

**People's Health Trust**

**Trustees' Report and Financial Statements**

**Financial year ended 30 September 2021**

Company Limited by Guarantee  
Registration Number 06492606 (England and  
Wales)

Charity Registration Numbers  
1125537 (England and Wales)  
SC039848 (Scotland)

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## Reference and administrative information

<b>Trustees</b>	Paul Ballantyne (Scotland) Leandra Box Professor Elizabeth Dowler Jenny Edwards CBE (Chair) Jacqueline Lodge (Deputy Chair) Thomas McIlravey Barbara Simmonds FCA Duncan Stephenson Shavannah Taj (Wales)
<b>Company Secretary</b>	John Hume
<b>Leadership Team</b>	
Chief Executive	John Hume
Director of Grant Programmes	David Jones
Director of Communications and Public Affairs	Nicola Brian (on maternity leave from 16 March 2022)
Director of Engagement and Influencing	Dr Lisa Doyle (maternity cover from 28 February 2022)
Director of Finance	Elaine Battson
<b>Registered address</b>	2 Bath Place Rivington Street London EC2A 3DR
<b>Company registration number</b>	06492606 (England and Wales)
<b>Charity registration numbers</b>	1125537 (England and Wales) SC039848 (Scotland)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL

## Reference and administrative information

<b>Solicitor</b>	Bates Wells LLP 10 Queen Street Place London EC4R 1BE
<b>Investment Advisor</b>	Arlingclose Ltd 35 Chiswell Street London EC1Y 4SE
<b>Investment Managers</b>	BNY Mellon Investment Management EMEA 160 Queen Victoria Street London EC4V 4LA  CCLA Senator House 85 Queen Victoria Street London EC4V 4ET  Royal London Asset Management 55 Gracechurch St London EC3V 0RL

## Reference and administrative information

**Bankers**

Nationwide Building Society  
The Observatory  
Chapel Walks  
Manchester  
M2 1HL

Lloyds Bank plc  
Charity and Social Enterprise SME Banking  
1st Floor  
39 Threadneedle Street  
London  
EC2R 8AU

National Westminster Bank plc  
Charities and Education Team  
Commercial and Corporate Banking  
1st Floor  
440 Strand  
London  
WC2R 0QS

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

The trustees present their annual statutory report (incorporating the strategic report) together with the financial statements of the People's Health Trust ("the Trust") for the year ended 30 September 2021.

The report has been prepared in accordance with the Companies Act 2006 and Part 8 of the Charities Act 2011 and constitutes the directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 36 to 40 and comply with the charity's Articles of Association, applicable law 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 United Kingdom and Republic of Ireland (FRS 102).

### GOVERNANCE, STRUCTURE AND MANAGEMENT

#### Constitution

The Trust is a charitable company limited by guarantee (Company No 06492606), incorporated on 4 February 2008 and registered as a charity (Charity No 1125537) with the Charity Commission on 15 August 2008 and with the Office for Scottish Charity Regulator (OSCR) (Charity No SC039848) on 4 September 2008. The charitable company is governed by the Articles of Association which set out its objects, powers and its governance arrangements. In the event of the charitable company being wound up, members are required to contribute an amount not exceeding £1 each.

#### Trustees

The following trustees were in office during the year and at the time this report was approved:

Trustees	Appointed
Jenny Edwards CBE (Chair)	Appointed 26 March 2021 (Chair from 27 April 2021)
Sue Cohen (Chair)	Resigned 27 April 2021
Jacqueline Lodge (Deputy Chair)	
Paul Ballantyne (Scotland)	
Leandra Box	
Dr Eva Elliott (Wales)	Resigned 27 April 2021
Professor Elizabeth Dowler	
Alan Lally-Francis	Resigned 17 March 2021
Sue Hawkett OBE	Resigned 27 October 2020
Thomas McIlravey	
Barbara Simmonds FCA	
Duncan Stephenson	
Shavannah Taj (Wales)	Appointed 12 March 2021
Nigel Turner	Resigned 27 April 2021

Trustees serve a maximum aggregate term of nine years with one third of the Board retiring at each AGM.

Trustees are based in various locations around England, Scotland and Wales.

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

#### Trustees (continued)

All trustees, who are also company directors, are non-executive members of the Board and Committees. There are clear distinctions between the roles of trustees and of the Leadership Team to whom day-to-day management is delegated.

Recruitment to the Board considers the dimensions of equality, diversity and inclusion. Appointment is to positions where specific skills and/or experience is required. It is conducted through an open and competitive process.

Trustees are partnered with an existing Board member to support their induction into the organisation. They will also meet with the Leadership Team to discuss their statutory responsibilities, their role within the Board, the governance framework, the strategic objectives of the Trust and how the Board works. The performance of the Board is periodically assessed through regular meetings, annual appraisals with the Chair and/or the Deputy Chair and annual away days. Through this process, trustee development is regularly reviewed and determines developmental objectives.

Within the year 2020/21, the Board held four meetings plus an away day. Additionally, there were three meetings of the Finance, Audit and Operations Committee. The Evaluation and Learning Committee met once as this committee was dissolved and replaced by the Policy, Research and Advocacy Committee which met twice.

#### Key management personnel

The key management personnel include the Leadership Team comprising the Chief Executive, three team directors and the Board of trustees (trustees are not remunerated for their role as board members).

The Trust's policy on remuneration is to ensure that pay offered to the Leadership Team is competitive when compared to other charity sector organisations (particularly funding organisations), geography, role and responsibility.

All Leadership Team salaries are approved by the Finance, Audit and Operations Committee (FAOC). Any cost of living pay packages are recommended by the FAOC for Board agreement. The salaries are proposed and recommended based on benchmarking with other grant making charities and other information such as via recruitment agencies specialising in assessing the skills and expertise of a post, whilst also taking account of geography, Consumer Price Index (CPI) and the sector.

The Leadership Team do not receive any performance related pay or benefits-in-kind and have the same pension rights and annual leave as other staff employed in the charity. They may, as with all personnel, receive an annual cost of living pay rise.

Key management personnel are reimbursed expenses incurred in the course of their duties on the same basis as all other employees of the Trust. Details of the total basic salary and pension benefits of the key management personnel are included in staff costs (note 7).

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

#### Board Sub-Committees

Trustees are nominated for the committee by two trustees and voted onto the committee by a simple majority vote by the Board. The chair of the committee is a trustee and is nominated by two members of the board, supported by a candidate statement and is voted into position by a simple majority vote of the Board.

#### Finance, Audit and Operations Committee (FAOC):

The FAOC reports to and advises the Board on the key areas of audit, risk, finance (including investments), performance, HR, legal and safeguarding. In 2021 the Board revised the Committee's Terms of Reference in order to provide clarity on some areas. The Committee's terms of reference permit it to scrutinise officers' reports, make decisions on investments within agreed parameters set by the Board, meet with the auditors, offer advice to the Leadership Team and make recommendations to the Board. Membership of this Committee within the year comprised four trustees (one of whom is a qualified accountant and one of whom chairs the Committee), and a fifth co-opted external member, Martin Anderson, who brings relevant investment skills and experience to the Committee. The Board acknowledges his considerable expertise and thanks him for his time. The Chair of the Trust may, and does, attend the Committee as an ex-officio member. The Committee met three times within the financial year.

#### Policy, Research and Advocacy Committee (PRAC):

The PRAC was a new committee within the year. It replaced the Evaluation and Learning Committee (ELC) whose final meeting was October 2020. The ELC dissolution reflected the change in direction for the Trust: the end of the four-year evaluation strategy and move to greater policy and advocacy work. As the ELC ended within year, Dr Matt Egan (external member) stood down after several years. The Board wishes to acknowledge his invaluable support and advice.

The PRAC works on behalf of the Board to provide advice and strategic oversight regarding the Trust's policy, research (including learning and evaluation), networks, advocacy and communications work to the Leadership Team.

The Committee provides a level of support and scrutiny to ensure that the Trust's work in research, policy and advocacy is strategic, progressing and impactful.

Three meetings were held in the year: one by the now-replaced Evaluation, Learning and Research Committee and two by the newly-formed Policy, Research and Advocacy Committee.

#### Statement of trustees' responsibilities

The trustees (who are also directors of the People's Health Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).



## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

#### Statement of trustees' responsibilities (continued)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 in operation.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with: the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charitable company's constitution. The trustees 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 trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Trust's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the Trust's auditor is unaware; and
- ◆ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

#### Structure and management reporting

In the previous financial year, the Trust reduced its staffing in response to a decrease in income and an expected drop in grant-making activity. The restructure supported a balanced budget position and was largely successful. Grant activity did not, however, fall as many funded projects delayed or prolonged grants due to nationwide or local restrictions arising from Covid-19. This resulted in higher levels of grants than predicted and pressures within the team. The matter was reviewed at the October 2021 Board meeting.

The Trust operated with an average of 23 (2020: 26) staff across four departments:

- ◆ **Grants Team** which manages the Trust's funding programmes, funded partner relations, including capacity-building, system and procedure development;
- ◆ **Communications and Public Affairs Team** which manages the Trust's internal, external and partner communications, public affairs and network management;
- ◆ **Finance and Operations Team** which manages the Trust's income and expenditure, investments, legal, performance, and back office functions (HR, legal, IT);
- ◆ **CEO Team** which also includes **Policy and Research function and includes** Board and committee support and business development.

Each department is led by a Leadership Team (LT) member and each LT member attends the Board and selected committee meetings.

In addition to the LT, a Management Team is in place and comprises four managers each representing the four departments. The focus of the Management Team is the delivery of the Trust's annual Delivery Plan. It reports to the Director of Grant Programmes.

#### Relationship with other organisations

The Trust's key relationship is with the 12 Community Interest Companies (CICs) which each run a society lottery under the marketing name of The Health Lottery. The CICs donate money for good causes arising from their lotteries to the Trust.

### STRATEGIC REPORT

#### Activities, specific objectives and relevant policies

##### *Objectives, activities and values*

The object of the charitable company is the promotion of health for the public benefit by increasing and supporting sustainable health equality in and for disadvantaged communities and groups across England, Scotland and Wales.

The Trust undertakes this work because of its ambition to see a society without health inequalities: where a person lives should not unfairly reduce the length of that person's life, or the quality of their health.

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### STRATEGIC REPORT (continued)

#### Activities, specific objectives and relevant policies (continued)

The work of the Trust is underpinned by four key values:

<p><b>Stay true</b></p> <ul style="list-style-type: none"> <li>• We remain true to our vision</li> <li>• We remember what we are here for</li> <li>• We know that people make change</li> <li>• We help change happen</li> </ul>	<p><b>Stay together</b></p> <ul style="list-style-type: none"> <li>• We believe in strength in unity</li> <li>• We stand with local people</li> <li>• We work to ensure all voices are heard</li> <li>• We support people to create space for their ideas</li> </ul>
<p><b>Stay strong</b></p> <ul style="list-style-type: none"> <li>• We stand up for our beliefs</li> <li>• We work things out together with local people</li> <li>• We engage with our critics and our supporters</li> <li>• We tackle social injustice without fear</li> </ul>	<p><b>Stay inspired</b></p> <ul style="list-style-type: none"> <li>• We are always learning. We are always listening</li> <li>• We challenge ourselves to be different, and do things differently</li> <li>• We support ideas from local residents which will bring about real change locally</li> </ul>

We invest our income in local people's ideas to help to create fairer places to grow, live, work and age.

#### **Public benefit**

The trustees confirm that they have complied with their duties under section 4 of the Charities Act 2011. They have considered the public benefit guidance published by the Charity Commission and believe that they have followed its guidance in this area. The trustees' report gives a description of the activities undertaken by the Trust during the period to further its charitable purposes, and the trustees are satisfied that such activities provide public benefit.

The Trust worked on the second year of its three-year strategic plan.

#### **Strategic objective: Investing in organisations, skills and spaces to better enable local organisations to act on the social and economic causes of health inequalities.**

Over the year, the Trust continued to invest in neighbourhoods and communities of interest across Great Britain which experience the greatest social and economic disadvantage. Through formal and informal learning, it has continued to gather evidence that demonstrates the efficacy of the approach in building collective control as a social determinant of health. During 2020/21 the Trust worked with its funded partners to provide a series of virtual networking spaces for reflection and shared learning, as well as capacity building opportunities to develop the skills and confidence of the community practitioners and organisations it funds.

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### STRATEGIC REPORT (continued)

#### Achievements, performance and future plans (continued)

##### *Grant making policy*

The Trust received donations from 12 fundraising CICs during the year and this money (after reasonable administration charges) is restricted for onward donation to local charities and community groups within the defined and published geographical areas across Great Britain. The areas are co-terminous with combined local authority boundaries.

The Trust funds projects addressing the circumstances that affect life expectancy and quality of health (the social and economic determinants of health). Through its funding and support, the Trust encourages resident-focused approaches as a means of addressing the underlying structural causes of health inequalities. The Trust invests its funds in neighbourhoods and communities of interest which experience the greatest disadvantage as identified by targeting its funding on the bottom 30% of the Index of Multiple Deprivation (IMD), Scottish Index of Multiple Deprivation (SIMD) and Welsh Index of Multiple Deprivation (WIMD).

Fundamental to the Trust's grant-making policy is the belief in community power i.e., that when local communities are empowered to take control over the agenda, the design and the delivery of action about things which matter to them, there can be significant health and well-being benefits in the medium and long-term.

The Trust operated two main grant programmes and ended a third programme during 2020/21. More detail can be found under the Grant Programmes section below.

##### *Review of activities*

##### *Grant Programmes*

During 2020/21 the Trust incurred costs of £3,407,247 (2020 - £3,526,611) across its main funding programmes.

<b>Programme</b>	<b>2020/21 Total £</b>	<b>2019/20 Total £</b>
Active Communities	3,400,784	2,219,106
Local Conversations	450,905	878,906
Local People	(600,613)	384,907
Living Wage	50,000	-
Strategic Funding	(4,685)	28,940
Capacity Building	32,116	6,651
<b>Total value of grant commitments</b>	<b>3,328,507</b>	<b>3,518,511</b>
Research	78,740	8,100
<b>Total</b>	<b>3,407,247</b>	<b>3,526,611</b>

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### STRATEGIC REPORT (continued)

#### Achievements, performance and future plans (continued)

##### *Review of activities (continued)*

##### *Grant Programmes (continued)*

During the financial year 2020/21, the Trust made 123 (2020 - 158) grants across all of its programmes which benefitted 47,915 local people. Since it started awarding grants in 2011, and up to 30 September 2021, the Trust had made 3,555 (2020 - 3,432) grants which have benefitted over 617,621 local people (2020 - 569,706). Details of the range of projects funded can be found on the website at [www.peopleshealthtrust.org.uk](http://www.peopleshealthtrust.org.uk).

**Active Communities** is a funding programme which has been running since October 2012. It is open for applications in different areas of Great Britain at different times of the year. The programme puts local people in control of ideas which will address the social and economic reasons for poor health and early death. The proportion that are focused on working with a community of interest has increased to around 50%, with the remaining 50% working with people in a defined neighbourhood. A wide variety of activities were funded through the Active Communities programme during the year including:

- A project to sustain a Windrush Anniversary Garden created by a group of elderly African-Caribbean residents in Huddersfield to highlight the presence and contribution of the Windrush Generation to British culture.
- A culturally diverse eat-out group for adults with learning disabilities in Croydon, south London allowing them to organise social events, share their knowledge about cultural heritage, food, whilst forming friendship networks and going out to restaurants in the community.
- A self-run group for older people living in Clifton, Nottingham, who have been shielding and do not have their own gardens. They meet monthly, prepare lunch together using ingredients harvested from the community garden, and do gardening activities to enhance its wildlife value and improve their own physical and mental health.

More about the kind of projects funded can be found in the annual review on the website, [www.peopleshealthtrust.org.uk](http://www.peopleshealthtrust.org.uk).

Under this programme, the Trust provides funding of between £5,000 and £40,000 for up to two years. It started the year with 338 'live' Active Communities grants and closed it with 347 'live' grants. £3,400,784 (2020 - £2,219,106) was committed through this programme during the year. The average grant award was £27,730 (2020 - £26,855). Since 2012, 346,894 (2020 - 325,621) people have or are directly benefitting from the programme. Each Board meeting receives an update on the programme.

84% (2020 - 88%) of the respondents of the Trust's 2021 annual stakeholder survey reported that they found the Trust's application process easy to some or a large extent, 85% (2020 - 86%) felt that the Trust's monitoring requirements were proportionate to some or a large extent, and 96% (2020 - 93%) felt that an appropriate level of support is offered on grant management.

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### STRATEGIC REPORT (continued)

#### Achievements, performance and future plans (continued)

##### *Review of activities (continued)*

##### *Grant Programmes (continued)*

**Living Wage funded through Active Communities** - the Trust continues its support of the real Living Wage movement, recognising that fair pay for good work is an important determinant of health. It is a Living Wage Employer and continues its work as a founding member of the Living Wage Third Sector Committee (driving up low pay in the third sector). The Trust is a member of the Living Wage Advisory Council. As in previous years, in 2020/21 the Trust continued to meet the costs of increases in the Living Wage to existing grant holders.

In July 2021, the trustees approved a further £50,000 grant for third year extension funding in 2021/22 (previous grants totalled £99,856) to Citizens UK for its Living Wage Places project. In previous years the Trust's grant supported Living Wage action groups in Cardiff, Salford, and Southwark, which collectively uplifted 4,757 workers on low pay. This year it focussed on Birmingham, Islington, and Greater Manchester, and next year (starting in early 2021/22) it will extend its work to Lambeth, Norwich and Sunderland and will also undertake an evaluation of this work and the impact on population health.

**Local Conversations** funding programme is a long-term (up to nine years) investment in a number of specific places in England, Scotland and Wales. It is designed to enable people to take control over decisions and action to make their neighbourhoods better places to grow, live, work and age, and to improve their health and wellbeing. The programme aims to increase social connections and the amount of control that people have - at an individual and collective level - over their lives and communities. The programme provides the resources and wider support to enable long term and deep engagement to take place across a neighbourhood. The Local Conversation usually takes place over neighbourhoods of between 4,000 and 12,000 people. The funding is awarded to a non-profit organisation in each neighbourhood which supports residents to identify community-wide priorities and exert increasing influence over decisions that have an impact on them and their families' lives.

Each of the Local Conversations has a locally determined Community Plan, which reflects residents' aspirations for the neighbourhood, and which is delivered through three or four locally defined priorities. Having funded most of the Local Conversations for around six years, the Trust has, during 2020/21, encouraged each lead organisation to move away from the provision of activities that contribute to meeting the priorities, unless they lead to more diverse or deeper engagement, in favour of taking greater action on influencing the local social determinants of health.

The programme supports the engagement across neighbourhoods and communities of interest which are complex in nature. Typically, the Trust focuses on those neighbourhoods which feature in the 30% most disadvantaged according to indices of multiple deprivation though other measures have been considered as appropriate. Three of the Local Conversations are based in neighbourhoods in Wales, two are in Scotland and eight are in England.

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### STRATEGIC REPORT (continued)

#### Achievements, performance and future plans (continued)

##### *Review of activities (continued)*

##### *Grant Programmes (continued)*

During the year to 30 September 2021, the Trust made grants totalling £683,000 (2020 - £878,906) to support the Local Conversations grant programme in the 13 neighbourhoods. Covid-19 continued to have a significant impact on the work of the Local Conversations projects, and many have significantly underspent within year and have, therefore, not needed the additional funds which were budgeted to be committed within the 2020/21 year. Net grant commitments were £450,905 because of the closure of five Local Conversations in the year, which meant the Trust received repayments of grants or cancelled commitments.

As in previous years, the programme has supported lead organisations by offering tailored support through community development/engagement specialists, networking opportunities and capacity building activities. A significant achievement at the end of the year was the launch of a co-produced Local Conversations Practice Guide. The Practice Guide aims to provide community practitioners, resident led steering groups and lead organisations with the theory, practice examples and resources that underpin a successful Local Conversation.

**Local People** - this programme closed in 2020/21. It offered a longer-term neighbourhood-based approach to funding and ran for five years. It was designed to support national organisations to use their skills, experience and approach to support residents to work together to address issues that are important to them in their neighbourhood, and as a secondary design feature to influence the national charity partners' way of working to more proactively involve and empower those they work with. The Trust funded four national partners (Scope, TCV, Youth Sport Trust and Royal Voluntary Service) to run Local People in 20 neighbourhoods, of which 17 were in England, two were in Scotland and one was in Wales.

In October 2020 the trustees determined that the Local People programme should close with effect from 31 March 2021. As part of its exit strategy the Trust provided grant funding to 12 of the projects, with a combined value of £480,380, where there was evidence the investment would be controlled by and benefit residents. Once the Trust had received refunds on cancelled grants that had been paid to the lead organisations the net amount released in the year from previously committed grants was £600,613 (2020 - £384,907 paid).

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### STRATEGIC REPORT (continued)

#### Achievements, performance and future plans (continued)

##### *Review of activities (continued)*

##### *Grant Programmes (continued)*

**Strategic Funding programme** - this programme allows small grants of up to £30,000 to be allocated in six places per year where it is thought a strategic relationship or pilot project may support the Trust's long-term work. No new grants were awarded through this programme in the year (2020 - £28,940), and a refund of £4,685 was received from a previous grantholder.

The Trust currently has one 'live' Strategic Grant. This grant of £28,940 was awarded to Citizens UK in 2019/20 and uses community organising to ensure that local residents are fully involved in the changes to their neighbourhood that are proposed as part of the large, 20-year, regeneration project around the Old Kent Road in Southwark, southeast London. During this year, CUK, local organisations and residents have been working together to create a manifesto for the regeneration project which was presented at an in-person assembly-style meeting with Southwark Council and a collection of developers in October 2021.

**Capacity building programme** - during 2020/21 the Trust invested £32,116 (2020 - £6,651) in activities aimed at strengthening the organisations it funds. This included meeting the costs of development of the Local Conversations Practitioners Guide; training on fundraising, youth engagement and community engagement; a project assessing the impact of the pandemic on the mental health of VCS workers; and tailored engagement support for Local Conversation projects.

**Research Grants** - during 2020/21 the Trust invested £78,740 (2020 - £8,100) into research activity. The Trust initiated a contract with The Poverty Alliance in Scotland in the year as well as an additional follow-on contract with Bevan Foundation in Wales to provide research about Scottish and Welsh policy developments and to identify opportunities.

This has helped the Trust to gain a much stronger working knowledge of key policies, legislation and future plans. This will also be of interest to funded partners engaging in this area.

#### **The impact of Covid-19 on the grant programmes**

Covid-19 has continued to have a significant impact on the work of many of the funded projects, across all the programmes. A large number have been unable to continue their activities as originally planned but have successfully adapted what they planned to do. Some have not drawn down funds as anticipated because of delayed expenditure as local restrictions had an impact on delivery. The Trust has extended the end dates of funded projects where it has been appropriate to do so, and in some cases has not needed to award the additional funds which were budgeted to be committed within the 2020/21 year.



## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### STRATEGIC REPORT (continued)

#### Achievements, performance and future plans (continued)

##### *Review of activities (continued)*

**Strategic Objective: To develop strong external partnerships and establish ways of working together to act on the real causes of health inequalities.**

It has been a significant year for the Trust as it continues to build its narrative around the Social Determinants of Health. The Trust published a practitioners' guide with infographics to support local projects on the ground to talk about health inequalities with a specific focus on the following areas:

- Social connections - strong social connections within and between communities play an important role in supporting good health and living longer lives. Strong social connections can lead to increased confidence, more skills and a strong sense of purpose and hope.
- Community power - people need to have greater power over the decisions and actions that affect their lives in order to improve and maintain their health. Having more power over things that matter to them increases confidence and self-esteem which benefits physical and mental health.
- Jobs and income - having good working conditions, fair contractual conditions and stable employment that pays at least the real Living Wage all have a big impact on health. People who are unemployed or are in low paid jobs are more likely to have physical and mental health issues.
- Local environment - the immediate environment is critical for health and community. Having accessible green spaces, safe and well-lit roads, good public transport, shops, good air quality.
- Local economies - the places where people live have a huge impact on health. A thriving local economy can include locally-owned community buildings and shops with affordable, healthy food, as well as access to quality jobs with opportunities to build skills.
- Housing - the conditions in which people live contribute health. Problems with housing include physical problems such as damp, cold and overcrowding, as well as issues of instability, temporary accommodation, rising rent, and rising fuel costs.
- Education and skills - education, skills and training are critical for people to develop supportive social connections, access good work, develop an interest in life-long learning and problem solving.

#### **Content**

The Trust has shifted the tone of its content over the last year from being focused on storytelling about projects on the ground to being led by advocacy and commentary on key issues. The aim is for the Trust to further influence opinion leaders and policy makers at a local and national level on approaches to reducing health inequalities.

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### STRATEGIC REPORT (continued)

#### Achievements, performance and future plans (continued)

##### *Review of activities (continued)*

##### *Content (continued)*

When speaking out on key issues the Trust has still put the voice of local projects at the centre of the commentary where it is appropriate to do so. Some examples of this throughout the year include:

- Uncovering a key issue for community practitioners around how their mental health has been affected through the pandemic and developing a plan on how to respond to that in an integrated way that has real impact.
- Commenting on the Government's new plan for immigration and how for some groups it will worsen health inequalities. Relevant local projects funded by the Trust were also invited to respond to the Government consultation on the topic.
- Contributed to the dialogue on the impact of the Police, Crime, Sentencing Bill on traveller communities and supported funded partners to share their own survey insights on this subject with a wider audience.

#### **Website development**

The Trust began work to redevelop its website. This is to reposition the Trust's work to support greater engagement with policy makers, influencers and opinion formers on the social determinants of health.

#### **Networks**

The Trust practitioner networks continued to provide a vital space for practitioners to connect and share peer-to-peer learning and, during the pandemic, they have been an increasingly important space for support. They have been provided virtually during the pandemic.

The network sessions have provided a space for practitioners to talk about issues that are increasingly important for them such as mental health, digital inclusion, and income. The intelligence from the networks has also provided insights to help shape the Trust's policy and research work.

The Trust continues to evolve the network space and look at how it can best support the projects and shape the Trust's influencing work.

#### **Research dissemination**

The Trust focused its dissemination of research on survey findings highlighting the impact of COVID on Communities experiencing disadvantaged. The findings were published across Trust networks and also formed the basis of key blogs and thought pieces on emerging issues such as mental health of practitioners.

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### STRATEGIC REPORT (continued)

#### Achievements, performance and future plans (continued)

##### *Review of activities (continued)*

#### People's Health Trust 10<sup>th</sup> Anniversary

The Trust also supported the 10<sup>th</sup> Anniversary of People's Health Trust through producing and publishing its Annual Review to mark the occasion. The review focused on a decade of learning, a decade of stories of change and empowerment in local communities and a decade of funding from the Health Lottery. The Annual Review has so far been widely viewed on the website.

The Trust also supported a media campaign through Reach media to highlight 10 years of funding from The Health Lottery and what that has achieved on the ground for local projects.

#### Working with The Health Lottery

The Trust contributed to a national media campaign led by The Health Lottery called 'Caring for our Communities' which focused on ways local projects funded by the Trust are supported by their local communities. This content was featured across national media including the Mirror, The Express, OK Magazine and over 33 regional daily titles. It had considerable impact in terms of raising awareness of The Health Lottery brand through which the Trust's Community Interest Company partners raise good causes funds for onward donation to the Trust.

The Trust also continued to support the regional PR for the Health Lottery related to local good causes.

#### Policy, Research and Evaluation

Working with evaluation partners such as New Economics Foundation, Leeds Beckett University and Ecorys UK from 2015 - 2021 has been critical to identifying the positive wellbeing outcome experienced by participants in programmes in terms of social connectedness, trust, belonging and agency compared to the averages for similarly disadvantaged neighbourhoods. This work also identified a much greater sense of agency and willingness to get involved in local initiatives.

This robust evidence has been key to persuading people of the benefits of the Trust's approach. This research which looked at nearly 3,000 responses over four years, from residents involved in Local Conversations found:

- They are much more likely to agree that when people in the area get involved in their local community, they can really change the way the area is run (82% compared to 51% in similarly deprived areas and 54% in England as a whole).
- That people in their neighbourhood pull together to improve their neighbourhood (76%) - more than in similarly-deprived areas (47%), and in England as a whole (58%).
- They talk to their neighbours on most days (46%), significantly more than the England average (21%) and the average for similarly disadvantaged neighbourhoods (17%).

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### STRATEGIC REPORT (continued)

#### Achievements, performance and future plans (*continued*)

#### *Review of activities (continued)*

#### **Policy, Research and Evaluation (*continued*)**

The findings and data are powerful to draw upon and will leave a hugely valuable legacy for the Trust's on-going policy work. For this reason, in February 2021 the Trust commissioned the research agency Social Life to continue survey work across programmes over two years. This focuses on building further practitioner and resident survey data, with a strengthened focus on comparability and inclusiveness across England, Scotland and Wales from a slight shift in comparator surveys used to benchmark progress against.

Existing evidence around the positive health and wellbeing benefits of the Trust's model of working for those most closely involved has also been complemented by some emerging examples of wider action and some impact on the social determinants of health. Most notably, these have been particularly around housing (some Active Community projects focused on organising approaches to improve the quality and affordability of housing), employment and income and the local environment (including accessibility and transport).

However, strong examples of achieving longer term impacts on social determinants have been relatively rare, particularly from the evaluation programme itself. The Trust has considered this as a critical point from which to build both its policy strategy and to support practice development. The aim is to demonstrate a clear pathway from community-driven approaches to more substantive impact on social determinants of health to demonstrate the concept, gain credibility and increase the potential for influencing on a wider scale.

The Trust's policy and advocacy strategy emerged from this work and synthesised learning from the five years of independent evaluation programmes, alongside broader network and programme learning. It also draws on external research and learning, including learning developed from external partnerships.

#### **Strategic Objective: Ensure the Trust is in good health, capable of supporting its vision and objectives.**

The new staff structure planned for in the last financial year was implemented at the start of October 2020. It has been successful in aiming to allow the Trust to continue its work in a challenging environment, but there have been challenges along the way, for example, grant numbers remained high and the majority of staff worked from home for most of the year, in accordance with Government requirements. The Trust re-located offices in July 2021, and when in-person working was permitted, this new office continued to provide a safe environment for staff.

The Trust implemented good employer initiatives in the year, signing up to commit to being a Disability Confident Employer and undertaking a review of its employment practices in the context of the Thriving at Work (Mental Health) Standards. This will continue into 2021/22. The Trust also introduced a learning and development framework in place to support team and individual development, with training being delivered for all staff on a number of areas, including mental health awareness. There has been an even greater emphasis on supporting the mental health of the staff team as Covid-19 continues to impact on every aspect of daily life.

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### STRATEGIC REPORT *(continued)*

#### Achievements, performance and future plans *(continued)*

**Strategic Objective: Ensure the Trust is in good health, capable of supporting its vision and objectives. *(continued)***

All staff, with the exception of the Leadership Team, were awarded a 1.5% cost of living pay increase effective from 1 October 2020. The Leadership Team opted to take no cost of living pay increase.

In the Trustees' Report to 30 September 2020, the Trust reported data for the first time on the diversity of its Board and staff. Last year's data provided a baseline and the Trust will continue to report, monitor and take action guided by the Equality, Diversity and Inclusion (EDI) working group.

#### **Board**

The Board has continued its work to address its diversity and has focussed on attracting more people to the board who were:

- Younger (under 55);
- Black, Asian and minoritised ethnic;
- Disabled.

The Board has recruited one trustee with one or more of the specific identified characteristics. The diversity data at September 2021 shows that\*:

- The number of respondents under 55 increased from 50% to 56%;
- The number of respondents identifying as Black, Asian or minoritised ethnic decreased from 30% to 22%. This reduction reflects turnover on the Board;
- The number of respondents identifying as disabled has remained static at 11%.

\*Response rate: 9/9

#### **Staff**

The staff diversity survey was completed in September 2021. The staff team has remained stable since the survey was first run in January 2021 and so key data has largely stayed the same:

- The Trust has a broad range of ages employed (25-59). Management positions are from 35-59.
- 26.7% identify as disabled (representing 12.5% in the Management Team). This compares with 17.4% in January 2021.
- 68% of those with education post-18 are first generation (representing 62.5% of managers). This compares with 65% in January 2021
- Ethnicity - 69.6% identify as White British (representing 87.5% of managers), Black African represents 13% of the team of which 0% are managers, White Irish/English and White Scottish each represent 4.3% and White English represents 8.7% of the staff. There is no change from January 2021.

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### STRATEGIC REPORT (continued)

#### Achievements, performance and future plans (continued)

##### Staff (continued)

Gender - all staff identify as either female or male: 69.6% female (representing 62.5% of managers) and 30.4% as male (representing 37.5% of managers). There is no change from January 2021.

Sexual Orientation - 82.6% of the team are heterosexual/straight, 17.4% are from the LGBT+ community; an increase of 4.4% from January 2021 (representing 25% of managers).

##### Finance and Operations

###### o Donations

Over the last ten years to September 2021, the Trust has been able to provide a sustainable income stream for groups of local residents experiencing disadvantage through the donation income received from society lotteries. Total donation income received from the society lotteries from 1 October 2011 to 30 September 2021, amounted to £121,561,643 (2020 - £115,950,415). Donation income for the year amounted to £5,611,228 (2020 - £5,725,722).

The decline in donations in the last few years continued in 2020/21. This has been monitored by the Leadership Team and Trustees, and discussions undertaken with the Trust's funders to reverse this trend. In the previous financial year, effective from July 2020, the percentage of lottery ticket sales donated to the Trust increased from 20.34% to 25.50%. However, this did not address the underlying decline. The Trust remains, nevertheless, grateful to the Community Interest Companies and The Health Lottery for their generous donations. In 2019/20 the Trust designated a new fund of £43,290 to support its income diversification strategy, but due to capacity constraints - partly due to the impact of Covid-19 - no significant activity was undertaken in 2020/21 and the fund remained intact at the financial year end.

###### o Investment policy

The Trust operates its investment activities in line with its current investment policy, which is intended to provide liquidity sufficient for the financing of the Trust's grants whilst maximising investment income. During 2020/21 the Trust updated its investment principles in response to the continued volatility experienced as a direct result of Covid-19, the impact of which has been felt since March 2020. The current principles of the policy are as follows:

- The Trust will not make any investments where the risk of loss of capital is unacceptable to the Board;
- Bank deposits can only be made in a UK-based mainstream banking institution which has a credit rating that the Board regards as acceptable in terms of risk;
- The Trust will usually only invest in bank counterparties with a minimum rating of BBB+/BAA1 or above from the three main credit rating agencies (Fitch, Moody's and Standard & Poor's).
- Investment in other asset classes will be considered where it meets the Trust's investment horizon and market risk appetite. Investment in other asset classes will be accessed through pooled funds (collective investment schemes) rather than direct investment;
- Currently, the Trust will not normally hold bank deposits with a notice period in excess of 35 days;

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### STRATEGIC REPORT (continued)

#### Achievements, performance and future plans (continued)

##### *Review of activities (continued)*

##### *Finance and Operations (continued)*

- The Trust will not hold investments with a counterparty that represent more than 35% of the Trust's cash investments;
- The Trust will seek to invest in funds which do not hold shares in, or bonds issued by, companies which derive more than 10% of their turnover from the sale of tobacco or armaments, and where the fund's policy is to avoid companies which are involved in the production of land mines or cluster bombs;
- The Trust will invest only in accordance with its diversification policy;
- The Trust will make all investments in sterling;
- Investments and returns on investments must never take priority over or come into conflict with the Trust's charitable object, i.e., the funding and payment of grants or the fulfilment of operating expense obligations.

This Investment Policy enables the Trust to have the opportunity to make investment returns at an acceptable level of risk. In 2019/20 the Board approved up to £3 million for the purposes of widening the scope of investments, of which £2.5 million had been placed in that year. In 2020/21 the remaining £0.5 million was placed into the CCLA multi-asset fund. In 2020/21 the Board also authorised an investment into Royal London Enhanced Cash Plus Fund, and £3.5 million was placed in late September 2021.

Like 2019/20, this has been a year of volatility in the value of investments, however, overall the Trust's investment funds were in excess of the value of the amount initially invested and the revaluation reserve as at 30 September 2021 reflected an unrealised gain of £343,859 (2020 - unrealised loss of £75,421).

Investment income during 2020/21 totalled £141,971 (2020 - £198,951) split between interest received on cash deposits of £42,488 (2020 - £127,844) and income from investments of £99,483 (2020 - £71,107). The total income represented an effective rate over the average balances during the year of 0.87% (2020 - 1.24%) made up of 0.33% cash deposits, and 2.98% investments (2020 - 0.94% and 2.93% respectively). Investment income reduced year-on-year due to the maturity in June 2021 of a fixed term, fixed interest deposit of £5 million placed at a rate that was no longer available given the Trust's approach to investment risk.

#### ○ **Finance and Operations Team**

During the year the Finance and Operations Team consisted of a Director of Finance (who joined the Trust October 2020), supported by an experienced Operations Manager (responsible for HR, IT, legal, performance management, staff training and projects) and an experienced finance team. The interim Director of Finance and Operations handed over to the permanent Director and left the Trust in late 2020. Both the interim and permanent Directors are qualified accountants.

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### STRATEGIC REPORT (continued)

#### Achievements, performance and future plans (continued)

##### *Review of activities (continued)*

##### *Finance and Operations (continued)*

- **Customer Care**

The Trust's complaints procedures reflect good practice, both in handling complaints about the Trust and the organisations that it funds. All staff who may be involved in complaint investigations have been fully trained on the practice and procedures of complaint handling. The Trust received 0 complaints in the year (2020: 6).

- **Safeguarding**

The Trust has in place appropriate safeguarding policies and procedures, in line with regulatory frameworks and guidance, with respect to both grant making and staff. The Trust reviewed and updated its Safeguarding Policy and Procedures within the year and also checks that the organisations it funds have safeguarding policies in place and that these are regularly reviewed. The Trust's Safeguarding Policy is part of a programme where all policies are regularly reviewed, and it is due to be reconsidered next in 2021/22.

The Trust received 0 reports of safeguarding incidents in the year (2020: 0).

- **Information Technology**

The last of actions identified through the IT audit in 2018/19 were completed this year, the main one being a replacement redundancy server, with a smooth changeover taking place early in the year. The key change in this year was a roll out of a new user interface for the Grant Management System (GMS). This presented some minor challenges but through working with the support provider, overall, this has been a positive change.

Staff continued to be fully supported with the technology required to enable effective working from home. The Trust has identified that in the long term it will implement hybrid working, and this will be explored further in 2021/2022. As a result, the latest iteration of the IT strategy has been delayed to fully take account of what hybrid working means in practice for the Trust.

- **GDPR**

The Trust continues to comply with GDPR, with regular reviews and action taken to maintain compliance on an ongoing basis. For example, the Trust has a rolling programme of deleting data from the grant management system, thus ensuring that while statistical and anonymised records of grant giving activity are retained, personal details are not. The Trust also continues to work with grantees to ensure understanding of their legal obligations.



## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### STRATEGIC REPORT (continued)

#### Achievements, performance and future plans (continued)

##### *Review of activities (continued)*

##### *Finance and Operations (continued)*

#### ○ **Board Development and Focus**

There was considerable planned change within the Board during 2020/21, as four long-standing Board members reached the end of their terms. The Board had agreed a transition phase, so most new trustees were appointed one or more years in advance to support continuity. The Trust appointed a new Chair, Jenny Edwards, in April 2021 and Shavanah Taj (Trustee for Wales) in March 2021. The Board would like to thank all retiring trustees (Sue Cohen, Eva Elliott, Sue Hawkett, Alan Lally-Francis and Nigel Turner) most sincerely for their years of dedicated service.

Over the course of the year, the Board has had three key areas of development:

**Equality, diversity and inclusion.** In 2019/20, the Board committed to strengthening the diversity of the Board in terms of representation of: people from Black, Asian or minoritised ethnic communities, disabled people and people under 55 years of age. Progress was made in year but the Board recognises that there is further to go. This will remain a focus of the Board in upcoming appointments.

Additional focus by the Board focused on its Equality, Diversity and Inclusion work led to the set up of a Board EDI sub-group to support the Board thinking and to complement the Trust's internal EDI team. The Board's EDI statement was discussed at the Board away day in September 2021 and agreed at the Board meeting in October 2021. Further joint meetings between the Board and staff EDI teams took place in December 2021 to determine its detailed EDI Action Plan. The EDI statement and action plan was published early in 2022.

**Pandemic and associated risks.** As with many other charities, the work of the Board has focused on the pandemic and its impact on grant-holders (particularly around mental health and financial resilience), the Trust's own income (including investments) and key risks.

**Policy, Research and Advocacy.** The Trust has, in the latter part of the year, fully developed its policy and advocacy strategy, supported by the Policy, Research and Advocacy Committee (as noted in the section on Policy, Research and Evaluation on pages 17 and 18. This marks a departure for the Trust as it moves with intention into influencing, building on its formal evidence, networks and grass roots organisation feedback. Further details are also provided on page 17.

#### ○ **Partnerships**

There has been a slow down on some partnerships for the Trust, primarily due to the pandemic. However, work has still moved ahead in the following areas:

- ◆ Wellbeing and Health Collaborations run by the Health Foundation and comprising 10 other organisations - the work supports the development of a social determinants of health approach by the Health Foundation and encourages collaborations amongst partners. The work moved into detailed strategy within the year.

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### STRATEGIC REPORT (continued)

#### Achievements, performance and future plans (continued)

#### *Review of activities (continued)*

#### *Finance and Operations (continued)*

#### Partnerships (continued)

- ◆ UCL Institute of Health Equity - the Trust has contributed to the National Syndemic chaired by Professor Sir Michael Marmot. The report was published in October 2021.
- ◆ Royal College of Physicians Inequalities in Health Alliance - over 100 organisations with the following aims:
  - A national strategy for action on the social determinants of health, as recommended by Sir Michael Marmot.
  - Trigger the socio-economic duty, section 1 of the Equality Act 2010, to require public bodies to adopt measures to address inequalities resulting from the social determinants of health.
  - Adopt a child health in all policies approach to decision-making and policy development, given the importance of the early years for life outcomes.
- ◆ NHS England - the Trust has begun fruitful early conversations with NHSE regarding work as a social determinant of health and the impact on BAME communities and disabled people.
- ◆ Midlands Commission on Health Inequalities - the Trust's CEO was appointed a commissioner on this commission looking at ways in which to draw on evidence and practice to positively impact health inequalities in the Midlands. The outcome will be published in 2022.
- ◆ Lozells Health Commission - working with one of its funded partners, the Trust has supported this local commission, which has arisen following high incidences of deaths and illness from COVID-19 in the largely South Asian neighbourhood of Lozells. The results will be published in 2022.
- ◆ Bevan Foundation (Wales) - the Trust has a partnership to support its policy and development work in Wales. A similar relationship has been started in 2020 with Poverty Alliance, Scotland.
- ◆ Living Wage Foundation - the Trust has cemented its work addressing low pay by supporting a very successful place-based approach. It has launched and chaired the Low Pay in the Third Sector Committee and has commissioned research looking at the impact of low pay on health outcomes.
- ◆ Community Power Collaboration: 'We're Right Here' campaign - the Trust has been part of a group of like-minded organisations including Power to Change, Locality and New Local to develop a campaign launched at the end of November 2021 to ask for more power for communities to take control of their neighbourhood.

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### STRATEGIC REPORT (continued)

#### Achievements, performance and future plans (continued)

##### Future plans and post balance sheet events

The coronavirus pandemic (Covid-19) continued to negatively impact the Trust in 2020/21 and it is anticipated by the trustees that this will continue to some extent for the foreseeable future, with beneficiaries, partners and stakeholders all being affected. Key areas of the charity's operations that have been impacted include:

- ◆ Equality, diversity and Inclusion - the Trust remains committed to addressing the inequalities, discrimination and exclusion experienced by marginalised people in all aspects of the organisation's work. The development of the Board's EDI sub-group and the Trust's wider EDI team will ensure that the work identified in the EDI Action Plan will be delivered during 2021/22 and beyond.
- ◆ Income generation - the Trust will prioritise income diversification in 2021/22, whilst at the same time working with the 12 community interest companies who operate society lotteries under The Health Lottery brand to ensure donation income is maintained at the current level.
- ◆ Strategic planning - the Trust's Board will agree the next three-year strategy in 2022 (2022-25) to ensure the organisation has the ability to respond to any future challenges presented by the external environment, including Covid-19, a change in Government/Government policy, or climate change.
- ◆ Operations of beneficiaries - the Trust will continue to take the necessary actions to ensure that it is supporting funded partners. To date this has included relaxing grant restrictions in order to allow changes which enable funded organisations to respond to Covid-19, as well as ensuring as part of the application process that applicants have a plan to deliver activities safely. Regular contact continues to be maintained with all funded organisations and support is provided through capacity building and networks.
- ◆ Future Grant Programmes - the Board has reviewed the Trust's Active Communities grant programmes within the year to ensure that they continue to be fit for purpose and meet the needs of communities, already disadvantaged by inequalities, as they emerge from the pandemic. In 2021/22 the Trust will be launching a new funding programme and reviewing its Local Conversations programme.
- ◆ Hybrid working - the Trust will be exploring the opportunities that hybrid working presents both for the charity and for staff in 2021/22, ensuring that the staff team is able to come together, to collaborate and work efficiently to deliver on the charity's objectives. It will develop a set of principles to underpin an approach which provide clarity in discussions with individual staff members.
- ◆ The Trust's financial capacity - financial modelling has demonstrated that the requisite reserves are being held to finance shortfalls of income over the next twelve months.

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### STRATEGIC REPORT (continued)

#### Financial review

##### *Financial position and reserves policy*

A summary of the year's results can be found on page 33 of the financial statements.

Total income in the year was £5,753,199 (2020 - £5,924,673) with income from donations totalling £5,611,228 (2020 - £5,725,722). The decrease is largely due to a downturn in lottery ticket sales.

The total expenditure in the year was £4,833,908 (2020 - £5,204,394) all of which related to charitable activities. Included within this figure are support costs of £471,061 (2020 - £607,735). Expenditure on grants amounted to £3,407,247 (2020 - £3,526,611) and direct costs were £939,758 (2020 - £1,070,048). Included within support and direct costs are governance costs of £46,235 (2020 - £50,734). Overall expenditure reduced as it was managed down to reflect reduced income. This was true both in respect to grants awarded and other expenditure. Across all areas of grant-giving, the level of funding committed was below budget as a result of the continuing impact of Covid-19 which resulted in significantly lower level of activity and therefore spend.

At 30 September 2021, the Trust had total funds of £10,195,835 (2020 - £8,932,685). £8,868,467 (2020 - £7,959,999) of this related to restricted funds, of which £450,000 has been allocated to specific programmes at 30 September 2021 (2020 - £228,822). Total unrestricted funds were £1,327,368 (2020 - £972,686), of which £144,456 (2020 - £93,225) were designated funds, and details of the designated funds are included in note 17 on pages 47 and 48.

The reserves policy for the charitable company states that the Trust will aim to maintain general reserves of at least 26 weeks' running costs. As at 30 September 2021, the general reserves of £1,182,912 (2020 - £879,461) equated to 39.7 weeks' running costs (2020 - 31.8 weeks). The trustees consider the level of free reserves to be satisfactory at this point given the particular risk around the impact of Covid-19. The reserves policy is reviewed annually.

#### **Going concern**

The trustees consider that there is a reasonable expectation that People's Health Trust has adequate resources to continue in operational existence for the foreseeable future. The trustees believe that there are no material uncertainties that call into doubt the charity's ability to continue operating as a going concern.

In making this decision, the trustees have taken into consideration the risks and uncertainties arising from the Coronavirus pandemic, which are referenced throughout this report where relevant. The pandemic continued to negatively affect the Trust and the communities it serves throughout the year covered by this report, and it is anticipated (as at the date of signing) that a level of uncertainty will continue for all of the following financial year, with a high probability that both the charitable work of the Trust and the way it functions internally will remain impacted by Covid-19 beyond that time horizon.

The full, longer-term impact of the pandemic is unclear. However, based on a track record of strong financial control and effective risk management, the trustees have concluded that the Trust can sustain its operations for a period of at least twelve months from the date of signing these financial statements. Consequently, the financial statements have been prepared on the basis that the charity remains a going concern.

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### STRATEGIC REPORT (continued)

#### Risk management

The Board is responsible for the oversight of the risks faced by the Trust. The Finance, Audit and Operations Committee (FAOC) and the Leadership Team regularly (both separately and together) review the risk register and management issue regular reports on actions taken to manage and mitigate exposure to the risks.

The trustees ensure that controls exist over the key area of grant making, and that financial procedures and systems exist. At each Board meeting, trustees examine the business risks faced by the Trust, and ensure there are established effective plans and systems to manage and implement mitigating controls for those risks. Financial risk is minimised through regular and rigorous review procedures of the Trust's activities by the Leadership Team, FAOC, and also at Board level.

The risk management process assesses risks based on their likelihood of occurrence, the impact of the risks, and any mitigating controls that are in place. Each risk is allocated a pre and post mitigation score. Based on the score, risks are then classified into low, medium, high, and very high risks. The high to very high risks represent the principal risks for the Trust. The process also seeks to identify any actions and resources required to manage these risks further. The current risk management process is due to be reviewed in 2021/22 in order to ensure it continues to support effective decision making.

The trustees have considered the principal risks and two key risks have been identified as follows:

- Income - the Trust's historical reliance on two sources of income (donations from lottery ticket sales and investment income) is a risk. Both investment income and donation income reduced in 2020/21 and this places at risk the Trust's continued ability to address health inequalities and to support existing projects. In 2019/20 the trustees agreed to focus on diversification in this financial year, however, due to the continuing negative impact of covid and other external factors this meant that the capacity within the staff team was not available to take agreed plans forward. The Board has made income diversification a priority for the coming year, alongside working with partners to ensure that donation income does not reduce further. The small fund designated for business development in the last financial year is being carried forward in full to 2021/2022 to support this work.
- Continuing coronavirus (Covid-19) pandemic - similar to last year the Leadership Team and the Board have spent a considerable time considering, discussing, and addressing the challenges that have arisen as a result of the pandemic which has impacted negatively across all areas of the Trust's activities, both internally (how the organisation operates) and externally (e.g. support for grant holders, investment income). Actions taken in relation to Covid-19 are set out in further detail elsewhere in this Trustees' Report.

#### FUNDRAISING STATEMENT

In the previous financial year, the Trust began to actively solicit donations directly from the public, through online giving, on a small scale. It therefore registered with the Fundraising Regulator and is committed to following the highest fundraising standards. In the year there have been:

- ◆ Nil failures to comply with the standard (2020: none)

## Trustees' report (incorporating the strategic report) Year to 30 September 2021

### FUNDRAISING STATEMENT (continued)

- ◆ Nil complaints received by the charity about activities by the charity or by a person on behalf of the charity for the purpose of fund-raising (2020: none)

The Trust sets out to protect vulnerable people and other members of the public from unreasonable behaviour related to its fundraising by complying with the standards set by the Institute of Fundraising, managed by the Fundraising Regulator. The Trust is registered with the Information Commissioner's Office and strives to be compliant with GDPR.

This report is approved by the trustees and signed on their behalf by:

A handwritten signature in black ink that reads "Jenny Edwards". The signature is written in a cursive style with a large, sweeping initial 'J'.

Jenny Edwards, Chair of Trustees

Approved on behalf of the trustees on 28 April 2022

## **Statement of financial activities Year to 30 September 2021** (including income and expenditure account)

### **Independent auditor's report to the trustees and members of People's Health Trust**

#### **Opinion**

We have audited the financial statements of People's Health Trust (the 'charitable company') for the year ended 30 September 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 30 September 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the 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).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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 charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

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

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' report, including the strategic report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**Statement of financial activities Year to 30 September 2021**  
(including income and expenditure account)

**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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report including the strategic report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

**Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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.



## Statement of financial activities Year to 30 September 2021 (including income and expenditure account)

### Auditor's responsibilities for the audit of the financial statements

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 auditor's 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and trustees and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Companies Act 2006, the Charities Act 2011; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and review of minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Carried out substantive testing of expenditure including the authorisation thereof;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and

**Statement of financial activities** Year to 30 September 2021  
(including income and expenditure account)

**Auditor's responsibilities for the audit of the financial statements** (continued)

- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We did not identify any irregularities, including fraud.

**Use of our report**

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 charity's trustees 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Shachi Blakemore  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 18 May 2022

**Statement of financial activities** Year to 30 September 2021  
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
<b>Income from:</b>							
Donations	1	1,279,671	4,331,557	5,611,228	1,528,768	4,196,954	5,725,722
Investments	2	141,971	—	141,971	198,951	—	198,951
<b>Total income</b>		<b>1,421,642</b>	<b>4,331,557</b>	<b>5,753,199</b>	<b>1,727,719</b>	<b>4,196,954</b>	<b>5,924,673</b>
<b>Expenditure on:</b>							
Charitable activities							
. Supporting greater health equity	3	1,123,052	3,407,247	4,530,299	1,329,421	3,526,611	4,856,032
. Awareness and communications	3	287,767	15,842	303,609	348,362	—	348,362
<b>Total expenditure</b>		<b>1,410,819</b>	<b>3,423,089</b>	<b>4,833,908</b>	<b>1,677,783</b>	<b>3,526,611</b>	<b>5,204,394</b>
<b>Net income</b>							
	6	10,823	908,468	919,291	49,936	670,343	720,279
<b>Net gains/(losses) on investments</b>							
	12	343,859	—	343,859	(75,421)	—	(75,421)
<b>Net movement in funds</b>							
		354,682	908,468	1,263,150	(25,485)	670,343	644,858
<b>Fund balances brought forward at 1 October</b>							
		972,686	7,959,999	8,932,685	998,171	7,289,656	8,287,827
<b>Fund balances carried forward at 30 September</b>							
		<b>1,327,368</b>	<b>8,868,467</b>	<b>10,195,835</b>	<b>972,686</b>	<b>7,959,999</b>	<b>8,932,685</b>

All movements derive from continuing activities during the above two financial periods.

The charity has no other recognised gains and losses and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet As at 30 September 2021

	Notes	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Tangible assets	11	9,082		6,360	
Investments	12	<u>6,768,438</u>		<u>2,424,579</u>	
			<b>6,777,520</b>		<b>2,430,939</b>
<b>Current assets</b>					
Debtors	13	234,344		370,574	
Short term deposits		—		5,166,347	
Cash at bank and in hand		<u>9,317,026</u>		<u>8,464,799</u>	
		<b>9,551,370</b>		<b>14,001,720</b>	
<b>Creditors: amounts falling due within one year</b>	14	<u><b>(5,060,843)</b></u>		<u><b>(6,201,298)</b></u>	
<b>Net current assets</b>			<b>4,490,527</b>		<b>7,800,422</b>
<b>Creditors: amounts falling due over one year</b>	15		<b>(1,072,212)</b>		<b>(1,298,676)</b>
<b>Total net assets</b>			<u><b>10,195,835</b></u>		<u><b>8,932,685</b></u>
<b>The funds of the charity:</b>					
<b>Unrestricted funds</b>					
. General		1,182,912		879,461	
. Designated	17	<u>144,456</u>		<u>93,225</u>	
			<b>1,327,368</b>		<b>972,686</b>
Restricted funds	18		<b>8,868,467</b>		<b>7,959,999</b>
<b>Total funds and reserves</b>	19		<u><b>10,195,835</b></u>		<u><b>8,932,685</b></u>

Approved by the trustees of People's Health Trust, Company Registration No. 06492606, and signed on their behalf by:



Jenny Edwards, Chair and Trustee

Date: 28 April 2022

## Statement of cash flows Year to 30 September 2021

	Notes	2021 £	2020 £
<b>Cash flows used in operating activities:</b>			
Net cash used in operating activities	A	(428,760)	(1,616,235)
<b>Cash flows (used in) from investing activities:</b>			
Investment income		121,344	140,264
Purchase of investments		(4,000,000)	(2,500,000)
Purchase of tangible fixed assets		(6,705)	(6,630)
Net cash (used in) from investing activities		(3,885,361)	(2,366,096)
Change in cash and cash equivalents in the year	B	(4,314,121)	(3,982,331)
Cash and cash equivalents at 1 October	B	13,631,146	17,613,477
Cash and cash equivalents at 30 September	B	9,317,025	13,631,146

### Notes to the statement of cash flows for the year to 30 September

#### A Reconciliation of net income to net cash flow used in operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	919,291	720,279
Adjustments for:		
Depreciation charge on tangible fixed assets	3,983	—
Investment income	(141,971)	(198,951)
Decrease in debtors	156,856	91,912
Decrease in creditors	(1,366,919)	(2,229,475)
Net cash used in operating activities	(428,760)	(1,616,235)

#### B Analysis of changes in net debt

	At 1 October 2020 £	Cash flows £	At 30 September 2021 £
Cash at bank and in hand	8,464,799	852,227	9,317,026
Short term deposits	5,166,347	(5,166,347)	—
	13,631,146	(4,314,120)	9,317,026

The Trust does not have any borrowings or finance lease obligations. Net debt consists therefore of cash and cash equivalents only.

## Principal accounting policies Year to 30 September 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation and accounting policies**

These financial statements have been prepared for the year to 30 September 2021 and are presented in sterling and are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the allocation of support costs across expenditure categories;
- ◆ estimating the useful economic life of tangible fixed assets;
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern.

In addition to the above, the full impact following the emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's beneficiaries, funding, suppliers and the wider economy.

### **Assessment of going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements. In making this decision, the trustees have taken into consideration the risks and uncertainties arising from the ongoing Coronavirus pandemic (as highlighted on page 27).

## Principal accounting policies Year to 30 September 2021

### Assessment of going concern (continued)

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above.

### Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount can be measured reliably and it is probable that the income will be received.

Income is the amount derived from ordinary activities and comprises donations from local society lotteries and interest receivable.

Income from each of the CICs is recognised on the day the individual society lottery draw takes place.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably; this is normally upon notification of the interest paid or payable by the bank.

Investment income is recognised as unrestricted once notification has been received on the amount due.

### Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer or economic benefits will be received in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and is stated inclusive of irrecoverable VAT as the Trust is not registered for VAT.

The costs of charitable activities comprise grants made, direct costs and an apportionment of support costs based on time estimated on each activity. Support and direct costs include governance costs which comprise of all costs involving public accountability of the Trust and its compliance with regulation and good practice.

Supporting greater health equity costs include:

- ◆ Grants payable which are included in the statement of financial activities when approved by the trustees and when the intended recipient has been informed of the decision to make the grants and has satisfied all relevant and due terms and conditions.
- ◆ Evaluation costs of the grant programmes.
- ◆ Support costs which are allocated to charitable activities according to the amount of time staff spend within each charitable activity.

## Principal accounting policies Year to 30 September 2021

### **Expenditure** (continued)

Awareness and communication costs include mainly staff costs and various communications costs relating to raising the awareness of the Trust's brand, funded projects and the Health Inequality agenda.

### **Tangible fixed assets**

All assets costing more than £3,000 and with an expected useful economic life exceeding one year are capitalised.

Tangible fixed assets are not depreciated until they are brought into use. They are capitalised and depreciated at the following rates in order to write them off over their estimated useful lives:

- ◆ IT & Office Equipment                      33% per annum based on cost.

### **Investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

### **Short-term deposits**

Short-term deposits comprise monies held in high earning fixed term deposits, and notice accounts with banks and building societies registered in the United Kingdom.

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.



## Principal accounting policies Year to 30 September 2021

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Fund accounting**

Unrestricted general funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's objects. Within the total unrestricted funds of the charity, the trustees have designated amounts for specific purposes.

Restricted funds comprise monies raised for, or where their use is restricted to, a specific purpose, or contributions subject to donor imposed conditions.

### **Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

### **Pension costs**

The Trust operates a defined contribution group personal pension scheme for employees. Annual contributions by the Trust in respect of the group personal pension scheme available to staff members are charged to the statement of financial activities in the period in which they are payable. Employer pension contributions of 6% are made for all employees in the pension scheme.

### **Related party transactions**

All transactions with related parties are disclosed in the notes to the financial statements. The Trust's policy is for trustees, executives and advisers to declare their interests and exempt themselves from all relevant discussions and decisions which may involve a transaction with a related party or in which they may have a conflict of interest.

### **Financial Instruments**

The Trust only holds basic financial instruments as defined by FRS102. The financial assets and liabilities of the Trust are as follows:

Financial assets - donations due and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Accrued income and prepayments are not financial instruments.

Cash at bank and short term deposits are classified as basic financial instruments and measured at face value.

## Principal accounting policies Year to 30 September 2021

### **Financial Instruments (continued)**

Financial liabilities - trade creditors, grants payable, accruals and other creditors are financial instruments and are measured at amortised cost. Social security and other taxes are not included in the financial instruments disclosure definition.

## Notes to the financial statements Year to 30 September 2021

### 1 Donations

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Donations from Society Lotteries	1,278,524	4,331,557	5,610,081
Other donations	1,147	–	1,147
<b>2021 Total funds</b>	<b>1,279,671</b>	<b>4,331,557</b>	<b>5,611,228</b>
	Unrestricted funds £	Restricted funds £	2020 Total funds £
Donations from Society Lotteries	1,518,504	4,146,954	5,665,458
Other donations	10,264	50,000	60,264
<b>2020 Total funds</b>	<b>1,528,768</b>	<b>4,196,954</b>	<b>5,725,722</b>

Other donations included £60,000 received from Health CICs Company Limited, of which £10,000 was unrestricted and £50,000 was restricted.

### 2 Investments

	2021 Total funds Unrestricted funds £	2020 Total funds Unrestricted Funds £
Income from investments	99,483	71,107
Interest from deposits	42,488	127,844
	<b>141,971</b>	<b>198,951</b>

### 3 Charitable activities

	Unrestricted funds		Restricted funds	2021 Total funds £
	Direct costs (note 4) £	Support costs (note 5) £	Evaluation & Grant funding £	
Supporting greater health equity	722,650	400,402	3,407,247	4,530,299
Awareness and communications	217,108	70,659	15,842	303,609
<b>2021 Total funds</b>	<b>939,758</b>	<b>471,061</b>	<b>3,423,089</b>	<b>4,833,908</b>
	Unrestricted funds		Restricted funds	2020 Total funds £
	Direct costs (note 4) £	Support costs (note 5) £	Evaluation & Grant funding £	
Supporting greater health equity	812,846	516,575	3,526,611	4,856,032
Awareness and communications	257,202	91,160	–	348,362
<b>2020 Total funds</b>	<b>1,070,048</b>	<b>607,735</b>	<b>3,526,611</b>	<b>5,204,394</b>

## Notes to the financial statements Year to 30 September 2021

### 3 Charitable activities (continued)

Included within direct and support costs are governance costs. Governance costs are charged to supporting greater health equity and are as follows:

	2021 £	2020 £
Auditor's remuneration (note 6)		
Current Year	15,540	14,820
Overprovision from previous years	210	(464)
Trustees' meetings and expenses	623	3,740
Legal and professional fees	6,309	2,251
Direct costs (note 4)	22,682	20,347
Support costs (note 5)	23,553	30,387
<b>2021 Total funds</b>	<b>46,235</b>	<b>50,734</b>

### 4 Direct costs

	Supporting greater health equity		Awareness and communic- ation (note 3) £	2021 Total funds £
	Other costs (note 3) £	Governance (note 3) £		
Staff costs	656,577	–	185,188	841,765
Consultancy	6,695	–	–	6,695
Travel and accommodation costs	–	623	–	623
Office costs	36,749	15,750	103	52,602
Other costs	53	–	31,817	31,764
Professional fees	–	6,309	–	6,309
	699,968	22,682	217,108	939,758

	Supporting greater health equity		Awareness and communic- ation (note 3) £	2020 Total funds £
	Other costs (note 3) £	Governance (note 3) £		
Staff costs	744,845	–	210,084	954,929
Consultancy	7,257	–	–	7,257
Travel and accommodation costs	4,811	3,740	499	9,050
Office costs	33,638	14,356	74	48,068
Other costs	1,948	–	46,545	48,493
Professional fees	–	2,251	–	2,251
	792,499	20,347	257,202	1,070,048

## Notes to the financial statements Year to 30 September 2021

### 5 Support costs

	Supporting greater health equity		Awareness and communication (note 3) £	2021 Total funds £
	Other costs (note 3) £	Governance (note 3) £		
Staff costs	212,657	13,291	39,873	265,821
Premises, technology and other costs	164,192	10,262	30,786	205,240
	<b>376,849</b>	<b>23,553</b>	<b>70,659</b>	<b>471,061</b>

	Supporting greater health equity		Awareness and communication (note 3) £	2020 Total funds £
	Other costs (note 3) £	Governance (note 3) £		
Staff costs	241,245	15,078	45,233	301,556
Premises, technology and other costs	244,943	15,309	45,927	306,179
	<b>486,188</b>	<b>30,387</b>	<b>91,160</b>	<b>607,735</b>

Support costs where not directly attributed are allocated against expenditure categories based on an estimate of time spent by staff on relevant activities.

### 6 Net expenditure

This is stated after charging:

	2021 Total funds £	2020 Total funds £
Operating lease charges	114,000	202,614
Auditor's remuneration		
◆ Audit - current year	15,540	14,820
◆ Audit - prior year under/(over)provision	210	(464)
◆ Other fees payable to Buzzacott Financial Services Limited and Buzzacott Computer Services Limited, subsidiaries of Buzzacott LLP (the charity's auditors for the period)	36,749	46,037

## Notes to the financial statements Year to 30 September 2021

### 7 Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	937,250	976,605
Social security costs	101,748	106,491
Pension costs	60,676	64,604
	<b>1,099,674</b>	<b>1,147,700</b>
Temporary staff and contractor costs	7,912	108,785
	<b>1,107,586</b>	<b>1,256,485</b>

The average number of employees during the year, excluding temporary staff and contractors, analysed by function, was as follows:

	2021 No.	2020 No.
Charitable activities	20	22
Support services	4	4
Total number of employees	<b>24</b>	<b>26</b>

The number of employees who earned £60,000 or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2021 No.	2020 No.
£60,000 - £70,000	1	–
£70,000 - £80,000	1	2
£100,000 - £110,000	1	1

All except one employee are members of the Trust's pension scheme. During the year ended 30 September 2021, pension contributions for those staff amounted to £60,676 (2020 - £64,604). The higher paid employees were not entitled to any taxable benefits during the year.

The key management personnel include the Leadership Team which comprises the chief executive and three directors and board members. Trustees are not remunerated for their role as trustees. The key management personnel's total remuneration including pensions and social security for the year is outlined as follows:

	2021 £	2020 £
Total remuneration	<b>353,960</b>	<b>371,270</b>

The key management personnel costs include costs for one contractor (2020 - one contractor) who was a member of the Leadership Team for part of the current and all the previous year.

## Notes to the financial statements Year to 30 September 2021

### 8 Trustees' remuneration, expenses and insurance

None of the trustees received any remuneration in respect of services provided during the year (2020 - none).

Seven trustees (2020 - four) were directly reimbursed a total of £477 (2020 - £565) for travel, accommodation and subsistence expenses incurred during the course of their duties on behalf of the charity. The Trust has one trustee each in Scotland and Wales.

Trustees are encouraged to visit grant funded programmes, with the costs of such trips being met by the charity.

The charity also purchased insurance to protect it from any loss arising from the neglect or defaults of its trustees, employees and agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year totalled £6,588 (2020 - £5,116) and provides cover of up to a maximum of £5 million.

### 9 Other related party transactions

Other than those disclosed in note 8, there were no related party transactions in the year or in the previous year.

### 10 Taxation

The People's Health Trust is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

### 11 Tangible fixed assets

	IT & office equipment £
<hr/>	
<b>Cost</b>	
At 1 October 2020	66,245
Additions	6,705
At 30 September 2021	<u>72,950</u>
<b>Depreciation</b>	
At 1 October 2020	59,885
Charge for year	3,983
At 30 September 2021	<u>63,868</u>
<b>Net book values</b>	
At 30 September 2021	<u>9,082</u>
At 30 September 2020	<u>6,360</u>

## Notes to the financial statements Year to 30 September 2021

### 12 Fixed Asset Investments

	2021 £	2020 £
<b>Listed investments</b>		
Market value at 1 October	2,424,579	–
Additions at cost	4,000,000	2,500,000
Net unrealised gains/(losses)	343,859	(75,421)
Market value at 30 September	<u>6,768,438</u>	<u>2,424,579</u>
<b>Cash held by investment managers for re-investment</b>	–	–
	<u>6,768,438</u>	<u>2,424,579</u>
<b>Historic cost of listed investments at 30 September</b>	<u>6,500,000</u>	<u>2,500,000</u>

Listed investments held at 30 September comprised the following:

	2021 £	2020 £
Property fund	745,008	681,359
Mixed asset funds	6,023,430	1,743,220
	<u>6,768,438</u>	<u>2,424,579</u>

All listed investments were dealt in on a recognised stock exchange.

At 30 September, listed investments included the following individual holdings deemed to have a material value:

	Value of holding £	Percentage of the market value %
COIF Charities Property Fund Income Units	748,008	11.0
COIF Charities Ethical Investment Fund Units	1,678,008	24.8
Newton SRI Fund for Charities Income Units	848,530	12.5
Royal London Enhanced Cash Plus Fund Units	3,496,892	51.7

### 13 Debtors

	2021 Total funds £	2020 Total funds £
Donations from society lotteries	130,996	250,420
Other debtors and accrued income	103,348	120,154
	<u>234,344</u>	<u>370,574</u>



Notes to the financial statements Year to 30 September 2021

**14 Creditors: amounts falling due within one year**

	2021 Total funds £	2020 Total funds £
Trade creditors	10,850	15,563
Grants payable (note16)	4,959,460	6,045,061
Accruals and other creditors	53,005	103,841
Social security and other taxes	37,528	36,833
	<b>5,060,843</b>	<b>6,201,298</b>

**15 Creditors: amounts falling due after one year**

	2021 Total Funds £	2020 Total funds £
Grants payable (note 16)	1,072,212	1,298,676

**16 Grants payable reconciliation**

	2021 £	2020 £
Grants payable at 1 October	7,343,737	9,554,493
Committed grants made in the year	3,407,247	3,526,611
Grants paid in the year	(4,719,312)	(5,737,367)
Grants payable at 30 September	<b>6,031,672</b>	<b>7,343,737</b>
<b>Shown within</b>		
Creditors due within one year (note14)	4,959,460	6,045,061
Creditors due after one year (note15)	1,072,212	1,298,676
	<b>6,031,672</b>	<b>7,343,737</b>

**17 Designated funds**

	At 1 October 2020 £	New designation £	(Utilised)/ released £	At 30 September 2021 £
Tangible fixed assets (note 11)	6,360	6,705	(3,983)	9,082
Grant making software	2,495	–	–	2,495
Business development	43,290	–	–	43,290
Network events	22,709	–	–	22,709
IT equipment	8,140	–	(8,140)	–
Change project	10,231	–	(2,087)	8,144
Chair Recruitment	–	14,895	(14,895)	–
Website	–	50,000	(6,708)	43,292
Fixed Asset Replacement	–	15,444	–	15,444
	<b>93,225</b>	<b>87,044</b>	<b>(35,813)</b>	<b>144,456</b>

## Notes to the financial statements Year to 30 September 2021

### 17 Designated funds (continued)

	At 1 October 2019 £	New Designation £	(Utilised)/ released £	At 30 September 2020 £
<i>Tangible fixed assets</i>	–	6,360	–	6,360
<i>Grant making software</i>	30,000	–	(27,505)	2,495
<i>Business development</i>	–	43,290	–	43,290
<i>Network events</i>	22,704	–	5	22,709
<i>IT equipment</i>	–	14,500	(6,360)	8,140
<i>Change project</i>	10,262	–	(31)	10,231
	62,966	64,150	(33,891)	93,225

The tangible fixed assets fund represents:

- ◆ The net book value of the charity's tangible fixed assets at the year end to recognise the fact that the assets are required for the day-to-day operation of the Trust and are not available for other purposes or as a general reserve.

Grant making software represents:

- ◆ Future costs expected to be incurred in relation to the updating of grant making software and project consultancy on a review of grant programmes.

Business development represents:

- ◆ Funds set aside for future income generation initiatives that the Trust plans to undertake.

Network events represents:

- ◆ Future costs expected to be incurred in relation to networking events across the Active Communities programmes.

IT Equipment represents:

- ◆ Costs incurred in relation to implementation of the Trust's IT Strategy.

Change project represents:

- ◆ Future costs expected to be incurred in relation to resource support for the change programme approved in September 2015. This programme is designed to support cross-team working and a review of the Active Communities programme.

Chair Recruitment represents:

- ◆ Funds set aside for cost of recruiting the Chair of Trustees.

Website represents:

- ◆ Funds set aside for replacement website.

Fixed Asset Replacement represents:

- ◆ Costs expected to be incurred in relation to fixed asset replacements.

## Notes to the financial statements Year to 30 September 2021

### 18 Restricted funds

	At 1 October 2020 £	Income £	Expenditure £	At 30 September 2021 £
Geographical area funds	7,909,999	4,331,557	(3,407,247)	8,834,309
Health CICs	50,000	–	(15,842)	34,158
	<b>7,959,999</b>	<b>4,331,557</b>	<b>(3,423,089)</b>	<b>8,868,467</b>

  

	At 1 October 2019 £	Income £	Expenditure £	At 30 September 2020 £
Geographical area funds	7,289,656	4,146,954	(3,526,611)	7,909,999
Health CICs	–	50,000	–	50,000
	<b>7,289,656</b>	<b>4,196,954</b>	<b>(3,526,611)</b>	<b>7,959,999</b>

#### Geographical area funds

Funds arise from donations by 12 separate community interest companies (2020 - 12), each of which donates good causes monies raised through individual society lotteries. Each CIC focuses upon a specific community of geographical interest and each fund is restricted for use (after reasonable administration charges) for onward donation to charities and community groups within that CICs area for the purpose of supporting greater health equality.

No restricted fund was in deficit (2020: none). Of the geographical area funds balance of £8,834,309 at 30 September 2021 (2020 - £7,909,999), the following amounts were allocated for specific grant programmes as follows:

- ◆ £50,000 to Living Wage;
- ◆ £200,000 allocated for research work;
- ◆ £200,000 allocated for capacity development work.

#### Health CICs

The Trust received £50,000 in 2020 to support its work with networks. The balance of £34,158 represents the unspent amount as at 30 September 2021.

### 19 Analysis of net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total £
<b>Fund balances at 30 September 2021 are represented by:</b>				
Tangible fixed assets	–	9,082	–	9,082
Fixed Asset Investments	–	–	6,768,438	6,768,438
Net current assets	1,182,912	135,374	3,172,241	4,490,527
Creditors due more than one year	–	–	(1,072,212)	(1,072,212)
<b>Total net assets</b>	<b>1,182,912</b>	<b>144,456</b>	<b>8,868,467</b>	<b>10,195,835</b>

Notes to the financial statements Year to 30 September 2021

**19 Analysis of net funds between assets (continued)**

	<i>General fund £</i>	<i>Designated funds £</i>	<i>Restricted funds £</i>	<i>Total £</i>
<i>Fund balances at 30 September 2020 are represented by:</i>				
<i>Tangible fixed assets</i>	–	6,360	–	6,360
<i>Fixed Asset Investments</i>	–	–	2,424,579	2,424,579
<i>Net current assets</i>	879,461	86,865	6,834,096	7,800,422
<i>Creditors due more than one year</i>	–	–	(1,298,676)	(1,298,676)
<b><i>Total net assets</i></b>	<b>879,461</b>	<b>93,225</b>	<b>7,959,999</b>	<b>8,932,685</b>

**20 Operating lease commitments**

At 30 September 2021, the charity had total commitments under non-cancellable operating leases payable as follows:

	<u>Land and Buildings</u>	
	<b>2021 Total funds £</b>	<b>2020 Total funds £</b>
Within 1 year	<b>100,000</b>	<b>100,000</b>

The operating leases relate to the rental of office premises.