Trust

Use of this report

This report, including the opinions, has been prepared for and only for the charitable company's members and trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Matters on which we are required to report by exception

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate and proper accounting records have not been kept by the charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to: prepare financial statements in accordance with the small companies' regime; take advantage of the small companies' exemption in preparing the Directors' report; and take advantage of the small companies' exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Matthew Kaye (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
27th May 2021

Postcode Places Trust *(formerly Postcode Education Trust)*

Statement of financial activities (including income and expenditure account)

for the year to 31 December 2020

		Unrestricted funds	Unrestricted funds
		2020	10 months to Dec
		Total	2019
	Note	£	Total
			£
Income & endowments			
Other trading activities	2	8,169,700	5,660,322
Income from investments	3	3,018	-
		_____	_____
Total income and endowments		8,172,718	5,660,322
		_____	_____
Expenditure			
Expenditure on raising funds	4	(5,558,216)	(3,851,206)
Expenditure on charitable activities	5	(6,336)	(4,861)
		_____	_____
Total Expenditure		(5,564,552)	(3,856,067)
		_____	_____
Net (expenditure)/income		2,608,166	1,804,255
Extraordinary items	8	(4,412,670)	-
		_____	_____
		(1,804,504)	1,804,255
		_____	_____
Net movement in funds		(1,804,504)	1,804,255
Total funds brought forward		1,804,255	-
		_____	_____
Total funds carried forward		(249)	1,804,255
		=====	=====

All of the above results were derived from continuing activities, and all were classed as general activities. There were no designated activities in the period presented.

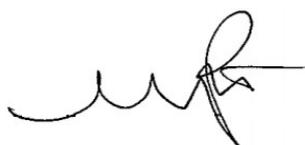
Postcode Places Trust *(formerly Postcode Education Trust)*

Balance sheet

as at 31 December 2020

		2020	10 months to Dec 2019
	<i>Note</i>	£	£
Current assets			
Debtors	9	3,511	873,730
Cash at bank in hand		4,500	1,811,303
		<u>8,011</u>	<u>2,685,033</u>
Creditors			
Amounts falling due within one year	10	(8,260)	(880,778)
		<u>(249)</u>	<u>1,804,255</u>
Net current assets/(liabilities)		<u><u>(249)</u></u>	<u><u>1,804,255</u></u>
Accumulated funds			
Unrestricted funds:			
General		(249)	1,804,255
Designated		-	-
		<u>(249)</u>	<u>-</u>
	11,12	<u><u>(249)</u></u>	<u><u>1,804,255</u></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 27th May 2021.



Michael Pratt
Chair

Company number: SC623202

Postcode Places Trust *(formerly Postcode Education Trust)*

Statement of cash flows

for the year to 31 December 2020

	2020	2020	10 months to Dec 2019	10 months to Dec 2019
	£	£	£	£
Cash flows from operating activities				
Net movement in funds	(1,804,504)		1,804,255	
Income from investments	(3,018)		-	
Decrease/(increase) in debtors	870,219		(873,730)	
(Decrease)/increase in creditors	(872,518)		880,778	
	<u> </u>		<u> </u>	
Cash (used in)/provided by operating activities		(1,809,821)		1,811,303
 Cash flows from investing activities				
Investment income	3,018		-	
	<u> </u>		<u> </u>	
Cash provided by investing activities		3,018		-
		<u> </u>		<u> </u>
(Decrease)/Increase in cash and cash equivalents in the year		(1,806,803)		1,811,303
Cash and cash equivalents at the beginning of the year		1,811,303		-
		<u> </u>		<u> </u>
Total cash and cash equivalents at the end of the year		4,500		1,811,303
		<u> </u>		<u> </u>
 Cash and cash equivalents comprise:				
Cash at bank		4,500		1,811,303
		<u> </u>		<u> </u>

Postcode Places Trust *(formerly Postcode Education Trust)*

Notes to the financial statements

1 Accounting policies

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

Statement of Compliance

The financial statements of Postcode Places Trust have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Basis of Preparation

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.

Going concern

These financial statements have been prepared on the going concern basis which assumes that the charity will continue its operations. The current Covid-19 public health crisis creates significant uncertainty for the world economy. With having a single source of income, the Directors remain confident in the resilience of the subscription model of People's Postcode Lottery to protect the Trust income. In the event of a substantial change in circumstances significantly reducing revenue, the Trust holds sufficient cash reserves to ensure it can continue operations for the foreseeable future. The Directors consider it appropriate to prepare financial statements on a going concern basis.

The Trust only awards grants once there is a of level certainty in the income due to be received. With any downturn in income, the Trust is in a position to adjust grant levels accordingly to ensure that the Trust remains to be a going concern.

Postcode Places Trust *(formerly Postcode Education Trust)*

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

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 financial 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 up to 29% 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 financial period in which they are approved.

Expenditure on raising funds

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

Cash

Cash at bank and in hand includes cash and highly liquid short-term investments with a maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Interest on funds 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.

Debtors

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

Postcode Places Trust *(formerly Postcode Education 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.

Financial instruments

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

Critical Estimates and Judgements

The preparation of the financial statements requires judgement, estimates and assumptions to be made that affect the reported values of assets, liabilities revenues and expenses. The charity has not identified any area where critical estimates are required.

The charity has made a judgement that they are acting as principal for the draws carried out by People's Postcode Lottery.

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.

Postcode Places Trust *(formerly Postcode Education Trust)*

Notes to the financial statements *(continued)*

2 Other trading activities

	2020	2020	10 months to Dec 2019	10 months to Dec 2019
	£	%	£	%
Total proceeds	8,169,700	100	5,660,322	100
Prizes	(3,267,880)	(40)	(2,264,129)	(40)
Operational costs	(2,287,516)	(28)	(1,584,890)	(28)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Lottery fund allocation	2,614,304	32	1,811,303	32
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

3 Income from investments

	2020	10 months to Dec 2019
	£	£
Bank interest	3,018	-
	<u> </u>	<u> </u>

4 Expenditure on raising funds

	2020	10 months to Dec 2019
	£	£
Prizes	3,267,880	2,264,129
Operational cost	2,287,516	1,584,890
Gambling Commission	2,820	2,187
	<u> </u>	<u> </u>
	5,558,216	3,851,206
	<u> </u>	<u> </u>

Postcode Places Trust *(formerly Postcode Education Trust)*

Notes to the financial statements *(continued)*

5 Expenditure on charitable activities

	2020	10 months to Dec 2019
	£	£
Support Costs		
Insurance	1,075	-
Bank charges	53	-
Subscriptions	318	-
Governance costs (Note 6)	4,890	4,861
	<u>6,336</u>	<u>4,861</u>
Total charitable activities	<u>6,336</u>	<u>4,861</u>

6 Governance costs

	2020	10 months to Dec 2019
	£	£
Legal and professional fees	805	1,361
Accountancy fees	540	-
Audit fees	3,545	3,500
	<u>4,890</u>	<u>4,861</u>

7 Staff costs

No Directors received remuneration during the year *(2019: £nil)*.

No Directors received reimbursement of expenses during the year. *(2019: £nil)*. Directors' indemnity insurance costing £1,075 *(2019: £nil)* was purchased in the year.

The charity has no employees.

Postcode Places Trust *(formerly Postcode Education Trust)*

Notes to the financial statements *(continued)*

8 Extraordinary items

£4.4m of funds were transferred to Postcode Education Trust from Postcode Places Trust during 2020 due to a change in overall purpose and focus of the Trust. For this reason, the Trustees approved this transfer.

9 Debtors

	2020	10 months to Dec 2019
	£	£
Other debtors	3,511	873,730
	<u>3,511</u>	<u>873,730</u>

10 Creditors

	2020	10 months to Dec 2019
	£	£
Amounts falling due within one year:		
Trade creditors	910	-
Other creditors	3,350	877,278
Accruals and deferred income	4,000	3,500
	<u>8,260</u>	<u>880,778</u>

Postcode Places Trust *(formerly Postcode Education Trust)*

Notes to the financial statements *(continued)*

11 Analysis of net assets between funds

	General 2020 £	Total 2020 £
Current Assets	8,011	8,011
Current Liabilities	(8,260)	(8,260)
Total net liabilities as 31 December 2020	<u>(249)</u>	<u>(249)</u>
	General 10 months to Dec 2019 £	Total 10 months to Dec 2019 £
Current Assets	2,685,033	2,685,033
Current Liabilities	(880,778)	(880,778)
Total net assets as 31 December 2019	<u>1,804,255</u>	<u>1,804,255</u>

12 Accumulated funds

	Unrestricted funds		Unrestricted funds	
	General 2020 £	Total 2020 £	General 10 months to Dec 2019 £	Total 10 months to Dec 2019 £
Balance brought forward	1,804,255	1,804,255	-	-
Net (expenditure)/income for the year	(1,804,504)	(1,804,504)	1,804,255	1,804,255
Balance carried forward	<u>(249)</u>	<u>(249)</u>	<u>1,804,255</u>	<u>1,804,255</u>

Postcode Places Trust *(formerly Postcode Education Trust)*

Notes to the financial statements *(continued)*

13 Related party transactions

Postcode Lottery Limited is considered to be a related party.

During 2020 £2,287,516 (2019: £1,584,890) was retained by Postcode Lottery Limited as their external lottery management fee.