Postcode Planet Trust

Directors' report and financial statements for the year ended 31 December 2017

Company number: SC476386
Scottish charity number: SC044847

COMPANIES HOUSE
10 AUG 2018
EDINBURGH FRONT DESK



Postcode Planet Trust

Contents

	Page
Reference and administrative details	1
Directors' report	2
Independent auditors' report to the members of Postcode Planet Trust	8
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 Planet Trust

Reference and administrative details

Directors	Frank Fletcher (Chair) Ian Dommett Douglas Parkhill Adam Wallace
Registered office	28 Charlotte Square Edinburgh EH2 4ET
Independent Auditors	PricewaterhouseCoopers LLP 141 Bothwell Street Glasgow G2 7EQ
Bankers	Lloyds Plc 39 Threadneedle Street London EC2R 8AU
Solicitors	MacRoberts LLP Excel House 30 Semple Street Edinburgh EH3 8BL
Gambling licence numbers	Non remote: 000-037736-N-318505 Remote: 000-037736-R-318504
Charity number	SC044847
Company number	SC476386
Executive Manager	Laura Chow

Postcode Planet Trust

Directors' Report

The Directors (who are also trustees of the charitable company for the purposes of charity law) have pleasure in presenting their report and the financial statements of the charity for the year to 31 December 2017. The information on page 1 forms part of this report.

Structure, governance and management

Governance

Postcode Planet 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.
- 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.

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 charity and of the surplus or deficit of the charity for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 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.
- 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.

Directors' Report *(continued)*

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

Management

The business of Postcode Planet 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 Planet Trust engage Postcode Lottery Limited (who operate under brand name People's Postcode Lottery) as their external lottery manager.

The Trust engages 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 Planet 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 Planet Trust. The Manager appointed the Trust team to undertake day-to-day activities including the following:

- 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.

The Directors also appointed a Trust Finance Manager to take responsibility for the financial management for Postcode Planet 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.

Objectives and activities

Postcode Planet Trust is solely funded by the proceeds of its society lottery and awards grants to good causes and charities. Postcode Planet Trust supports charities focussing on the environment, conservation, wildlife, and the enjoyment of nature.

***Objectives and activities** (continued)*

Postcode Planet Trust operates its own society lottery which is regulated by the Gambling Commission under certificate 000-037736-N-318505 and 000-037736-R-318504. The Trust engages Postcode Lottery Limited (PLL), trading as People's Postcode Lottery, as its External Lottery Manager. In 2017, PLL operated four draws on behalf of Postcode Planet Trust.

Grant making policies

The trust team research a selection of potential grant beneficiaries with aims in line with the objects of the Trust, the current business plan and budget. This selection is presented to the Directors, who make recommendations to invite charities to apply. Once applications are received, the Directors make a final decision of who to support.

Achievements and performance

In 2017 we were able to fund eight charities working in Britain and internationally on environmental issues. These were:

- African Parks
- Apopo
- Royal Zoological Society Scotland
- Zoological Society of London
- Global Witness
- Fauna & Flora (one-off)
- Hivos (one-off)
- Cool Earth

Case Study: African Parks – Nkhotakota Park

Decades of poaching and timber harvesting depleted many key mammal species and degraded their natural habitat. Nkhotakota once had more than 1,500 elephants, but due to poaching fewer than 100 remained when we assumed management of the reserve in August 2015.

In July and August 2016 and 2017, 520 elephants along with more than 1,400 game animals were moved from Liwonde Park and Majete Park as part of a historic translocation initiative to restore Nkhotakota and poise it to become one of Malawi's most important sanctuaries for wildlife.

In addition, African Parks has begun working with local communities to address areas of need and promote sustainable livelihoods. This includes the construction of a perimeter fence, stringent law enforcement and resources for scouts to ensure the protection of Nkhotakota's wildlife and the communities surrounding the reserve.

Directors' Report (continued)

Achievements and performance (continued)

Highlights

- A 19,000 ha sanctuary area in the core of the reserve has been fenced to allow for the safe reintroduction of species.
- Vehicles, roads and radios have all been upgraded to improve park management.
- Law Enforcement and Community teams have collected hundreds of wire traps, filled in pit traps and confiscated illegal firearms.
- Given the need to secure the area and prevent human-wildlife conflict, fencing was a top priority
- Communities who live around the reserve have worked with rangers to help collect snares and bury pitfall traps to protect wildlife.

Financial review

All funds received from proceeds of People's Postcode Lottery relating to Postcode Planet Trust have been included in the financial statements. This amounted to £9.82m (2016: £8.72m). Of this and included in expenditure on raising funds 40%: £3.93m (2016: £3.49m) is given out as prizes and 30%: £2.95m (2016: 30%: £2.62m) is retained by our External Lottery Manager which is Postcode Lottery Limited. The remaining 30%: £2.95m (2016: 30%: £2.62m) is managed by Postcode Planet Trust. Postcode Planet Trust promoted four draws throughout 2017.

£2.9m (2016: £3.08m) was given out in grants for charitable activities in the year with £58.1k (2016: £54.1k) of costs to support these activities. Of this, £7.6k (2016: £10.2k) was included in Governance Costs.

Directors consider new beneficiaries of funds regularly, depending on the level of funds forecast to be received in the year.

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 2017, reserves were at £692,665. Of this general reserves were £492,665. This is a decrease of £55,170 from the prior year. This level is adequate to cover day-to-day expenditure and a proportion of this will be allocated to fund grants during 2018.

Plans for future periods

We envisage funding most of the supported charities again, looking to increase the level of income many of them receive. New beneficiaries will also be sourced for special awards during 2018.

Directors' Report *(continued)*

Statement of disclosure of information to auditors

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

The financial statements on pages 11 to 18 were approved by the directors on 27 July 2018 and signed on its behalf by:



Frank Fletcher
Chair

Postcode Planet Trust

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

Report on the audit of the financial statements

Opinion

In our opinion, Postcode Planet Trust financial statements ("the financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 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 (the "Report"), which comprise: the balance sheet as at 31 December 2017; the statement of financial activities (including income and expenditure account), the statement of cash flows for the year then ended; and the notes to the financial statements.

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Reporting on other information

The other information comprises all of the information in the Directors' report and financial statements other than the financial statements and our auditors' report thereon. The trustees 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.

Independent auditors' report to the members and trustees of Postcode Planet Trust *(continued)*

***Reporting on other information** (continued)*

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.

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 the Director's Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Directors' Responsibilities set out on page 3, the trustees 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 trustees 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 trustees 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 trustees 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.
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.

Independent auditors' report to the members and trustees of Postcode Planet Trust *(continued)*

Use of this report

This report, including the opinions, has been prepared for and only for the charity'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, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' 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 trustees were not entitled to: prepare financial statements in accordance with the small companies' regime; and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

Lindsey Paterson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
27 July 2018

Postcode Planet Trust

Statement of financial activities (including income and expenditure account)

for the year ended 31 December 2017

	Note	Unrestricted funds 2017 General £	2017 Designated £	2017 Total £	Unrestricted funds 2016 General £	2016 Designated £	2016 Total £
Income & endowments							
Other trading activities	2	**9,820,808**	-	**9,820,808**	8,720,056	-	8,720,056
Income from investments	3	**9,639**	-	**9,639**	1,280	-	1,280
Total income and endowments		**9,830,447**	-	**9,830,447**	8,721,336	-	8,721,336
Expenditure							
Expenditure on raising funds	4	**(6,877,509)**	-	**(6,877,509)**	(6,108,180)	-	(6,108,180)
Expenditure on charitable activities	5	**(2,958,108)**	-	**(2,958,108)**	(2,404,097)	(725,000)	(3,129,097)
Total expenditure		**(9,835,617)**	-	**(9,835,617)**	(8,512,277)	(725,000)	(9,237,277)
Net (expenditure)/income		**(5,170)**	-	**(5,170)**	209,059	(725,000)	(515,941)
Transfer between funds		**(50,000)**	**50,000**	-	-	-	-
Net movement in funds		**(55,170)**	**50,000**	**(5,170)**	209,059	(725,000)	(515,941)
Total funds brought forward		**547,835**	**150,000**	**697,835**	338,776	875,000	1,213,776
Total funds carried forward		**492,665**	**200,000**	**692,665**	547,835	150,000	697,835

All of the above results were derived from continuing activities.

Postcode Planet Trust

Balance sheet

at 31 December 2017

	Note	2017 £	2016 £
Current assets			
Debtors	8	**22,456**	190,410
Cash at bank and in hand		**691,337**	683,175
		713,793	873,585
Creditors			
Amounts falling due within one year	9	**(21,128)**	(175,750)
Net current assets		**692,665**	697,835
Accumulated funds			
Unrestricted funds:			
General		**492,665**	547,835
Designated		**200,000**	150,000
Total funds	10,11	**692,665**	697,835

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 27 July 2018.

Frank Fletcher
Chair

Company number: SC476386

Postcode Planet Trust

Statement of cash flows
for the year ended 31 December 2017

	2017 £	2017 £	2016 £	2016 £
Cash flows from operating activities				
Net expenditure	**(5,170)**		(515,941)	
Income from investments	**(9,639)**		(1,280)	
Decrease in debtors	**167,954**		86,459	
(Decrease) in creditors	**(154,622)**		(90,205)	
Cash used in operating activities		**(1,477)**		(520,967)
Cash flows from investing activities				
Investment income	**9,639**		1,280	
Cash provided by investing activities		**9,639**		1,280
Increase/(decrease) in cash and cash equivalents in the year		**8,162**		(519,687)
Cash and cash equivalents at the beginning of the year		**683,175**		1,202,862
Total cash and cash equivalents at the end of the year		**691,337**		683,175
Cash and cash equivalents comprise:				
Cash at bank		**691,337**		683,175

Postcode Planet Trust

Notes to the financial statements

1 Accounting policies

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

Statement of Compliance

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 of Postcode Planet 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (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 the 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 up to 30% 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 year 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.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

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.

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.

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

	2017 £	**2017** %	2016 £	2016 %
Total proceeds	**9,820,808**	**100.0**	8,720,056	100.0
Prizes	**(3,928,323)**	**(40.0)**	(3,488,022)	(40.0)
Operational costs	**(2,946,242)**	**(30.0)**	(2,616,017)	(30.0)
Lottery fund allocation	**2,946,243**	**30.0**	2,616,017	30.0

3 Income from investments

	2017 £	2016 £
Bank interest	**9,639**	1,280

Notes to the financial statements *(continued)*

4 Expenditure on raising funds

	2017 £	2016 £
Prizes	**3,928,323**	3,488,022
Operational cost	**2,946,242**	2,616,017
Charity Gala	**-**	4,141
Gambling Commission	**2,944**	-
	6,877,509	6,108,180

5 Expenditure on charitable activities

	Funding theme	Total 2017 £	Total 2016 £
Grants			
African Parks Network	Environmental, Conservation and Protection	**700,000**	800,000
Apopo	Environmental, Conservation and Protection	**700,000**	1,025,000
Fauna & Flora International	Environmental, Conservation and Protection	**250,000**	250,000
Zoological Society of London	Environmental, Conservation and Protection	**250,000**	-
Global Witness Trust	Environmental, Conservation and Protection	**250,000**	-
Hivos (Humanist Institute for Development Cooperation)	Environmental, Conservation and Protection	**300,000**	-
Cool Earth	Environmental, Conservation and Protection	**100,000**	-
Royal Zoological Society of Scotland	Environmental, Conservation and Protection	**350,000**	-
Canal and River Trust	Environmental, Conservation and Protection	**-**	25,000
Peace Parks Foundation	Environmental, Conservation and Protection	**-**	500,000
Royal Botanic Gardens, Edinburgh	Environmental, Conservation and Protection	**-**	225,000
Royal Botanic Gardens, Kew	Environmental, Conservation and Protection	**-**	225,000
Yorkshire Dales Millennium Trust	Environmental, Conservation and Protection	**-**	25,000
		2,900,000	3,075,000
Support costs			
Cost recharges		**43,370**	37,841
Travel and subsistence		**783**	1,493
Printing		**261**	-
Insurance		**896**	1,273
Website		**103**	440
Subscriptions		**1,697**	749
Bank charges		**84**	37
Charity workshops		**2,992**	1,728
Staff Conferences		**285**	-
Consultancy fees		**-**	245
Repairs and renewals		**-**	17
Governance costs (Note 6)		**7,637**	10,274
		58,108	54,097
Total charitable activities		**2,958,108**	3,129,097

Notes to the financial statements *(continued)*

5 Expenditure on charitable activities *(continued)*

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

6 Governance costs

	2017 £	2016 £
Legal and professional fees	**4,197**	6,274
Audit fees	**3,440**	4,000
	7,637	10,274

7 Staff costs

No Directors received remuneration during the year *(2016: £nil)*.

One Director received reimbursement of travel and subsistence expenses of £123 during the year *(2016: 1director £338)*. Directors' indemnity insurance costing £896 *(2016: £1,273)* was purchased in the year.

The charity has no employees. All services of individuals were obtained from Postcode Lottery Limited and invoiced to the charity. The amount attributable to key management personnel for their services during the year was £2,308 *(2016: £2,660)*.

8 Debtors

	2017 £	2016 £
Other debtors	**22,456**	190,410
Prepayments	**-**	-
	22,456	190,410

9 Creditors

	2017 £	2016 £
Amounts falling due within one year:		
Trade creditors	**8,938**	6,353
Other creditors	**8,950**	165,397
Accruals and deferred income	**3,240**	4,000
	21,128	175,750

Notes to the financial statements *(continued)*

10 Analysis of net assets between funds

	General 2017 £	Designated 2017 £	Total 2017 £
Current Assets	**513,793**	**200,000**	**713,793**
Current Liabilities	**(21,128)**	**-**	**(21,128)**
Total net assets at 31 December 2017	**492,665**	**200,000**	**692,665**

	General 2016 £	Designated 2016 £	Total 2016 £
Current Assets	723,585	150,000	873,585
Current Liabilities	(175,750)		(175,750)
Total net assets at 31 December 2016	547,835	150,000	697,835

11 Accumulated funds

	Unrestricted funds			Unrestricted funds		
	General 2017 £	**Designated 2017 £**	**Total 2017 £**	General 2016 £	Designated 2016 £	Total 2016 £
Balance brought forward	**547,835**	**150,000**	**697,835**	338,776	875,000	1,213,776
(Deficit)/surplus for the year	**(5,170)**	**-**	**(5,170)**	209,059	(725,000)	(515,941)
Transfers	**(50,000)**	**50,000**	**-**	-	-	-
Balance carried forward	**492,665**	**200,000**	**692,665**	547,835	150,000	697,835

Opening designated funds comprised £100,000 set aside for grant award, and £50,000 set aside for the Public Affairs Campaign. Both have been released back to unrestricted funds during the year.

Closing designated funds comprise of the remainder of a three-year award for Cool Earth.

12 Related party transactions

Postcode Lottery Limited is considered to be a related party.

During 2017 £2,946,242 (2016: £2,616,017) was retained by Postcode Lottery Limited as their external lottery management fee.

A Services Agreement also exists between Postcode Planet Trust and Postcode Lottery Limited, whereby staff costs and running expenses of the Trusts are paid by Postcode Lottery Limited. All staff are employed by Postcode Lottery Limited, and the total of these costs are recharged on a monthly basis. In the year to 31 December 2017 £8,326 (2016: £5,890) was due to Postcode Lottery Limited, with £43,370 (2016: £37,841) being outstanding at the year end.