

Registered number: 05905050
Charity number: 1126729

People United
(A company limited by guarantee)

Unaudited

Trustees' report and financial statements
for the year ended 31 March 2021

People United
(A company limited by guarantee)

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People United
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**Reference and administrative details of the company, its Trustees and advisers
for the year ended 31 March 2021**

Trustees

M C Maxwell
S Moffitt, Chair
S Uberti Bona Blotto, Treasurer
E S Wilcox
M Amidu (resigned 3 December 2020)
M B Gregson
E H Flynn

Company registered number

05905050

Charity registered number

1126729

Registered office

Canterbury Innovation Centre
University of Kent
Canterbury
Kent
CT2 7FG

Company secretary

J McGuinness

Chief executive officer

J McGuinness

Independent examiner

Kreston Reeves LLP
Chartered Accountants
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

People United
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Trustees' report
for the year ended 31 March 2021

The Trustees present their annual report together with the financial statements of the company for the period 1 April 2020 to 31 March 2021. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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 2019).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and activities

a. Policies and objectives

Founded in 2006, People United is a leading participatory arts organisation and an expert in arts and kindness. With a tradition of experimentation, innovation and research, our work uses the arts and creativity to encourage empathy and kindness.

Our vision is of thriving, creative society where people are kind to themselves, each other and the world.

We commission artists to create new participatory work, undertake place-based projects in communities and work with young people in a variety of settings including schools, community groups and youth clubs, focusing on the vital role arts and culture can play in growing a society which is kind and equitable. Based in Kent, many of our activities are local, but we also have a national reach.

People United uses the term kindness to mean consciously acting to benefit other people. We believe in the concept of "radical kindness", which is where kindness and associated behaviours have a crucial role to play in combating social fragmentation and in challenging existing structures and systems. The idea of encouraging kind intentions and behaviour is simple, but feels increasingly pertinent given the profound political, social and environmental pressures that individuals and communities face today, particularly in the wake of the COVID-19 global pandemic.

Our projects are underpinned by robust research and evaluation that demonstrates the need for and impact of our work. It also informs our future development and planning. Our research, supported by several universities, including our academic partner, the University of Kent, focuses on how the arts can create conditions for kindness by breaking down barriers between people, and promoting empathy and compassion through the mediators of emotions, learning, connections and values. To date we have published three research reports- *Arts & Kindness* in 2012, *Changing the World through Arts and Kindness* in 2017, and *Taking Care, The Art of Kindness* in 2019.

Over the 14 years we have built a significant body of academic evidence based on participatory arts projects involving over 20,000 participants and 100,000 audience members. By utilising and building on this evidence, our work leads to long term change for individuals, organisations and communities, and empowers people to join with others to find common ground and unity.

People United's charitable objects are:-

- To promote good citizenship for the public benefit by providing, developing and facilitating projects and programmes, in particular but not exclusively using the arts and sport, created to develop and increase social and emotional skills amongst children and adults so as to foster and encourage expressions of kindness, empathy and tolerance towards and amongst people within schools, organisations and the community generally.

People United
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Trustees' report (continued)
for the year ended 31 March 2021

Objectives and activities (continued)

- To carry out for the public benefit research into the behaviours of kindness, empathy and tolerance and the values and actions relevant to them, including their potential to impact upon the behaviour of people as citizens and their dissemination of the useful results of that research. We believe that being kind to one another is fundamental to making the world a better place. From a neighbourly smile and a helping hand to ongoing ethical conduct and active altruism, kindness is demonstrated in many different ways. And whereas a lack of kindness breeds intolerance, injustice and inhumanity; kindness grows trust, friendship, and a common sense of community.

b. Activities for achieving objectives

People United develops and delivers projects that support community cohesion, volunteering and active citizenship. We use creative ideas to demonstrate and celebrate kindness and strengthen the positive connections between people. We are both practical and imaginative, encouraging experimentation and innovation and positioning ourselves as a catalyst for change.

In planning our objectives for the year, the Trustees have ensured that they have complied with the duty in s17 of the Charities Act 2011 and kept in mind the Charity Commission's guidance on public benefit.

Achievements and performance

a. Review of activities

In the financial year 2020-21 we continued and completed our programme of in-house operational reviews, including a significant piece of work to review People United's suite of 22 policies – which was driven by a desire to formalise a working culture that reflects our kind values and strategic aims. Collaborating closely with our Trustees, we refined all our existing policies and introduced a number of new ones, building a robust set of bespoke policies which are fit for purpose and better reflect the organisation's activities.

We also updated our standard terms and conditions of employment, building in flexibility and taking a care-based approach which is in keeping with People United's values as a kindness-led organisation and enables us to be more responsive to people's differing needs. As part of this, we introduced a new pay progression policy and pay scale (informed by sector comparators), which set the salary ranges for existing posts and also provided a structure for pay awards and evaluation of job content changes or new posts. As a small, funding-dependent charity, it was important to maintain a flexible approach to pay awards, putting affordability safeguards in place to ensure we do not over-commit the organisation. At the same time, the framework identifies a path of progression for employees and sees a positive culture change around transparency.

During the first year of the COVID-19 pandemic, it became essential to pivot our creative programme from face-to-face to online/digital. This accelerated our decision to commission the design and build of a new website, as our current site (which was developed over 7 years ago) was lacking essential functionality and accessibility – both of which impacted on our ability to use our digital presence as an effective gateway to our work and research, or as a creative tool. It also restricted our ability to monetise services (for example, via an online shop).

We commissioned MakeGood Design to take the project forward, choosing the micro-agency on the basis of value for money, skills, experience and design proposals, but also because their values and ethos aligned particularly well with our own. The new website launch is planned for June 2021.

People United
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Trustees' report (continued)
for the year ended 31 March 2021

Achievements and performance (continued)

b. Summary of achievements and performance

People United is an Arts Council England National Portfolio Organisation (NPO). 2020-21 was the third year of our four-year NPO funding agreement. This funding agreement provides People United with essential core funding and enables us to make long term plans from a position of stability (including forging partnerships and making funding bids).

In March 2020, in response to the COVID-19 pandemic and its impact on the cultural sector, Arts Council England extended the current NPO programme by a further twelve months, ensuring funding for 2022-2023 (assuming we continue to satisfy the conditions of our grant agreement).

In 2020-21 we applied for and were successful in obtaining an extension to our previous 4-year grant agreement with the Paul Hamlyn Foundation, who awarded us a 1-year extension from their COVID-19 emergency response fund. We were also awarded government funds as part of the emergency COVID-19 small-business grant scheme distributed by Canterbury City Council.

In addition to our creative programme (see below), we were invited to facilitate a workshop on kind leadership for the University of Pennsylvania's Organisational Dynamics MSc. Our CEO and Project Manager developed an interactive, digital teaching session utilising our Navigating with Kindness toolkit, and delivered it online in November 2020. This is likely to become an ongoing relationship.

We were also invited to be part of a national group of organisations supporting Belong – the Cohesion and Integration Network - to develop a set of principles for embedding radical kindness in our lives and organisations. People United's CEO was also invited to speak at several events and forums, including the first KindFest, an online, not-for-profit event held on World Kindness Day and attended by over 5000 people.

c. Key Creative Highlights

Kind Canterbury

Kind Canterbury ran from April 2020 and was one of our first creative responses to Covid-19. We commissioned People United associate artist Nova Marshall to develop an artwork in collaboration with local residents and businesses, reflecting the kindness they had seen or experienced in a time of crisis. The resulting textile piece, along with projected images of 100 individual public contributions, was installed as part of the Beaney's Museum of You exhibition throughout October 2020. A section of the piece was recreated on a large vinyl, displayed in Canterbury city centre, commissioned by Canterbury Business Improvement District (BID).

Kind Places & Spaces

Our Kind Places & Spaces project asked artists to explore the positive impact that art and design can have in community spaces, investigating how creative interventions could spread positive messages, bring people together and encourage communities to think or behave in a pro-social way in a pandemic/post-pandemic world. The designs responded to social distancing restrictions, but also explored how public areas could be reframed or reimaged at a time when our relationship with shared spaces was becoming more complex.

The six micro-commissions ranged from Bernadette Russell's hopeful homemade billboards to Ella Heather Moore's soaring architectural seating structure; from Amanda Moore's downloadable toolkit for 'do it yourself' street markings that play with the choreography of people's socially distanced movement to Rob Young's Shop of Kindness, where voluntary acts of generosity could be traded like goods; from Neelam and Adrian Saredia-Brayley's Kindfulness Space, which incorporated soundscapes, poetry and meditation into public waiting areas, to Jemma Channing's playful Kindness Dispenser, which offered tokens printed with acts of kindness for the recipient to complete.

Navigating with Kindness

Navigating with Kindness was a series of commissioned reflections and observations, published online, on a weekly or twice weekly basis, throughout the first lockdown (March – June 2020). We invited a range of people to share their experiences, thoughts and challenges by responding to one of our Navigating with Kindness cards, using the prompt on the card to reflect, respond, question or comment on the COVID-19 situation as it unfolded.

Trustees' report (continued)
for the year ended 31 March 2021

Achievements and performance (continued)

The response could be an artwork, blog, sound piece, or whatever felt appropriate. We hoped that these pieces might encourage others to reflect, to find focus or to feel more grounded at a time of collective fear and uncertainty. Contributors included Alan Lane, Tom Andrews, Sue Mayo, Maria Amidu, Gurminder Sandher, Julie Van de Vyver, Symone Crouchman, Ben Thurman, the young people of Newington's Chill Club and Brownie, Alyssa – a self-proclaimed "ninja of kindness".

As part of this project, we partnered Tate for Mental Health Awareness Week, pairing quotes from the Navigating with Kindness blogs to artworks in their collection and encouraging public response through social media. Our organic impressions on Twitter increased by 135% that week, and on Instagram by over 3,000. Tate also had a huge direct response – for example, a single post reached around 500,000 people, with over 36,000 interactions.

Steampunk Bob's Videogram Express

This was a collaborative intergenerational project with the Cares Family, who support and connect older people experiencing isolation. Created to respond to the impact of social distancing and shielding, Videogram Express was led by artist, Bob Karper, who curated an exchange of questions, answers and advice-sharing between a group of primary-aged children of key workers and older people living in London and Liverpool. Its intention was to generate feelings of warmth and connectedness and build an understanding of how lockdown was being experienced by others. The Cares Family were so pleased with the videos that they created their own short film, with the help of People United, celebrating both the project and their work. This film features on their website and social media pages.

Recognition for People United's COVID-19 programme

Our Covid-19 programme was selected for inclusion in the Catalogue of Collaborative Change, a partnership between **The London School of Architecture**, **ft'work**, **The London Festival of Architecture** and **The Future Fox**, who came together to curate an international selection of collaborative 'exemplar' projects that emerged during lockdown. Their citation read, "Your initiative, that collaborates across artists, charities and community, is exemplary and represents best practice in collaborative working for social impact".

The programme also won an Achates Philanthropy Award Bursary which paid for two workshop sessions with an Achates Ambassador. We requested to work with Suzanne Alleyne, a cultural thinker working at the intersection of academic research, culture and business. We asked for the focus of our award to be "creating and embedding an organisational climate in which diversity can thrive". The bursary workshops took place in February and were followed up with a session at the Board Away Day in March 2021. We plan to undertake further organisational development work with Suzanne in 2021-22.

Commissioned work:

Compton Verney Commission: Humour

Compton Verney Art Gallery and Park commissioned People United to create and manage a project to welcome visitor back into their gardens when they opened up after the first lockdown (and prior to re-opening of the house). They particularly wanted to encourage visits from new, more diverse and younger audiences.

The commission was produced by artist Chloe Osbourne and explored how humour can positively effect emotions and behaviour. It involved the online gathering of jokes and funny stories from local people at The Laughter Café, hosted by comedian and artist Janice Connelly (aka Barbara Nice), and culminated in The Open Arms, an outdoor exhibition/art trail of eight sign-based pieces created by Foka Wolf, an anonymous Birmingham-based urban artist. The art trail was installed in the grounds of Compton Verney between 22 September and 20 October 2020 and was seen by 21,000 visitors. Many of the visitors had not been to Compton Verney before and said they had come specifically to see Foka Wolf's work.

The art attracted national attention and featured in Time Out, Metro, Evening Standard and the BBC as well as receiving extensive local coverage.

Trustees' report (continued)
for the year ended 31 March 2021

Achievements and performance (continued)

d. Response to the COVID-19 pandemic and future planning

As we headed into the 2020-21 financial year, the COVID-19 pandemic and associated nation-wide lockdowns were having an immediate and significant impact on the country and the creative sector. People United began planning for the crisis well before lockdown, assessing risk and focussing on short term stabilisation, for example by reforecasting budgets, identifying savings, freezing recruitment and introducing new spending controls.

Many of our targeted funders closed programmes and diverted funds to the frontline crisis, so the Trustees released £35K from our reserve bank account to support the continuation of the creative programme. We then quickly moved to delivering and developing an interim programme, supporting artists and practitioners wherever possible and signposting other's resources and creative activities.

Building on this early planning, we were then able to pivot our normal delivery and fundraising activities, initially by repurposing/redesigning elements of our existing programme and moving it online, and then by devising new digital projects, keeping our focus on continuing to connect with the community and the sector. Some funded projects in schools had to be postponed due to social distancing guidelines, so we agreed new timetables for delivery and carried funds forward into the next year.

Staff health and wellbeing was (and still is) carefully considered throughout the pandemic. In line with government guidance, all staff have been successfully working from home since the middle of March 2020, with occasional days in the office when absolutely necessary. We have ensured that the team have the equipment they need to home-work efficiently and safely and that they have regular contact with each other through daily catch-ups via video calls using Microsoft Teams. Covid-19 safety measures, which are regularly reviewed and monitored, were put in place throughout the Canterbury Innovation Centre and in the People United office.

As restrictions ease, we are planning a phased return to the office in 2021-22, and have committed to reviewing our office-based working practices with the intention of introducing a blended or 'hybrid' approach to flexible working.

e. Governance and Finance

During the financial year 2020-21, one Trustee, Maria Amidu, stepped down. The Trustees continued to steer the charity, utilising their wealth of experience and knowledge, providing guidance, continuity and direction under the strong leadership of Chair, Steve Moffitt. Communication between the Board and the Chief Executive was regular and frequent, with regular scheduled 1-1s taking place by phone/online meeting.

The Board continued to meet each quarter for regular Board meetings, including a full-day Away Day for all staff and Trustees in March 2021, which took place on Microsoft Teams as we were unable to meet in person due to the COVID-19 pandemic.

As standard, the Creative Programmes Producer and Business & Development Manager now attend all Board meetings, which has deepened the strategic relationship of the Board further with members of the People United team. Looking forward, it is the intention of the Board and Chief Executive to expand the board and appoint a further 4 new trustees during 2021-22.

During the initial months of the 'lockdown' period (which began in March 2020 and continued into 2020-21), the board met on a more regular basis, often fortnightly, to ensure that the team had their full support in assessing risk, deciding and implementing changes to budget and programme, and generally steering the organisation through this uncertain period. The CEO and Chair had weekly conversations during this period.

Careful financial planning, innovative and responsive programme development, together with ongoing support from Arts Council England and Paul Hamlyn Foundation, enabled us to weather the storms of 2020-21 and look forward to 2021-22 with a strong, sustainable and funded programme of work.

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Trustees' report (continued)
for the year ended 31 March 2021

Achievements and performance (continued)

People United has completed the financial year in a strong and stable position. Our positive balance sheet at the end of the year has increased in line with expectations from £130,234 in 2019/20 to £175,919 in 2020/21, with our free reserves at £117,619.

f. Staff and colleagues

We reviewed and restructured the shape of the core team in 2020-21, taking into account the evolving needs of People United. The new structure represents our increasingly collaborative approach, with broader delegation of key responsibilities across the team. It also reflects the growing skills and experience of team members. The process was consultative from beginning to end, involving staff and trustees. Three posts were deleted, and three new posts created. These are:

Business and Development Manager (filled by our former Head of Operations).

Creative Programmes Producer (replacing the Head of Creative Programmes role and successfully recruited to in October 2020).

Project Manager, Creative Programmes (filled by our former Creative Programmes Coordinator).

The roles of **CEO** and **Administrative Assistant** remain unchanged.

We sustained our long-term working relationship with our Development and Fundraising Consultant, as well as with our pool of creative, research and support associates. We also progressed plans to create a panel of People United expert advisors in 2021-22.

We continued our long-standing research partnership with colleagues from the University of Kent's School of Psychology including Professor Dominic Abrams (an international expert on pro-social behaviour and the Director of the University's Centre for the study of Group Processes) and our ESRC-funded PhD student Shazza Ali. We also forged new relationships with other academic researchers including Dr Ali Body (University of Kent) and Professor Robin Banerjee (University of Sussex).

g. Support

People United is extremely grateful for the continued generosity of Bristows LLP who provide the charity with pro-bono support. Our thanks also go to Kreston Reeves (our accountants) who support the charity each year, and to the East Kent Spatial Development Company (Canterbury Innovation Centre) where our office is based.

We are enormously thankful for the support from all our funders who help us to deliver our mission to create a more kind and caring society through the arts, by enabling us to plan with confidence, increase our reach and impact, and undertake and share research. We are particularly grateful to Arts Council England, the Paul Hamlyn Foundation, Kent County Council and Canterbury City Council for their long-standing and continued support.

Our thanks also go to all our project partners and participants.

People United
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Trustees' report (continued)
for the year ended 31 March 2021

Financial review

a. Going concern

Careful planning and sound financial management have continued to counter the impact of the global pandemic on the organisation. Successful fundraising and the targeted use of a portion of our reserves is enabling us to deliver a strong creative programme this year and provides the foundation for a 2022-23 draft budget that supports our ambitions to deliver an impactful programme of creative work and to continue with our schedule of organisational development and improvement.

b. Reserves policy

The Trustees aim to hold unrestricted reserves equivalent to 6 months core overhead expenditure and sufficient to complete all in-progress projects. The current level of unrestricted general reserves is £117,619 (equivalent to 10 months). This is a positive figure, but the funding context remains fluid and small organisations are particularly vulnerable.

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association

The company is constituted under a Memorandum of Association and is a registered charity number 1126729.

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

People United
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Trustees' report (continued)
for the year ended 31 March 2021

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees on
09.12.2021

and signed on their behalf by:



S Moffitt, Chair

People United
(A company limited by guarantee)

Independent examiner's report
for the year ended 31 March 2021

Independent examiner's report to the Trustees of People United ('the company')

I report to the charity Trustees on my examination of the accounts of the company for the year ended 31 March 2021.

Responsibilities and basis of report

As the Trustees of the company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Trustees as a body, for my work or for this report.

Signed:



Dated: 9 December 2021

J C Williamson FCA

Kreston Reeves LLP

Canterbury

People United
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Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 March 2021

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	-	198,449	198,449	202,877
Charitable activities	4	9,900	1,834	11,734	8,722
Investments	5	-	528	528	600
Total income		9,900	200,811	210,711	212,199
Expenditure on:					
Charitable activities	6	13,600	151,426	165,026	215,999
Total expenditure		13,600	151,426	165,026	215,999
Net movement in funds		(3,700)	49,385	45,685	(3,800)
Reconciliation of funds:					
Total funds brought forward		12,000	118,234	130,234	134,034
Net movement in funds		(3,700)	49,385	45,685	(3,800)
Total funds carried forward		8,300	167,619	175,919	130,234

The notes on pages 13 to 23 form part of these financial statements.

People United
(A company limited by guarantee)
Registered number: 05905050

Balance sheet
as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	9	<u>7,858</u>	<u>4,415</u>
		7,858	4,415
Current assets			
Debtors	10	208	1,000
Cash at bank and in hand		<u>169,473</u>	<u>126,361</u>
		169,681	127,361
Creditors: amounts falling due within one year	11	<u>(1,620)</u>	<u>(1,542)</u>
Net current assets		168,061	125,819
Net assets		<u>175,919</u>	<u>130,234</u>
Charity funds			
Restricted funds	12	8,300	12,000
Unrestricted funds	12	<u>167,619</u>	<u>118,234</u>
Total funds		<u>175,919</u>	<u>130,234</u>

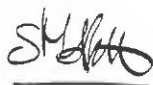
The company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on
09.12.2021 and signed on their behalf by:



S Moffitt, Chair

The notes on pages 13 to 23 form part of these financial statements.

People United
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Notes to the financial statements
for the year ended 31 March 2021

1. General information

People United is a company limited by guarantee incorporated in England and Wales. The address of the registered office is Canterbury Innovation Centre, University of Kent, Canterbury, Kent CT2 7FG. Details of the principal activities are included in the Trustees' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

People United meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The Trustees have considered the charity's level of reserves, future incoming resources and cashflows in light of the worldwide COVID-19 pandemic. With the support of funders and through good management and planning of the charity's finances, they have concluded that there are sufficient funds to enable the charity to continue its operations for the foreseeable future. Therefore, the accounts have been prepared on a going concern basis.

2.3 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

2.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Notes to the financial statements
for the year ended 31 March 2021

2. Accounting policies (continued)

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

2.6 Interest receivable

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

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Fixtures and fittings	- 15% reducing balance
Computer equipment	- 15% reducing balance

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable

2.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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for the year ended 31 March 2021

2. Accounting policies (continued)

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.12 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

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**Notes to the financial statements
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3. Income from donations and legacies

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	-	1,149	1,149	276
Grants	-	197,300	197,300	202,601
	-	198,449	198,449	202,877
Total 2020	68,547	134,330	202,877	

In addition to the figures quoted above, People United has been active in sourcing in-kind and donated services to enable us to deliver our mission as economically as possible. Even in what has been an extremely difficult year, we have received an estimated £11,000 worth of support donated from a variety of sources including receiving charitable rates for goods and services and a mix of professional advice.

4. Income from charitable activities

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Consultancy	-	1,458	1,458	1,600
Partnership income	9,900	-	9,900	5,611
Sales	-	376	376	1,511
	9,900	1,834	11,734	8,722
Total 2020	4,297	4,425	8,722	

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	528	528	600
Total 2020	600	600	

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Notes to the financial statements
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6. Charitable Activities

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Advertising and marketing	-	7,705	7,705	4,560
Artists fees	7,120	4,140	11,260	9,150
Computer expenses	-	5,217	5,217	1,286
Conferences and events	-	-	-	7,024
Consultancy	260	-	260	15,356
Depreciation	-	1,332	1,332	843
Employer's national insurance	-	5,933	5,933	9,765
Fundraising costs	-	216	216	-
General office expenses	-	1,495	1,495	928
Hotels, travel and subsistence	130	77	207	6,201
Independent examiner's fees	-	1,698	1,698	1,662
Insurance	-	612	612	578
Loss on disposal of fixed assets	-	-	-	361
Materials	-	75	75	2,925
Partnership expenditure	-	-	-	1,200
Pension contributions	-	1,858	1,858	2,210
Printing, postage and stationery	10	142	152	2,555
Producer fees	2,500	888	3,388	9,284
Rent	-	8,026	8,026	11,504
Research	-	-	-	14,750
Subscriptions	-	-	-	66
Sundry expenses	-	1,162	1,162	2,828
Telephone and internet	-	419	419	3,050
Utilities	-	759	759	188
Venue hire	-	-	-	207
Wages and salaries	3,580	109,672	113,252	107,518
	13,600	151,426	165,026	215,999
Total 2020	69,172	146,827	215,999	

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7. Staff costs

	2021	2020
	£	£
Wages and salaries	113,252	107,518
Social security costs	5,933	9,765
Contribution to defined contribution pension schemes	1,858	2,210
	121,043	119,493

The average number of persons employed by the company during the year was as follows:

	2021	2020
	No.	No.
	5	5

No employee received remuneration amounting to more than £60,000 in either year.

Remuneration paid to Key Management Personnel during the period was £39,313 (2020: £36,843)

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

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9. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2020	955	5,044	5,999
Additions	4,260	515	4,775
At 31 March 2021	<u>5,215</u>	<u>5,559</u>	<u>10,774</u>
Depreciation			
At 1 April 2020	773	811	1,584
Charge for the year	666	666	1,332
At 31 March 2021	<u>1,439</u>	<u>1,477</u>	<u>2,916</u>
Net book value			
At 31 March 2021	<u>3,776</u>	<u>4,082</u>	<u>7,858</u>
At 31 March 2020	<u>182</u>	<u>4,233</u>	<u>4,415</u>

10. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	208	-
Grants receivable	-	1,000
	<u>208</u>	<u>1,000</u>

11. Creditors: Amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	<u>1,620</u>	<u>1,542</u>

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Notes to the financial statements
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12. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Incoming resources £	Expenditure £	Balance at 31 March 2021 £
Unrestricted funds				
Designated funds				
Paul Hamlyn Foundation	-	60,000	(30,000)	30,000
Organisational Development Fund	20,000	-	-	20,000
	<u>20,000</u>	<u>60,000</u>	<u>(30,000)</u>	<u>50,000</u>
General funds				
General Funds (reserves)	98,234	140,811	(121,426)	117,619
Total Unrestricted funds	<u>118,234</u>	<u>200,811</u>	<u>(151,426)</u>	<u>167,619</u>
Restricted funds				
Roger De Haan Charitable Trust Fund	8,300	-	-	8,300
Canterbury City Council Fund	1,700	-	(1,700)	-
Thinking Differently About the Arts Fund	2,000	-	(2,000)	-
Compton Verney Fund	-	9,900	(9,900)	-
	<u>12,000</u>	<u>9,900</u>	<u>(13,600)</u>	<u>8,300</u>
Total of funds	<u>130,234</u>	<u>210,711</u>	<u>(165,026)</u>	<u>175,919</u>

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**Notes to the financial statements
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12. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2019 £	Incoming resources £	Expenditure £	Balance at 31 March 2020 £
Unrestricted funds				
Designated funds				
Paul Hamlyn Foundation	-	40,000	(40,000)	-
Organisational Development Fund	20,000	-	-	20,000
	<u>20,000</u>	<u>40,000</u>	<u>(40,000)</u>	<u>20,000</u>
General funds				
General Funds (reserves)	105,706	99,355	(106,827)	98,234
Total Unrestricted funds	<u>125,706</u>	<u>-</u>	<u>(146,827)</u>	<u>118,234</u>
Restricted funds				
ACE Uplift Fund	6,030	43,547	(49,577)	-
Scouting For Kindness Fund	2,298	-	(2,298)	-
Martello Fund	-	5,000	(5,000)	-
Kent County Council Fund	-	10,000	(10,000)	-
Home Legacy Fund	-	1,947	(1,947)	-
Philharmonica Orchestra Fund	-	350	(350)	-
Roger De Haan Charitable Trust Fund	-	8,300	-	8,300
Canterbury City Council Fund	-	1,700	-	1,700
Thinking Differently About the Arts Fund	-	2,000	-	2,000
	<u>8,328</u>	<u>72,844</u>	<u>(69,172)</u>	<u>12,000</u>
Total of funds	<u>134,034</u>	<u>72,844</u>	<u>(215,999)</u>	<u>130,234</u>

Notes to the financial statements
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Statement of funds (continued)

The Paul Hamlyn Foundation Fund is for the development of our participatory work, creating a resource around our methodology, sharing our work and supporting core costs (salaries).

The Organisational Development Fund has been set aside to support organisational development.

The ACE Uplift Fund is to support increased community engagement, organisational capacity and a programme of research activity, including conferences and mentoring. In light of the Covid-19 pandemic, the Arts Council have decided to make the uplift grant for 2020/21 unrestricted to better support the charity.

The Scouting for Kindness Fund is for research and development work conducted by People United to assess the potential of creating a national 'Scouting for Kindness' badge, building on the success with the Girlguiding badge (618 young people across 24 international groups achieved our Girlguiding badge in 2018/19). This work was funded by a Canterbury City Council innovation grant of £3,000.

The Martello Fund is for the development and delivery of our new Arts and Kindness training programme.

The Canterbury City Council Fund is for the development of our Kind Canterbury Project.

The Roger De Haan Charitable Trust Fund is for the development and delivery of our Arts and Kindness in Schools programme, to allow us to extend this work into secondary schools/college settings, specifically in the Folkestone and Hythe District.

The Thinking Differently About the Arts Fund from Canterbury Christchurch University is for the development and delivery of our Arts and Kindness in Schools programme, to allow us to extend this work into secondary schools/college settings, specifically in the Sheppey District.

The Kent County Council Fund is a fund for the development and production of our "Navigating with Kindness" toolkit and for the delivery of a Symposium to launch our third research report and hold a national conversation about our Arts and Kindness methodology.

The Home Legacy Fund from Ashford Borough Council and the Diocese of Canterbury are for the development and delivery of legacy work for our 2018/19 commission "Home".

The Philharmonica Orchestra Fund is for the delivery of a one-day "Kind Planets" family workshop in Canterbury as part of the orchestra's residency at the Marlowe Theatre.

The Compton Verney Fund was for a 6-month artist commission developed and delivered in partnership with Compton Verney Art Gallery & Park. The commission explored the theme of "humour" and culminated in a new outdoor exhibition/art trail of eight sign-based pieces created by artist Foka Wolf.

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**Notes to the financial statements
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13. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	7,858	7,858
Current assets	8,300	161,381	169,681
Creditors due within one year	-	(1,620)	(1,620)
Total	8,300	167,619	175,919

Analysis of net assets between funds - prior year

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	4,415	4,415
Current assets	12,000	115,361	127,361
Creditors due within one year	-	(1,542)	(1,542)
Total	12,000	118,234	130,234

14. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,858 (2020 - £2,210).

15. Related party transactions

During the year, Maria Amidu, a Trustee, received £80 for commissioning a creative piece for the Navigating with Kindness series.

In the previous year, Liz Flynn, a Trustee, received £250 for a consultant fee to act as a Team leader for the work undertaken at Cheriton Lights Festival.

There were no other related party transactions.