

**People's Health Trust**

**Trustees' Report and Financial Statements**

**Financial year ended 30 September 2020**

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 Sue Cohen (Chair) Professor Elizabeth Dowler Dr Eva Elliott (Wales)  Jacqueline Lodge (Deputy Chair) Thomas McIlravey Barbara Simmonds FCA Duncan Stephenson Shavanah Taj (Wales) Nigel Turner
<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
Interim Director of Finance & Operations	Michael Kyriakides (to 6 November 2020)
Director of Finance	Elaine Battson (from 14 October 2020)
<b>Registered address</b>	1st Floor 64 Great Eastern Street London EC2A 3QR
<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

**Solicitor** Bates Wells LLP  
10 Queen Street Place  
London  
EC4R 1BE

**Investment Advisor** Arlingclose Ltd  
35 Chiswell Street  
London  
EC1Y 4SE

**Investment Managers** BNY Mellon Investment Management EMEA  
160 Queen Victoria Street  
London  
EC4V 4LA

CCLA  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

## Reference and administrative information

<b>Bankers</b>	<p>The Co-operative Bank plc 4th Floor 9 Prescott Street London E1 8AZ</p> <p>Nationwide Building Society The Observatory Chapel Walks Manchester M2 1HL</p> <p>Close Brothers Group plc 10 Crown Place London EC2A 4FT</p> <p>Lloyds Bank plc Charity and Social Enterprise SME Banking 1st Floor 39 Threadneedle Street London EC2R 8AU</p> <p>National Westminster Bank plc Charities and Education Team Commercial and Corporate Banking 1st Floor 440 Strand London WC2R 0QS</p> <p>CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ</p>
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## Trustees' report (incorporating the strategic report) Year to 30 September 2020

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 2020.

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 35 to 39 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:

<b>Trustees</b>	<b>Appointed</b>
Paul Ballantyne (Scotland)	
Leandra Box	Appointed 19 June 2020
Sue Cohen (Chair)	
Professor Elizabeth Dowler	
Dr Eva Elliott (Wales)	
Alan Lally-Francis	Resigned 17 March 2021
Sue Hawkett OBE	Resigned 27 October 2020
Jacqueline Lodge (Deputy Chair)	Deputy Chair from 28 July 2020
Thomas McIlravey	Appointed 17 October 2019
Barbara Simmonds FCA	
Duncan Stephenson	
Shavanah Taj (Wales)	Appointed 12 March 2021
Nigel Turner	Deputy Chair to 28 July 2020

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 2020

### GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

#### Trustees (continued)

Trustees 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. Matters such as policy and strategic plans are prepared by the Leadership Team for consideration and approval by the Board. The Trust recruits new trustees through open and external processes including using search agencies according to the skills and diversity needed within the Board. All applicants undergo an application and interview process carried out by existing trustees (agreed by the Board) and involving the Chief Executive.

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 by having regular meetings and annual appraisals with the Chair and/or the Deputy Chair. Through this process, trustee development is regularly reviewed and determines the areas that trustees would like to focus on individually and collectively.

The Board formally met three times during the year\*. The Finance, Audit and Operations Committee (FAOC) met five times within the year and Evaluation and Learning Committee (ELC) met three times within the year. From March 2020 onwards, meetings were all held online in accordance with Government Covid-19 restrictions.

\*Three rather than four meetings were held because the September Board meeting was permanently moved to October. The year 2020/21 will therefore report on five board meetings within the year.

#### 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 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 rise.

## Trustees' report (incorporating the strategic report) Year to 30 September 2020

### GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

#### Key management personnel (continued)

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).

#### Finance, Audit and Operations Committee (FAOC): formerly Audit, Risk and Human Resources Committee (ARHRC)

The FAOC reports to and advises the Board on the key areas of audit, risk, finance (including investments), HR, safeguarding, and legal. At its meeting in April 2020 the Board agreed new Terms of Reference and a change in name for this Committee (from ARHRC to FAOC) to better reflect the function it undertakes and align with the staffing structure. 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 (appointed 24 April 2020) who brings relevant investment skills and experience to the Committee. The Chair of the Trust may attend the Committee as an ex-officio member. The Committee met five times within the financial year: two of these meetings were extraordinary meetings, falling outside of the usual timetable due to additional Covid-related matters.

#### Evaluation and Learning Committee (ELC)

The ELC has strategic oversight of the Trust's evaluation and learning activities on behalf of the Board of Trustees.

The Committee's terms of reference permit it to scrutinise Leadership Team decisions and recommendations and to discuss the extent to which the Trust was evaluating and learning from its work to drive improvement and meet its charitable objects. It supports the appointment of external evaluators and makes recommendations to the Board but undertakes limited decision-making (offering guidance and agreeing operational decisions which require input). Membership comprised three trustees (one of whom chaired the Committee) and a fourth co-opted external member, Dr Matt Egan from London School of Hygiene and Tropical Medicine. The Chair of the Trust is an ex-officio member of the ELC. The ELC met three times within the financial year.

In September 2020, the trustees agreed to constitute a new committee, the Policy, Research and Advocacy Committee (PRAC) to replace the ELC. This reflected the change in strategic direction of the Trust and the end of the Trust's major evaluation programmes in 2020/21. Terms of reference for the new committee were agreed by trustees at a Board meeting in October 2020 and the ELC had its final committee meeting in December 2020.

#### 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 2020

### 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 2020

### GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

#### Structure and management reporting

The Trust began a restructure in September 2019 to support greater efficiencies and enable a reduction in its overall administration costs. The restructure was undertaken in two phases: phase one in autumn 2019, and phase two in summer 2020 (the latter being delayed by Covid-19).

The necessity for a restructure was heightened by a drop in income in the early part of the pandemic in 2020. Although this was somewhat mitigated by an increase in the percentage of lottery ticket sales the Trust receives from 20.34% to 25.5%, it remained imperative that the Trust reduced its future overheads so that all the additional income could be distributed as grants to funded partners across Great Britain.

All teams and all levels of the organisation contributed to a reduction in headcount and/or full-time equivalent hours resulting in savings on staff costs. Additionally, the Trust reduced its non-staff costs, including relocating to a smaller office (taking account of future potential working practices). As a result, the Trust achieved an overall reduction in administration costs of 20% in the budget for 2020/21.

The Trust operated with an average of 23 (2019: 24) staff across four departments:

- ◆ **Grant Programmes** which manages the Trust's funding programmes, partner relations, system and procedure development and capacity building;
- ◆ **Communications and Public Affairs** which manages the Trust's internal, external and partner communications, network management and learning;
- ◆ **Finance and Operations** which manages the Trust's income and expenditure, investments, projects and back office functions (HR, legal, IT);
- ◆ **CEO department** including Board and committee support, external relationships and since October 2020, has incorporated income generation, policy and research.

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 and they manage the wider staff team.

During the financial year, as income fell, the Trust was forced to furlough some staff under the Government's Coronavirus Job Retention Scheme (CJRS). Although far from ideal, given the volume of work the Trust had during the pandemic, reductions in income made this necessary. Five team members were furloughed from 10 June to 30 September 2020 and funding totalling £31,155 was received in respect of these staff. Staff were paid their full salary, i.e., the Trust funded the balancing 20% of pay not covered by CJRS. Of the five, three members of staff returned to the Trust in October 2020; one left as their fixed term contract had expired, and one whose role was made redundant.

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Relationship with other organisations

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

Within the year 2019/20 the Trust also had a relationship with the external lottery manager and attended the Steering Committee, which comprises the external lottery manager, the 12 CICs and 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. We believe that where a person lives should not unfairly reduce the length of that person's life, or the quality of their health.

Our work is underpinned by four key values:

# Our values

### Stay true

- We remain true to our vision
- We remember what we are here for
- We know that people make change
- We help change happen

### Stay strong

- We stand up for our beliefs
- We work things out together with local people
- We engage with our critics and our supporters
- We tackle social injustice without fear

### Stay together

- We believe in strength in unity
- We stand with local people
- We work to ensure all voices are heard
- We support people to create space for their ideas

### Stay inspired

- We are always learning. We are always listening
- We challenge ourselves to be different, and do things differently
- We support ideas from local residents which will bring about real change locally

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

## Trustees' report (incorporating the strategic report) Year to 30 September 2020

### STRATEGIC REPORT (continued)

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

##### *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 launched its new three-year strategic plan in 2019. During the financial year 2019-20 a number of factors, principally the impact of Covid-19 and the staff restructure, resulted in the Leadership Team reviewing the plan, and a simplified, more flexible version of the strategic plan was agreed by the Board at the end of the 2019/20 financial year. The new plan was implemented from 1 October 2020.

The following continues to report against the original plan and strategic objectives as they were effective in 2019/20.

##### ***Strategic objective: To take action on health inequalities: supporting local people to take action on health inequality.***

Over the year, the Trust continued to invest in neighbourhoods which experience significant disadvantage. Through formal evaluation and informal learning, it has gathered further evidence that demonstrates the efficacy of the approach in addressing local control, as both a social determinant and an action. During 2019/20 the Trust worked with its funded partners to provide a series of physical and (since March 2020) virtual networking opportunities and spaces for reflection and shared learning.

##### ***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 coterminous with combined local authority boundaries.

The Trust funds projects addressing the circumstances that affect our life expectancy and quality of our 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.

Fundamental to the Trust's grant-making policy is the belief 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 supports local people to take collective action to address the things that matter to them locally, and that they identify as rewarding and/or enjoyable. The Trust invests its funds in neighbourhoods and communities of interest which experience the greatest disadvantage as identified by the Index of Multiple Deprivation (IMD), Scottish Index of Multiple Deprivation (SIMD) and Welsh Index of Multiple Deprivation (WIMD).

The Trust operated three main grant programmes during 2019/20. It also funded a strategic grants programme through which one grant was made. More detail can be found under the Grant Programmes section below.

## Trustees' report (incorporating the strategic report) Year to 30 September 2020

### STRATEGIC REPORT (continued)

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

##### *Review of activities*

##### *Grant Programmes*

During 2019/2020 the Trust incurred costs of £3,526,611 (2019 - £5,614,399) across its main funding programmes.

Programme	2019/20 Total	2018/19 Total
Active Communities	£2,221,806	£3,517,476
Local Conversations	£881,491	£1,385,218
Local People	£386,274	£683,405
Strategic Funding Programme	£28,940	£28,300
<b>Total value of grant commitments</b>	<b>£3,518,511</b>	<b>£5,614,399</b>
Research	£8,100	—
<b>Total</b>	<b>£3,526,611</b>	<b>£5,614,399</b>

##### *Review of activities*

During the financial year 2019/20, the Trust made 158 (2019 - 179) grants across all of its programmes which benefitted 46,527 local people. Since it started awarding grants in 2011, and up to 30 September 2020, the Trust had made 3,432 (2019 - 3,274) grants which have benefitted over 569,706 local people (2019 - 523,179). 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** 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 supports participants to come up with their own locally-determined ideas, in order to strengthen social links and ties, and foster greater collective control. While the number of grants funded through Active Communities has decreased over the past year, 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 are funded through Active Communities, from improving community spaces (buildings and land) to bringing communities of interest together so that they can collectively influence local decision makers who are overlooking their assets and needs. More about the kind of projects funded can be found in our annual review on the website, [www.peopleshealthtrust.org.uk](http://www.peopleshealthtrust.org.uk).

## Trustees' report (incorporating the strategic report) Year to 30 September 2020

### STRATEGIC REPORT (continued)

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

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

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

The Trust provides funding of between £5,000 and £40,000 to support actions and activities that are important to, and have been designed by, local people. £2,221,806 (2019 - £3,517,476) was committed through this programme during the year. The average grant award was £26,855. Since 2012, over 325,621 (2019 - 231,000) people have directly benefited from the programme. The Board receives a formal review of the progress of the programme in meeting the Trust's vision at least once a year, which has had deeper scrutiny at the Evaluation and Learning Committee. 88% of the respondents of the Trust's annual stakeholder survey reported that they found the Trust's application process easy to some or a large extent, 86% felt that the Trust's monitoring requirements were proportionate to some or a large extent, and 93% felt that an appropriate level of support is offered on grant management.

**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 Friendly Funders (driving up low pay in the third sector). The Trust is a member of the Living Wage Advisory Council. As in previous years, in 2019/20 the Trust continued to meet the costs of increases in the Living Wage to existing grant holders.

The Trust has also granted £99,856 over two years to Citizens UK in 2018 and 2019 to create an accreditation scheme for Living Wage Places (towns, cities, boroughs, regions or zones) by working with key local employers (e.g. local authorities, universities, football clubs) to accredit as Living Wage Employers and to commit to action plans to encourage other employers in the area to become accredited. This project will end in 2021 but by the end of 2019/20 had exceeded its agreed pay rise target for the year, uplifting over 4,700 people's rates of pay in Southwark (London), Cardiff and Salford.

**Local Conversations** programme 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, both as an end in itself and as a means of improving health and the wider determinants of health locally. The programme's Theory of Change is based on emerging evidence that collective control within neighbourhoods and communities is linked to better health outcomes. Different Local Conversations started at different times. The Board has committed to fund Local Conversations neighbourhoods for up to eight/nine years, subject to receipt of sufficient funds and satisfactory progress being made. 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.

## Trustees' report (incorporating the strategic report) Year to 30 September 2020

### STRATEGIC REPORT (continued)

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

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

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

The funding is used to meet the costs of actions and activities that will address the local priorities. The priorities (and underpinning actions and activity) are reviewed regularly through deep engagement with the local community, including those individuals and groups of people whose voices are seldom heard. Residents agree three or four priorities in each neighbourhood and these vary depending on the local context, but typically include improving the local environment, including accessible clean green spaces, and addressing social isolation through community activities.

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.

During the year to 30 September 2020, the Trust made grants totalling £881,491 (2019 - £1,385,218) to support the Local Conversations grant programme in 18 neighbourhoods (2019 - 18 neighbourhoods) which experience significant disadvantage, comprising eleven neighbourhoods in England, three neighbourhoods in Scotland and four neighbourhoods in Wales. Covid-19 has had a significant impact on the work of the Local Conversations project, and many have significantly underspent within year and have, therefore, not needed the additional funds which were budgeted to be committed within the 2019/20 year.

Throughout the year, the programme has focused on supporting lead organisations by offering tailored support through community development/engagement specialists.

The Board receives a review of the progress of the programme in meeting the Trust's vision at least once a year.

**Local People** - offers a longer-term neighbourhood-based approach to funding and has been running for five years. The programme is 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 decided to work with four national partners from a previous funding programme because it believed they were more likely to meet the programme's objectives, through a genuinely bottom-up process of community engagement and collective decision making. These charities are Scope, TCV, Youth Sport Trust and Royal Voluntary Service. At the end of the year the Trust was funding the programme in 20 neighbourhoods, of which 17 were in England, two were in Scotland and one was in Wales. Through this programme, groups of neighbours and communities with shared interests organise local actions and activities that help them address local issues of importance to them. This programme's funding is used to enable residents to take greater control over the design, development, and delivery of local initiatives, through collectively agreeing local priorities and supporting actions and activities.

In October 2020 the trustees determined that the Local People programme should close with effect from 31 March 2021.

## Trustees' report (incorporating the strategic report) Year to 30 September 2020

### STRATEGIC REPORT (continued)

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

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

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

Over time, the projects have supported local people to exert wider influence over decisions that affect their lives, ranging from campaigning around public transport cuts, to improving access to beaches for disabled people. Usually, residents agree three or four priorities in each neighbourhood and these vary depending on the local context and the life experiences of people participating in the project.

£386,274 was committed through this programme during the year (2019 - £683,405), which provided extension funding to the Local People projects. Covid-19 has had a significant impact on the work of the Local People project and many have significantly underspent within year and have, therefore, not needed the additional funds which were budgeted to be committed within the 2019/20 year.

The Board receives a review of the progress of the programme in meeting the Trust's vision at least once a year. At its October 2020 meeting the Board received a review of the programme and agreed to close it by 31 March 2021 as it had reached a ceiling beyond which it will not progress further at a programme level. A number of successful local projects were subsequently funded for a further year by the Trust through the Active Communities programme.

**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. One 12-month grant was awarded through this programme in the year for £28,940 (2019 - £28,300). The funded project is using community organising techniques to ensure that local residents are fully involved in the changes to their neighbourhood that are proposed as part of the large regeneration project around the Old Kent Road in south east London. To date £63,940 has been committed to this programme (2019 - £35,000).

**Capacity building programme** - during 2019/20 the Trust invested in activities aimed at strengthening the organisations it funds. This included meeting the costs of:

- ◆ Locality membership to 27 Active Communities and eight Local Conversation grant-holders in England, and £100 capacity building grant increases to five Active Communities grant-holders in Scotland and Wales.
- ◆ Community leadership skills development for all Local Conversations lead organisations that will be delivered in 2020/21.

##### **Research**

The Trust contracted the Bevan Foundation to provide monthly reporting about Welsh policy developments and support the Trust's overall policy development work in Wales. A similar contract has been agreed for Scotland, post year-end.

## Trustees' report (incorporating the strategic report) Year to 30 September 2020

### STRATEGIC REPORT (continued)

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

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

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

**The impact of Covid-19 on the grant programmes** - the Trust has remained in active dialogue with its funded partners since the outbreak of the pandemic, through its website, guidance emails, and one-to-one support and advice from Team members. It has also provided peer support through 13 online facilitated network meetings and its programme specific social media channels.

All of the Local Conversations and Local People projects continued to operate during the year and worked with residents to adapt their activities in response to the impact of Covid-19 and related restrictions on community life. Many have provided emergency provision (such as food and household essentials) and moved some activities online or (when they can) provided socially distanced activities outdoors.

138 Active Communities grant-holders suspended their activities at some point during the year, and 77 remained suspended at 30 September 2020. Many were able to restart activities, at least temporarily but some of these had to suspend once more to comply with Covid-19 related regulations.

***Strategic Objective: Communicating evidence and learning clearly: Developing and communicating evidence and learning about wider social determinants of health.***

The Trust developed an Evaluation and Learning strategy, a Communications strategy and a Network strategy which placed social determinants of health at the core to support the shifting of the Trust narrative and work specifically towards an emphasis on social determinants of health as part of the Trust's new three-year strategy.

Key social and economic determinants of health areas identified as the most significant in terms of reducing health inequalities through the type of work that the Trust funds were social connections, collective control, jobs and income, local economy and our surroundings.

##### *Social connections*

Strong social connections within and between communities is one factor in achieving good health and living longer lives. Social connections are also a very important foundation for other important changes to health and wellbeing.

##### *Individual and collective control*

When people have control over their lives, and power and the decisions that affect them they are able to maintain their health. Collective control is the power exercised by groups of people and this group power also affects health.

##### *Jobs and income*

The conditions in which people work and the level of income they have has a huge impact on their health. 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.

## Trustees' report (incorporating the strategic report) Year to 30 September 2020

### STRATEGIC REPORT (continued)

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

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

##### *Local economy*

The places in which people live have a huge impact on their health. This includes how money flows locally to ensure what is reinvested recirculates in the local economy and contributes to local wealth building. A thriving local economy can include locally owned assets and shops with affordable healthy food, access to quality jobs that pay at least the real living wage with opportunities to build skills and the distribution of wealth more equitably within local communities.

##### *Our surroundings*

Local surroundings have an impact on our health by enabling clean safe and useful surroundings. Having accessibly green space, community space, shops, safe spaces to walk and good air quality enables people to build social connections, access local services and be physically active.

The social determinants of health areas were prioritised based on learning from the Trust's programmes.

##### *Research and Learning activity*

The Trust has been gathering evidence from formal programme evaluations conducted by independent research organisations Ecorys (Active Communities) and New Economics Foundation (NEF) and Leeds Beckett University (Local People and Local Conversations). The Trust has also been gathering learning more informally from practitioner networks, progress reports, grant officers and more recently through action and learning meetings. This learning has been synthesised in strategic programme learning reviews and used to help shape the strategic direction of the Trust's work.

The individual programme evaluations that have been carried out over the last four years were completed in 2019/2020 with the exception of Local Conversations which is due to finish in April 2021.

##### *Evidence*

The Trust has published four evaluation reports over the last year covering Local Conversations, Local People and Active Communities programmes. All of the programmes have demonstrated success at achieving the short-term outcomes as outlined in the Trust's Theory of Change. These include building social connections or links and ties, building skill, knowledge confidence and aspiration as well as individual and collective control.

The Trust has also produced two synopsis documents - one on social connections and one specifically focused on collective control which will be used to support the Trust's work in the next financial year.

Key findings which have emerged through the evaluations are:

- **Local Conversations**  
Across the longer-term Local Conversations programme social connections are broadening and engagement is deepening. NEF's evaluation shows that 47% of Local Conversation participants report talking to their neighbours most days against an average of 21% in other similarly disadvantaged neighbourhoods in England, per the Community Life Survey.

## Trustees' report (incorporating the strategic report) Year to 30 September 2020

### STRATEGIC REPORT (continued)

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

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

##### *Evidence (continued)*

81% of Local Conversation project members expressed a feeling of belonging in their neighbourhood compared to 55% national average.

Across the Local Conversations programme residents closely involved in making decisions and delivering the projects have increased in confidence, knowledge, understanding, skills and aspiration. They feel more able to make changes in their neighbourhood and they feel more in control.

##### ◆ Active Communities

Ecorys evaluation of the Active Communities programme showed that 94% of people felt they were making new friends through the network of people at the project they accessed. And more than 90% of project leads said the development of social networks and communities was the key outcome they had achieved.

92% of Active Community projects believed their project was contributing to making their neighbourhood a better place to live. And 84% of participants felt they could have a say in how activities were designed developed and run.

##### ◆ Local People

The NEF evaluation highlighted that social connections were broadening as engagement deepened for those involved in the Local People programme. Like Local Conversations, those closely involved in the Local People programme have increased knowledge, confidence, understanding and skills. 72% of Local People participants tend to agree that when people get involved in their local community they can change the way their area is run.

To read the programme evaluations go to [www.peopleshealthtrust.org.uk/impact](http://www.peopleshealthtrust.org.uk/impact)

##### ***Looking forward***

The evidence suggests that if the Trust wants to work towards achieving its longer-term outcomes outlined in the Theory of Change, it needs to focus on:

- ◆ trying to influence people in positions of power;
- ◆ increasing resident skills, capacity and wellbeing; and
- ◆ increasing the diversity of those involved (specifically in relation to Local Conversations).

The Trust has been responding to these suggestions through the strengthening of its practitioner networks, the development of a framework tool to help support practitioners and the creation of a strong narrative on the social determinants of health as outlined in this document.

It has been an important year for the Trust and it has now published a significant evidence base relating to its work over the last four years. This evidence base is being used to help shape the programme development, policy, influencing and campaigning work of the Trust going forward.

## Trustees' report (incorporating the strategic report) Year to 30 September 2020

### STRATEGIC REPORT (continued)

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

##### *Looking forward (continued)*

In addition to the evaluation publications the Trust also published a fifth report relating to the impact of COVID-19 on projects and local communities it serves. Seeing communities respond to the COVID pandemic this year has shown the true importance of resident-led projects in neighbourhoods. They have been a key source of guidance for local people during the pandemic. Our research in June 2020 showed that over 75% of projects moved online successfully and over 57% of projects supported by the Trust had been providing food and collecting medicines for people.

##### *Networks*

The Trust practitioner networks have proved an important way of providing support for local projects helping them stay connected during the pandemic and sharing and discussing issues of significance to them during this period including digital inclusion, mental health and wellbeing.

We have facilitated regular meet up spaces for Local Conversation practitioners, Local People practitioners and more recently the development of the Active Community practitioner space. Practitioners have been able to share content on their Facebook space or come together in a meet up session on Zoom.

During the pandemic practitioners have been able to come together to discuss issues that are of concern to them currently such as digital inclusion, mental health, and access to fairer finance for disadvantaged neighbourhoods.

Practitioners have also met up through the network event spaces to discuss strategic objectives with the programme such as moving to influencing.

The networks add value to the work of the Trust because they are a direct connection with the local neighbourhoods we support. Moving forward we are working with them to utilise their voice to shape movements and campaigns around issues that matter to them and link to the social determinants of health.

We will continue to evolve the practitioner spaces throughout this strategic period.

##### *Communications activity*

Key social determinants of health areas identified as the most impactful to resident and community groups centre around social connections between neighbours, control over what happens locally, improved access to jobs and income, a thriving local economy and surroundings which are conducive to living a decent life.

The Trust published its new Social Determinants of Health narrative through its Annual Review 'an extraordinary year' and on its website, [www.peopleshealthtrust.org.uk](http://www.peopleshealthtrust.org.uk). The new narrative was also shared with staff and practitioners through workshops during the year. The purpose of this narrative is to support projects and practitioners to be able to clearly explain the link between the social and economic factors and their health. This should, in turn, support them to influence other local stakeholders with an interest in these areas.

## Trustees' report (incorporating the strategic report) Year to 30 September 2020

### STRATEGIC REPORT (continued)

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

##### *Looking forward (continued)*

##### *Communications activity (continued)*

The Trust was invited to contribute to 'Health Equity in England: The Marmot Review 10 years on', which showed how health inequalities are widening: [www.instituteofhealthequity.org/resources-reports/marmot-10-years-on](http://www.instituteofhealthequity.org/resources-reports/marmot-10-years-on). The Trust submitted examples of local projects working on the ground to improve things in specific neighbourhoods across the UK which linked to socio-economic factors determining their health. It also presented its work at a national event attended by stakeholders from Government public health and other charities and academics working in this area. The Trust joined media discussions around this topic engaging with new stakeholders including national media.

The Covid-19 pandemic hit the UK in March 2020 and this brought into sharp focus the issue of health inequalities. The Trust contributed to this dialogue with its own published report highlighting issues local disadvantaged neighbourhoods were facing and how they were responding: [www.peopleshealthtrust.org.uk/impact](http://www.peopleshealthtrust.org.uk/impact)

The Trust is a founding member of the Other Front Line - an international movement seeking to amplify the voices of those most affected by Covid-19. It is contributing to a more international conversation and sharing global stories on the impact of Covid-19: [www.otherfrontline.org](http://www.otherfrontline.org)

The Trust contributed to the Living Wage Week which had a specific focus on jobs and income and specifically encouraging key workers including those in the third sector to be paid the real Living Wage and in response to the Covid-19 pandemic.

The Trust also contributed to the external dialogue by providing extensive stories for local and regional media through the Health Lottery highlighting how local communities were adapting delivery of their programmes online building social connections as well as providing emergency delivery for some neighbourhoods.

#### ***Strategic Objective: Being an outstanding funder and employer - Improving what we do and how we do it***

During the year, the Trust undertook the second phase of a restructure, effective from 1 October 2020, as noted in the section on 'Structure and management reporting' above. This was partially driven by the impact of the pandemic and aimed to protect the organisation's sustainability in a challenging environment.

The Trust recognises the impact Covid-19 is having on the staff team and during the year introduced a number of initiatives to support staff in addition to the practical steps of providing laptops and other technology for home workspaces as staff moved to working from home as a result of the national lockdown in March 2020. Also in the same month, an Employee Assistance Programme was implemented, as well as the introduction of a more flexible approach to working arrangements.

## Trustees' report (incorporating the strategic report) Year to 30 September 2020

### STRATEGIC REPORT (continued)

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

*Strategic Objective: Being an outstanding funder and employer - Improving what we do and how we do it (continued)*

All staff were awarded a 2% cost of living pay increase effective from 1 October 2019.

The Trust has also focused on its Equality, Diversity and Inclusion (EDI) agenda in 2019/20, both in terms of its governance and also within the staff team.

#### **Board**

In 2019, the Board made the decision to address its diversity and focused on attracting more people to the board who were:

- ◆ younger (under 55)
- ◆ Black, Asian and minoritised Ethnic
- ◆ Disabled

The Board achieved a great deal within the year towards meeting these objectives, including recruiting three new trustees with one or more of the specific identified characteristics. The diversity data at January 2021 shows the Board to have improved in the following areas \*:

- ◆ The number of respondents under 55 increased from 22% to 50%
- ◆ The number of respondents identifying as Black, Asian or minoritised ethnic increased from 22% to 30%
- ◆ The number of respondents identifying as disabled increased from 0% to 10%

\*Response rate: 10/11

#### **Staff**

The full staff diversity survey was completed in January 2021 and reported here for the first time. Key areas to note were:

The Trust has a broad range of ages employed (25-59). Management positions are from 35-59

17.4% identify as disabled (representing 12.5% of managers).

65% of those with education post-18 are first generation (representing 62.5% of managers).

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 represents 4.3% and White English represents 8.7% of the staff.

Gender - 69.6% of staff identify as female (representing 62.5% of managers) and 30.4% as male (representing 37.5% of managers).

## Trustees' report (incorporating the strategic report) Year to 30 September 2020

### STRATEGIC REPORT (continued)

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

##### *Staff (continued)*

Sexual Orientation - 82.6% of the team is heterosexual/straight, 13% is from the LGBT (representing 25% of managers).

The Board is considering the further work that needs to take place in order to ensure our Board/staff teams have both the requisite skills and experience and reflect the background of those we support and to ensure that our funding programmes are taking an anti-oppression and anti-racism position. The internal Equalities, Diversity and Inclusion staff group began meeting in January 2021 and will be reporting into the FAOC. The Equality Diversity and Inclusion Working Group involving the CEO, the Chair and experienced Board members are working more broadly across the organisation.

##### *Finance and Operations*

###### ○ **Donations**

Over the last eight years to September 2020, 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 2020, amounted to £115,950,415 (2019 - £110,224,693). Donation income for the year amounted to £5,725,722 (2019 - £7,360,625).

The decrease in donations experienced in 2018/19 continued into 2019/20. This was of concern to the Leadership Team and trustees, and discussions continued with the Trust's funders to support an increase in donations. From July 2020 the percentage of lottery ticket sales donated to the Trust increased from 20.34% to 25.50%. This partially offset the trend in reduced income, but did not address the steady decline, in part due to the impact of the ongoing pandemic. Ticket sales continued to remain depressed throughout the remainder of the financial year 2019/20. The Trust has further developed its income generation strategy and in the financial year 2019/20 designated a new fund of £43,290 to support its activities in this area.

###### ○ **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 2019/20 the Trust further reviewed its investment policy in response to volatility experienced as a direct result of Covid-19, the impact of which was immediately felt on investments from 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).
- Investments 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 hold bank deposits with a notice period in excess of 35 days.

## Trustees' report (incorporating the strategic report) Year to 30 September 2020

### STRATEGIC REPORT (continued)

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

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

##### o **Investment policy (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 higher investment returns, given an acceptable level of risk. In the previous financial year the Board approved up to £3 million for the purposes of widening the scope of investments, of which £2.5 million had been placed by the year end into investment funds managed by BNY Mellon (£0.75 million multi-asset) and CCLA (£1.75 million split over two funds: £1 million multi asset, £0.75 million property). The remaining £0.5 million was placed in November and December 2020.

Overall the Trust's investment funds were negatively impacted by the onset of the pandemic and the revaluation reserve as at 30 September 2020 reflected an unrealised loss of £75,421.

Investment income during 2019/20 totalled £198,951 (2019 - £188,852) split between interest received on cash deposits of £127,844 (2019 - £188,852) and income from investments of £71,107 (2019 - £nil). The total income represented an effective rate over the average balances during the year of 1.24% (2019 - 0.99%) made up of 0.94% cash deposits, and 2.93% investments (2019 - 0.99% and N/A respectively). Investment income experienced a modest increase year-on-year due to the Trust diversifying its investments. However, the increase is lower than originally anticipated primarily due to the negative impact of Covid-19 from March 2020.

##### o **Finance and Operations Team**

During the year the Finance and Operations Team consisted of an interim Director of Finance and Operations, supported by an experienced Operations Manager (responsible for HR, IT, legal, performance management, staff training and projects) and experienced finance team. The interim Director of Finance and Operations was a qualified accountant, as is the permanent Director.

## Trustees' report (incorporating the strategic report) Year to 30 September 2020

### 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 procedure of complaint handling. The Trust received six complaints in the year (2019: 4).

###### ○ **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 has a rolling programme of training that prioritises staff dealing directly with grant-holders, as well as working with grantees to ensure they are aware of their safeguarding obligations through the application and regular reporting procedures. The Safeguarding Policy is part of a programme where all policies are regularly reviewed and will be reconsidered in 2020/21.

###### ○ **Information Technology**

An audit of the Trust's IT infrastructure was undertaken in the previous financial year and the focus of this year was to implement the recommendations arising out of that audit. Principal amongst these were the migration to a cloud-based Grant Management System (GMS) in December 2019, and a new server, which was delayed to after the year end, in late 2020 due to Covid-19. A small number of actions remained outstanding at the end of this financial year, to be completed in 2020/21. These represent the end of the work linked to the current IT Strategy, and a new strategy will be developed in 2020/21 that looks to further enhance the Trust's IT infrastructure.

- Additionally, in the year the impact of the pandemic on the ways of working, with staff mostly working from home since March 2020, meant that further action was necessary to properly support the staff team. Laptops have been procured for all staff, and further work to underpin the remote office environment is ongoing.

###### ○ **GDPR**

The Trust continues to comply with GDPR, with regular reviews and action taken to maintain compliance on an ongoing basis. For example, in 2020/21, to support the move to home working enforced by the pandemic, all records and documents have been digitalised. As part of this process paper records were audited and were retained if within the scope of the project or deleted as per the requirements under GDPR. The Trust also continues to work with grantees to ensure understanding of their legal obligations.

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

The Board undertook trustee appraisals in the first quarter of 2019/20, with feedback to board in January 2020.

Five Trustees attended finance training provided by the Trust's auditors, Buzzacott LLP, for charity trustees in September 2020.

## Trustees' report (incorporating the strategic report) Year to 30 September 2020

### STRATEGIC REPORT (continued)

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

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

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

- **Board Development and Focus (continued)**

A key area for Board discussion and focus was equality, diversity and inclusion. This complemented the Board's previous commitment to ensure the trustees reflect the people they serve in communities and is integral to an effective succession plan, as a number of long-standing trustees, including the Chair, reach the end of their terms in 2020/21.

The board increased its diversity within the year (see section under 'Strategic Objective: Being an outstanding funder and employer - Improving what we do and how we do it' for further details).

Much of the Board's focus within the year has been on the fall-out from Covid-19. This has meant ensuring that the Trust is fit-for-purpose in light of falling income, supporting existing funded partners to stay engaged and safe, and ensuring the staff team's wellbeing.

Additional meetings and engagement of trustees have been necessary within what has been an extraordinary year and particularly for those who are members of the Finance, Audit and Operations Committee as they oversaw finance, risk and HR.

The Board recognised that its new 2019-22 strategy was unlikely to be as effective during a pandemic/post-pandemic period. It also noted that the pandemic period and its aftermath was highly likely to disproportionately affect the communities with which the Trust works and that a different approach was required. The Board agreed with the Leadership that 2019-22 strategy should be reduced and provide more flexibility, particularly in light of reduced administration costs and reduced staff over the next two years.

- The refreshed strategy 2019-22 was agreed by Board in September 2020 and became active in October 2020. The strategy can be found on the website, <https://www.peopleshealthtrust.org.uk/about-us/strategic-priorities>.

#### ***Strategic Objective: Partnering nationally and locally - building national and local support to place empowerment models for the benefit of local people***

The Trust has continued to place great emphasis on working in partnership, recognising the benefits of working with other organisation, avoiding duplication of effort and coalescing around key points. Within the year, the Trust has developed or further developed key relationships with a number of partners where there is a focus on addressing one or more of the social determinants of health. These include:

- ◆ 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 2020

### STRATEGIC REPORT (continued)

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

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

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

- ◆ UCL Institute of Health Equity - the Trust has developed a positive relationship with the IHE, contributing over ten detailed case studies to the 'Health Equity in England: The Marmot Review 10 years on' and providing insight into the way in which communities perceive and respond to health inequalities locally.
- ◆ 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.
- ◆ Community Wealth Fund Alliance - the alliance comprises over 300 organisations (third and public sectors) seeking a £4bn settlement from the dormant assets to support a long-term investment in 'left behind' neighbourhoods.
- ◆ 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 - we continue to run a place-based programme with LWF, seeking to further embed living wage. The Trust will also lead the newly developed committee in tackling low pay in the charity sector. This issue is of particular relevance to people from BAME backgrounds, part-time workers, women and young people. The intersection of these elements is critical. Third sector employees are still the lowest paid of any sector in the UK.
- ◆ Other Front Line - we are a founding member of this Covid-19 initiative from Professor Jennie Popay and Lancaster University. The initiative seeks to give voice to people who were already experiencing significant disadvantage pre-Covid, so that their testimonies on the impact can be heard.

#### **Future plans and post balance sheet event**

The worldwide outbreak of the coronavirus pandemic (Covid-19) has caused extensive disruptions to organisations globally with major implications for operations as well finances. Trustees acknowledge and recognise the potential impact of the Covid-19 pandemic on the future operations of the Trust, its beneficiaries, partners and stakeholders and on the wider society. Key areas of the charity's operations that have been impacted include:

## Trustees' report (incorporating the strategic report) Year to 30 September 2020

### STRATEGIC REPORT (continued)

#### Future plans and post balance sheet event (continued)

- ◆ Operations of our beneficiaries - we have taken action which enables the Trust to continue to support its grant beneficiaries, including relaxing grant restrictions in order to allow changes which enable funded organisations to respond to Covid-19. We have maintained regular contact with all funded organisations and have built up existing and supported new networks.
- ◆ Future Grant Programmes - we are reviewing our future grant programmes to ensure that they are fit for purpose during times of extreme restriction during the pandemic. We will ensure that they are likely to meet the needs of communities, already disadvantaged by inequalities, as they emerge from the pandemic. As part of this review programme, in October 2020 the trustees determined that the Local People programme should close. Further details are set out in note 21 to the financial statements.
- ◆ Following the advice issued by the UK Government in March 2020 (and subsequently) regarding employees working from home and other social distancing measures, we have enacted procedures to facilitate this and have taken detailed action that enables effective operation to continue whilst employees are not physically present in the charity's office.
- ◆ Income generation - the Trust's income is impacted by Covid-19. Its major source of income is society lotteries which, in part, are based in retail outlets, where footfall fell sharply in the spring of 2020. The Trust has remained in constant contact with our 12 community interest companies who operate society lotteries under The Health Lottery brand and is seeking to diversify its funding base.
- ◆ The Trust's financial capacity - our financial modelling has demonstrated that we have the requisite amount of reserves to finance shortfalls of income over the next twelve months.
- ◆ Strategic planning - the Trust's Board reviewed and refreshed years two and three of its three year strategy (2019-22) to ensure there was adequate flexibility to respond to the changing and unknown environment during and post-Covid.

#### Financial review

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

A summary of the year's results can be found on page 32 of the financial statements.

Total income in the year was £5,924,673 (2019 - £7,549,477) with income from donations totalling £5,725,722 (2019 - £7,360,625). The decrease is largely due to a downturn in lottery ticket sales, despite the increase in the percentage of lottery ticket sales the Trust receives from The Health Lottery, from 20.34% to 25.5%. A further explanation of this downturn is noted on page 21.

## Trustees' report (incorporating the strategic report) Year to 30 September 2020

### STRATEGIC REPORT (continued)

#### Financial review (continued)

##### *Financial position and reserves policy (continued)*

The total expenditure in the year was £5,204,394 (2019 - £7,424,140) all of which related to charitable activities. Included within this figure are support costs of £607,735 (2019 - £654,049). Expenditure on grants amounted to £3,526,611 (2019 - £5,614,399) and direct costs were £1,070,048 (2019 - £1,155,692). Included within support and direct costs are governance costs of £50,734 (2019 - £72,110). Overall expenditure reduced as it was managed down to reflect reduced income. This was true both in respect to grants awarded and other expenditure. Furthermore, with respect to both Local Conversations and Local People the level of funding committed was below budget as a result of the impact of Covid-19 which resulted in significantly lower level of activity and therefore spend.

At 30 September 2020, the Trust had total funds of £8,932,685 (2019 - £8,287,827). £7,959,999 (2019 - £7,289,656) of this related to restricted funds, of which £228,822 has been allocated to specific programmes at 30 September 2020 (2019 - £425,000). Total unrestricted funds were £972,686 (2019 - £998,171), of which £93,225 (2019 - £62,966) were designated funds, and details of the designated funds are included in note 17 on page 46.

The reserves policy for the charitable company states that the Trust will aim to maintain free reserves of at least 26 weeks' running costs. As at 30 September 2020, the free reserves of £879,461 (2019 - £935,205) equated to 31.8 weeks' running costs (2019 - 27.4 weeks). The number of weeks has increased as a result of expenditure reductions in the 2020/21 budget. 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 continues to negatively affect the Trust and the communities it serves well into 2020/21 and at the date of signing the full longer term impact of the pandemic are unclear. However, based on a track record of strong financial 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.

#### **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 key areas of grant making, and that financial procedures and systems exist. At Board meetings, they 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.

## Trustees' report (incorporating the strategic report) Year to 30 September 2020

### STRATEGIC REPORT (continued)

#### Risk management (continued)

Risk management process assesses risks based on their likelihood of occurrence, the impact of the risks, any mitigating controls that are in place and each risk is allocated a pre and post mitigation score. Based on the score, risks are then classified into low, medium and high risks. The medium to 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 trustees have considered the principal risks and two key risk has been identified as follows:

- Income -the Trust's historical reliance on two sources of income (donations form lottery ticket sales and investment income) is a risk. Whilst investment income increased slightly in 2019/20, donation income reduced and this places at risk the Trust's continued ability to address health inequalities and to support existing projects. The trustees agreed to focus on diversification in the coming year, as well receiving an increase in donations through an improved percentage of ticket sales part way through the year (July 2020). The Trust designated a fund for business development in the financial year.
- Coronavirus (Covid-19) pandemic - the Leadership Team and the Board have spent a considerable time considering, discussing, and addressing the difficulties that have arisen as a result of the pandemic in 2019/20. It has focussed on four key factors: staffing, projects, premises and income. Plans have been implemented across all four areas and included a staffing restructure, support for grant holders, office relocation, and income diversification (see point re income directly above). All of these are set out in further detail elsewhere in this Trustees' Report.

### FUNDRAISING STATEMENT

As part of the drive to diversify income, in this 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:

- ◆ no failures to comply with the standard (2019: N/A)
- ◆ no 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 (2019: 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:



**Chair of Trustees**

**Approved on behalf of the trustees on 27 April 2021**

## Independent auditor's report Year to 30 September 2020

### 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 2020 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 2020 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

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

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

## Independent auditor's report Year to 30 September 2020

### 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.

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.

## Independent auditor's report Year to 30 September 2020

### 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.

### 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.

### 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

Dated: 25 June 2021

**Statement of financial activities** Year to 30 September 2020  
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
<b>Income from:</b>							
Donations	1	1,528,768	4,196,954	5,725,722	1,518,504	5,842,121	7,360,625
Investments	2	198,951	–	198,951	188,852	–	188,852
<b>Total income</b>		<b>1,727,719</b>	<b>4,196,954</b>	<b>5,924,673</b>	<b>1,707,356</b>	<b>5,842,121</b>	<b>7,549,477</b>
<b>Expenditure on:</b>							
Charitable activities							
. Supporting greater health equity	3	1,329,421	3,526,611	4,856,032	1,421,091	5,614,399	7,035,490
. Awareness and communications	3	348,362	–	348,362	388,650	–	388,650
<b>Total expenditure</b>		<b>1,677,783</b>	<b>3,526,611</b>	<b>5,204,394</b>	<b>1,809,741</b>	<b>5,614,399</b>	<b>7,424,140</b>
<b>Net income (expenditure)</b>	6	<b>49,936</b>	<b>670,343</b>	<b>720,279</b>	<b>(102,385)</b>	<b>227,722</b>	<b>125,337</b>
<b>Net losses on investments</b>	12	<b>(75,421)</b>	<b>–</b>	<b>(75,421)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net movement in funds</b>		<b>(25,485)</b>	<b>670,343</b>	<b>644,858</b>	<b>(102,385)</b>	<b>227,722</b>	<b>125,337</b>
<b>Fund balances brought forward at 1 October</b>		<b>998,171</b>	<b>7,289,656</b>	<b>8,287,827</b>	<b>1,100,556</b>	<b>7,061,934</b>	<b>8,162,490</b>
<b>Fund balances carried forward at 30 September</b>		<b>972,686</b>	<b>7,959,999</b>	<b>8,932,685</b>	<b>998,171</b>	<b>7,289,656</b>	<b>8,287,827</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 2020

	Notes	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Tangible assets	11	6,360		–	
Investments	12	<u>2,424,579</u>		–	
			<b>2,430,939</b>		–
<b>Current assets</b>					
Debtors	13	370,574		403,799	
Short term deposits		5,166,347		12,450,228	
Cash at bank and in hand		<u>8,464,799</u>		<u>5,163,249</u>	
		<b>14,001,720</b>		<b>18,017,276</b>	
<b>Creditors: amounts falling due within one year</b>	14	<b><u>(6,201,298)</u></b>		<b><u>(8,196,097)</u></b>	
<b>Net current assets</b>			<b>7,800,422</b>		<b>9,821,179</b>
<b>Creditors: amounts falling due over one year</b>	15		<b><u>(1,298,676)</u></b>		<b><u>(1,533,352)</u></b>
<b>Total net assets</b>			<b><u>8,932,685</u></b>		<b><u>8,287,827</u></b>
<b>The funds of the charity:</b>					
<b>Unrestricted funds</b>					
. General		879,461		935,205	
. Designated	17	<u>93,225</u>		<u>62,966</u>	
			<b>972,686</b>		<b>998,171</b>
Restricted funds	18		<u>7,959,999</u>		<u>7,289,656</u>
<b>Total funds and reserves</b>	19		<b><u>8,932,685</u></b>		<b><u>8,287,827</u></b>

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



Chair and Trustee

Date: 27 April 2021

## Statement of cash flows Year to 30 September 2020

	Notes	2020 £	2019 £
<b>Cash flows used in operating activities:</b>			
Net cash used in operating activities	A	(1,616,235)	(3,303,241)
<b>Cash flows (used in) from investing activities:</b>			
Investment income		140,264	176,872
Purchase of investments		(2,500,000)	–
Purchase of tangible fixed assets		(6,630)	–
Net cash (used in) from investing activities		(2,366,096)	176,872
Change in cash and cash equivalents in the year	B	(3,982,331)	(3,126,369)
Cash and cash equivalents at 1 October	B	17,613,477	20,739,846
Cash and cash equivalents at 30 September	B	13,631,146	17,613,477

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

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

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	720,279	125,337
<b>Adjustments for:</b>		
Depreciation charge on tangible fixed assets	–	1,419
Investment income	(198,951)	(176,872)
Decrease in debtors	91,912	364,698
Decrease in creditors	(2,229,475)	(3,617,823)
Net cash used in operating activities	(1,616,235)	(3,303,241)

#### B Analysis of changes in net debt

	At 1 October 2019 £	Cash flows £	At 30 September 2020 £
Cash at bank and in hand	5,163,249	3,301,550	8,464,799
Short term deposits	12,450,228	(7,283,881)	5,166,347
	17,613,477	(3,982,331)	13,631,146

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 2020

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 2020 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 Coronavirus pandemic (as highlighted on page 28).

## Principal accounting policies Year to 30 September 2020

### **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.

Income covering administration costs incurred by the charity is included as unrestricted income.

Interest on funds held on deposit is included as unrestricted income 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 income 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 our grant programmes.

## Principal accounting policies Year to 30 September 2020

### Expenditure (continued)

- ◆ Support costs which are allocated to charitable activities according to the amount of time staff spend within each charitable activity.

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 to unrestricted funds.

### 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 2020

### **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 interest 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 2020

### **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 2020

1 Donations

	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.

	Unrestricted funds £	Restricted funds £	2019 Total funds £
Donations from Society Lotteries	1,518,504	5,842,121	7,360,625
<b>2019 Total funds</b>	<b>1,518,504</b>	<b>5,842,121</b>	<b>7,360,625</b>

2 Investments

	2020 Total funds Unrestricted funds £	2019 Total funds Unrestricted Funds £
Income from investments	71,107	–
Interest from deposits	127,844	188,852
	<b>198,951</b>	<b>188,852</b>

3 Charitable activities

	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>

	Unrestricted funds		Restricted funds	2019 Total funds £
	Direct costs (note 4) £	Support costs (note 5) £	Evaluation & Grant funding £	
Supporting greater health equity	865,149	555,942	5,614,399	7,035,490
Awareness and communications	290,543	98,107	–	388,650
<b>2019 Total funds</b>	<b>1,155,692</b>	<b>654,049</b>	<b>5,614,399</b>	<b>7,424,140</b>

## Notes to the financial statements Year to 30 September 2020

### 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:

	2020 £	2019 £
Auditor's remuneration (note 6)		
Current Year	14,820	14,820
Overprovision from previous years	(464)	(360)
Trustees' meetings and expenses	3,740	9,275
Legal and professional fees	2,251	15,673
Direct costs (note 4)	20,347	39,408
Support costs (note 5)	30,387	32,702
<b>2020 Total funds</b>	<b>50,734</b>	<b>72,110</b>

### 4 Direct costs

	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
	<b>792,499</b>	<b>20,347</b>	<b>257,202</b>	<b>1,070,048</b>

	Supporting greater health equity		Awareness and communic- ation (note 3) £	2019 Total funds £
	Other costs (note 3) £	Governance (note 3) £		
Staff costs	757,008	–	213,515	970,523
Consultancy	14,287	–	–	14,287
Travel and accommodation costs	17,591	9,275	3,377	30,243
Office costs	32,892	14,460	374	47,726
Other costs	3,963	–	73,277	77,240
Professional fees	–	15,673	–	15,673
	<b>825,741</b>	<b>39,408</b>	<b>290,543</b>	<b>1,155,692</b>

## Notes to the financial statements Year to 30 September 2020

### 5 Support costs

	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>

	Supporting greater health equity		Awareness and communication (note 3) £	2019 Total funds £
	Other costs (note 3) £	Governance (note 3) £		
Staff costs	245,185	15,324	45,972	306,481
Premises, technology and other costs	278,055	17,378	52,135	347,568
	<b>523,240</b>	<b>32,702</b>	<b>98,107</b>	<b>654,049</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:

	2020 Total funds £	2019 Total funds £
Operating lease charges	202,614	224,414
Auditor's remuneration		
• Audit - current year	14,820	14,820
• Audit - prior year overprovision	(464)	(360)
• Other fees payable to Buzzacott Financial Services Limited and Buzzacott Computer Services Limited, subsidiaries of Buzzacott LLP (the charity's auditors for the period)	46,037	32,526

## Notes to the financial statements Year to 30 September 2020

### 7 Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	976,605	1,007,454
Social security costs	106,491	105,918
Pension costs	64,604	64,867
	<u>1,147,700</u>	<u>1,178,239</u>
Temporary staff and contractor costs	108,785	98,766
	<u>1,256,485</u>	<u>1,277,005</u>

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

	2020 No.	2019 No.
Charitable activities	19	20
Support services	4	4
Total number of employees	<u>23</u>	<u>24</u>

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

	2020 No.	2019 No.
£70,000 - £80,000	2	2
£100,000 - £110,000	1	1

All employees are members of the Trust's pension scheme. During the year ended 30 September 2020, pension contributions for those staff amounted to £64,604 (2019 - £64,867). 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:

	2020 £	2019 £
Total remuneration	<u>371,270</u>	<u>363,930</u>

The key management personnel costs include costs for one contractor (2019 - one contractor) who was working in capacity as a member of the Leadership Team in both the current and the previous year.

## Notes to the financial statements Year to 30 September 2020

### 8 Trustees' remuneration, expenses and insurance

None of the trustees received any remuneration in respect of services provided during the year (2019 - none).

Four trustees (2019 - three) were directly reimbursed a total of £565 (2019 - £2,117) 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 £5,116 (2019 - £4,893) and provides cover of up to a maximum of £5 million.

### 9 Other related party transactions

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 £
<b>Cost</b>	
At 1 October 2019	59,885
Additions	6,360
At 30 September 2020	<u>66,245</u>
<b>Depreciation</b>	
At 1 October 2019	59,885
Charge for year	—
At 30 September 2020	<u>59,885</u>
<b>Net book values</b>	
At 30 September 2020	<u>6,360</u>
At 30 September 2019	<u>—</u>

## Notes to the financial statements Year to 30 September 2020

### 12 Fixed Asset Investments

	2020 £
<b>Listed investments</b>	
Market value at 1 October 2019	–
Additions at cost	2,500,000
Net unrealised losses	(75,421)
Market value at 30 September 2020	<u>2,424,579</u>
<b>Cash held by investment managers for re-investment</b>	–
	<u>2,424,579</u>
<b>Historic cost of listed investments at 30 September</b>	<u>2,500,000</u>

Listed investments held at 30 September comprised the following:

	2020 £
Property fund	681,359
Mixed asset funds	1,743,220
	<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	681,359	28.1
COIF Charities Ethical Investment Fund Units	1,020,654	42.1
Newton SRI Fund for Charities Income Units	722,566	29.8

### 13 Debtors

	2020 Total funds £	2019 Total funds £
Donations from society lotteries	250,420	235,994
Other debtors and accrued income	120,154	167,805
	<u>370,574</u>	<u>403,799</u>

Notes to the financial statements Year to 30 September 2020

14 Creditors: amounts falling due within one year

	2020 Total funds £	2019 Total funds £
Trade creditors	15,563	39,160
Grants payable (note16)	6,045,061	8,021,141
Accruals and other creditors	103,841	96,537
Social security and other taxes	36,833	39,259
	<b>6,201,298</b>	<b>8,196,097</b>

15 Creditors: amounts falling due after one year

	2020 Total Funds £	2019 Total funds £
Grants payable (note 16)	1,298,676	1,533,352

16 Grants payable reconciliation

	2020 £	2019 £
Grants payable at 1 October	9,554,493	13,206,734
Committed grants made in the year	3,526,611	5,614,399
Grants paid in the year	(5,737,367)	(9,266,640)
Grants payable at 30 September	<b>7,343,737</b>	<b>9,554,493</b>
<b>Shown within</b>		
Creditors due within one year (note14)	6,045,061	8,021,141
Creditors due after one year (note15)	1,298,676	1,533,352
	<b>7,343,737</b>	<b>9,554,493</b>

17 Designated funds

	At 1 October 2019 £	New designation £	(Utilised)/ released £	At 30 September 2020 £
Tangible fixed assets (note11)	–	6,360	–	6,360
Grant making software	30,000	–	(27,505)	2,495
Business development	–	43,290	–	43,290
Network events	22,704	–	5	22,709
IT equipment	–	14,500	(6,360)	8,140
Change project	10,262	–	(31)	10,231
	<b>62,966</b>	<b>64,150</b>	<b>(33,891)</b>	<b>93,225</b>

	At 1 October 2018 £	New Designation £	(Utilised)/ released £	At 30 September 2019 £
Tangible fixed assets	1,419	–	(1,419)	–
Grant making software	30,000	–	–	30,000
Network events	25,259	–	(2,555)	22,704
IT Project manager	709	–	(709)	–
Change project	9,184	–	1,078	10,262
Learning & Development	766	–	(766)	–
	<b>67,337</b>	<b>–</b>	<b>(4,371)</b>	<b>62,966</b>

## Notes to the financial statements Year to 30 September 2020

### 17 Designated funds (continued)

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:

- ◆ 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:

- ◆ Future costs expected to be 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.

### 18 Restricted funds

	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
	<u>7,289,656</u>	<u>4,196,954</u>	<u>(3,526,611)</u>	<u>7,959,999</u>
	At 1 October 2018 £	Income £	Expenditure £	At 30 September 2019 £
Geographical area funds	7,061,934	5,842,121	(5,614,399)	7,289,656
	<u>7,061,934</u>	<u>5,842,121</u>	<u>(5,614,399)</u>	<u>7,289,656</u>

## Notes to the financial statements Year to 30 September 2020

### 18 Restricted funds (continued)

#### Geographical area funds

Funds arise from donations by 12 separate community interest companies (2019 - 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 (2019: none). Of the geographical area funds balance of £7,909,999 at 30 September 2020 (2019 - £7,289,656), the following amounts were allocated for specific grant programmes as follows:

- ◆ £12,500 to Living Wage;
- ◆ £150,000 allocated for evaluation work;
- ◆ £66,322 allocated for capacity development work.

#### Health CICs

The Trust received £50,000 in 2020 to support its work with networks.

### 19 Analysis of net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total £
<b>Fund balances at 30 September 2020 are represented by:</b>				
Tangible fixed assets	–	6,360	–	6,360
Fixed Asset Investments	–	–	2,424,579	2,424,579
Net current assets	879,461	86,865	6,834,096	7,800,422
Creditors due more than one year	–	–	(1,298,676)	(1,298,676)
<b>Total net assets</b>	<b>879,461</b>	<b>93,225</b>	<b>7,959,999</b>	<b>8,932,685</b>
	<i>General fund £</i>	<i>Designated funds £</i>	<i>Restricted funds £</i>	<i>Total £</i>
<b>Fund balances at 30 September 2019 are represented by:</b>				
<i>Tangible fixed assets</i>				
<i>Net current assets</i>	935,205	62,966	8,823,008	9,821,179
<i>Creditors due more than one year</i>	–	–	(1,533,352)	(1,533,352)
<b>Total net assets</b>	<b>935,205</b>	<b>62,966</b>	<b>7,289,656</b>	<b>8,287,827</b>

## Notes to the financial statements Year to 30 September 2020

### 20 Operating lease commitments

At 30 September 2020, the charity had total commitments under non-cancellable operating leases payable as follows:

	Land and Buildings	
	2020 Total funds £	2019 Total funds £
Within 1 year	100,000	196,650

The operating leases relate to the rental of office premises.

### 21 Post Balance Sheet events

At the Board meeting in October 2020 the trustees determined that the Local People programme should be closed. The programme formally closed from 31 March 2021. Funds disclosed as committed in 2019/20, totalling £600,613, for this programme have been cancelled in 2020/21. It is considered that the impact of the programme closure is not material because of plans put in place to provide further small grants under the Active Communities programme to some of the projects, under the pre-existing terms of that programme.