

Company Registration No. 02546750
Charity Registration No. 1001582

POSITIVE EAST

(A charitable company limited by guarantee)

**BOARD OF TRUSTEES' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2014

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BOARD OF TRUSTEES AND ADVISORS

Patron	John Varley ex-Group Chief Executive Barclays Bank Lord Collins of Highbury
Board of Trustees	Graham Stoner* Marigold Chirisa + Florence Labwo Anne Peters + (Chair People Management Subcommittee) Pete McDonnell* (Chair and co-chair of Finance and Fundraising Subcommittee) Ravi Ravindran *(Treasurer and Chair of Finance and Fundraising Subcommittee) Rebecca Wilkins + Nena Foster * Simon Killick Genoveffa Noschese* Kirsty Cornell+ Matthew Bray * (appointed 21 January 2014) Thomas Bayliss * (appointed 21 January 2014)

* Member of Finance and Fundraising Subcommittee

+ Member of People Management Subcommittee

Chief Executive/Director	Mark Santos
Secretary and registered office	Mark Santos 159 Mile End Road London E1 4AQ
Principal bankers	Unity Trust Bank Plc Nine Brindleyplace 4 Oozells Square Birmingham B1 2HB

BOARD OF TRUSTEES AND ADVISORS (cont.)

Solicitors (Probono) Olswang LLP
90 High Holborn
London WC1V 6XX

Solicitors Russell Cooke
2 Putney Hill
London
SW15 6AB

Auditors M J Bushell
8 High Street
Brentwood
Essex CM14 4AB

Company registration 02546750
number

Registered charity number 1001582

**BOARD OF TRUSTEES REPORT
for the year ended 31 March 2014**

The Board of Trustees present their Annual Report together with the audited financial statements for the year ended 31 March 2014. The Board of Trustees Annual Report is also the Directors' Report as required by S.417 of the Companies Act 2006. The financial statements also comply with the requirements of the Company's Memorandum and Articles of Association and the Statement of Recommended Practice (SORP), "Accounting and Reporting" by Charities published in March 2005 (second edition).

Legal and administrative information

The charity Positive East is the result of a merger between 2 charities in 2005. They were London East Aids Network (company # 02544440 and charity # 1001106) and The Globe Centre (company #02546750 and charity # 1001582). For legal and business reasons the main activities of the charity recorded under the old LEAN company and charity numbers were combined with the assets of the Globe Centre and now trade under the Globe Centre company and charity numbers. But the history of the charity's activities pre 2009 is found under company # 02544440 and charity # 1001106.

Positive East is a company limited by guarantee and not having a share capital (registered in England and Wales number 2546750). The governing document is the Memorandum and Articles of Association. The Company cannot pay dividends and must utilise all its funds to further its stated charitable objectives. The Company is registered at the Charity Commission (registered charity number 1001582).

Board of Trustees

The Board of Trustees is the governing body and determines the strategy and policy of the organisation. Members of the governing body are charity trustees as defined by the Charities Act, and are registered as directors in accordance with the Companies Act.

The Board of Trustees is responsible for the overall management and for ensuring that Company policy is implemented by the staff through the Director and the Management Team. The Management Team is composed of the Director, Deputy Director, Finance Director, Director of Fundraising and Communications, Advice Services Manager as well as two Volunteer coordinators reflecting the services offered by Positive East and the continued shift towards community based empowerment through volunteering .

New Trustees are elected to the Board by Members of the Company, usually at the Annual General Meeting although appointments to fill vacancies may be made at other times. All Trustees hold office only until the following AGM, at which point they must offer themselves for re-election. There must be between five and fifteen Trustees at any time, unless otherwise determined by a General Meeting. The Board may also co-opt up to five additional people at any one time, so long as the number of co-optees does not exceed the number of Board members. Usually a skills audit is carried out each year to identify gaps, with new Trustees recruited prior to the AGM. New Trustees are given an induction, and there are opportunities for Trustee training throughout the year.

**BOARD OF TRUSTEES REPORT
for the year ended 31 March 2014 (Cont.)**

There are two Subcommittees, the Finance and Fundraising Subcommittee and the People Management Committee. The first handles all funding and financial matters and the second handles all aspects of human resources for both paid staff and the increasingly important volunteering resource. Additionally there are a Building Group and Health and Safety Group set up to evaluate how the charity can best utilise the existing Stepney Centre. Finally there is a Wellbeing group that oversees the investment and intended future income from launching a workshop to promote wellbeing in the workplace to the commercial sector. The income and expenditure for this intended social enterprise are processed through the trading company subsidiary of Purple People Enterprise. All these groupings act in an advisory capacity only, and do not have the authority to make decisions on behalf of the Board unless this power has been delegated specifically. Non-Trustees may be co-opted onto the Subcommittees but the majority of members must always be members of the Board of Trustees.

Full Board meetings take place approximately every quarter, with Subcommittee meetings scheduled before to feed reporting into these meetings.

The members of the Board of Trustees as at 31 March 2014, all of whom held office throughout the year, unless otherwise stated, were as follows:-

Pete McDonnell (Chair)
Graham Stoner
Marigold Chirisa
Anne Peters
Florence Labwo
Ravi Ravindran
Rebecca Wilkins
Nena Foster
Simon Killick
Genoveffa Noschese
Kirsty Cornell
Matthew Bray (appointed 21st January 2014)
Thomas Bayliss (appointed 21st January 2014)

Trustees can claim for reasonable expenses incurred in undertaking the Charity's business but they receive no remuneration or other financial benefit. All members of the Board have confirmed that they do not have, and have not had any beneficial interest in any contract with the Charity.

The Board of Trustees is required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the surplus or deficit of the Company for that period.

The Board of Trustees confirms that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 2014. The Board of Trustees also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

BOARD OF TRUSTEES REPORT**for the year ended 31 March 2014 (Cont.)**

The Board of Trustees is responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Board acknowledges the fact that the London Borough of Tower Hamlets provides the main building at Stepney Green for a peppercorn rent. The charity wants to record its appreciation to the Borough for this support.

Charitable Objectives and Public Benefit Reporting. The Board of Trustees have taken into consideration the Charities Commission pronouncements on the reporting of public benefit that is involved in running a charity. The next few pages of the trustees report relate to the strategy and services provided and highlight the work of the charity and the many benefits that accrue to the service users as a result.

Positive East Vision

The Charity's Vision is to work towards a world where people living with HIV can fulfil their potential free from stigma and discrimination. Further we work towards a world where the onward transmission of HIV is eliminated.

Positive East Mission

The Charity works to realise its vision through its mission which is to 'Improve the quality of life of individuals and communities affected by HIV'

Strategic Objectives

In practical terms the Charity developed a 5 year strategy through the delivery of which we seek to achieve our vision and mission. Within the strategy the Charity has 5 strategic objectives which continue to be:-

- i) Provide an holistic range of services that enable people living with HIV to promote their health and wellbeing, support self management, and to gain and sustain their independence
- ii) Maintain and increase work in building a safer sex culture, supporting people to stay HIV negative, reduce undiagnosed infection, reduce late diagnosis of HIV and the onward transmission of HIV.
- iii) Influence policy development and service improvement and development that will enable the Charity to further its mission and achieve its vision
- iv) Ensure the Charity is sustainable, appropriately resourced, and has the broadest strategic choice to best enable achievement of its vision

BOARD OF TRUSTEES REPORT

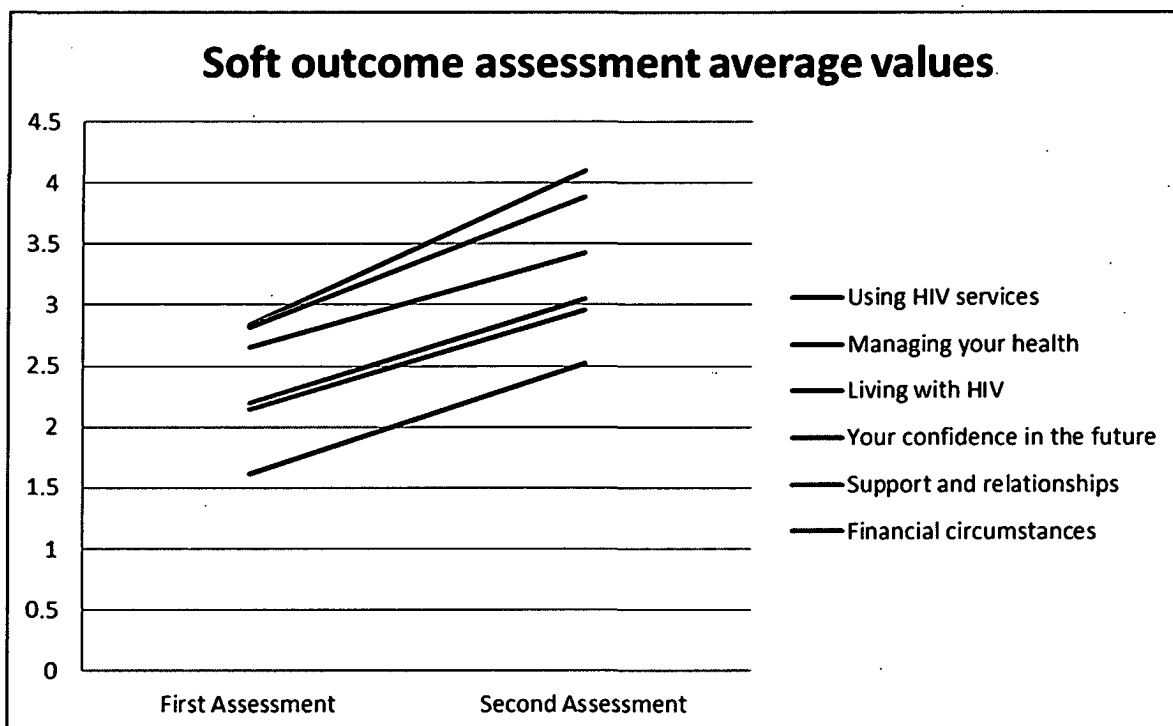
for the year ended 31 March 2014 (Cont.)

In this financial year we have had many achievements and these include:-

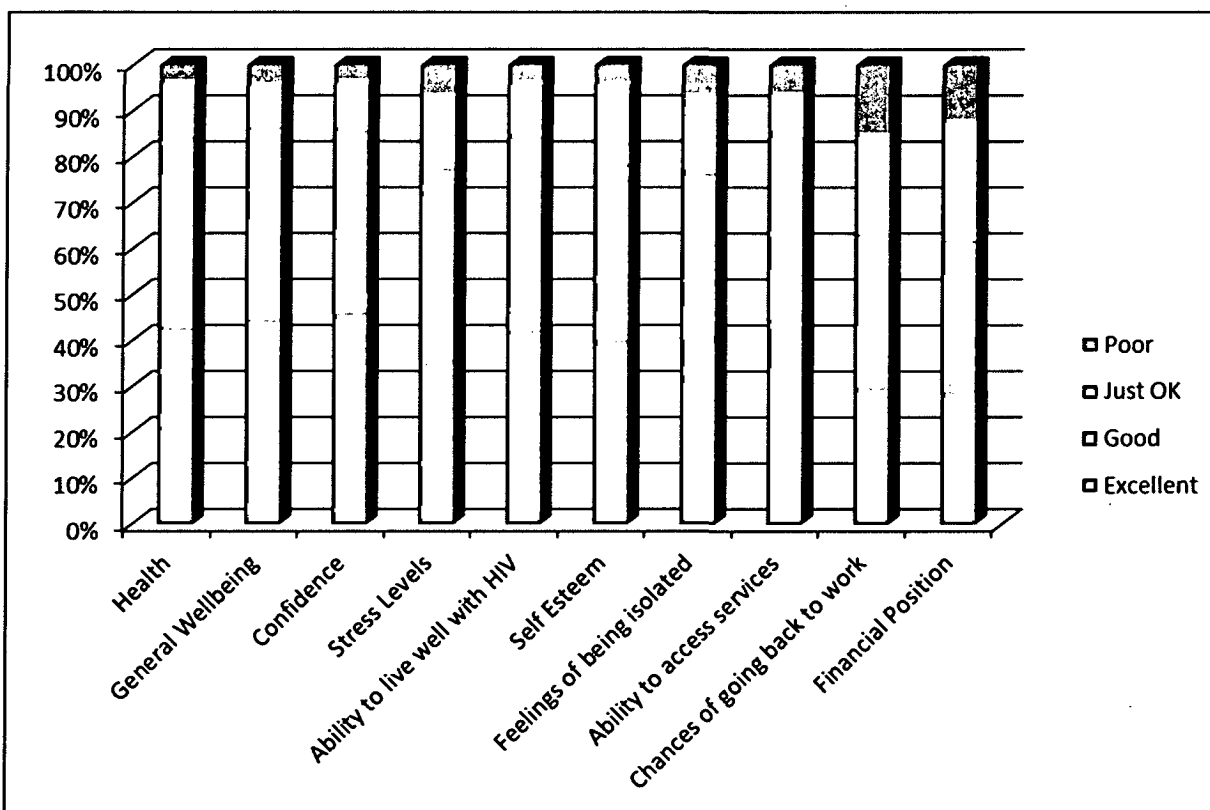
i) HIV Support Services

- We successfully supported over 1,700 people living with HIV on their journeys to sustained independence

This is illustrated by an aggregated view of the outcomes measures we undertake with individuals below:-



It is also demonstrated through our client survey, see below, where one question we asked what was the impact of Positive East Services on various different aspects of an individual's life.

BOARD OF TRUSTEES REPORT**for the year ended 31 March 2014 (Cont.)**

- Our advice services enabled clients to gain £1,547,704 in social security benefits and hardship funds. This was critical in ensuring that our clients had the money to have a good diet, heat their homes, pay rent, have appropriate clothing and basic necessities to live well with HIV. Thus ensuring the effectiveness of and enabling people to adhere to their HIV drug treatments.
- We won 97% of the social security tribunals at which we represented clients. The number of tribunals we are attending on behalf of clients continues to be high due to continued poor decision making by ATOS in relation to the Work Capability Assessment. The reform of the benefits system is causing great hardship because of inappropriate sanctioning of claimants, big delays between successful appeals and benefits being up-rated and impact thereof.
- We gave out 755 food parcels and or hardship grants to our clients. Poverty continues to a significant issue for a significant number of our clients. In turn this impacts on their ability to live well with HIV.

Neal is a 38 year old single gay African man, originally from the Congo. He was diagnosed with HIV last year following a diagnosis of chronic lung disease. He was rejected by his own community because he was gay. He had no family or friends and speaks poor English thus is unable to express himself and has low self-confidence.

He attended our ESOL classes and his English has improved. We were able to explain basic HIV awareness including how HIV is transmitted. He has attended Positive Life (our group for gay men) and this has built his confidence and how he deals with people in day to day life. He was also on low income and so we helped him to get a THT hardship grant for £150.

- We continued our programme to step up the involvement of volunteers within the work of the Charity. The reasoning for this is best described by the model detailed below:-

BOARD OF TRUSTEES REPORT

for the year ended 31 March 2014 (Cont.)



- In this period 20% of the Charity's output was delivered by volunteers. This amounted to 14,500 hours of service and in monetary terms a donation of £140,000 which we have recorded in our Statement of Financial Accounts below.
- In this period 100% of our reception service, 90% of our advice line calls, 20% of our counselling services were delivered by volunteers. Volunteers delivered outreach services mobilising communities to test, were trained and undertook HIV testing, supported our finance function, supported the production of monitoring reports, ran our cafe, and helped manage our building in Stepney. We see the involvement of volunteers within services as increasing over the coming years and are building our capability to ensure that this is the case.

ii) HIV Prevention & Testing

- In this period the Charity offered community based point of care testing in more places than anyone else in London. We launched 3 new HIV testing services in Barking & Dagenham, Waltham Forest and Redbridge. Our testing services happen in shops, bars, clubs, churches, CAB offices, Age UK offices, GP surgeries and clinics.
- Our World AIDS Day testing in the Living Flame Baptist Church in Waltham Forest made the national news and demonstrated how we are prepared to take our services out to the community.
- We tested 2,271 people over the period of a year. Those that had a negative diagnosis were offered information and advice to help them remain HIV negative and signposted to the local GUM services to have a full sexual health screen. People who had a reactive result were fast tracked for a confirmatory test and more in-depth support to the local HIV clinic.
- We have continued our HIV prevention work with our GMI partners (West London Gay Mens' Project and Metro Centre). This partnership has been delivering 2 programmes of work. These programmes have been focused on MSM cover London.
- We have continued to deliver HIV prevention programmes for African Communities. These have been focused on the boroughs within North East London. We continue to partner with Widows &

BOARD OF TRUSTEES REPORT

for the year ended 31 March 2014 (Cont.)

- Orphans in the delivery of the national HIV Prevention England programme for African Communities in North East London.

iii) Influencing

This year we published two reports.

The first Positive Voices was launched at the House of Lords in October 2013. The report, based on 12 focus groups of people living with HIV across North East London, highlighted the continuing challenges faced by people in their ability to live well with HIV.

The second we published with our partners Positively UK and NPL. This report highlighted the impact of welfare reform on the lives of people living with HIV. The report clearly demonstrated that welfare reform was having a detrimental impact and in particular for the more vulnerable groups.

iv) Sustainability

2013/14 was a great success for our non-statutory fundraising activities.

We held fundraising events throughout the year. In May 2013 we were delighted when the London Gay Mens' Chorus sang for us at St Pancreas Church and in August 2013 when we were the Millivres Prowler Group's Charity of the month.

The highlight of the last 12 months was undoubtedly World AIDS Day which raised more money and awareness than ever before. 260 employees of Barclays did a stair climb in their Canary Wharf HQ, organised by Barclays Spectrum, followed by a fabulous fundraising party at the W London Hotel Leicester Square. 160 people ran around East London's Victoria Park for our 5K Red Run and thousands of people put money in our buckets at London Underground stations.

The Charity is actively seeking to increase our non-statutory income to mitigate the impact of loss of income in this period of austerity from statutory sources and broadened our strategic choice in realising our vision.

v) The Future

These times are challenging for our clients and the communities that this Charity serves. We therefore believe that it is beholden on us, despite the challenges we face, to ensure that we can offer effective services, valued by our clients, delivering required outcomes and that are value for money.

We know that this means we need to continue to be creative and innovative in our approach. It will mean keeping our delivery models under review, building on our expansion of volunteering, seeking alternative sources of funding including the opportunities to generate our own income.

**BOARD OF TRUSTEES REPORT
for the year ended 31 March 2014 (Cont.)**

Reserves Policy

The board and management of the charity; in line with guidance from the Charities Commission; aim to hold adequate reserves to cover the ongoing costs of the operations of the charity. This is essential in today's environment to reflect the ongoing challenging times facing the economy as a whole with the continued drive by government to reduce the public deficit and the attendant impact on funding from all sources.

The current level of free reserves (defined as being unrestricted reserves less fixed assets) is £380k (2013 £401k) after posting a consolidated £41k deficit in the year under review. With planned budgeted operational spend of £1.5 million in 2014/15 or around £125k per month this means the charity has currently just around three months of free reserves. This is still at the low-end that the charity has set for its reserves and Trustees have committed to an active policy to increase reserves to a position in which the Charity feels more comfortable. The Charity Commission recommendation is for around 6 months of expenditure in reserves.

Risk Management

Management, at the direction of the board, have continued to review the risk profile of the charity as part of its governance responsibilities.

The Assessment was undertaken firstly by identifying the internal and external threats or potential threats. Then reviewing what mitigating actions have been put in place to manage or minimise these threats and finally the ongoing management of the risks through the governance and long term strategy of the organisation.

Internal threats. The obvious threats from fire or theft continue to be monitored and are all fully insured. The reliance on a single location (Stepney Centre) for the operations means that the business interruption aspect of the insurance coverage are vital to ensure that we could afford to relocate and set up in some temporary premises whilst the office is repaired. As part of the annual insurance review in 2014 we checked the business interruption aspects of the insurance policy to ensure it remains sufficient to meet the needs of the charity to let space in the event that the Stepney Centre was to become inoperable. The cover in mid 2014 remains adequate and covers both loss of income as well as additional spend from relocation.

Finally, the Health and Safety Group continues to monitor and manage all physical risks to the organization. The Group continues to work through the physical risks to the charity and reporting their findings through the People Management Sub-committee to the board to keep ahead of the problem.

The external threats. The charity continued to maintain its public sector funding despite the ongoing threat to the statutory funding base that started in the 2011-12 financial year. It also continues to keep under review the cost base. In addition the charity is pursuing the increased use of service users to deliver services which will mean an enhanced service user capability as well as a more sustainable cost base. Finally the charity continues to diversify its funding base by deepening our skills and expertise in fundraising.

BOARD OF TRUSTEES REPORT**for the year ended 31 March 2014 (Cont.)**

The charity has invested substantially over the past 2 years in a wellbeing programme to enhance its income diversification. To date we have been unsuccessful in breaking into the commercial market with the product. The programme is now on hold whilst we re-evaluate how best to leverage the investment and reposition the product.

Financial Results**Income and Expenditure.**

Current year. The results are set out on page 16. They show that the income rose to £1,736k, (2013 £1,710k - so some £26k more) and with expenditure rising by some £86k to £1,777k a deficit of £41k was incurred thus arresting the series of small surpluses of previous years.

Last year in this report we mentioned the charity's ongoing financial health being dependent upon the continued support from the public sector which is now wholly with Local Authorities and thus likely to be difficult. The past year has shown that we have managed to hold our own at just over £1.3 million of statutory funding. The future strength of the charity will also depend on the change in speed and direction announced in 2011 when it embarked upon a more community based approach to service delivery with the reduction in paid staff and increase in the use of service users to co-produce the services in line with the desire to build community capability as well as enhance sustainability. This means that the charity will be even more involved in building skills and capacity at the grass roots level to enable the people whom we are here to serve to better look after themselves. The year under review showed that we benefited from some £140k of voluntary effort (up from £105k in 2013). So many thanks go to the ever increasing volunteer base for their increased support.

Fixed Assets

Details of the movement in fixed assets are in note 11 to the financial statements. The year saw a further reduction in the net book value of the fixed assets from £122k to £103k. This is due to another quiet year in which few new assets were purchased (additions of £26k) when taken together with the depreciation charge of £39k means that the net book value fell.

Investment powers

The charity's investment powers are governed by clause 3 (r) of the Memorandum of Association which permits the investment of monies not immediately required for its purposes as may be thought fit. Surplus money is placed on a high interest bearing account. The year saw interest income of £1,355 (2013 £986) reflecting the ongoing current market rates of around ½ % but based on healthier bank balances through most of the year in review.

Statement of Trustees' Responsibilities

The Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the incoming resources and application of resources, including the net income and expenditure, of the Charity for the year. In preparing those financial statements, the Trustees through the management are required to:-

- select suitable accounting policies and apply them consistently.
- make judgements and estimates that are reasonable and prudent.

BOARD OF TRUSTEES REPORT

for the year ended 31 March 2014 (Cont.)

- state whether applicable accounting standards and the Statement of Recommended Practice have been followed, subject to any departures disclosed and explained in the Financial Statements.
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the Charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Trustees confirms acceptance of this responsibility.

- (a) So far as the Trustees are aware, there is no relevant audit information of which the charity's auditors are unaware, and
- (b) They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

M J Bushell Ltd have indicated that they are willing to be reappointed as auditors for the next year.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006, relating to small companies.

Approved by the Board of trustees on 3rd November 2014 and signed on its behalf by



Pete McDonnell



Ravi Ravindran

Chair

Treasurer and Vice Chair

**INDEPENDENT AUDITORS' REPORT
to the members of Positive East**

We have audited the financial statements of Positive East for the year ended 31 March 2014 which comprise the Consolidated Statement of Financial Activities (including income and expenditure accounts), the Group and Parent Charitable Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on pages 11 - 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Board of Trustees Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2014, and of the group's incoming resources and application of resources, including 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 and the Charities Act 2011.

INDEPENDENT AUDITORS' REPORT

to the members of Positive East (Cont.)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Board of Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Board of Trustees Report.



IAN WARWICK ACA FCCA

(Senior Statutory Auditor)

For and on behalf of M J BUSHELL LTD

Chartered Accountants

& Statutory Auditors

8 High Street
Brentwood
Essex
CM14 4AB

5-11-2014

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure accounts)
for the year ended 31st March 2014

		2013-2014		2013	
		Unrestricted funds £	Restricted funds £	Total £	Total £
INCOME AND ENDOWMENTS					
Donations					
1. Grants	2	35,000	63,917	98,917	218,254
2. Gifts/Donations	3	4,996	-	4,996	1,755
3. Value of Volunteer time (Donation in kind)		145,535		145,535	105,668
Earned from charitable activities					
1. Contracted Grants and Project Funding	4	-	1,357,511	1,357,511	1,246,337
Earned from other activities					
1. Fundraising income and other income	5	112,035	-	112,035	117,956
2. Trading operations	12	15,757	-	15,757	19,353
Investment and Other income					
1. Interest	6	1,355	-	1,355	986
Total Income and Endowments		314,678	1,421,428	1,736,105	1,710,309
EXPENDITURE:					
Cost of raising funds					
1. Fundraising costs	7	181,959	-	181,959	160,526
2. Trading costs	12	55,075	-	55,075	104,554
Expenditure on Charitable activities					
1. HIV Testing and Prevention services	7		309,480	309,480	267,813
2. HIV Supporting services	7		1,019,767	1,019,767	964,390
3. Social Care	7		102,196	102,196	98,690
4. Governance costs	7		108,685	108,685	95,349
Total Expenditure		237,034	1,540,129	1,777,163	1,691,320
Net incoming resources (resources expended)		77,644	(118,701)	(41,057)	18,989
Transfers between funds		(118,701)	118,701		
Net movement in funds		(41,057)	-	(41,057)	18,989
Total fund brought forward		523,125	-	523,125	504,136
Total Fund carried forward		482,068	-	482,068	523,125

BALANCE SHEETfor the year ended 31st March 2014

	Notes	Group		Charity	
		2014	2013	2014	2013
		£	£	£	£
Non Current Assets					
Tangible Assets	11	102,779	121,894	102,779	121,894
Shares in group undertakings		-	-	-	125,000
Non Current Assets		102,779	121,894	102,779	246,894
Current Assets					
Debtors	13	94,765	132,119	102,913	129,286
Cash at bank and in hand		461,861	506,514	454,116	494,828
		<u>556,626</u>	<u>638,633</u>	<u>557,029</u>	<u>624,114</u>
Creditors: amount falling due within one year	14	177,338	237,401	178,222	262,681
Net current assets		379,289	401,232	378,807	361,433
Net assets		482,068	523,126	481,586	608,327
Funds					
Restricted funds	15a	-	-	-	-
Unrestricted funds:					
- General Funds	15b/15c	482,068	508,954	481,586	594,156
- Designated		-	14,171	-	14,171
	16	<u>482,068</u>	<u>523,125</u>	<u>481,586</u>	<u>608,327</u>

The financial statements have prepared in accordance with the special provision of part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 3rd November 2014 and signed on its behalf by


Pete McDonnell
Chair


Ravi Ravindran
Treasurer and Vice-chair

Note: the notes on page 18 to 29

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March 2014**

1 Basis of preparation of the financial statements**1.1 Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005 (second edition), applicable accounting standards and the Companies Act 2006.

1.2 Basis of Consolidation

The Group accounts consolidate the accounts of Positive East and its wholly-owned non-charitable subsidiary trading company Purple People Enterprises Limited, on a line by line basis. The Company has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the Company's activities. No separate income and expenditure account or statement of financial activities has been presented for the Company alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP 2005.

1.3 Tangible fixed assets and depreciation

All assets costing more than £250 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation and impairment is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, which is reviewed annually. The rates used are as follows:-

- | | |
|--------------------------|---------------------|
| - Fixtures and fittings | - 25% straight line |
| - Equipment | - 25% straight line |
| - Computer equipment | - 33% straight line |
| - Leasehold improvements | - 5% straight line |

1.4 Accounting for separate funds

The Financial Statements of a charity must differentiate between restricted and unrestricted funds.

Restricted funds are funds subject to specific conditions, imposed by the donor or by the specific terms of the charity appeal. Any negative balances on restricted funds are transferred against unrestricted income.

Unrestricted funds are all the other funds of the charity and include designated funds which consist of amounts allocated for specific purposes by the charity itself.

1.5 Incoming resources

All incoming resources are recognised in the Statement of Financial Activities once the Charity has entitlement to the resources, it is certain that the resources will be received and the monetary value can be measured with sufficient reliability. Incoming resources are deferred when the conditions on which they may be received are not yet satisfied.

The value of services provided by volunteers is included in accordance with SORP 2005 as a donation in kind. The contribution assigned to volunteers is processed through the accounts and based on the market rate of the different services provided.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March 2014**

All income arises in the United Kingdom.

Income shown on the face of the Statement of Financial Activity (SOFA) is split between unrestricted, restricted and project income and the differentiation is based on the following definitions:

- Project income are those funds for which the funding was made available for specific identifiable outputs which are discrete and separately identifiable from the core activity of advice and support that the charity was established to deliver;
- Restricted funds are those funds subject to specific conditions, usually relating to the provision of a salary for a position within the charity;
- Other income are those funds which are generated by specific and deliberate actions of the employees and others in furtherance of the charity's aims, for example, the renting of spare room space;
- Unrestricted income relates to funds provided for which no specified output or resource requirement is made and given to the charity merely in furtherance of its objectives.

1.6 Expenditure

Liabilities are recorded in SOFA terminology as "Resources Expended" where there is a legal and constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and includes attributable value added tax which cannot be recovered. Costs are allocated to the different activities as follows:

All direct staff costs are allocated in full to their respective areas as are non-staff directly attributable spend. Infrastructure overhead costs are assigned to the various service areas on the basis of the percentage of area staff costs to total staff costs. This is believed to be a reasonable approximation.

- **Costs of Generating funds** involves the spend associated with fundraising in the broadest sense. So it addresses the direct cost of staff employed in the fundraising function and associated other spend on volunteers and promotional materials of a charity wide nature. It also includes the costs of senior management involved in fundraising.
- **Prevention Services** involves a variety of testing and awareness promotion activities but some 70% represents the cost of the workers involved in providing the service. The remainder of the direct spend is advertising and volunteer costs.
- **Treatment and Care Services.** This heading incorporates the work done by the advice function as well as the African and gay men services which are combined in the Community Support Group. The expenditure in this area is again overwhelmingly the employment costs of the workers involved in providing the services. In addition the African Services also includes the cost of running a substantial number of support groups and includes food as well as crèche and other related costs. Additionally the Gay Man Services includes the cost of service awareness and promotion. Finally the counselling services provided by both staff and an increasing number of volunteers is included here.
- **Social Care** combines Volunteers and costs associated with our employability programme which again include staff costs as well as training and career management costs with their attendant travel and subsistence. It also covers the Healthy Living costs, includes some employment but also the cost associated with maintenance of the gym, complementary therapies and running the subsidised café.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March 2014**

- **Governance costs** are included in the accounts based on a narrow definition of governance costs being principally related to staff and other costs to provide information to the Board of Trustees in furtherance of their role in strategic management of the charity. Additionally, it covers the costs associated with the preparation of management financial information and the statutory accounts and the necessary associated filing of returns with Companies House and the Charities Commission.

1.7 Pension costs

The Charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Charity. Contributions are charged to the profit and loss account as they become payable.

1.8 True and fair view

The Charity does not seek to make a profit, nor can its results be measured by normal commercial criteria. In order that a true and fair view of the activities is given a Statement of Financial Activities has been included in place of a profit and loss account as required by the Companies Act 2006.

1.9 Cash flow statement

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standards for Smaller Entities (effective April 2008).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March 2014

2. Grants

DOH Section 64
London borough of Havering
London Borough of Waltham Forest
MacAIDS
Monument Trust
National African HIV Prevention
(NAHIP)

Unrestricted funds	Restricted funds	Total 2014	Total 2013
£	£	£	£
-	-	-	3,000
35,000	-	35,000	65,023
-	-	-	12,981
-	62,417	62,417	66,000
-	1,500	1,500	66,250
-	-	-	5,000
35,000	63,917	98,917	218,254

3. Donations

Donations

Unrestricted funds	Restricted funds	Total 2014	Total 2013
£	£	£	£
4,996	-	4,996	1,755

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March 2014
4. Grants covered by Contracts and Project Funding

	Unrestricted funds	Restricted funds	Total 2014	Total 2013
	£	£	£	£
City and Hackney - HIV Testing		49,917	49,917	52,413
City and Hackney - HIV Support		206,386	206,386	212,761
City Bridge Trust		37,500	37,500	37,500
City of London		-	-	10,800
London Borough of Havering - HIV support		13,257	13,257	13,257
London Borough of Barking and Dagenham		79,000	79,000	79,600
London Borough of Hackney		-	-	19,667
London Borough of Redbridge		25,600	25,600	25,600
London Borough of Tower Hamlets		66,045	66,045	87,800
London Borough of Newham (Former PCT contract)		195,599	195,599	195,599
Pan London GMI		125,602	125,602	125,102
London Borough of Redbridge - HIV Testing (former PCT contract)		12,091	12,091	14,969
London Borough of Redbridge - HIV support (former PCT contract)		61,858	61,858	61,858
Tower Hamlets PCT - HIV Prevention		-	-	40,000
Tower Hamlets PCT - HIV Support		161,000	161,000	161,000
Trust for London		18,088	18,088	17,213
London Borough of Waltham Forest - HIV Support		91,200	91,200	91,198
London Borough of Waltham Forest - HIV African Support		24,000	24,000	-
Better to know		8,500	8,500	-
Age UK		1,726	1,726	-
HPE - African		25,141	25,141	-
HPE - Gay		20,000	20,000	-
Hackney Volunteer Community Service		15,000	15,000	-
NHS East London Community		120,000	120,000	-
	-	1,357,511	1,357,511	1,246,337

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March 2014
5. Fundraising income

Fundraising events
 MAST - income from letting
 arrangements for property
 Room bookings
 Other income

Unrestricted funds	Restricted funds	Total 2014	Total 2013
£	£	£	£
101,535	-	101,535	110,897
5,500	-	5,500	5,500
-	-	-	400
5,000	-	5,000	1,159
112,035	-	112,035	117,956

6. Investment income

Interest

Unrestricted funds	Restricted funds	Total 2014	Total 2013
£	£	£	£
1,355	-	1,355	986
1,355	-	1,355	986

7. Total Resources expended 2013-2014

	COGF(*)	HIV Testing and Prevention services	HIV Supporting services	Social Care	Governance	Total 2014	Total 2013
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
7. Total Resources expended 2013-2014							
Staff Costs (Note 9)	125	206	663	68	61	1,123	1,077
Direct costs (Non Staff)	43	40	58	11	14	166	129
Overhead	6	17	70	6	6	105	82
Infrastrusture	5	35	122	10	10	182	192
Volunteer Time value (expense in kind)	3	10	107	8	18	146	105
Total Resources Expended	182	308	1,020	103	109	1,722	1,586

(*) Cost of Generated Funds

Note: the difference between the total expenditure shown on the Consolidated Statement of Financial Activities (page 15) of £1,777k and note 7 of £1,722k is the trading costs of £55k (2013: £105k)

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March 2014**

8. Analysis of Resources expended

The following have been charged to the Statement of Financial Activities

- Staff Costs
- Depreciation - owned assets
- Professional Indemnity liability
- Auditors' remuneration
- Remuneration of auditors for non-audit work

2014 £	2013 £
1,122,935	1,077,427
39,313	41,507
270	460
7,392	4,808
4,484	-
1,174,394	1,124,202

The remuneration of auditors for audit and non-audit work increases by £7,068 in total (2013: £4,808) due to the audit work carried out for subsidiary company and professional advice services which was not accrued in 2013.

9. Staff Costs

Total employment costs were:

- Wage and salaries
- Social security costs
- Pension costs

2014 £	2013 £
969,062	923,955
97,550	94,105
56,323	59,367
1,122,935	1,077,427

The average monthly number of employees analyses by functions:

	2014 £	2013 £
Fundraising	3	2
HIV Prevention and Testing services	5	4
HIV Supporting services	21	20
Social Care	3	2
Administration of the charity	2	2
	34	30

10. Board of Trustees expenses: During the year no trustees were reimbursed for expenses (2012/2013 - £138 – reimbursed expenses only being paid 1 trustee). There were no employees earning more than £60k during the year. No trustees nor any persons connected with them have received remuneration or Benefits in Kind (2013: none)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March 2014
11. Tangible fixed assets**Historical costs****At 1st April 2013**

- Reclassification Transfers
- Additions
- Disposals

At 31st March 2014**Depreciation****At 1st April 2013**

- Reclassification Transfers
- Charge for the year
- Disposals

At 31st March 2014**Net book value****At 31st March 2013****At 31st March 2014**

	Leasehold Improvem ents £	Other Leasehold £	Less Government Grant £	Furniture and Fittings £	Equipment £	Computer Equipmen t £	Total 2014	Total 2013
At 1st April 2013	596,722	135,138	(280,000)	35,214	63,427	87,847	638,347	611,733
• Reclassification Transfers	-	-	-	503	-	25,791	26,294	26,614
• Additions	-	-	-	-	(6,096)	-	(6,096)	-
• Disposals	-	-	-	-	-	-	-	-
At 31st March 2014	596,722	135,138	(280,000)	35,717	57,331	113,638	658,545	638,347
Depreciation								
At 1st April 2013	564,341	62,995	(266,016)	21,772	55,723	77,638	516,449	474,945
• Reclassification Transfers	-	-	-	-	-	-	-	-
• Charge for the year	32,381	4,787	(13,984)	6,448	704	8,979	39,315	41,507
• Disposals	-	-	-	-	-	-	-	-
At 31st March 2014	596,722	67,782	(280,000)	28,220	56,427	86,617	555,765	516,452
Net book value								
At 31st March 2013	32,381	72,144	(13,984)	13,443	7,704	10,209		121,894
At 31st March 2014	-	67,357	-	7,498	904	27,021	102,779	

12. Fixed asset investments

Positive East has a wholly owned trading subsidiary undertaking, Purple People Enterprises Limited, a company incorporated and registered in England and Wales. The principal activities are catering services and well-being courses. All profits are paid to the charity by gift aid.

A summary of the results is shown below:

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March 2014**

12. Fixed Assets investment (cont.)

Profit and Loss Account	2014	2013
	£	£
Turnover	15,757	19,353
Expenditure	55,075	104,554
<u>Deficit</u>	<u>(39,318)</u>	<u>(85,201)</u>
Balance sheet		
Current asset		
- Cash in hand	7,745	11,687
- Debtors and prepayment	-	28,363
- Other debtors - VAT receivable from HMRC	-	-
Creditor		
- amount falling due within one year	(8,148)	-
- other creditors - VAT payable	884	(251)
<u>Total assets less current liability</u>	<u>481</u>	<u>39,799</u>
Called up share capital	125,000	125,000
Retained earnings	(124,519)	(85,201)
<u>Total Capital and Reserves</u>	<u>481</u>	<u>39,799</u>

The management and trustees are aware of the investment in the Wellbeing programme within the trading subsidiary and the continued difficulty we are having breaking into the commercial market with the product.

So having developed the product, invested in marketing and some sales support over the past 2 years they have decided in line with the principle of prudence to write down the investment to a minimum to reflect the ongoing difficult trading conditions; whilst they consider what other avenues to pursue to leverage income from the investment in money and time to-date.

This does not mean that they will cease to promote the wellbeing programme but rather any breakthrough / future income will be upside opportunity.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March 2014
13. Debtors**Grants Receivable:**

Age UK	
Black Health Agency - NAHIP	
London borough of Barking and Dagenham	
London Borough of Hackney	
London Borough of Tower Hamlets	
Others	
Pan London - GMI project	
REAL	

Other Debtors	
Amount due from group undertakings	
Prepayments	
Accrued income	

Total

Group		Charity	
2014	2013	2014	2013
£	£	£	£
1,726	-	1,726	-
9,939	-	9,939	-
-	40,600	-	40,600
-	2,810	-	2,810
5,000	-	5,000	-
	7,858		7,858
276	-	276	-
11,388	-	11,388	-
28,329	51,268	28,329	51,268
4,843	5,197	4,456	5,197
-	-	8,148	-
7,425	10,253	7,812	7,422
54,168	65,401	54,168	65,401
94,765	132,119	102,913	129,287

All the amount sum are due within one year

14. Creditors: amounts falling due within one year:

Trade Creditors	
Other Creditors	
Taxation and social security	
Accruals	
Deferred income	
Amount due to group undertakings	

Group		Charity	
2014	2013	2014	2013
£	£	£	£
33,445	49,043	33,445	49,043
5,209	5,251	5,209	5,251
25,815	26,505	26,700	26,254
14,911	22,226	14,911	22,226
97,958	134,375	97,958	134,375
	-	-	25,531
177,338	237,401	178,222	262,681

Deferred Income: On a few projects where there are some specific deliverables or outputs and these have not been met by the end of the financial period (31 March 2014) then a value representing the portion remaining unmet is deferred until the future. At 31 March 2014 a total of £97,958 (at 31 March 2013 the equivalent was £134,375) was rolled over to the future.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March 2014
15. Funds**15a. Restricted Reserves**

	Brought Forward	Income	Expenditure	Carried Forward
	£	£	£	£
London borough of Havering		35,000	35,000	-
MacAIDS		62,417	62,417	-
Monument Trust		1,500	1,500	-
City and Hackney - HIV Testing		49,917	49,917	-
City and Hackney - HIV Support		206,386	206,386	-
City Bridge Trust		37,500	37,500	-
London Borough of Havering - HIV support		13,257	13,257	-
London Borough of Barking and Dagenham		79,000	79,000	-
London Borough of Redbridge		25,600	25,600	-
London Borough of Tower Hamlets		66,045	66,045	-
London Borough of Newham (Former PCT contract)		195,599	195,599	-
Pan London GMI		125,602	125,602	-
London Borough of Redbridge - HIV Testing (former PCT contract)		12,091	12,091	-
London Borough of Redbridge - HIV support (former PCT contract)		61,858	61,858	-
Tower Hamlets PCT - HIV Support		161,000	161,000	-
Trust for London		18,088	18,088	-
London Borough of Waltham Forest - HIV Support		91,200	91,200	-
London Borough of Waltham Forest - HIV African Support		24,000	24,000	-
Better to know		8,500	8,500	-
Age UK		1,726	1,726	-
HPE - African		25,141	25,141	-
HPE - Gay		20,000	20,000	-
Hackney Volunteer Community Service		15,000	15,000	-
NHS East London Community		120,000	120,000	-
		1,456,428	1,456,428	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March 2014
15b. Unrestricted Reserves:

	Brought forward	Income	Expenditure	Carried Forward
	£	£	£	£
General Fund	508,954	279,678	(306,564)	482,068
Designated	14,171	-	(14,171)	-
Total	523,125	279,678	(320,735)	482,068

The value of the fixed asset fund represents the amount raised by the company in an appeal to renovate the building in 1993/1994 net of a capital grant of £280,000 towards these improvements from North East Thames Regional Health Authority. The fund is amortised at 5% per annum on a straight line basis in line with depreciation on leasehold improvements. £18,397 (2013 £15,836) was utilised during the year.

15c. Detailed movement on Charity Reserves:

	2014	2013
	£	£
Opening Reserves	608,327	504,136
Surplus/(Deficit) in year	(1,741)	104,190
Investment provision	(125,000)	-
Closing Reserves	<u>481,586</u>	<u>608,327</u>

**16. Analysis of net assets
between funds**

	Unrestricted funds	Restricted funds	Total 2014	Total 2013
	£	£	£	£
Tangible fixed assets	102,779	-	102,779	121,894
Cash at bank and in hand	461,861	-	461,861	506,514
Other current assets	94,765	-	94,765	132,119
Current liabilities	(177,338)	-	(177,338)	(237,401)
Transfer between funds	(118,701)	118,701	-	-
	363,367	118,701	482,068	523,125

17. Pension Commitments:

The charity pays a non-contributory 6% of the staff's salary into nominated stakeholder pensions on their behalf. The total cost to the charity during the financial year was £56,323 (2013 £59,367) and at the end of the period there was a year end liability of £5,209 (2013 £5,215)