

POSITIVE EAST

Company Register No. 02546750

Charity Register No. 1001582

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POSITIVE EAST

(A charitable company limited by guarantee)

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

FOR THE YEAR ENDED 31 MARCH 2021

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REFERENCE AND ADMINISTRATION**BOARD OF TRUSTEES AND ADVISORS**

Patron Lord Collins of Highbury

Board of Trustees

Graham Stoner*
Marigold Chirisa +
Pete McDonnell* (Chair and co-chair of Finance and Fundraising Subcommittee)
Ravi Ravindran* (Treasurer and Chair of Finance and Fundraising Subcommittee)
Rebecca Wilkins+ (Chair People and Services Committee)
Sarah Malcolm*
Mike Burnham *
Tony Parker + (resigned July 2021)
Selin Yurdakul +
Michelle Weston *
Kirsty Cornell +(reappointed February 2021)

* Member of Finance and Fundraising Committee

+ Member of People and Services Committee

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

Solicitors (Probono)

CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place, 78 Cannon Street
London EC4N 6AF

Solicitors

Russell Cooke
2 Putney Hill
London
SW15 6AB

Auditors

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

**Company registration
number**

02546750

Registered charity number

1001582

THE CHAIR'S REPORT

It has been one of the most extraordinary and challenging of times. This year of the COVID pandemic has tested us all. The most affected have been our clients, many of whose lives have been worsened by COVID, not least because there is an overlap between communities disproportionately impacted and the communities we support. Many of our clients already experience financial hardship, social isolation, and mental health issues. This year of COVID has simply exacerbated these situations and made life even more difficult for significant numbers struggling to live well with HIV.

Positive East and it's amazing volunteer and staff teams have demonstrated once again that our core capability is being able to adapt and navigate our way through stormy seas driven by a passion and a commitment to our vision which centres on the communities we support.

Early in March 2020 we started preparing so that by 23rd March as the first COVID lock down was called we were able to deliver our services remotely (telephone, video call and video conference).

Our HIV support services (advice, peer support, counselling, psychology, workshops) switched to a remote delivery. We reached out proactively to our clients undertaking safe and well checks, increasing the frequency of our newsletter to weekly and actively signalling on our social media channels that whilst our building may be closed our services were still very much open and ready to support people.

Our prevention and testing team opened a live chat service (Love Chat) as well as a dedicated sexual health telephone line. The team continued to innovate as they linked up with the NHS Find and Treat team supporting their work with street homeless people placed in hostels and hotels providing HIV and STI sexual health advice and resources.

We initially worked at pace to make sure services were up and running and that we were communicating and engaging with our clients to support them to navigate these difficult times. We confirmed our decision to pause our existing strategy and developed a strategic plan for these times 'Recovery and Reimagining'.

This approach had 5 principles to help us successfully navigate the rapidly changing environment whilst keeping a focus on our mission

- **Safety First** (follow Government Guidelines & Advice from local Public Health Teams, Telephone and Video Calls by default - Face to Face work only by appointment, subject to COVID19 symptom triage, appropriate PPE, appropriate protocols in place, test whether there is a safer just as effective way of delivery)
- **Focus on our Vision & Mission** (Strongest possible service offer)
- **To be mindful of those whose voice is not being heard and are not being reached**
- **Taking forward 'what works & learning' from last year**
- **Support our Staff & Volunteers**

Over the year our Safety first has changed in terms of now including vaccinations and testing.

These principles have been a useful guide as we have focused on the following themes:

- **COVID Safe Working**

This has included undertaking risk assessments and developing operational policies to ensure our service delivery mitigates the risk to our staff, volunteers and our clients and ensures service continuity. People have been mainly working from home for much of the year and this has followed Government Guidance. We have actively promoted vaccination uptake amongst our staff, volunteers and clients. We have reorganised our office space, installed signage (promoting COVID prevention messages), touchless hand sanitiser and soap dispensers and air purifiers.

We are grateful for the support of our local public health teams who have helped us in effectively managing the risks.

We will continue to monitor the changing nature of the COVID risk over the coming year and adapt our approach accordingly to ensure a service that is delivered safe for our clients, volunteers and staff.

- **Reimagining Services**

We have learned much over the course of the year and will be continuing some approaches that have enhanced our offer to our clients. This has mainly been in the use of digital approaches to engage and reach people. We have established online coaching services for people to undertake self-HIV and STI testing. We have run a chat service (Love Chat) and operated a dedicated sexual health and HIV prevention line. We have run workshops via video conference and broadcast them over Facebook and recorded them so that they can be a future resource for others. Our peer support and counselling has shifted to using video call. For many of our clients this approach has been more convenient, has meant that they are in their own space when having conversations and do not attend rates have reduced. Our advice sessions over video call for many have been productive. We will be bringing this learning into how we take our service offer forward. For instance, we are exploring investing in video conferencing facilities so that we can offer hybrid in-person and online services.

We also recognise that in making this shift we need to take into account those that do not have data, devices or the privacy at home to use a digital approach. We sought to address this through creating a digital inclusion fund. We are very grateful to the FSCS for giving us a grant to be able to make small awards to our clients to buy data and on occasion devices to engage not only with our service but the increased number of services that are now online.

Whilst we know first-hand through service delivery and conversations with our clients that many like a digital approach, we also know that in-person services are important to some of our clients accessing for the reasons explained above. We returned to in-person delivery with our HIV prevention services during the year (lockdowns permitting) firstly working alongside NHS Find and Treat as detailed above, then undertaking work in public sex environments. We are planning to open our office for HIV testing by appointment in the new financial year and undertake community-based testing and have been putting in place the risk assessments and operational policies to ensure that they are COVID safe. We will also consider a return to in-person service provision for our HIV positive clients as COVID restrictions ease and it becomes safe to do so.

- **Embedding Digital Approach**

We did some quick shifts in service delivery approach over the year initially moving to a complete remote model. Fortunately, our existing ICT infrastructure enabled this move.

Over the course of the year, we started to use the full capability of our existing ICT architecture to enable us to work and deliver services remotely. We are grateful to our friends at ViiV who trained our staff in using MS Teams. We are also very thankful for the grant from the National Lottery Community Fund which enabled the Charity to move to an agile cloud-based solution. Our ICT provider Virtual played a key role in both supporting the Charity move swiftly and smoothly to a remote model and supported our transition to the cloud-based solution. Virtual IT more than demonstrated its value to us and we are appreciative of the excellent support received from Nick Grant (our Account Manager) and Support Team at Virtual IT. This shift to an agile cloud-based solution has strengthened the flexibility of our service delivery capability and our resilience.

In April we increased our cyber security because of awareness of growing threats and this decision, prior to lock down, proved important providing us the extra security as we moved to a remote model.

This year has accelerated plans we already had to test digital and online approaches and whilst we have had to make change at pace, we have very much demonstrated our capability to deliver through such approaches and largely acceptability of such approaches to our clients.

We have learned much over the year, tested out approaches, strengthened our digital capability and got an understanding of what works with our clients. In the coming year we will be using this learning to enhance our service offer and improve engagement with our clients.

- **Sustaining our Future**

There were several components to sustaining our future. The most significant of which was to ensure the health and wellbeing of our staff and volunteers.

People

A number of our staff lost loved ones to COVID and all of us were impacted in some way by the challenge and pressure of coping with this situation whilst adapting to a new way of working. We put in place a counselling service for staff; pulled together and shared resources to support individual wellbeing; ran virtual staff meetings initially daily and then moved to 3 times a week. We also encouraged managers to have regular informal contact with staff; increased the frequency of formal supervision and undertook some remote social activities with staff and created a covid safe working group with client facing staff to develop and review risk assessments and operational policies.

We retained our Investing in People quality mark during this period an indicator that our staff support systems were in the right place.

Voluntary income

The other important component was around funding. At the start of the financial year we became concerned that our community fundraising activities including our flagship Red Run would not be able to happen. Our worry was the risk to our income for the year. It became

clear that as time progressed that the community fundraising would not be possible. We took the difficult decision to cancel the 2020 Red Run early. We focused our fundraising efforts initially on trusts and foundations and were very grateful to the COVID related funding which supported our work. In the later part of the year, we launched an appeal which was well received and was generously supported by the Charity's friends. We also ran a successful pop up TShirt Shop. The HIV sector has long been supported by artists and we were delighted that our pop-up Tshirt shop followed in this tradition. 14 artists donated art for T Shirts, and they included Wolfgang Tillmans, Sunil Gupta, AA Bronson/General Idea, Hatty Carman, Joy Yamusangie, John Walter, Linder, Kai-Isaiah Jamal, and Fredde Lanke. This project raised funds and promoted HIV awareness reaching wider audiences because of the artists involvement. Our success with our voluntary income is a tribute to our brilliant fundraising team who worked so hard to get amazing results for the Charity this year.

Statutory income

We are also very grateful to our statutory funders from the East London Boroughs whose support, advice and confidence throughout the year was a significant ingredient in us being able to meet the needs of our clients during this most difficult of times. We successfully bid for contracts in 4 of the East London Boroughs during the year. We are grateful for their continuing confidence and look forward to working in partnership in the coming years

Partnerships

Similarly, we are very grateful to our supporters and non-statutory funder supporters who very much ensured that the year enabled us to respond to the increased demand whilst ensuring the continuing financial stability of the Charity.

Our achievement as a Charity is a result of partnerships with volunteers, supporters and statutory and non- statutory funders. This year more than ever has shown the strength and depth of that support and are deeply grateful for it.

The Future

There is no "back to the normal" for us in the next financial year. COVID will remain a factor in the lives of our clients and the life of the Charity for the coming years. We have also learned a lot to simply return to how we did things in the time before COVID.

In the coming year we will take the time to refresh our strategy and using our learning through the frame described above of recovering and reimagining our services. We will continue to use our creative and innovative skills to develop and enhance our service offer with a combination of remote and in-person services



Pete McDonnell

Chair 13 September 2021

TRUSTEE REPORT***Trustees Responsibilities***

The Board of Trustees are pleased to present their annual report and the financial statements of the charity for the year ended 31 March 2021, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)".

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. During the period under review the Management Team was composed of the Director, Deputy Director, Finance Director, Fundraising and Communications Manager, Advice Services Manager, Prevention and Testing Manager and Peer Support Manager as well as the Volunteer Performance Manager 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 throughout the year. 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.

Periodically a skills audit is carried out to identify gaps, with new Trustees recruited when available and approved at the following Board meeting. New Trustees are given an induction, and there are opportunities for Trustee training throughout the year.

There are two Committees reporting to the main Board. They are the Joint Finance and Fundraising Committee and the People and Services Committee. The committees provide a greater level of detailed governance oversight and control. The first is in relation to all funding and financial matters and the second all aspects of human resources (including Health and Safety) for both paid staff and the increasingly important volunteering resource as well as the charity's service delivery. Additionally, there is a Building Group set up to evaluate how the charity can best utilise the existing Stepney Centre. These committees have been in abeyance during the pandemic, but the governance has continued at a similar level at the full board on a more frequent basis.

Finally, there has been a Social Enterprise working group that oversees work in relation to social enterprise initiatives. These include the programme to promote wellbeing through mindfulness in the workplace to the health sector and recently more generally the finance sector as well as a range of healthy food products. The income and expenditure for this social enterprise were processed through the trading company subsidiary of Purple People Enterprises. Since 2019 the mindfulness and café activities were moved back within the charity itself and leave the trading company, PP Enterprises, dormant. This makes for a simpler accounting and legal arrangement and will save monies whilst leaving the option open if we scale up the operations.

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 committees but the majority of members must always be members of the Board of Trustees.

Full Board meetings during the pandemic have been increased and taken place most months, virtually, in the absence of the committee meetings. It is intended to revert to the sub-committees supporting the main board quarterly. This is expected to restart by the middle of 2021.

The members of the Board of Trustees as at 31 March 2021, all of whom held office throughout the year, unless otherwise stated, were as follows: -

Pete McDonnell (Chair)
Graham Stoner
Marigold Chirisa
Ravi Ravindran
Rebecca Wilkins
Sarah Malcolm
Mike Burnham
Tony Parker (resigned in July 2021)
Selin Yurdakul
Michelle Weston
Kirsty Cornell (reappointed February 2021)

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, reasonably and where estimates are required with prudent judgement in the preparation of the financial statements for the year ended 31 March 2021. 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*".

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

Strategic Objectives

In practical terms the Charity developed a 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 a holistic range of services that enable people living with HIV to promote their health and wellbeing, support self-management and gain then 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) Expand services across London, supporting the development of best practice models. This will be done where such expansion does not pose a risk to the charity and only where it contributes to and complements the charity's core capabilities
- iv) Influence policy development and service improvement and development that will enable the Charity to further its mission and achieve its vision
- v) Ensure the Charity is sustainable, appropriately resourced, and has the broadest strategic choice to best enable achievement of its vision

Our original strategy was paused over the year because of COVID (see Chair's report above) we are as stated in a process of building on our learning to refresh our strategy within the frame of the our recovery and reimagining approach.

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'

Activities and the impact of the work delivered are covered in the Chair's report which starts on page 3.

Reserves Policy

The board and management of the charity, in line with guidance from the Charities Commission, aim to hold adequate reserves to cover potential risks to ensure the ongoing costs of the operations of the charity. This is essential in today's uncertain environment to reflect the continued challenging times facing the economy from the pandemic and Brexit.

The current level of free reserves (defined as being unrestricted reserves less fixed assets) is £455,008 (2020 £354,544) after posting a surplus of £69,090 which includes a £42,666 in unrealised investment gains in the recently completed financial year ended 31 March 2021.

With planned budgeted operational spend of just over £1.6 million in 2021/22 or around £135,000 per month this means the charity has currently just over three months of free reserves. This is below what the charity has set for its reserves (5 months or £650,000) and the Trustees have renewed their commitment to achieve an increase in reserves to a position in which the Charity feels more comfortable. A target to increase, consistently over the foreseeable future, by running surpluses was agreed by the trustees. The aim being some £25-35,000 per annum, funding dependent. The year under review saw the charity continue to build the buffer in line with the policy.

Risk Management

Management, at the direction of the board, keep the risk profile of the Charity under constant review as a core activity of its governance responsibilities.

The Assessments are 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. A key example of this has been the risk COVID presented the Charity in terms of the safety of our people (clients, volunteers and staff) and our sustainability. We set out in the chairs report our response to address these ongoing risks.

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 is 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 early 2021 we checked that the business interruption aspects of the insurance policy to ensure it remains sufficient to meet the needs of the charity. Indeed, the cover remains adequate and covers the additional spend from any temporary relocation required. We further addressed this risk over this year through moving towards an agile working solution, using a cloud based model rather than using office based servers, which means staff can work remotely from home.

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 and Services Committee to the board to keep ahead of the problem. The pandemic has meant that the work of the committee has been expanded to cover covid secure working and a number of additional protocols have been added to ensure that the staff, service users and visitors are as risk free of contracting the virus on-site as possible. This has included bubbles, signage, enhanced cleaning, face coverings and more.

The external threats. The charity continues to use a more comprehensive risk management process – the Operational Business Continuity process. This involves defining and monitoring specific risks with predefined responses and detailed steps to avoid financial insolvency. This is in addition to the Business Continuity Plan. Finally, the charity is pursuing the increased use of the people living with HIV to deliver services which will mean an enhanced service user capability as well as a more sustainable cost base.

Financial Results

Income and Expenditure.

Current year. The results are set out on page 18. They show that the income was down £100,006 from the previous year at just over £1.426 million. On the other side the expenditure was also down but this time by near £145,000 from £1.5 million down to £1,357,333. Resulting in a surplus of £68,903.

The reason for the income and expenditure being down was the pandemic and the impact it had on the activity of the charity which included a decision to delay filling of vacancies as a mitigation against loss of income related to COVID. The surplus was the result of an operational surplus of £26,237 and an unrealised investment gain of £42,666. Note the investments are held for the access to dividend interest of 3.25% against nil on deposits. The surplus is not considered a part of the general reserves but rather as a buffer against future market movements.

Fixed Assets.

Details of the movement in fixed assets are in note 12 to the financial statements. The year saw a small rise in net book value from £61.9k to £63.6k but this disguises the large investment of over £22,000 in enhanced IT equipment to move the charity's ability to deliver services on line / remotely offset by the traditional depreciation across all areas.

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. Surplus money are placed in both deposit account as well as liquid CCLA investment product.

The year saw interest/ dividend income of £7,608 (2020 £6,564) reflecting the ongoing use of CCLA Investment Management Ltd (CCLA) where the charity holds all its operational cash surplus at higher rates than main street banks.

We continue to hold some of the cash surplus in a CCLA investment product. We have held some £225,000 in investments over the period, earned some £7,600 and have an unrealised gain on the books at financial year end of over £42,000 to hold as a buffer against future market downturns.

A. Statement of Trustees' Responsibilities

The Trustees, who are also the directors of Positive East for the purpose 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).

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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

B. Auditors

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

C. Disclosure of information to auditors

Each of the Trustees (directors) has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Board of trustees on 13th September 2021 and signed on its behalf by



Pete McDonnell
Chair



Ravi Ravindran
Treasurer and Vice Chair

INDEPENDENT AUDITORS' REPORT
to the members of Positive East

Opinion

We have audited the financial statements of Positive East for the year ended 31 March 2021 which comprise the group statement of financial activities, the group balance sheet, the group statement of cash flows and the 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 Standards 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 31 March 2021 and of its incoming resources and application of resources, 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.

Basis of 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 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 use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the charity have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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.

Other information

The charity are responsible for the other information. The other information comprises the information included in the annual 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 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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 charity'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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of this report.

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

M J Bushell Ltd.

Corné von Wielligh ACA (Senior Statutory Auditor)
for and on behalf of M J Bushell Ltd

17.09.2021
.....

Chartered Accountants
Statutory Auditor

8 High Street
Brentwood
Essex
CM14 4AB

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNTS)
for the year ended 31st March 2021**

	Notes	2020-2021			2019-2020		
		Unrestricted Funds	Restricted Funds	Year ended 31 March 2021	Unrestricted Funds	Restricted Funds	Year ended 31 March 2020
INCOME AND ENDOWMENTS FROM:		£	£	£	£	£	£
Donations and legacies							
1. Grants received from core activities	3	155,609		155,609	179,522		179,522
2. Donations and legacies	4	32,780		32,780	86,756		86,756
Charitable activities							
1. Performance related grants	5		1,081,990	1,081,990		1,072,450	1,072,450
Earned from other activities							
1. Other trading activities	6	101,802		101,802	194,633		194,633
2. Commercial trading operations		3,780		3,780	-		-
Investment and Other income							
1. Investment income	7	50,274		50,274	(7,120)		(7,120)
Total Income and Endowments		344,246	1,081,990	1,426,236	453,792	1,072,450	1,526,242
EXPENDITURE:							
Cost of raising funds							
1. Fundraising costs	8	192,752		192,752	229,282		229,282
2. Trading costs	8	5,146		5,146	10,992		10,992
Expenditure on Charitable activities							
1. HIV Testing and Prevention services	8		418,083	418,083		493,690	493,690
2. Advice	8		274,355	274,355		258,584	258,584
3. Peer Supports and Counselling services	8		466,997	466,997		506,741	506,741
Total Expenditure		197,897	1,159,435	1,357,333	240,275	1,259,015	1,499,290
Net income/(expenditure)		146,348	(77,445)	68,903	213,517	(186,565)	26,953
Transfers between funds		(77,445)	77,445		(186,565)	186,565	
Net movement in funds		68,903	-	68,903	26,953	-	26,953
Reconciliation funds:							
Total fund brought forward		449,481		449,481	422,529		422,529
Total Fund carried forward		518,385	-	518,385	449,481	-	449,481
Net income for the year attributable to non-controlling interests	15	174					

CONSOLIDATED AND PARENT CHARITABLE COMPANY BALANCE SHEETS
as of 31st March 2021

	Notes	Group		Charity	
		2021 £	2020 £	2021 £	2020 £
Non Current Assets					
Tangible Assets	12	63,593	61,933	63,593	61,933
Intangible Assets	14	3,066			
Investment	13	251,558	208,891	251,558	208,891
Total fixed assets		318,216	270,824	315,151	270,824
Current Assets					
Stock of finished goods		547			
Debtors	16	95,541	104,625	95,521	104,625
Cash at bank and in hand		656,849	323,856	656,399	323,856
		752,938	428,481	751,921	428,481
Creditors: amount falling due within one year	17	552,769	249,824	548,500	249,824
Net current assets		200,168	178,657	203,420	178,657
Net assets		518,385	449,481	518,571	449,481
Funds					
Restricted funds	18a	-	-	-	-
Unrestricted funds:					
- General Funds	18b	475,544	463,165	475,905	463,165
- Unrealised investment gains	7	42,666	(13,684)	42,666	(13,684)
- Attributable to non-controlling interest	15	174			
	19	518,385	449,481	518,571	449,481

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees and authorised for issue on the 13th September 2021 and are signed on its behalf by:



Pete McDonnell
Chair



Ravi Ravindran
Treasurer and Vice Chair

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31st March 2021

	Note	2021		2020	
		£	£	£	£
Cash flows from operating activities	22				
Cash generated from/(absorbed by) operations			351,931		76,213
Cash flows from investing activities					
Interest received		7,608		6,564	
Purchase of tangible fixed assets		(22,713)		(8,468)	
Purchase/ Sale of investments		<u>(3,832)</u>		<u></u>	
Net cash generated from/(used in) investing activities			<u>(18,937)</u>		<u>(1,904)</u>
Net increase/(decrease) in cash and cash equivalents			332,994		74,308
Cash and cash equivalents at beginning of year			<u>323,856</u>		<u>249,548</u>
Cash and cash equivalents at end of year			656,849		323,856

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March 2021

1 Accounting Policies**Company information**

Positive East is a private company limited by guarantee incorporated in England and Wales. The registered office is 159 Mile End Road, London, E1 4AQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 as applicable to companies subject to the small companies regime and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis for consolidation

The Group accounts consolidate the accounts of Positive East and its majority owned non-charitable subsidiary The Chilli Pig (70% owned) but does not include its trading company Purple People Enterprises Limited as it is now dormant, 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.

1.3 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts. Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.5 Incoming resources

Income is recognised when the group is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. Where the income relates to charitable trading activities, it is shown net of VAT.

Cash donations are recognised on receipt. Other donations are recognised once the group has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from government and other grants is recognised when the group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

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 funds are those 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 group 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 group;
- Other income funds are those which are generated by specific and deliberate actions of the employees and others in furtherance of the group'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, given to the group merely in furtherance of its objectives.

1.6 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. 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. Therefore, it addresses the direct cost of staff employed in the fundraising function and associated other spend on volunteers and promotional materials of a group wide nature. It also includes the costs of senior management involved in fundraising.
- **HIV Testing and Prevention Services** involve 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.
- **Advice.** The expenditure in this area is again overwhelmingly the employment costs of the workers involved in providing the services.
- **Peer Support and Counselling Services.** This subheading includes the Gay Mens services, African Services, Counselling and Volunteering. African Services includes the cost of running a substantial number of support groups and includes food as well as crèche and other related costs. The Gay Man Services includes the cost of service awareness and promotion. The counselling services provided by both staff and an increasing number of volunteers is included here. Finally it includes Volunteer and costs associated 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.

1.7 Tangible fixed assets

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 |
| • Gym equipment | - | 10% straight line |

1.8 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets are offset, with the net amounts presented in the accounts when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest:

Other financial assets

Financial assets classified as other financial assets are stated at fair value with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets in the year

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Financial liabilities classified as other financial liabilities are stated at fair value with any gains or losses arising on re-measurement recognised in profit or loss.

De-recognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Grant receivable for Core activities

	Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds	Restricted funds	Total 2020
	£	£	£	£	£	£
MacAIDS	65,000		65,000	70,000		70,000
Award for all - OASIS	8,950		8,950	-		-
CBT - GMI	52,000		52,000	51,996		51,996
City Bridge Trust	18,433		18,433	37,300		37,300
Gilead	11,226		11,226	20,226		20,226
	155,609	-	155,609	179,522	-	179,522

4 Donation and Legacies

	Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds	Restricted funds	Total 2020
	£	£	£	£	£	£
Donations	32,780		32,780	86,756	-	86,756
	32,780	-	32,780	86,756	-	86,756

5 Performance related grants

	Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds	Restricted funds	Total 2020
	£	£	£	£	£	£
Big Lottery - Reaching Community		101,056	101,056		99,867	99,867
Big Lottery - COVID19		87,544	87,544		-	-
S&P - Remind		9,900	9,900		4,200	4,200
Comic Relief		-	-		10,439	10,439
Fast Track Cities (Bus + Wellbeing)		16,600	16,600		-	-
Henry Smith		36,300	36,300		34,992	34,992
Hormerton		-	-		4,000	4,000
HPE - African		4,587	4,587		13,255	13,255
HPE - Gay		3,641	3,641		6,929	6,929
London Borough of Barking and Dagenham		49,985	49,985		49,985	49,985
London borough of Hackney - HIV Supports		98,220	98,220		98,220	98,220
London Borough of Havering - HIV support		24,979	24,979		24,979	24,979
London Borough of Newham		100,000	100,000		100,000	100,000
London Borough of Redbringe - HIV supports		156,996	156,996		156,482	156,482
London Borough of Tower Hamlets - HIV Prevention and Testing		234,830	234,830		235,830	235,830
London Borough of Waltham Forest - HIV Support		70,849	70,849		70,849	70,849
REAL IAA		17,322	17,322		12,621	12,621
MAD Theater		-	-		10,000	10,000
Pan London Gay Men Interaction (GMI)		27,000	27,000		74,240	74,240
PHE		27,181	27,181		33,000	33,000
Pilgrim		-	-		9,723	9,723
ViiV Healthcare		-	-		22,840	22,840
Trust 1961		5,000	5,000		-	-
London Community Risk		10,000	10,000		-	-
	-	1,081,990	1,081,990	-	1,072,450	1,072,450

6 Other trading activities

	Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds	Restricted funds	Total 2020
	£	£	£	£	£	£
Fundraising events	52,276		52,276	167,368		167,368
MAST - income from letting arrangements for property	14,500		14,500	14,500		14,500
Other income	35,026		35,026	12,765		12,765
	101,802	-	101,802	194,633	-	194,633

7 Investment Income

	Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds	Restricted funds	Total 2020
	£	£	£	£	£	£
Interest	7,608		7,608	6,564		6,564
Unrealised investment gain at 31.03.21	42,666		42,666	(13,684)		(13,684)
	50,274	-	50,274	(7,120)	-	(7,120)

8 Total resources expended

	Fundraising	HIV, Testing, and Prevention services	Advice	Peer supports and Counselling	Trading	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff Costs (Note 10)	141	311	215	288	-	954	964
Direct costs (Non Staff)	16	29	6	106	5	163	292
Overhead	19	41	28	38	-	126	138
Infrastructure	17	37	26	35	-	115	105
Total Resources Expended	193	418	274	467	5	1,357	1,499

9 Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

- Staff costs
- Depreciation - owned assets
- Professional Indemnity
- Auditors' remuneration for the audit of the company's accounts
- Auditors' remuneration for all other non-audit services

2021 £	2020 £
954,028	964,099
12,466	14,520
4,741	4,791
5,833	6,855
-	-
977,068	990,264

10 Staff costs

Total employment costs were:

- Wage and salaries
- Social security costs
- Pension costs

2021 £	2020 £
808,654	813,685
73,727	77,434
71,647	72,980
954,028	964,099
FTE	
Fundraising	3
Prevention	5
Treatment and Care	4
Social care	5
Administration of the charity	6
23	21

11 Board of Trustees expenses

During the year no trustees claimed travel expenses. No trustees nor any persons connected with them have received remuneration or Benefits in Kind (2020: none).

12 Tangible fixed assets

Historical costs

At 1st April 2020

- Reclassification Transfers
- Additions
- Disposals

At 31st March 2021

Depreciation

At 1st April 2020

- Reclassification Transfers
- Charge for the year
- Disposals

At 31st March 2021

Net book value

At 31st March 2020

At 31st March 2021

Leasehold Improvements	Other Leasehold	Less Government Grant	Furniture and Fittings	Office Equipment	Computer Equipment	Gym Equipment	Total 2021	Total 2020
£	£	£	£	£	£	£	£	£
596,722	151,338	(280,000)	37,235	29,767	147,546	6,516	689,124	680,656
-	-	-	-	-	22,157	-	22,157	8,468
596,722	151,338	(280,000)	37,235	29,767	169,703	6,516	711,281	689,124
596,722	112,420	(280,000)	37,235	24,517	132,659	3,640	627,191	612,671
-	4,224	-	-	3,000	12,622	651	20,497	14,520
596,722	116,644	(280,000)	37,235	27,517	145,280	4,290	647,688	627,191
-	38,918	-	0	5,250	14,888	2,876		61,933
-	34,694	-	0	2,250	24,423	2,226	63,593	

13 Investments

The charity holds a portion of its liquid assets in CCLA investments. These are held to gain access to some return in the absence of any interest on deposits. Deposits currently earn less than a 1/10 of 1% whilst the investments bring in 3.25%

The charity made in excess of £42,000 in gains on these investments in the year under review but holds this surplus as a reserve against future volatility. This is the reason for holding the value separate on the Balance sheet.

Listed investments

Listed investments carrying amount

Group		Charity	
2021	2020	2021	2020
£	£	£	£
251,558	208,891	251,558	208,891
<u>251,558</u>	<u>208,891</u>	<u>251,558</u>	<u>208,891</u>

14 Intangible assets

Goodwill on consolidation

	2021	2020
	£	£
Goodwill B/fwd.	125,000	125,000
Additions	3,832	-
Disposals	-	-
Goodwill C/fwd.	<u>128,832</u>	<u>125,000</u>
Amortisation B/fwd.	125,000	125,000
Charge (20%)	766	-
Disposals	-	-
Amortisation C/fwd.	<u>125,766</u>	<u>125,000</u>
NBV B/fwd.	-	-
NBV C/fwd.	3,066	-

15 Subsidiaries

Positive East has 2 subsidiaries.

1. A wholly owned trading arm in the name of Purple People Enterprises Limited, a company incorporated and registered in England and Wales (Registration No. 06956340). The principal activities are catering services and well-being courses. All its profits are paid to the group by gift aid.

Historically, we applied for and obtained funding from both the Big Lottery and City Bridge Trust some years ago which enabled us to breath fresh life into the mindfulness programme and has been used to deliver mindfulness services at a renowned rating agency Standard & Poor. The charity was successful in 2020/21 with regard to the mindfulness intervention where we have been providing biweekly mindfulness meditation online session to the rating agency Stand & Poor's London office.

Since 2019 the mindfulness and café activities were moved back within the charity itself and leave the trading company, PP Enterprises, dormant. This makes for a simpler accounting and legal arrangement and will save monies whilst leaving the option open if we scale up to reopen the trading arm.

2. The second subsidiary is a 70% owned organic food manufacturing and distribution arm. The Chilli Pig. It has owned a small share for a number of years but in the current financial period (2020/21) it became the majority owner.

There is a 30% non-controlling interest held within the Chilli Pig. The amount attributable to non-controlling interest is shown separately on the SOFA and Balance Sheet.

16 Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Grants Receivable:				
Others	7,380	2,080	7,360	2,080
Pan London - GMI project	-	23,544	-	23,544
London Borough of Redbridge	-	38,939	-	38,939
Terrence Higgins Trust	-	5,500	-	5,500
London Borough of Havering	-	6,245	-	6,245
London Borough of Tower Hamlets	70,449		70,449	
London Borough of Waltham Forest	17,712	17,712	17,712	17,712
Interbanks	-	1,000	-	1,000
Homerton	-	8,000	-	8,000
	95,541	103,020	95,521	103,020
Prepayments	-	1,605	-	1,605
Total	95,541	104,625	95,521	104,625

17 Creditors: amount falling due within one year

	Group)		Charity)	
	2021)	2020)	2021)	2020)
	£	£	£	£
Trade Creditors	7,707	30,450	7,707	30,450
Other Creditors	11,613	1,809	7,344	1,809
Taxation and social security	22,318	22,110	22,318	22,110
Accruals	53,752	28,610	53,752	28,610
Deferred income	456,949	164,495	456,949	164,495
VAT payable to HMRC	430	2,350	430	2,350
	552,769	249,824	548,500	249,824

Deferred Income: On a few projects where there are some specific deliverable or outputs and these have not been met by the end of the financial period (31st March 2021) then a value representing the portion remaining unmet is deferred until the future.

At 31st March 2021, a total of £456,949 (2020 the equivalent was £164,495) was rolled over to the future. Included in this year's total is an amount of £109k from Fast Track city contract.

18 Funds**18a --Restricted funds**

	Brought Forward	Income	Expenditure	Carried Forward
	£	£	£	£
Big Lottery - Reaching Community		101,056	101,056	
Big Lottery - COVID19		87,544	87,544	
S&P - Remind		9,900	9,900	
		-	-	
Comic Relief		-	-	
		-	-	
Fast Track Cities (Bus + Wellbeing)		16,600	16,600	
Henry Smith		36,300	36,300	
Hormerton		-	-	
HPE - African		4,587	4,587	
HPE - Gay		3,641	3,641	
London Borough of Barking and Dagenham		49,985	49,985	
London borough of Hackney - HIV Supports		98,220	98,220	
London Borough of Havering - HIV support		24,979	24,979	
London Borough of Newham		100,000	100,000	
London Borough of Redbringe - HIV supports		156,996	156,996	
London Borough of Tower Hamlets - HIV Prevention and Testing		234,830	234,830	
London Borough of Waltham Forest - HIV Support		70,849	70,849	
REAL IAA		17,322	17,322	
MAD Theater		-	-	
Pan London Gay Men Interaction (GMI)		27,000	27,000	
PHE		27,181	27,181	
Pilgrim		-	-	
ViiV Healthcare		-	-	
Trust 1961		5,000	5,000	
London Community Risk		10,000	10,000	
		-	-	
		1,081,990	1,081,990	

18b Unrestricted Funds

	Brought forward	Income	Expenditure	Carried Forward
	£	£	£	£
General Fund	463,165	287,721	275,342	475,544
Total	463,165	287,721	275,342	475,544

19 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Tangible fixed assets	63,593	-	63,593	61,933
Intangible fixed assets	3,066	-	3,066	-
Investment	251,558	-	251,558	208,891
Cash at bank and in hand	656,849	-	656,849	323,856
Stock of Finished Goods	547	-	547	-
Other current assets	95,541	-	95,541	104,625
Current liabilities	(552,769)	-	(552,769)	(249,824)
	518,385	-	518,385	449,481

20 Retirement benefit schemes**Defined contribution schemes**

The group 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 £71,647 (2020 £72,980).

21 Related party transactions**Remuneration of key management personnel**

Key management personnel have been identified as the Chief Executive Officer and the Chief Finance Officer. There were no employees earning more than £60k during the year.

Transactions and balances with related parties

At the year end the group was owed £nil (2020: £nil) by its subsidiary company.

No guarantees have been given or received.

22 Cash generated from operations

	2021	2020
	£	£
Surplus/(deficit) for the year	68,903	26,953
Adjustments for:		
Investment income recognised in profit or loss	(7,608)	(6,564)
Movement in Investments	(42,666)	(63,816)
Depreciation and impairment of tangible fixed assets	20,497	14,520
Amortisation of Goodwills	776	
Movements in working capital:		
Increase in debtors	9,083	17,849
Decrease in creditors	302,945	87,271.67
Cash generated from/(absorbed by) operations	351,931	76,213