PILOTLIGHT

England & Wales · Charity number 1059660

Details

Other names	PILOT LIGHT, PILOTLIGHT
Status	Registered
Legal form	Charitable company
Company number	03270679
Registered	1996-12-06
Register	View on the Charity Commission register

Contact

Address	5th Floor 14 Bonhill Street London
Phone	02080012636
Email	admin@pilotlight.org.uk
Website	www.pilotlight.org.uk

Activities

Objects: THE OBJECTS FOR WHICH THE CHARITY IS REGISTERED INSOFAR AS SUCH OBJECTS ARE CHARITABLE ARE:- 3.1 TO RELIEVE POVERTY; 3.2 TO PROMOTE THE EFFECTIVENESS AND EFFICIENCY OF CHARITABLE INSTITUTIONS ENDEAVOURING TO RELIEVE POVERTY, HARDSHIP, HOMELESSNESS, DISTRESS AND DEPRIVATION PARTICULARLY IN THE UNITED KINGDOM BY PROVIDING ADVICE, INFORMATION AND RESOURCES PARTICULARLY IN RELATION TO FUND-RAISING; AND 3.3 TO PROMOTE AND ENCOURAGE ANY OTHER CHARITABLE PURPOSE ANYWHERE IN THE WORLD; AND SUCH OBJECTS SHALL BE SEPARATE AND INDIVIDUAL AND NOT LIMITED BY REFERENCE TO EACH OTHER.

Activities: Pilotlight manages teams of senior business people to coach charities through the process of building measureably more sustainable efficient organisations.

Downloaded from opencharities.uk/ew/1059660

Classification

- **How:** Provides Human Resources, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, The Prevention Or Relief Of Poverty, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- **Area of benefit:** UNITED KINGDOM AND AFRICA
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,708,797	£1,705,129	£803,565	26
2023-12-31	£1,490,246	£1,684,656	£784,368	26
2022-12-31	£1,371,697	£1,548,661	£962,058	25
2021-12-31	£1,235,348	£1,356,161	£1,131,128	21
2020-12-31	£1,165,841	£1,185,222	£1,242,069	21

Downloaded from opencharities.uk/ew/1059660

Trustees

Name	Role	Appointed
Alison Mary FORRESTAL	Chair	2024-12-18
Amanda Louise Rothwell		2022-09-06
Angela Halliday		2022-09-06
Anna Moulton		2025-11-01
David Wilkinson		2025-11-01
Finia Kuhlmann		2022-09-06
Gareth Simpson		2025-11-01
Kate Cramer		2025-11-01
Katherine Theresa Stewart Mathieson		2021-03-01
Mei Li Powell		2021-03-01
Nicola Loraine Pye		2024-03-19

Downloaded from opencharities.uk/ew/1059660

PILOTLIGHT

England & Wales - Charity number 1059660

Accounts

REGISTERED COMPANY NUMBER: 03270679 (England and Wales)
REGISTERED CHARITY NUMBER: 1059660

REPORT OF THE TRUSTEES AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

FOR

PILOTLIGHT
(LIMITED BY GUARANTEE)

PILOTLIGHT
(LIMITED BY GUARANTEE)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Page
Report of the Trustees	1 to 13
Report of the Independent Auditors	14 to 16
Statement of Financial Activities	17
Statement of Financial Position	18
Statement of Cash Flows	19
Notes to the Statement of Cash Flows	20
Notes to the Financial Statements	21 to 33

PILOTLIGHT (LIMITED BY GUARANTEE) (03270679)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2024. The trustees have adopted the provisions of 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 (FRS102) (effective 1 January 2019).

OUR OBJECTIVES

While the world appears to be growing further apart, Pilotlight has spent the last 30 years refining a model to bring people from business and charity closer together.

These are different worlds and it can be difficult to sustain impactful partnerships between both. Our unique model, which is focused on creating shared and equitable value for all participants, consistently delivers impressive outcomes.

Through our carefully facilitated programmes, we have developed an outstanding reputation with business, charities and skilled-volunteers, enabling each to do more for their world.

The overlapping challenges of poverty, discrimination, insecurity and the climate emergency call for new solutions and Pilotlight is at the heart of efforts to empower partnerships and accelerate positive action.

Since 1996, by mobilising teams of business experts (we call them Pilotlighters) we have helped over 1,300 charities working for social or environmental improvement to ignite change that lasts.

This is our report of our work and progress over a year in which charities across the UK have continued to play a critical role in supporting people who are vulnerable or in need, but who are themselves facing significant challenges. Higher levels of need, more competition for fundraising, charity closures, squeezes on reserves, lower levels of overall volunteering, burnout from Chairs or Chief Executives... these are all factors that we recognise in our work with charities, meaning that just as their services are never more needed, so this is one of the most demanding of periods for a long time for the charitable sector.

The answer to this doesn't lie at the level of the individual charity, as much as they can do to organise and innovate as effectively as they can. The answer is that society needs to value more fully what charities do.

Our contribution to this is to unlock new forms of support by creating partnerships of shared value – and shared values - across business and charities. As a charity ourselves, we are inspired to play the role that we can, of bringing in expertise, support and advice, by seeing the courage and empathy that the charities that we partner have shown in their own work. As a social enterprise, working with a revenue model based primarily on earned income rather than grants, we are also inspired by the openness and entrepreneurialism of the businesses that we partner with as they seek to engage purposefully at a time of change.

These pressures are the foreground to our work and not a backdrop. They mean that our focus on organisational support, to help charities to be effective and sustainable over time is all the more compelling. As trustees, we want to thank all of our partners in the business and charity sector, all our Pilotlighters, for their participation and support and all of our staff team for what we have been able to achieve by working together.

OUR PERFORMANCE AND IMPACT

This has been another encouraging year for Pilotlight. We have seen an increase in our strategic business partnerships which has grown the number of professional volunteers - our Pilotlighters - by 20%. During the year, 1,259 Pilotlighters collaborated on 162 projects delivering strategic and operational guidance and support to 142 charities and social enterprises. Collectively, these organisations support over 11 million people across the United Kingdom.

This means that since we were founded, Pilotlight has delivered 1,588 projects of support to 1,323 charities.

We cluster the support we offer to charities under three primary service lines, engaging pro bono events, consultancy style projects and longer-term strategic coaching. In each case, we are using business experts to offer insights on way to overcome organisational challenges faced by their charity client.

In 2024, we saw a shift in our programme mix, with growth in our events and consultancy offer and a reduction in the level of our long-form programme, Pilotlight 360, which focuses on strategic coaching. Our assessment is that market demand has moved away from extended programmes and that the investment we have made in innovation around short-form programmes in line with our strategy to build partnerships with large employer has proved to be timely and of real value. Alongside this, through our work on innovation, we have started to explore options for new ways to deliver our coaching offer in future.

In 2024, we enhanced our tracking of impact made through our different programmes. For charities, for example, we evolved a framework to measure the impact of the support we give through "seven pillars of charity resilience" – a model we have adapted from original work by the Charities Aid Foundation. The support on offer to charities varies accordingly, with a focus most commonly on operational challenges, ways to improve impact, financial models and opportunities, effective leadership or work to clarify and advance the core purpose of the charity. For skilled volunteers, we developed a Learning and Development Framework, focusing on the key learning outcomes for them from their participation.

Charities serving children and young people make up around a quarter (23%) of the charities we support. Across our field of partner charities, those working to support employment, training and education (23%) and those working to promote mental health and well-being (23%) are the most common.

The majority of charities we work with are located in the most deprived areas of the UK. 83% of the charities we worked with are based in England. The regional spread of our work is assisted by our partnership with the Garfield Weston Foundation and The National Lottery Community Fund in the Midlands.

We celebrated our tenth year of partnership with the Garfield Weston Foundation on The Weston Charity Awards, which have been extended to include charities working in the field of environmental action. We are grateful to the Foundation for this partnership and in addition for its decision to support an independent evaluation of the ten years of the Weston Charity Awards. To mark this milestone, an independent evaluation of the Awards was carried out by Inside Impact which concludes that the Awards are achieving positive outcomes for both charity leaders and their organisations, with most planned outcomes still being experienced today:

- Desired outcomes for charities are overwhelmingly positive and long-lasting.
- Outcomes for charity leaders have also been overwhelmingly positive, with many still experiencing benefits.
- Almost all charity leaders (96%) reporting back said that their charity is more operationally fit as a result of the support.
- Four out of five (83%) said that the improvements are still felt to this day.
- A notable number of charities attributed increases in income, reserves, staff, reach, impact, and quality of services to the Weston Charity Awards.

Similarly, we have also worked over 2024 to understand the value that we create for business participants and for the businesses that employ them. Offering their pro-bono expertise in responding to a challenge often outside of their own field, business participants are given an opportunity to develop on their existing capabilities as a coach whilst also advancing their existing/new professional skills. This symbiotic experience of giving and gaining means that business participants also experience the benefits of exposure to new sectors, ways of thinking, and challenges in a similar way to charity participants.

As an example, we have tracked the learning and development opportunities of skills-based volunteering through a partnership with Wellington Management Company to contribute to the Wellington Leadership Development Programme with participants from around the world. The outcomes included that: 66% of those taking part from the business reported increased confidence in translating a client's vision into actionable steps;72% reported increased confidence across all problem-solving and critical thinking competencies; while 100% reported satisfaction with feeling included.

For both charity and business participants, we have seen a rise in 2024 of the satisfaction rates of participation in our programmes. With an average satisfaction rate of 4.8 for charity participants and 4.6 for business participants, both are well above the target of 4.2 set by the Board for 2024. Additionally, both groups return strong 'net promoter' scores, as to whether they would recommend the Pilotlight programme to a colleague with charity participants scoring +79 and business participants +53. Both are outstanding results compared to commercial benchmarks.

Our events programme for both has grown over the year. We ran, for example, our first World Environment Pilotlight Impact Day, hosted by Linklaters in London, the same day that in Birmingham we welcomed 22 charities to our Pilotlight 360 programme under the Weston Charity Awards. We brought our partners together in November 2024 for an enhanced annual event that we called the Pilotlight Summit, with a theme of 'empowering business to be a greater force for good'. We are grateful to the Dual Group for hosting us at this event and to our excellent panellists and chairs for the day.

There is a clear line of sight from the outcomes for individual Pilotlighters to the gains to the businesses that employ them. We were grateful to have the support of Pro Bono Economics over 2024, responding to our request for economic research on the value of volunteering. The proven business benefits of volunteering they identified included productivity gains, reduced sickness and improved well-being. In an excellent report, Triple Dividend, the authors concluded that *"workplace volunteering schemes such as those run by Pilotlight could deliver between £1.50 and £3.60 of benefits for every £1 spent."*

The return on investment of skills-based volunteering was also echoed in research published in 2024 by the Oxford University Wellbeing Research Centre. This reviewed interventions by employers tried out across 143 different organisations in the UK with a combined total of 27,932 employees. The conclusion is that wellbeing interventions fail to improve mental wellbeing, with one single, positive exception – which is where companies support their workforce around the option of volunteering.

OUR ACTIVITIES

We operate a number of pro bono programmes on a model of 'skills sharing' in which we attract people with business and organisational skills to support charity leaders – with both learning through the process. In terms of coaching, our most longstanding programme runs over a 10-month period, where four Pilotlighters collaborate to coach a charity leader and their board through the strategic challenges they face. In our consultancy programmes, there is a focus on specific challenges that charities may face, supporting them to address these and move forward with confidence. In our events programmes, our shortest offer runs over ninety minutes and involves a high energy exchange curated across a diverse range of professionals, all focused on generating ideas around a specific challenge faced by a charity.

OUR STRATEGY

The charity is working to a ten-year strategy approved by the Board in 2021. The strategy sets out that over the coming ten years, we want to make a systems change, to bring about a fundamental shift in how skills sharing is perceived and delivered to the sector, with the following vision, mission and values:

Vision

A world that is fairer and more sustainable because charities, wider social enterprises and inclusive businesses have the skills that they need to tackle disadvantage.

Mission

To facilitate and promote the sharing of professional skills to help charities help people most effectively.

Values

Our values are aligned with our vision and mission and characterise how we believe that skills sharing can work to its potential:

- We bring people together
- We believe in potential
- We expect the best

If we are successful, there will be a joined up skills based support system across the UK for charities and social enterprises. This will be a system that makes a major contribution to sustainable development goals.

Two key themes in our strategy are those of 'innovation' and 'collaboration'. In late 2024, in line with the selection of a new Chair to replace Sally Bailey who was completing her term on the Board after six outstanding years, we indicated as a Board that the charity would look to review and refresh our strategy in 2025.

OUR FINANCES

Pilotlight meets its objectives of supporting charities to increase their social impact through a business model that we have developed over time. We fund our activities principally through individual business member donations and corporate fees, the remainder through grants primarily from trusts and foundations. Pilotlight uses its income to design and deliver carefully curated projects, oriented around support for charities looking to increase their social impact, aligning the needs of the partners and supporting positive outcomes through effective project management and impact measurement. The programmes are provided to participating charities free of charge.

In 2024 grants make up around 28% of our total income with member donations and corporate income being our primary source of income. Our total income was £1,708,797. Our grant income includes support from the Garfield Weston Foundation and the National Lottery Community Fund.

Included in creditors is deferred income of £619,506 of which £414,207 is to be recognised in less than one year. Our costs were £1,705,129. Cash at bank the year end was £1,083,861.

We have continued to invest in developing our work for the future, in line with the long-term strategy. Significant financial commitments over 2024 included further improvements in our technology platform, including the integration of HubSpot as a marketing platform and improvements of our use of data building on our upgraded Salesforce instance.

The level of income is a new high for the charity and with careful cost controls, we outperformed our deficit budget set for the year and concluded with a positive out-turn. While there were ups and downs in demand for different programmes, the revenues from the growth areas more than covered any downsides.

We do recognise these changes as ones that present a different risk profile than before. Whereas running long-form programmes meant that we needed capacity across all the year, the demand for short-form programmes is more seasonal, tending to come together, such as around periods such as Volunteers Week in June. In Autumn 2024, we reviewed the operating model and made some changes to ensure we can better cope with the demand and capacity in future years, alongside a clear set of indicators to monitor ongoing performance.

Financial risks are managed as part of an overall system of risk governance with a focus on upside opportunities and not simply downside risks. This approach has underpinned for example a focus on innovation in line with the long-term strategy, with success over 2024 in the form of a new programme offer for business partners that has proved popular and impactful for both charities and businesses.

The primary financial risks over 2024 were on the income rather than the expenditure side, although like other charities, Pilotlight faces pressure to ensure that salaries remain competitive in the context of wider inflation and changes in the labour market. Charities have traditionally attracted staff because of their strengths as values-based organisations and ones that typically offered a high degree of flexibility.

Pilotlight has varied sources of income including donations from individual Pilotlighters and fees from companies who sponsor their employees' participation in our programmes. Payment from individuals is received across the full calendar year. The organisation also receives occasional grants which typically involve one or more lump sum receipts. Finally, we have in the past received ad hoc donations from private or corporate donors. We do not typically engage in open public fundraising.

Pilotlight's expenditure consists mainly of monthly salary costs and the cost of our office in London. The charity typically holds its assets in cash balances but could receive donations in the form of property, land or other forms of investment product.

OUR STRUCTURE AND GOVERNANCE

Pilotlight is a charitable company limited by guarantee, incorporated on 29 October 1996 and registered as a charity on 6 December 1996. The organisation is led by a Chief Executive Officer ("CEO"), Ed Mayo.

The company was established under a Memorandum of Association which set the objects and powers of the charitable company and is governed under its Articles of Association. A review of the legal instruments of the charity led to changes to our constitution, to bring these into line with current good practice, and these were approved by the relevant regulatory authorities in 2021.

The Board operate to an up-to-date set of governance policies and process in a Trustee Handbook and undertake in most years an annual Board Effectiveness Review led by the Chair. These take account of the recommendations of the Charity Governance Code. The policies set out reserved and delegated matters, including around Pilotlight's financial assets. The committee structure of the Board is reviewed on a regular basis, with the Finance and Risk Committee supporting the Board in relation to financial compliance and performance.

Trustees of Pilotlight's Board are required to disclose all relevant interests and register them with the Chief Executive and withdraw from decisions where a conflict of interest arises. A policy on conflicts of interest governs the handling of decisions, including where a trustee is also involved with another relevant organization with whom we may co-operate with, setting out that trustees may, under appropriate circumstances, be involved in discussions about it but not in any decision-making process. All related party transactions are disclosed in note 26 to the accounts.

The Handbook forms a key element of our system of trustee induction, alongside a structured programme of engagement in our work and for meeting people within the staff team.

New members of the Trustee Board are instructed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association and the decision-making process by other members of the Committee. This forms part of a structured approach to the induction of new trustees and for the ongoing development of all trustees. Training topics completed by the Board included sessions around social media and reputation risks, research on skilled volunteering good practice and the duties of Directors. Alongside this, trustees have access to the regular governance bulletins of NCVO, the national association for voluntary organisations.

The Treasury and Investment Policy sets out the charity's approach to the management of its funds and its liquidity requirements in this context. In line with this, the charity is active in the context of social investment, participating in two social venture capital funds operated by Bridges – the Bridges Social Impact Bond Fund and the Bridges Social Outcomes Fund II. We monitor the financial performance of these, aware of the risk that social investment has faced in an uncertain economy. These are considered to be a way of generating both financial and social returns, in line with our charitable objects. These two funds have a net book value of £81,478. The Social Impact Bond is in a liquidation phase, so no further drawdowns are expected in relation to this. The charity has no funds in the form of investment assets overseas. The investment period for the Social Outcomes Fund II runs to June 2025.

The Reserves Policy sets out that the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should as a target be around 6 months of running costs. We are currently operating in line with this level, but not more. In addition to our deferred revenue balances, the Board feels that this would enable the funding of working capital, provide resources against unforeseen circumstances, and support new growth projects, in line with our strategy. In the event of a significant drop in funding, it would be necessary to consider how the funding would be replaced or activities changed. Unrestricted reserves in 2024 increased by £19,197 to £803,565.

The Trustee Board oversees the charity and meets around four times a year, with additional committee and working group meetings where required. The Chair of the Board is Sally Bailey (to December 2024) and the Vice Chairs are Fiona Rodford and Mei Li Powell. Mei Li Powell is Treasurer and Chair of the Finance and Risk Committee. Fiona Rodford is Chair of the People and Culture Committee and Chair of the Nominations Committee, a committee formed on a time limited basis when there is a governance recruitment need. Peter Moss (to December 2024) is Chair of the Innovation Committee, being replaced in this role by Katherine Mathieson.

We express our deep gratitude and profound respect to our outgoing Chair, Sally Bailey, along with fellow trustee Peter Moss, both of whom have completed their term of appointment as trustees, in line with our Articles. The Board appointed Nicola Pye as trustee in March 2024, to complement the skills on the Board with the addition of her knowledge of the field of learning and development. Following a careful recruitment process, with the support of search firm Eton Bridge, the Board approved the appointment of Alison Forrestal as trustee from December 2024 and the new Chair of Pilotlight following the resignation of Sally. Alison was able to observe the Board and participate in an induction programme in late 2024 in preparation for this.

The CEO is appointed by the Board to manage the day-to-day operations of the charity. The CEO, Ed Mayo, is supported by a Leadership Team that includes Mel Whitney-Long (Head of Operations), Sam Matthews (Head of Delivery) and Tom Leavesley-Matthews (Head of Partnerships). Mila Evanics (Head of Charities and Impact) served as a member of the Leadership Team until November 2024.

The Board oversees a framework for the appropriate governance of risk, including a Risk Register, risk controls and mitigation and regular management and Board scrutiny of relevant risks.

Our governance approach includes a consideration of our risk appetite. As an entrepreneurial charity for whom the majority of our income is earned through our activities, we know that risk and opportunity go hand in hand and in the context of our goals for the charity, expressed in our ten year strategy, we look to take positive, calculated risks in order to ensure that we minimise the larger risk of failing to achieve our overall goals. In this context, we are also grateful therefore to have support from the MIVA Foundation over three years to support innovation in our efforts to help charities to scale their impact.

In terms of downside risks, 2024 saw uncertainty in economic conditions and the highest risk for the charity was perceived to be a loss of income. Other risks have included failure to recruit the right charities (leading to an inability to fulfil our mission and commitments) and reputational risks in the scenario of adverse publicity. The latter reflects in part the way in which social media has become more polarised. Looking forward, given the continued economic uncertainty, we expect to continue to be operating in a relatively high-risk environment, in which innovation may be of particular value.

The pay of all staff, including senior staff, is reviewed annually and a pay pot is set for increases in remuneration across staff where required, in line with an overall pay policy agreed by the Board. The Trustee Board benchmarks against pay levels in other voluntary sector organisations of a similar size and uses information from annual sector pay surveys to inform their decision-making.

We are conscious that the current conditions in the economy, society and state of the environment are ones that continue to be challenging when it comes to people's mental health and we keep a close eye on this for our staff through the ongoing work of the People and Culture Committee. Staff sickness was a key performance indicator for2024 and we fell just short of our goal to keep sickness absence below 1.5%.

The charity conducted an annual staff survey in 2024, the results of which are considered by the People and Culture Committee and reported to the Board. Compared to previous surveys, the results were more mixed. The statements which achieved the highest average ratings in the staff survey, *'I feel that there is someone in the organisation I can go to if I have a problem', 'I am treated with fairness and respect', 'I am proud to work for Pilotlight'* and *'I feel comfortable and accepted as part of the Pilotlight team'*. Statements achieving lowest average ratings were *'Communication between different teams is effective'* and *'I feel I am being paid a fair amount for the work I do'.*

Following careful consultation and co-design with staff, the Board also approved the running of a trial by Pilotlight of a Reduced Hours Working Week, running from July – December 2024. The core idea of this was to improve well-being and staff retention by enabling staff to work reduced hours at full pay while maintaining full productivity. To assess the results, we used a range of indicators, including productivity, performance, employee well-being, and operational efficiency.

The results speak to the positive impact the approach had on work culture, the perception of Pilotlight as a progressive employer and the impact on productivity specifically. At a team level, for example, staff viewed all indicators (communication, collaboration, culture, productivity in process and productivity in outcomes) as having improved as compared with the period before the trial. The trial also had a positive impact on staff retention, as measured through staff turnover and estimates of the value that staff place on reduced hours working. The results, according to staff, were to make for a more empowering and effective work environment, reinforcing that Pilotlight has become both a 'nicer' and a 'better' place to work. Staff wellbeing improved and 100% of the staff team responded that they felt that the way of working should continue.

The Trustee Board has had due regard to the Charity Commission guidance on public benefit and has complied with the duty in section 17 of the Charities Act 2011.

For completeness, we would add that there are no exemptions from disclosure or funds held as a custodian trustee on behalf of others that are applicable to the charity.

DIVERSITY, EQUITY AND INCLUSION (DEI)

The charity has made a commitment to champion anti-racism and promote Diversity, Equity and Inclusion (DEI) in its work. We see this as a sustained process of commitment and learning through action. Within the UK charity sector and in collaboration with the business sector, we recognise that we are operating in a context of overlapping and multi-generational challenges of power inequalities, racism and injustice. To be part of changing that requires us to operate as a community in ways that shift power and dismantle privilege.

We have an active programme of action on DEI, with targets for progress operating over time. Two trustees act as DEI champions (Katherine Mathieson and Finia Kuhlmann), in liaison with the Leadership Team and a staff DEI Committee.

Pilotlight is recipient of a Silver Award under the Inclusive Employers Standard, awarded by an independent accreditation body.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

The Board recognises the value of tracking how the charity interacts with the natural environment, with society as well as our governance. The core focus of the charity is to achieve social impact and we see that our current work contributes to five United Nations Sustainable Development Goals: 1—no poverty; 5—gender equality; 10—reduced inequalities; 11—sustainable cities and communities; 17—partnership for the goals. We consider the environmental and social impact of our operations, including working to an agreed Climate Emergency Policy and promoting actions such as around greening our office in London. Alongside this, we have extended our work to provide support for environmental charities. Our World Environment Day event marked the launch, following extensive research and piloting, of the first UK pro bono environmental programme, bringing professional skills to support the work of environmental charities.

OUR FUTURE PLANS

The Board approved in November 2024 an Operational Plan and budget for Pilotlight for our work in 2025 as part of a longer-term strategy and objectives.

The 2025 Operating Plan includes a set of Key Performance Indicators, including: forecast surplus (on budget or better); 90% partner business retention rate; net promoter scores of 60 or above; and staff who feel supported if they are facing challenges.

Integrated with the Operational Plan for the year are a suite of key initiatives intended to take our work forward in line with our strategy. These include: a test project on fundraising from trusts and foundations; a review of our marketplace; supporting the Board to refresh the strategy to 2030; a brand refresh; trialling project management software and the use of Artificial Intelligence (AI) as a tool in our work.

OUR FUTURE PLANS (continued)

Under the strategic theme of collaboration, Pilotlight will continue to build on key partnerships over the year ahead. The Weston Charity Awards are run in partnership with Garfield Weston Foundation. One further partnership is the UK Pro Bono Association, which is an informal collaborative network which serves as a welcome learning network for those in the field. The CEO, Ed Mayo, is also a member of the steering group for a new coalition of infrastructure organisations for the voluntary sector, the Civil Society Group. This supplements the work of NCVO, the national association of which the charity is also a member.

The risks that we foresee for the year mirror the risks that we have experienced in 2024. These include the impact of wider economic conditions on the partnerships with business and charities that we look to curate. We can see that conditions are challenging for charities, with greater competition for funding and a higher level of closures reported. With new business partners, we need to understand and build positive collaboration, so that these can become longstanding partnerships of value. There are technology risks too, with a continuing risk around cyber security but emerging risks too, such as if we fail to take appropriate advantage of AI as we look to run our operations effectively. The theme of 'achieving sustainable impact' is the motto for our 2025 Operational Plan, to ensure that we are operating in an effective way, generating compelling results for our partners.

In line with the objectives of our ten-year strategy, which commenced in 2021, the Board has agreed a set of strategic objectives for the charity for the period up to the end of 2026. Of these, we have moved into financial balance in 2024 one year earlier than planned, while in terms of innovation, targets include that by the end of 2026, learning and development is over 30% of earned income, while sustainability is over 20% of earned + grant income. In 2025, the Board will review and refresh the strategic goals set for the charity to achieve by 2030.

OUR REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03270679 (England and Wales)

Registered Charity number

1059660

Scottish Charity Registration Reference

SC038844

Registered office

5th Floor, 14 Bonhill Street, London EC2A 4BX

Principal address

5th Floor, 14 Bonhill Street, London EC2A 4BX

Trustees

S F Bailey (Chair, resigned 18/12/24)
AM Forrestal (Chair, appointed 18/12/24)
F M Rodford (Vice Chair)
M L Powell (Treasurer, Vice Chair)
A Halliday
F Kuhlmann
O S W Lloyd
K T S Mathieson
P D Moss (resigned 18/12/24)
N L Pye (appointed 19/03/24)
A L Rothwell
F Siddiqui

Auditors

Hartley Fowler LLP Statutory Auditors Chartered Accountants 4th Floor Tuition House 27-37 St George's Road Wimbledon London SW19 4EU

Bankers

HSBC Weybridge Commercial Centre Church Street Weybridge Surrey KT13 8DF

Solicitors

Anthony Collins Solicitors, 134 Edmund Street, Birmingham, B3 2ES

Chief Executive Officer and Company Secretary

Mr E Mayo

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of charitable company (Limited by guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Approved by order of the board of trustees on 17 June 2025 and signed on its behalf by:

M L Powell - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF PILOTLIGHT (LIMITED BY GUARANTEE)

Opinion

We have audited the financial statements of Pilotlight (Limited by guarantee) (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

-the nature of the industry and sector, control environment and the charities activities;

-results of our enquiries of management about their own identification and assessment of the risks of irregularities;

-any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non -compliance;

- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;

- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in. The key laws and regulations we considered in this context included the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006, UK Companies Act and tax legislation.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

As a result of performing the above, we did not identify any key matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provision of relevant laws and regulations described as having a direct effect on the financial statements;

-enquiring of management concerning actual and potential litigation and claims;

-performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

-reviewing minutes of meetings of those charged with governance, reviewing internal reports, and

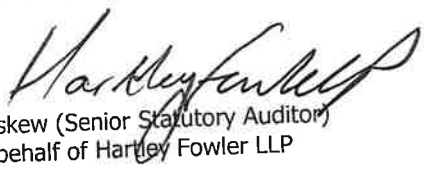
-in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale for any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Askew (Senior Statutory Auditor)
for and on behalf of Hartley Fowler LLP
Statutory Auditors
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
4th Floor Tuition House
27-37 St George's Road
Wimbledon
London
SW19 4EU

18 June 2025

PILOTLIGHT
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	185,215	-	185,215	255,585
Charitable activities	6				
Providing business support to UK charities		981,415	482,886	1,464,301	1,222,503
Other trading activities	4	2,570	-	2,570	-
Investment income	5	56,711	-	56,711	12,158
Total		1,225,911	482,886	1,708,797	1,490,246
EXPENDITURE ON					
Raising funds	7	35,989	-	35,989	41,951
Charitable activities	8				
Providing business support to UK charities		1,186,254	482,886	1,669,140	1,642,705
Total		1,222,243	482,886	1,705,129	1,684,656
Net gains on investments		15,529	-	15,529	16,720
NET INCOME/(EXPENDITURE)		19,197	-	19,197	(177,690)
RECONCILIATION OF FUNDS					
Total funds brought forward		784,368	-	784,368	962,058
TOTAL FUNDS CARRIED FORWARD		803,565	-	803,565	784,368

The notes form part of these financial statements

PILOTLIGHT
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Intangible assets	15	65,450	65,494
Tangible assets	16	16,155	46,897
Investments	17	81,478	102,297
		163,083	214,688
CURRENT ASSETS			
Debtors	18	264,166	195,308
Cash at bank		1,083,861	1,475,625
		1,348,027	1,670,933
CREDITORS			
Amounts falling due within one year	19	(502,246)	(559,187)
NET CURRENT ASSETS		845,781	1,111,746
TOTAL ASSETS LESS CURRENT LIABILITIES		1,008,864	1,326,434
CREDITORS			
Amounts falling due after more than one year	20	(205,299)	(542,066)
NET ASSETS		803,565	784,368
FUNDS	23		
Unrestricted funds		803,565	784,368
TOTAL FUNDS		803,565	784,368

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

The financial statements were approved by the Board of Trustees and authorised for issue on 17 June 2025 and were signed on its behalf by:

M L Powell - Trustee

The notes form part of these financial statements

PILOTLIGHT
(LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	(463,126)	(500,548)
Net cash used in operating activities		(463,126)	(500,548)
Cash flows from investing activities			
Purchase of intangible fixed assets		(18,070)	(19,869)
Purchase of tangible fixed assets		(3,627)	(8,127)
Purchase of fixed asset investments		(3,729)	(8,336)
Sale of fixed asset investments		40,077	84,333
Interest received		56,711	12,158
Net cash provided by investing activities		71,362	60,159
Cash flows from financing activities			
Loan repayments in year		-	(2,556)
Net cash provided by/(used in) financing activities		-	(2,556)
Change in cash and cash equivalents in the reporting period		(391,764)	(442,945)
Cash and cash equivalents at the beginning of the reporting period		1,475,625	1,918,570
Cash and cash equivalents at the end of the reporting period		1,083,861	1,475,625

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	19,197	(177,690)
Adjustments for:		
Depreciation charges	52,483	50,747
Gain on investments	(15,529)	(16,720)
Interest received	(56,711)	(12,158)
Decrease in fixed asset investments	-	79,232
Increase in debtors	(68,858)	(28,260)
Decrease in creditors	(393,708)	(395,699)
Net cash used in operations	(463,126)	(500,548)

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/24 £	Cash flow £	At 31/12/24 £
Net cash			
Cash at bank	1,475,625	(391,764)	1,083,861
	1,475,625	(391,764)	1,083,861
Total	1,475,625	(391,764)	1,083,861

The notes form part of these financial statements

1. GENERAL INFORMATION

The charitable company is incorporated and domiciled in England and Wales. The address of its registered office is 5th Floor, 14 Bonhill Street, London EC2A 4BX. The registered number of the company is 03270679. The registered number of the charity is 1059660. The Scottish registered number of the charity is SCO38844.

The financial information presented is for the year ended 31 December 2024 and 31 December 2023. The financial information is presented in sterling.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006, The Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 (as amended). The financial statements have been prepared under the historical cost convention.

a) Preparation of the accounts on a going concern basis

The financial statements have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves, the financial position, future plans and the expected level of income and expenditure for 12 months from authorising these financial statements.The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

b) Significant judgements and estimates.

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

(i) Deferred income. This represents corporate membership income and grant income that relates to future accounting periods.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Corporate membership income is deferred and only released to the Statement of Financial Activities over the period to which the membership relates.

Voluntary income is received by way of grants, donations and gifts, including gift aid income where applicable, and is included in full in the statement of financial activities when receivable. Income from grants, where related to performance and specific deliverables, is accounted for when it is probable that the income will be received and amount can be measured reliably. Where conditions are imposed that must be met before the charity has unconditional entitlement, the income is deferred and not included in income until the pre-conditions for use have been met.

Gifts in kind are included at the estimated monetary value to the charity. Where services are provided to the charity as a donation that would normally be purchased, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity.

Donated assets are recognised at current fair value. The donated asset is recognised as donation income and debited to fixed asset investments.

Investment Income - Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity.

2. ACCOUNTING POLICIES - continued

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds
Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Governance costs
Since there is no direct cost to holding Trustee Board meetings and no Trustee Board expenses are reimbursed, governance costs only include statutory audit fees.

Website development costs
Website development costs are capitalised only if they are reliably measurable, the product is technically feasible, it is probable that future economic benefits will be generated, and the charity has the intention and sufficient resources to complete the development.

Website development costs are amortized by the straight-line method over their estimated useful life, of five years, from the day on which the website became available for use.

Customer Relationship Management (CRM) development costs
CRM development costs are capitalised only if they are reliably measurable, the product is technically feasible, it is probable that future economic benefits will be generated, and the charity has the intention and sufficient resources to complete the development.

CRM development costs are amortized by the straight-line method over their estimated useful life, of five years, from the day on which the software became available for use.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

All capital items are capitalised and a full year's depreciation is charged on a monthly basis from the date of purchase.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows;

Office Equipment - over 3 or 5 years.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. ACCOUNTING POLICIES - continued

Fixed asset investments
Fixed asset investments comprise two funds:
(i) The Bridges Social Impact Bond Fund, and
(ii) The Bridges Social Outcomes Fund II.

The Investments in the Funds are initially recognised at transaction value and subsequently measured at fair value as at the balance sheet date. The Funds are valued at the fair value of the net assets. Distributions from the Funds are a return of capital and disclosed as a disposal in the fixed asset investment note.

The statement of financial activities includes the net gains and losses on revaluation and disposals during the year.

Cash at bank
Cash at bank includes bank deposit accounts 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.

Debtors
Trade and other debtors are recognised at the settlement amount due. Prepayments are recognised at the invoiced cost prepaid.

Creditors
Creditors are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at the settlement amount.

Impairment
Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

3. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations - Individuals and Trusts	185,215	255,585

4. OTHER TRADING ACTIVITIES

	2024	2023
	£	£
Other income	2,570	-

5. INVESTMENT INCOME

	2024	2023
	£	£
Deposit account interest	56,711	12,158

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2024	2023
		£	£
Corporate Contract Income	Providing business support to UK charities	985,415	808,204
Grants	Providing business support to UK charities	478,886	414,299
		1,464,301	1,222,503

Grants received, included in the above, are as follows:

	2024	2023
	£	£
The Garfield Weston Foundation	336,766	323,367
The National Lottery Community	90,120	90,932
Miva Foundation Grant	50,000	-
	476,886	414,299

7. RAISING FUNDS

Raising donations and legacies

	2024	2023
	£	£
Consultancy fees	35,989	41,951

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9)	Support costs (see note 10)	Totals
	£	£	£
Providing business support to UK charities	1,264,203	404,937	1,669,140

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2024	2023
	£	£
Staff costs	1,245,419	1,230,662
Travel	18,784	25,174
	1,264,203	1,255,836

10. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Providing business support to UK charities	398,387	6,550	404,937

Support costs, included in the above, are as follows:

Management

	2024 Providing business support to UK charities	2023 Total activities
	£	£
Rent and office costs	167,333	173,381
Insurance	8,073	6,791
Telephone	9,865	8,375
Sundries	22,116	28,239
Recruitment costs	32,032	11,289
Legal and professional fees	77,983	73,004
Financial outsourcing	25,934	26,217
Bank charges	2,568	1,976
Amortisation of intangible fixed assets	18,114	10,970
Depreciation of tangible and heritage assets	34,369	39,777
	398,387	380,019

Governance costs

	2024 Providing business support to UK charities	2023 Total activities
	£	£
Auditors' remuneration	5,150	5,000
Auditors' remuneration for non audit work	1,400	1,850
	6,550	6,850

11. NET INCOME/(EXPENDITURE)

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

	2024	2023
	£	£
Auditors' remuneration	5,150	5,000
Auditors' remuneration for non audit work	1,400	1,850
Depreciation - owned assets	34,369	39,777
Development costs amortisation	18,114	10,970
Operating leases	82,021	82,012

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2024 nor for the year ended 31 December 2023.

Trustees' expenses

One trustee received reimbursement of £74 for travel expenses during the period (2023: £nil).

13. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	1,084,986	1,070,683
Social security costs	113,714	113,414
Other pension costs	46,719	46,565
	1,245,419	1,230,662

The average monthly number of employees during the year was as follows:

	2024	2023
Charity Work	26	26

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
£60,001 - £70,000	2	-
£90,001 - £100,000	1	1
	3	1

During the year redundancy payments of £22,336 (2023 £nil) were made by the charity and are included in staff costs.

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	255,585	-	255,585
Charitable activities			
Providing business support to UK charities	808,204	414,299	1,222,503
Investment income	12,158	-	12,158
Total	1,075,947	414,299	1,490,246
EXPENDITURE ON			
Raising funds	41,951	-	41,951
Charitable activities			
Providing business support to UK charities	1,221,756	420,949	1,642,705
Total	1,263,707	420,949	1,684,656
Net gains on investments	16,720	-	16,720
NET INCOME/(EXPENDITURE)	(171,040)	(6,650)	(177,690)
RECONCILIATION OF FUNDS			
Total funds brought forward	955,408	6,650	962,058
TOTAL FUNDS CARRIED FORWARD	784,368	-	784,368

15. INTANGIBLE FIXED ASSETS

	Development costs £
COST	
At 1 January 2024	83,120
Additions	18,070
At 31 December 2024	101,190
AMORTISATION	
At 1 January 2024	17,626
Charge for year	18,114
At 31 December 2024	35,740
NET BOOK VALUE	
At 31 December 2024	65,450
At 31 December 2023	65,494

15. INTANGIBLE FIXED ASSETS - continued

(i) Development costs of £30,720 incurred in 2021 related to the development of the charity's website which came into operation in December 2021.The trustees' consider that the useful estimated life of the website is five years.

(ii) Development costs of £32,531 incurred in 2022 and £16,869 incurred in 2023 related to the development of the charity's CRM software which came into operation in July 2023.The trustees' consider that the useful estimated life of the CRM software is five years.

(iii) Development costs of £3,000 incurred in 2023 relating to further development of the charity's software will be effective in 2024 when the costs will be amortised over the useful estimated life.

(iv) Development costs of £18,070 incurred in 2024 relating to further development of the charity's software will be effective in 2025 when the costs will be amortised over the useful estimated life.

16. TANGIBLE FIXED ASSETS

	Office equipment £
COST	
At 1 January 2024	235,659
Additions	3,627
At 31 December 2024	239,286
DEPRECIATION	
At 1 January 2024	188,762
Charge for year	34,369
At 31 December 2024	223,131
NET BOOK VALUE	
At 31 December 2024	16,155
At 31 December 2023	46,897

17. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 January 2024	102,297
Additions	3,729
Disposals	(40,077)
Revaluations	15,529
At 31 December 2024	81,478
NET BOOK VALUE	
At 31 December 2024	81,478
At 31 December 2023	102,297

There were no investment assets outside the UK.

Pilotlight have invested into 2 funds:

17. FIXED ASSET INVESTMENTS - continued

(I) Bridges Social Impact Bond Fund - In March 2018 Pilotlight became in limited partner in this fund. At the year end Pilotlight had an unfunded commitment of £79,232 (2023 £79,232). The market value of Bridges Social Impact Fund LP at 31 December 2024 was £5,350 (2023 £23,108) as per the valuation disclosed in the audited financial statements for the period 1 April 2022 to 12 March 2023 (the termination date) less subsequent drawdowns. This fund is in the process of an orderly liquidation. The market value excludes the unfunded commitment.

(ii) Bridges Social Outcomes Fund II- In March 2019 Pilotlight became in limited partner in this fund. At the year end Pilotlight had an unfunded commitment of £122,294 (2023 £126,022). The market value of Bridges Social Outcomes Fund II at 31 December 2024 was £76,131 (2023 £87,203) as per the valuation disclosed in the audited financial statements for the year ended 31 December 2024.The market value excludes the unfunded commitment.

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Other debtors	69,576	39,163
Membership debtors	111,748	101,408
VAT	8,310	1,483
Accrued income	14,413	-
Prepayments	60,119	53,254
	264,166	195,308

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	29,846	7,414
Social security and other taxes	8,546	28,824
Other creditors	5,136	7,419
Deferred income	414,207	486,038
Accrued expenses	44,511	29,492
	502,246	559,187

	2024	2023
	£	£
Deferred Income		
Balance at 1 January 2024	486,038	429,275
Deferred income - amounts falling due after more than one year (transferred)	336,767	336,767
Amounts deferred in the year	77,438	149,271
Amounts released to income	(486,036)	(429,275)
Balance at 31 December 2024	414,207	486,038

Deferred income at 31 December 2024 consists of £78,782 (2023 £99,271) corporate income and £335,425 (2023 £386,767) grant income which relates to the year ended 31 December 2025.

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Deferred income	205,299	542,066

	2024	2023
	£	£
Deferred Income		
Balance at 1 January 2024	542,066	878,833
Deferred income - amounts falling due within one year (transferred)	(336,767)	(336,767)
Balance at 31 December 2024	205,299	542,066

In 2022 Garfield Weston awarded Pilotlight a grant of £1,000,000 to be spread over three years towards the partnership between Garfield Weston and Pilotlight on the Weston Charity Awards.

21. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024	2023
	£	£
Within one year	108,568	64,318
Between one and five years	66,686	166,404
	175,254	230,722

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2024 Total funds	2023 Total funds
	£	£	£	£
Fixed assets	81,605	-	81,605	112,391
Investments	81,478	-	81,478	102,297
Current assets	807,311	540,716	1,348,027	1,670,933
Current liabilities	(166,829)	(335,417)	(502,246)	(559,187)
Long term liabilities	-	(205,299)	(205,299)	(542,066)
	803,565	-	803,565	784,368

Comparatives for 2023 net assets between funds

	Unrestricted funds	Restricted funds	2023 Total funds
	£	£	£
Fixed assets	112,391	-	112,391
Investments	102,297	-	102,297
Current assets	742,100	928,833	1,670,933
Current liabilities	(172,240)	(386,767)	(559,187)
Long term liabilities	-	(542,066)	(542,066)
	784,368	-	784,368

23. MOVEMENT IN FUNDS

	At 1/1/24 £	Net movement in funds £	At 31/12/24 £
Unrestricted funds			
General fund	784,368	19,197	803,565
TOTAL FUNDS	784,368	19,197	803,565

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,225,911	(1,222,243)	15,529	19,197
Restricted funds				
The National Lottery Community Fund	96,120	(96,120)	-	-
The Garfield Weston Foundation	336,766	(336,766)	-	-
Miva Foundation	50,000	(50,000)	-	-
	482,886	(482,886)	-	-
TOTAL FUNDS	1,708,797	(1,705,129)	15,529	19,197

Comparatives for movement in funds

	At 1/1/23 £	Net movement in funds £	At 31/12/23 £
Unrestricted funds			
General fund	955,408	(171,040)	784,368
Restricted funds			
Pro Bono/Oak Foundation	6,650	(6,650)	-
TOTAL FUNDS	962,058	(177,690)	784,368

23. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,075,947	(1,263,707)	16,720	(171,040)
Restricted funds				
Pro Bono/Oak Foundation	-	(6,650)	-	(6,650)
The National Lottery Community Fund	90,932	(90,932)	-	-
The Garfield Weston Foundation	323,367	(323,367)	-	-
	414,299	(420,949)	-	(6,650)
TOTAL FUNDS	1,490,246	(1,684,656)	16,720	(177,690)

Restricted Funds

(i) The Garfield Weston Foundation. Supporting Pilotlight and charities in the Midlands, North-East, North-West of England and Wales through the Weston Charity Awards. See the note on deferred income for more details.

(ii) The National Lottery Community Fund. To establish a sustainable presence for Pilotlight in Birmingham, enabling charities in the area to access its highly managed capacity building programmes and to build sustainable local support networks between charities and businesses.

(iii) The Miva Foundation. A three year initiative in partnership with the MIVA Foundation for a new post to allow Pilotlight to extend and broaden its support over time for selected charities identified as having high potential to scale impact.

(iv) Pro Bono Economics / Oak Foundation: Providing specialist skills for 10 housing and homelessness charities in Oak Foundation's portfolio of grantees.

24. EMPLOYEE BENEFIT OBLIGATIONS

Pilotlight operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. At 31 December 2024 £5,459 (2023 £5,407) was payable to the fund and is included in creditors.

25. OTHER FINANCIAL COMMITMENTS

(I) Bridges Social Impact Bond Fund - At the year end Pilotlight had an unfunded commitment of £79,232 (2023 £79,232).

(ii) Bridges Social Outcomes Fund II - At the year end Pilotlight had an unfunded commitment of £122,924 (2023 £126,022).

26. RELATED PARTY DISCLOSURES

Key management compensation

	2024	2023
	£	£
Salaries and other short-term benefits	372,225	359,312
Post-employment benefits	17,918	14,396
	390,143	373,708

Key management includes certain senior employees who have authority and responsibility for planning and controlling the activities of the charity.

During the year trustees made donations of £2,563 (2023 £7,093).

27. COMPANY LIMITED BY GUARANTEE

The charity is limited by guarantee and has no share capital. The liability of each member is determined by the Articles of the charity and shall not exceed £1. There were 10 members as at 31st December 2024 (2023: 10).

PILOTLIGHT

England & Wales - Charity number 1059660

Accounts

REGISTERED COMPANY NUMBER: 03270679 (England and Wales)
REGISTERED CHARITY NUMBER: 1059660

REPORT OF THE TRUSTEES AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

FOR

PILOTLIGHT
(LIMITED BY GUARANTEE)

PILOTLIGHT
(LIMITED BY GUARANTEE)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Page
Report of the Trustees	1 to 12
Report of the Independent Auditors	13 to 16
Statement of Financial Activities	17
Statement of Financial Position	18
Statement of Cash Flows	19
Notes to the Statement of Cash Flows	20
Notes to the Financial Statements	21 to 32
Detailed Statement of Financial Activities	33

PILOTLIGHT (LIMITED BY GUARANTEE) (03270679)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions of 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 (FRS102) (effective 1 January 2019).

OUR OBJECTIVES

Pilotlight is a charity to help charities. We amplify the impact that charities, business and individuals can bring to make a better world. Since 1996, by mobilising teams of business experts (we call them Pilotlighters) we have helped over 1,000 charities who tackle social disadvantage to ignite change that lasts.

This is our report of our work and progress over a year in which charities have played a critical role in supporting people in need in a challenging environment. We are inspired to play the role that we can, of bringing in expertise, support and advice, by seeing the courage and empathy that charities have shown in their own work.

The context for charities is one that we have characterised as a 'scissors effect', in which charities face rising demand for their services and support but have falling levels of income to bring to bear. Over 2023, the income squeeze was notable, in part a tightening of the supply of grants from foundations, after more liberal giving during the pandemic, and in part, a squeeze on contracts from the state, given the pressures faced by local government in particular. In some cases such as mental health, this has meant that charities are having to operate as if they were a fourth emergency service, with more acute cases coming through and without the full support and recognition that they would need to sustain this. Levels of formal and informal volunteering too, so vital to the work of charities, is in decline.

The experience of charities over the year of course has varied, with some bucking the trends and some progressing innovations that they introduced during the time of the pandemic – indeed one of the most common requests for support from charities to Pilotlight over the year was help with business planning and efforts to diversify income. However, the cost of living crisis over the year had an effect on all charities across the sector. This reduced the purchasing power of their hard-won income as charities faced rises in input costs, including energy, and challenges then in terms of funding pay awards for staff.

What holds for the charity sector as a whole also holds in part for Pilotlight. We experienced a year in which our income grew, but fell short of our plans for growth, with the effect of reducing our reserves through a larger than planned deficit for the year. The uncertain state of the economy translated into a number of our programmes that were expected to proceed being deferred or cancelled as our partner businesses responded themselves to market challenges. This was the case for certain sectors that were relatively more exposed to economic risks, including financial services and property.

At the same time, there was encouragement for us for the future in attracting a record number of new businesses signing up to take part in our programmes. Helpfully, these were from a wider range of economic sectors, helping also to diversify our portfolio of partner businesses. We now have 30 partner businesses (up from 28 in 2022), alongside a key group of individual Pilotlighters. While these new opportunities often start small and partnerships take time to nurture, as a result, by the end of 2023, we had worked with a record number of Pilotlighters, supporting in turn a record number of charities.

All these pressures on charities and those that they serve mean that our focus on organisational support, to help charities to be effective and sustainable over time is all the more compelling. We want to thank all of our partners in the business and charity sector, all our Pilotlighters, for their participation and support for what we have been able to contribute to this.

OUR PERFORMANCE AND IMPACT

We exist to amplify the impact that charities, business and individuals can bring to the world. We do this by bringing charities together with business and business experts who can tackle the pressing issues charities are facing. We do this by managing the relationship between business and charities to maximise the impact they bring. We do this by helping individuals apply their expertise to those who need it, and to grow their own skills as part of a team of advisors.

We increase the impact of individuals by bringing them new experiences, perspectives and learning. We increase the impact of organisations by exposing their talent to new situations and challenges. We increase the impact of charities by giving them the expertise and resources they need. As a result we amplify the good work that's done in the world.

This has been an encouraging year for Pilotlight in terms of new highs for both the number of Pilotlighters supported and the total number of projects. In 2023, Pilotlight worked with 1,059 Pilotlighters on 165 projects, delivering support to 155 charities. In 2020, we were working with 750 Pilotlighters, which gives a sense of the positive trajectory in our work and impact over time.

Some of our projects are in support of charities that may have received support before, so we were delighted to complete an audit of our delivery over time. Since 1996, Pilotlight has delivered 1,426 projects to over eleven hundred charities. We were able therefore to identify the charity that was the 1,000th charity to benefit from our support. This was Interplay, a Swansea based charity providing access to play and leisure opportunities for children and young people with additional needs aged 2-25. It runs weekly term time play provision, youth clubs, summer schemes and residentials.

Pip Dimmock, the Manager, joined Interplay in 2013 as a Project Coordinator and stepped into the Manager role in 2017. She navigated Interplay through several funding crises when the organisation came close to closing.

The Pilotlighters acted as guides and sounding boards during this process, sharing tools they use in their businesses to facilitate conversation between Pip, the staff and trustees. They encouraged Pip to prioritise, delegate and have faith in her judgement and skill as a manager and practitioner.

Pip said that *"I couldn't see myself as a Manager. When I saw the descriptions of the Pilotlighters I was afraid I would come across as stupid. They made me feel exactly the opposite, they made me realise what I already knew. They made me feel I was the best person Interplay could have had. Thank you to the Pilotlighters for their patience and understanding and for helping me to see the wood for the trees."*

One of the Pilotlighters, Gurjinder Sembhi, commented that *"what stood out for me was Pip's perseverance, a lot of people would have walked away and that has been a personal lesson. She has stuck with it and taken trustees and staff with her. Pip has gone from being a doer to a leader."*

Interplay was supported through our longstanding Pilotlight 360 programme, which continues to be our most used support offer for charities. However, over the last five years, as a result of our strategy set in 2021, which targeted partner businesses as a focus for growth, we have seen an increase in the number of short-form programmes that address specific challenges that charities face.

Charities serving children and young people, such as Interplay, make up around a quarter (27%) of the charities we support. Across our field of partner charities, those working to support well-being and mental health across vulnerable groups again make up around a quarter (28%) of our partners.

The majority of charities we work with are located in the most deprived areas of the UK. 129 of the charities we worked with are based in England. The regional spread of our work is assisted by our partnership with the Garfield Weston Foundation and The National Lottery Community Fund in the Midlands. The Weston Charity Awards were run in partnership in 2023 with the Garfield Weston Foundation for the tenth year and extended to include charities working in the field of environmental action.

98 of the charities we supported are in the 'medium' designation of £100,000-£1m pa income bracket. The average income of our partner charities (if we exclude the outliers with income over £10m) is £1,839,412.64.

Over the year, we reviewed our theory of change and drawing on this, have overhauled our approach to data collection and reporting system around the impact of its work. This data collection will start from early 2024, allowing us new opportunities to learn from and report on our work and impact in future.

One element of impact that we focused on over the course of the year was to understand the difference that it makes for people to be Pilotlighters on our programmes. We had always recognised the benefits for charities – one charity leader said that for her, involvement with Pilotlight had been "the most educational experience of her life" – but looking at the benefits for Pilotlighters in a systematic way was new for us. Drawing on insights from our community of Pilotlighters, we developed a framework of learning outcomes for this and set about testing this in practice. The results of pilots that we ran with our partner businesses, Sodexo and AutoTrader have been excellent and confirm the potential for our programmes to be seen as an authentic and effective form of experiential learning and development for Pilotlighters. We appointed a colleague to lead on this theme of learning and development and are building this into our partnerships for the future.

As an innovation in our work, we took steps over 2023 to develop a new programme of skills sharing support for environmental charities. To test the ground for this and shape its design, we conducted research through a survey of organisational support needs with 298 environmental charities and social enterprises. The results showed that there are a broad range of needs for support across the sector and two thirds are looking for skilled volunteers to meet this need. We ran a business roundtable to share the results with businesses active in the field of sustainability, in order to test the appetite further for action in this field.

Throughout this work, we look to collaborate with others where we can see opportunities to scale our impact by doing so. One milestone in this work was the launch in Small Charities Week 2023 of a system of signposting and referral for those working in the field of skilled volunteering to help ensure that charities are able to find the support that they need.

OUR ACTIVITIES

We operate a number of pro bono programmes on a model of 'skills sharing' in which we attract people with business and organisational skills to support charity leaders – with both learning through the process. Our most comprehensive programme runs over a 10 month period, where four Pilotlighters collaborate to coach a charity leader and their board through the strategic challenges they face. Our shortest programme runs over ninety minutes and involves a high energy exchange curated across a diverse range of professionals, all focused on generating ideas around a specific challenge faced by a charity.

OUR STRATEGY

The charity is working to a ten-year strategy approved by the Board in 2021. The strategy sets out that over the coming ten years, we want to make a systems change, to bring about a fundamental shift in how skills sharing is perceived and delivered to the sector, with the following vision, mission and values:

Vision

A world that is fairer and more sustainable because charities, wider social enterprises and inclusive businesses have the skills that they need to tackle disadvantage.

Mission

To facilitate and promote the sharing of professional skills to help charities help people most effectively.

Values

Our values are aligned with our vision and mission and characterise how we believe that skills sharing can work to its potential:

- We bring people together
- We believe in potential
- We expect the best

If we are successful, there will be a joined up skills based support system across the UK for charities and social enterprises. This will be a system that makes a major contribution to sustainable development goals.

Two key themes in our strategy are those of 'innovation' and 'collaboration'.

OUR FINANCES

Pilotlight meets its objectives of supporting charities to increase their social impact through a business model that we have developed over time. We fund our activities principally through individual business member donations and corporate fees, the remainder through Trust & Foundation grants. Pilotlight uses its income to provide programmes designed to support charities seeking to increase their social impact by improving their efficiency and effectiveness. The programmes are provided to participating charities free of charge.

In 2023 grants make up around 28% of our total income with member donations and corporate income being our primary source of income. Our total income was £1,490,246. Our grant income includes support from the Garfield Weston Foundation and the National Lottery Community Fund.

Included in creditors is deferred income of £1,028,104, of which £486,038 is to be recognised in less than one year. Our costs were £1,684,656. Cash at the year end was £1,475,625.

In plans for the year, the Board had recognised again that we were in a position to invest in developing our work for the future, in line with the long-term strategy. Significant financial commitments over 2023 included further improvements in our technology platform, completing work on a new Salesforce instance (for customer relationship management).

The year end deficit was significantly higher than the budgeted deficit for the year (£96k) and the Board has exercised close and critical scrutiny of our performance and prospects in the light of this. The larger than anticipated deficit is due to a lower level than expected of corporate income (with a number of programmes being deferred or cancelled), while we also continued to invest in infrastructure to scale our work over time, for example through a significant upgrade to our underlying technology systems and work to pilot new options for partner businesses that we expect to generate income and opportunity over future years.

A set of 'red flag' indicators have been agreed to trigger consideration at a governance level by the Board's Finance and Risk Committee, a series of scenarios have been developed to informed future planning and a more robust methodology has been developed for forecasting income.

Pilotlight has varied sources of income including donations from individual members or fees from companies who sponsor their employees' membership costs. Payment from members is received across the full calendar year. The organisation also receives occasional grants which typically involve one or more lump sum receipts. Finally, we have in the past received ad hoc donations from private or corporate donors. We do not typically engage in open public fundraising.

Pilotlight's expenditure consist mainly of monthly salary costs and the cost of our office in London. The charity typically holds its assets in cash balances but could receive donations in the form of property, land or other forms of investment product.

Financial risks are managed as part of an overall system of risk governance. The primary financial risks over 2023 were on the income rather than the expenditure side, although like other charities, Pilotlight faces pressure to ensure that salaries remain competitive in the context of wider inflation and changes in the labour market. Charities have traditionally attracted staff because of their strengths as values-based organisations and ones that typically offered a high degree of flexibility. As more firms in the private sector make a welcome arrival into the world of purpose and as all workplaces have embraced greater flexibility following the COVID-19 pandemic, we feel that this is an area to watch.

OUR STRUCTURE AND GOVERNANCE

Pilotlight is a charitable company limited by guarantee, incorporated on 29 October 1996 and registered as a charity on 6 December 1996. The organisation is led by a Chief Executive Officer ("CEO"), Ed Mayo.

The company was established under a Memorandum of Association which set the objects and powers of the charitable company and is governed under its Articles of Association. A review of the legal instruments of the charity led to changes to our constitution, to bring these into line with current good practice, and these were approved by the relevant regulatory authorities in 2021.

The Board operate to an up to date set of governance policies and process in a Trustee Handbook and undertake an annual Board Effectiveness Review led by the Chair. These take account of the recommendations of the Charity Governance Code. The policies set out reserved and delegated matters, including around Pilotlight's financial assets. The committee structure of the Board is reviewed on a regular basis, with the Finance and Risk Committee supporting the Board in relation to financial compliance and performance.

Trustees of Pilotlight's Board are required to disclose all relevant interests and register them with the Chief Executive and withdraw from decisions where a conflict of interest arises. A policy on conflicts of interest governs the handling of decisions, including where a trustee is also involved with another relevant organization with whom we may co-operate with, setting out that trustees may, under appropriate circumstances, be involved in discussions about it but not in any decision-making process. All related party transactions are disclosed in note 23 to the accounts.

The Handbook forms a key element of our system of trustee induction, alongside a structured programme of engagement in our work and for meeting people within the staff team. One trustee completed the end of his second term and stepped down and one new trustee was identified, ready to start in early 2024. New members of the Trustee Board are instructed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association and the decision-making process by other members of the Committee. This forms part of a structured approach to the induction of new trustees and for the ongoing development of all trustees. Training topics completed by the Board included sessions around social media and reputation risks, research on skilled volunteering good practice and the duties of Directors. Alongside this, trustees have access to the regular governance bulletins of NCVO, the national association for voluntary organisations.

The Treasury and Investment Policy sets out the charity's approach to the management of its funds and its liquidity requirements in this context. In line with this, the charity is active in the context of social investment, participating in two social venture capital funds operated by Bridges – the Bridges Social Impact Bond Fund and the Bridges Social Outcomes Fund II. We monitor the financial performance of these, aware of the risk that social investment has faced in an uncertain economy. These are considered to be a way of generating both financial and social returns, in line with our charitable objects. These two funds have a net book value of £102,297. One of these, the Social Impact Bond came to an end on 12 March 2023, moving into a liquidation phase, so that no further drawdowns are expected in relation to this. The charity has no funds in the form of investment assets overseas.

The Reserves Policy sets out that the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should as a target be around 6 months of running costs. In addition to the significant deferred revenue balances, the Board feels that this would enable the funding of working capital, provide resources against unforeseen circumstances, and support new growth projects. In the event of a significant drop in funding, it would be necessary to consider how the funding would be replaced or activities changed. Unrestricted reserves in 2023 decreased by £171,040 to £784,368.

The Trustee Board oversees the charity and meets around four times a year, with additional committee and working group meetings where required. The Chair of the Board is Sally Bailey and the Vice Chairs are Fiona Rodford and Mei Li Powell. Mei Li Powell is Treasurer and Chair of the Finance and Risk Committee. Fiona Rodford is Chair of the People and Culture Committee. Peter Moss is Chair of the Innovation Committee.

The CEO is appointed by the Board to manage the day-to-day operations of the charity. The CEO, Ed Mayo, is supported by a Leadership Team that includes Mel Whitney-Long (Head of Operations), Mila Evanics (Head of Charities and Impact), Sam Matthews (Head of Delivery) and Tom Leavesley-Matthews (Head of Partnerships).

The Board oversees a framework for the appropriate governance of risk, including a Risk Register, risk controls and mitigation and regular management and Board scrutiny of relevant risks.

Our governance approach includes a consideration of our risk appetite. As an entrepreneurial charity for whom the majority of our income is earned through our activities, we know that risk and opportunity go hand in hand and in the context of our goals for the charity, expressed in our ten year strategy, we look to take positive, calculated risks in order to ensure that we minimise the larger risk of failing to achieve our overall goals.

In terms of downside risks, 2023 saw a continued deterioration in economic conditions and the highest risk for the charity was perceived to be a loss of income. Other risks have included staff retention and cyber security. Looking forward, given the continued economic uncertainty, we expect to continue to be operating in a relatively high-risk environment, in which innovation may be of particular value.

The pay of the senior staff is reviewed annually and a pay pot is set for increases in remuneration across staff where required, in line with an overall pay policy agreed by the Board. The Trustee Board benchmarks against pay levels in other voluntary sector organisations of a similar size and uses information from annual sector pay surveys to inform their decision-making.

We are conscious that the current conditions in the economy, society and state of the environment are ones that can be challenging when it comes to people's mental health and we keep a close eye on this for our staff through the ongoing work of the People and Culture Committee.

The charity conducted an independent annual staff survey in 2023.

Almost all staff (24/25) completed Pilotlight's annual staff survey. Those statements achieving the highest average ratings were *'I am motivated by what Pilotlight wants to achieve as an organisation'*, *'I am proud to work for Pilotlight'*, and *'I feel empowered to take decisions that are relevant to my role'*. The latter statement achieved the best rating since the survey began, suggesting that people were experiencing more autonomy in their individual roles. As with previous years, statements achieving lower average ratings were *'communication between different teams is effective'* and *'I feel I am being paid a fair amount for the work I do'*.

The Trustee Board has had due regard to the Charity Commission guidance on public benefit and has complied with the duty in section 17 of the Charities Act 2011.

For completeness, we would add that there are no exemptions from disclosure or funds held as a custodian trustee on behalf of others that are applicable to the charity.

DIVERSITY, EQUITY AND INCLUSION (DEI)

The charity has made a commitment to champion anti-racism and promote Diversity, Equity and Inclusion (DEI) in its work. We see this as a sustained process of commitment and learning through action. Within the UK charity sector and in collaboration with the business sector, we recognise that we are operating in a context of overlapping and multi-generational challenges of power inequalities, racism and injustice. To be part of changing that requires us to operate as a community in ways that shift power and dismantle privilege.

We have an active programme of action on DEI, with targets for progress operating over time. Two trustees act as DEI champions (Katherine Mathieson and Finia Kuhlmann), in liaison with the Leadership Team and a staff DEI Committee (chaired by Reena Pastakia, followed by Corinna Del Debio).

Pilotlight is recipient of a Silver Award under the Inclusive Employers Standard, awarded by an independent accreditation body.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

The Board recognises the value of tracking how the charity interacts with the natural environment, with society as well as our governance. The core focus of the charity is to achieve social impact and we see that our current work contributes to five United Nations Sustainable Development Goals: 1—no poverty; 5—gender equality; 10—reduced inequalities; 11—sustainable cities and communities; 17—partnership for the goals. We consider the environmental and social impact of our operations, including working to an agreed Climate Emergency Policy and promoting actions such as around greening our office in London. Alongside this, we have tested the potential to extend our work to provide support for environmental charities and have worked on a pilot basis with a number of environmental charities.

OUR FUTURE PLANS

The Board approved in November 2023 an Operational Plan and budget for Pilotlight for our work in 2024 as part of a longer-term financial plan to move to financial balance in 2025 and to deliver a set of measurable targets in relation to our strategy.

The 2024 Operating Plan includes a set of Key Performance Indicators, listed below:

1. Partner business retention rate of 90%
2. Weighted new business pipeline value £250k
3. 1,243 Pilotlighters onboarded
4. 143 new charity projects started
5. Increase in website visitors by 20%
6. Pilotlighter satisfaction over 4.2 out of 5
7. Charity satisfaction over 4.2 out of 5
8. Positive variance on budget
9. Staff wellbeing – sickness absence rate below 1.5%

Integrated with the Operational Plan for the year are a suite of actions to develop further our work and effectiveness in relation to diversity, equity and inclusion.

Under the strategic theme of collaboration, Pilotlight will continue to build on key partnerships over the year ahead. One key partnership is the UK Pro Bono Association, which is an informal collaborative network which serves as a welcome learning network for those in the field. The CEO, Ed Mayo, is also a member of the steering group for a new coalition of infrastructure organisations for the voluntary sector, the Civil Society Group. This supplements the work of NCVO, the national association of which the charity is also a member.

One major change which will take place at the end of 2024 is the completion of the term of office for our Chair, Sally Bailey. The Board has formed a Nominations Committee and will look for a new Chair to start on completion of Sally's term.

The risks that we foresee for the year mirror the risks that we have experienced in 2023. These include the impact of wider economic conditions on the partnerships with business and charities that we look to curate. There are technology risks too, with a continuing risk around cyber security but emerging risks too, such as if we fail to take appropriate advantage of AI as we look to run our operations effectively. The theme of 'working smarter, not harder' is the motto for our 2024 Operational Plan, to ensure that we are operating with low costs, using our resources wisely and building the goodwill of our key stakeholders. As one element of this, we plan to run a pilot of a reduced hours working week.

In line with the objectives of our ten year strategy, which commenced in 2021, the Board has agreed a set of strategic objectives for the charity for the period up to the end of 2026. These are to achieve:

1. 2,000 Pilotlighters
2. 10 strategic partners
3. 200 new projects with charities
4. Financial balance by 2025
5. Learning and development is over 30% of earned income
6. Sustainability is over 20% of earned + grant income
7. UK Pro Bono Association on a stable footing

OUR REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03270679 (England and Wales)

Registered Charity number

1059660

Scottish Charity Registration Reference

SC038844

Registered office

Audrey House 16-20 Ely Place London EC1N 6SN

Principal address

5th Floor, 14 Bonhill Street, London EC2A 4BX

Trustees

S F Bailey (Chair)

F M Rodford (Vice Chair)

M L Powell (Treasurer, Vice Chair)

O S W Lloyd

P D Moss

K T S Mathieson

G J Hale (resigned 30/11/23)

N L Pye (appointed 19/3/24)

A Halliday

F Kuhlmann

A L Rothwell

F Siddiqui

Auditors

Hartley Fowler LLP Statutory Auditors Chartered Accountants 4th Floor Tuition House 27-37 St George's Road Wimbledon London SW19 4EU

Bankers

HSBC Weybridge Commercial Centre Church Street Weybridge Surrey KT13 8DF

Solicitors

Anthony Collins Solicitors, 134 Edmund Street, Birmingham, B3 2ES

Chief Executive Officer and Company Secretary

Mr E Mayo

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of charitable company (Limited by guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

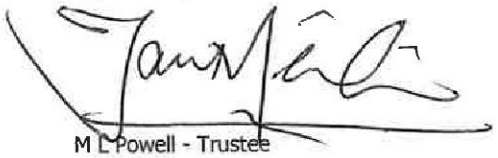
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Approved by order of the board of trustees on 11 June 2024 and signed on its behalf by:



M L Powell - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF PILOTLIGHT (LIMITED BY GUARANTEE)

Opinion

We have audited the financial statements of Pilotlight (Limited by guarantee) (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

-the nature of the industry and sector, control environment and the charities activities;

-results of our enquiries of management about their own identification and assessment of the risks of irregularities;

-any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non -compliance;

- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;

- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in. The key laws and regulations we considered in this context included the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006, UK Companies Act and tax legislation.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

As a result of performing the above, we did not identify any key matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provision of relevant laws and regulations described as having a direct effect on the financial statements;

-enquiring of management concerning actual and potential litigation and claims;

-performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

-reviewing minutes of meetings of those charged with governance, reviewing internal reports, and

-in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale for any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Askew (Senior Statutory Auditor)
for and on behalf of Hartley Fowler LLP
Statutory Auditors
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
4th Floor Tuition House
27-37 St George's Road
Wimbledon
London
SW19 4EU

Date: 13/6/24

PILOTLIGHT
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	255,585	-	255,585	171,110
Charitable activities	5				
Providing business support to UK charities		808,204	414,299	1,222,503	1,198,639
Investment income	4	12,158	-	12,158	1,948
Total		1,075,947	414,299	1,490,246	1,371,697
EXPENDITURE ON					
Raising funds	6	41,951	-	41,951	74,711
Charitable activities	7				
Providing business support to UK charities		1,221,756	420,949	1,642,705	1,473,950
Total		1,263,707	420,949	1,684,656	1,548,661
Net gains on investments		16,720	-	16,720	7,894
NET INCOME/(EXPENDITURE)		(171,040)	(6,650)	(177,690)	(169,070)
RECONCILIATION OF FUNDS					
Total funds brought forward		955,408	6,650	962,058	1,131,128
TOTAL FUNDS CARRIED FORWARD		784,368	-	784,368	962,058

The notes form part of these financial statements

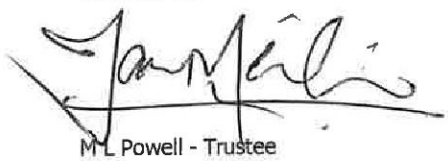
PILOTLIGHT
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Intangible assets	14	65,494	56,595
Tangible assets	15	46,897	78,547
Investments	16	102,297	240,806
		214,688	375,948
CURRENT ASSETS			
Debtors	17	195,308	167,048
Cash at bank		1,475,625	1,918,570
		1,670,933	2,085,618
CREDITORS			
Amounts falling due within one year	18	(559,187)	(620,675)
NET CURRENT ASSETS		1,111,746	1,464,943
TOTAL ASSETS LESS CURRENT LIABILITIES		1,326,434	1,840,891
CREDITORS			
Amounts falling due after more than one year	19	(542,066)	(878,833)
NET ASSETS		784,368	962,058
FUNDS	22		
Unrestricted funds		784,368	955,408
Restricted funds		-	6,650
TOTAL FUNDS		784,368	962,058

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

The financial statements were approved by the Board of Trustees and authorised for issue on 11 June 2024 and were signed on its behalf by:



M L Powell - Trustee

The notes form part of these financial statements

PILOTLIGHT
(LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	(500,548)	439,928
Net cash (used in)/provided by operating activities		(500,548)	439,928
Cash flows from investing activities			
Purchase of intangible fixed assets		(19,869)	(32,531)
Purchase of tangible fixed assets		(8,127)	(15,077)
Purchase of fixed asset investments		(8,336)	(18,063)
Sale of fixed asset investments		84,333	32,096
Interest received		12,158	1,948
Net cash provided by/(used in) investing activities		60,159	(31,627)
Cash flows from financing activities			
Loan repayments in year		(2,556)	(1,846)
Net cash used in financing activities		(2,556)	(1,846)
Change in cash and cash equivalents in the reporting period		(442,945)	406,455
Cash and cash equivalents at the beginning of the reporting period		1,918,570	1,512,115
Cash and cash equivalents at the end of the reporting period		1,475,625	1,918,570

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(177,690)	(169,070)
Adjustments for:		
Depreciation charges	50,747	43,663
Gain on investments	(16,720)	(7,894)
Interest received	(12,158)	(1,948)
Decrease in fixed asset investments	79,232	-
Increase in debtors	(28,260)	(31,118)
(Decrease)/increase in creditors	(395,699)	606,295
Net cash (used in)/provided by operations	(500,548)	439,928

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/23 £	Cash flow £	At 31/12/23 £
Net cash			
Cash at bank	1,918,570	(442,945)	1,475,625
	1,918,570	(442,945)	1,475,625
Total	1,918,570	(442,945)	1,475,625

The notes form part of these financial statements

1. GENERAL INFORMATION

The charitable company is incorporated and domiciled in England and Wales. The address of its registered office is 5th Floor, 14 Bonhill Street, London EC2A 4BX. The registered number of the company is 03270679. The registered number of the charity is 1059660. The Scottish registered number of the charity is SCO38844.

The financial information presented is for the year ended 31 December 2023 and 31 December 2022. The financial information is presented in sterling.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006, The Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 (as amended). The financial statements have been prepared under the historical cost convention.

a) Preparation of the accounts on a going concern basis

The financial statements have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves, the financial position, future plans and the expected level of income and expenditure for 12 months from authorising these financial statements.The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

b) Significant judgements and estimates.

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

(i) Deferred income. This represents corporate membership income and grant income that relates to future accounting periods.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Corporate membership income is deferred and only released to the Statement of Financial Activities over the period to which the membership relates.

Voluntary income is received by way of grants, donations and gifts, including gift aid income where applicable, and is included in full in the statement of financial activities when receivable. Income from grants, where related to performance and specific deliverables, is accounted for when it is probable that the income will be received and amount can be measured reliably. Where conditions are imposed that must be met before the charity has unconditional entitlement, the income is deferred and not included in income until the pre-conditions for use have been met.

Gifts in kind are included at the estimated monetary value to the charity. Where services are provided to the charity as a donation that would normally be purchased, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity.

Donated assets are recognised at current fair value. The donated asset is recognised as donation income and debited to fixed asset investments.

Investment Income - Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity.

2. ACCOUNTING POLICIES - continued

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds
Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Governance costs
Since there is no direct cost to holding Trustee Board meetings and no Trustee Board expenses are reimbursed, governance costs only include statutory audit fees.

Website development costs
Website development costs are capitalised only if they are reliably measurable, the product is technically feasible, it is probable that future economic benefits will be generated, and the charity has the intention and sufficient resources to complete the development.

Website development costs are amortized by the straight-line method over their estimated useful life, of five years, from the day on which the website became available for use.

Customer Relationship Management (CRM) development costs
CRM development costs are capitalised only if they are reliably measurable, the product is technically feasible, it is probable that future economic benefits will be generated, and the charity has the intention and sufficient resources to complete the development.

CRM development costs are amortized by the straight-line method over their estimated useful life, of five years, from the day on which the software became available for use.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

All capital items are capitalised and a full year's depreciation is charged on a monthly basis from the date of purchase.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows;

Office Equipment - over 3 or 5 years.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. ACCOUNTING POLICIES - continued

Fixed asset investments
Fixed asset investments comprise two funds:
(i) The Bridges Social Impact Bond Fund, and
(ii) The Bridges Social Outcomes Fund II.

The Investments in the Funds are initially recognised at transaction value and subsequently measured at fair value as at the balance sheet date. The Funds are valued at the fair value of the net assets. Distributions from the Funds are a return of capital and disclosed as a disposal in the fixed asset investment note.

The statement of financial activities includes the net gains and losses on revaluation and disposals during the year.

Cash at bank
Cash at bank includes bank deposit accounts 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.

Debtors
Trade and other debtors are recognised at the settlement amount due. Prepayments are recognised at the invoiced cost prepaid.

Creditors
Creditors are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at the settlement amount.

Impairment
Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations - Individuals and Trusts	255,585	171,110

4. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	12,158	1,948

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
Corporate Contract Income	Providing business support to UK charities	808,204	800,611
Grants	Providing business support to UK charities	414,299	398,028
		1,222,503	1,198,639

Grants received, included in the above, are as follows:

	2023	2022
	£	£
The Garfield Weston Foundation	323,367	250,000
The National Lottery Community	90,932	97,878
Pro Bono Economics / Oak Foundation	-	50,150
	414,299	398,028

6. RAISING FUNDS

Raising donations and legacies

	2023	2022
	£	£
Consultancy fees	41,951	74,711

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8)	Support costs (see note 9)	Totals
	£	£	£
Providing business support to UK charities	1,255,836	386,869	1,642,705

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023	2022
	£	£
Staff costs	1,230,662	1,046,705
Travel	25,174	23,383
	1,255,836	1,070,088

9. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Providing business support to UK charities	380,019	6,850	386,869

Support costs, included in the above, are as follows:

Management

	2023 Providing business support to UK charities	2022 Total activities
	£	£
Rent and office costs	173,381	187,920
Insurance	6,791	5,548
Telephone	8,375	9,214
Sundries	28,239	23,754
Recruitment costs	11,289	16,204
Legal and professional fees	73,004	90,662
Financial outsourcing	26,217	19,895
Bank charges	1,976	1,602
Amortisation of intangible fixed assets	10,970	6,144
Depreciation of tangible and heritage assets	39,777	37,519
	380,019	398,462

Governance costs

	2023 Providing business support to UK charities	2022 Total activities
	£	£
Auditors' remuneration	5,000	4,350
Auditors' remuneration for non audit work	1,850	1,050
	6,850	5,400

10. NET INCOME/(EXPENDITURE)

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

	2023	2022
	£	£
Auditors' remuneration	5,000	4,350
Auditors' remuneration for non audit work	1,850	1,050
Depreciation - owned assets	39,777	37,519
Development costs amortisation	10,970	6,144
Operating leases	82,012	83,060

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2023 nor for the year ended 31 December 2022.

12. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	1,070,683	912,913
Social security costs	113,414	95,051
Other pension costs	46,565	38,741
	1,230,662	1,046,705

The average monthly number of employees during the year was as follows:

	2023	2022
Charity Work	26	25

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
£70,001 - £80,000	-	1
£90,001 - £100,000	1	-
	1	1

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	171,110	-	171,110
Charitable activities			
Providing business support to UK charities	800,611	398,028	1,198,639
Investment income	1,948	-	1,948
Total	973,669	398,028	1,371,697
EXPENDITURE ON			
Raising funds	74,711	-	74,711
Charitable activities			
Providing business support to UK charities	1,082,572	391,378	1,473,950
Total	1,157,283	391,378	1,548,661
Net gains on investments	7,894	-	7,894

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
NET INCOME/(EXPENDITURE)	(175,720)	6,650	(169,070)
RECONCILIATION OF FUNDS			
Total funds brought forward	1,131,128	-	1,131,128
TOTAL FUNDS CARRIED FORWARD	955,408	6,650	962,058

14. INTANGIBLE FIXED ASSETS

	Development costs £
COST	
At 1 January 2023	63,251
Additions	19,869
At 31 December 2023	83,120
AMORTISATION	
At 1 January 2023	6,656
Charge for year	10,970
At 31 December 2023	17,626
NET BOOK VALUE	
At 31 December 2023	65,494
At 31 December 2022	56,595

(i) Development costs of £30,720 incurred in 2021 related to the development of the charity's website which came into operation in December 2021.The trustees' consider that the useful estimated life of the website is five years.

(ii) Development costs of £32,531 incurred in 2022 and £16,869 incurred in 2023 related to the development of the charity's CRM software which came into operation in July 2023.The trustees' consider that the useful estimated life of the CRM software is five years.

(iii) Development costs of £3,000 incurred in 2023 relating to further development of the charity's software will be effective in 2024 when the costs will be amortised over the useful estimated life.

15. TANGIBLE FIXED ASSETS

	Office equipment £
COST	
At 1 January 2023	227,532
Additions	8,127
At 31 December 2023	235,659
DEPRECIATION	
At 1 January 2023	148,985
Charge for year	39,777
At 31 December 2023	188,762
NET BOOK VALUE	
At 31 December 2023	46,897
At 31 December 2022	78,547

16. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 January 2023	240,806
Additions	8,336
Disposals	(84,333)
Revaluations	16,720
Reclassification/transfer	(79,232)
At 31 December 2023	102,297
NET BOOK VALUE	
At 31 December 2023	102,297
At 31 December 2022	240,806

There were no investment assets outside the UK.

Pilotlight have invested into 2 funds:

(I) Bridges Social Impact Bond Fund - In March 2018 Pilotlight became in limited partner in this fund. At the year end Pilotlight had an unfunded commitment of £79,232 (2022 £81,788). Since the unfunded commitment balance of £79,232 previously included in other creditors does not give rise to a liability until drawdown this amount has been credited from the fixed asset investments. The market value of Bridges Social Impact Fund LP at 31 December 2023 was £23,108 as per the valuation disclosed in the audited financial statements for the period 1 April 2022 to 12 March 2023 (the termination date).In August 2023 there was an additional drawdown of £8,014 reducing the valuation of this fund to £15,094. This fund is in the process of an orderly liquidation. The market value excludes the unfunded commitment.

(ii) Bridges Social Outcomes Fund II- In March 2019 Pilotlight became in limited partner in this fund. At the year end Pilotlight had an unfunded commitment of £126,022 (2022 £123,124). The market value of Bridges Social Outcomes Fund II at 31 December 2023 was £87,203 as per the valuation disclosed in the audited financial statements for the year ended 31 December 2023. The market value excludes the unfunded commitment.

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other debtors	39,163	44,542
Membership debtors	101,408	49,850
VAT	1,483	19,838
Prepayments	53,254	52,818
	195,308	167,048

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	7,414	9,182
Social security and other taxes	28,824	27,421
Other creditors	7,419	88,149
Deferred income	486,038	429,275
Accrued expenses	29,492	66,648
	559,187	620,675

	2023	2022
	£	£
Deferred Income		
Balance at 1 January 2023	429,275	506,638
Deferred income - amounts falling due after more than one year (transferred)	336,767	202,000
Amounts deferred in the year	149,271	227,944
Amounts released to income	(429,275)	(507,537)
Balance at 31 December 2023	486,038	429,275

Deferred income at 31 December 2023 consists of £99,271 (2022 £104,154) corporate income and £386,767 (2022 £325,121) grant income which relates to the year ended 31 December 2023.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Deferred income	542,066	878,833

	2023	2022
	£	£
Deferred Income		
Balance at 1 January 2023	878,833	202,200
Deferred income - amounts falling due within one year (transferred)	(336,767)	(202,200)
Amounts deferred in the year	-	878,833
Balance at 31 December 2023	542,066	878,833

In the previous year Garfield Weston awarded Pilotlight a grant of £1,000,000 to be spread over three years towards the partnership between Garfield Weston and Pilotlight on the Weston Charity Awards.

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	64,318	108,568
Between one and five years	166,404	71,422
	230,722	179,990

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2023 Total funds	2022 Total funds
	£	£	£	£
Fixed assets	112,391	-	112,391	135,142
Investments	102,297	-	102,297	240,806
Current assets	742,100	928,833	1,670,933	2,085,618
Current liabilities	(172,420)	(386,767)	(559,187)	(620,675)
Long term liabilities	-	(542,066)	(542,066)	(878,833)
	784,368	-	784,368	962,058

Comparatives for net assets between funds

	Unrestricted funds	Restricted funds	2022 Total funds
	£	£	£
Fixed assets	135,142	-	135,142
Investments	240,806	-	240,806
Current assets	875,010	1,210,608	2,085,618
Current liabilities	(295,550)	(325,125)	(620,675)
Long term liabilities	-	(878,833)	(878,833)
	955,408	6,650	962,508

22. MOVEMENT IN FUNDS

	At 1/1/23	Net movement in funds	At 31/12/23
	£	£	£
Unrestricted funds			
General fund	955,408	(171,040)	784,368
Restricted funds			
Pro Bono/Oak Foundation	6,650	(6,650)	-
TOTAL FUNDS	962,058	(177,690)	784,368

22. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,075,947	(1,263,707)	16,720	(171,040)
Restricted funds				
Pro Bono/Oak Foundation	-	(6,650)	-	(6,650)
The National Lottery Community Fund	90,932	(90,932)	-	-
The Garfield Weston Foundation	323,367	(323,367)	-	-
	414,299	(420,949)	-	(6,650)
TOTAL FUNDS	1,490,246	(1,684,656)	16,720	(177,690)

Comparatives for movement in funds

	At 1/1/22 £	Net movement in funds £	At 31/12/22 £
Unrestricted funds			
General fund	1,131,128	(175,720)	955,408
Restricted funds			
Pro Bono/Oak Foundation	-	6,650	6,650
TOTAL FUNDS	1,131,128	(169,070)	962,058

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	973,669	(1,157,283)	7,894	(175,720)
Restricted funds				
Pro Bono/Oak Foundation	50,150	(43,500)	-	6,650
The National Lottery Community Fund	97,878	(97,878)	-	-
The Garfield Weston Foundation	250,000	(250,000)	-	-
	398,028	(391,378)	-	6,650
TOTAL FUNDS	1,371,697	(1,548,661)	7,894	(169,070)

Restricted Funds

(i) The Garfield Weston Foundation. Supporting Pilotlight and charities in the Midlands, North-East, North-West of England and Wales through the Weston Charity Awards. See the note on deferred income for more details.

22. MOVEMENT IN FUNDS - continued

(ii) The National Lottery Community Fund. To establish a sustainable presence for Pilotlight in Birmingham, enabling charities in the area to access its highly managed capacity building programmes and to build sustainable local support networks between charities and businesses.

(iii) The Miva Foundation. A three year initiative in partnership with the MIVA Foundation for a new post to allow Pilotlight to extend and broaden its support over time for selected charities identified as having high potential to scale impact. Restricted grant funding of £50,000 has been deferred to the next financial year when the project will be run.

(iv) Pro Bono Economics / Oak Foundation: Providing specialist skills for 10 housing and homelessness charities in Oak Foundation's portfolio of grantees.

23. EMPLOYEE BENEFIT OBLIGATIONS

Pilotlight operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. At 31 December 2023 £5,407 (2022 £4,712) was payable to the fund and is included in creditors.

24. OTHER FINANCIAL COMMITMENTS

(I) Bridges Social Impact Bond Fund - At the year end Pilotlight had an unfunded commitment of £79,232 (2022 £81,788).

(ii) Bridges Social Outcomes Fund II - At the year end Pilotlight had an unfunded commitment of £126,022 (2022 £123,124).

25. RELATED PARTY DISCLOSURES

Key management compensation

	2023	2022
	£	£
Salaries and other short-term benefits	359,312	320,869
Post-employment benefits	14,396	16,656
	373,708	337,525

Key management includes certain senior employees who have authority and responsibility for planning and controlling the activities of the charity.

During the year trustees made donations of £7,093 (2022 £7,998).

26. COMPANY LIMITED BY GUARANTEE

The charity is limited by guarantee and has no share capital. The liability of each member is determined by the Articles of the charity and shall not exceed £1. There were 10 members as at 31st December 2023 (2022: 12).

PILOTLIGHT

England & Wales - Charity number 1059660

Accounts

REGISTERED COMPANY NUMBER: 03270679 (England and Wales)
REGISTERED CHARITY NUMBER: 1059660

REPORT OF THE TRUSTEES AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

FOR

PILOTLIGHT
(LIMITED BY GUARANTEE)

PILOTLIGHT
(LIMITED BY GUARANTEE)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Page
Report of the Trustees	1 to 12
Report of the Independent Auditors	13 to 16
Statement of Financial Activities	17
Statement of Financial Position	18
Statement of Cash Flows	19
Notes to the Statement of Cash Flows	20
Notes to the Financial Statements	21 to 32
Detailed Statement of Financial Activities	33

PILOTLIGHT (LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of 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 (FRS102) (effective 1 January 2019).

OUR OBJECTIVES

Pilotlight is a charity to help charities. We amplify the impact charities, business and individuals can bring to make a better world. Since 1996, by mobilising teams of business experts (we call them Pilotlighters) we have helped over 1,000 charities who tackle social disadvantage to ignite change that lasts.

This is our report of our work and progress over a year in which charities have faced a challenging environment. On the one hand, they have again played a critical role in meeting social needs in a context in which communities have been recovering from the effects of the COVID-19 pandemic and responding to the pressures of a 'cost of living crisis'. On the other hand, charities themselves are affected by these same pressures, including financial pressures and a reduction in aggregate levels of formal and informal volunteering.

This makes for a squeeze on charities and the closure of some support bodies over the year, such as the Small Charities Coalition, means that our focus on organisational support, to help charities to be effective and sustainable over time is all the more compelling.

We want to thank all of our partners in the business and charity sector for their participation and support for what we have been able to contribute to this.

OUR PERFORMANCE AND IMPACT

We exist to amplify the impact that charities, business and individuals can bring to the world. We do this by bringing charities together with business and business experts who can tackle the pressing issues charities are facing. We do this by managing the relationship between business and charities to maximise the impact they bring. We do this by helping individuals apply their expertise to those who need it, and to grow their own skills as part of a team of advisors.

We increase the impact of individuals by bringing them new experiences, perspectives and learning. We increase the impact of organisations by exposing their talent to new situations and challenges. We increase the impact of charities by giving them the expertise and resources they need. As a result we amplify the good work that's done in the world.

Having developed a model for our work in the context of the pandemic, we have been able to step up what we are doing with remote working and remote delivery of our support for charities. In 2022, we worked with a record number of Pilotlighters on our programmes. Through a total of 163 projects, 1,018 Pilotlighters (up from 750 in 2020) provided support to 152 unique charities. Together, these charities support 8.1 million people.

The majority of the charities we supported were in the 'medium' designation of £100,000-£1m income bracket and 41% of them focus on supporting mental health and well-being. 35% of charities work with children and young people, our largest beneficiary cohort. 29% of our Partner Charities are supporting their local communities (their neighbourhood or local authority area), 27% have regional reach and 3% have an international reach. The majority of our charities are located in the most deprived areas of the UK.

81% of our Partner Charities are based in England, with the remainder in other regions or nations of the UK, with one exception, as we also delivered our first international project with Morgan Stanley in Frankfurt.

For those engaging in Pilotlight 360 programme, 9 out of 10 charity leaders reported that this had a major positive impact on their strategic vision and 6 saw major positive impact on the effectiveness of their senior management team.

OUR ACTIVITIES

We operate a number of pro bono programmes on a model of 'skills sharing' in which we attract people with business and organisational skills to support charity leaders – with both learning through the process. Our most comprehensive programme is Pilotlight 360. Over a 10 month period, four of our most senior and experienced Pilotlighters coach a charity leader and their board through the strategic challenges they face.

A partnership with the Garfield Weston Foundation has helped to open access to our programmes through the Weston Charity Awards. These were run in partnership in 2022 for the ninth year. In 2022 nineteen charities from the North of England, the Midlands and Wales were award winners.

OUR STRATEGY

The charity is working to a ten year strategy approved by the Board in 2021. The strategy sets out that over the coming ten years, we want to make a systems change, to bring about a fundamental shift in how skills sharing is perceived and delivered to the sector, with the following vision, mission and values:

Vision

A world that is fairer and more sustainable because charities, wider social enterprises and inclusive businesses have the skills that they need to tackle disadvantage.

Mission

To facilitate and promote the sharing of professional skills to help charities help people most effectively.

Values

Our values are aligned with our vision and mission and characterise how we believe that skills sharing can work to its potential:

- We bring people together
  - We bring people together to apply and amplify their skills for the good of others
- We believe in potential
  - We believe in the potential of people and the power of charitable action
- We expect the best
  - To make a real difference, we expect the best of ourselves and of those we work with.

If we are successful, there will be a joined up skills based support system across the UK for charities and social enterprises. This will be a system that makes a major contribution to sustainable development goals.

OUR FINANCES

Pilotlight meets its objectives of supporting charities to increase their social impact through a business model that we have developed over time. We fund our activities principally through individual business member donations and corporate fees, the remainder through Trust & Foundation grants. Pilotlight uses its income to provide programmes designed to support charities seeking to increase their social impact by improving their efficiency and effectiveness. The programmes are provided to participating charities free of charge.

In 2022 grants make up around 30% of our total income with membership income being our primary source of income. Our total income was £1,371,697. Our grant income includes support from the Garfield Weston Foundation and the National Lottery Community Fund.

Included in creditors is deferred income of £1,308,108, of which £429,275 is to be recognised in less than one year. Our costs were £1,548,661. Cash at the year end was £1,918,570.

Pilotlight has varied sources of income. These include voluntary donations from individuals, which tend to be annual and may be received across the full calendar year. Companies pay the charity for services which include the participation of their employees in programmes. The organisation also receives occasional grants which typically involve one or more lump sum receipts. Finally, we have in the past received ad hoc donations from private or corporate donors. We do not typically engage in open public fundraising.

Pilotlight's expenditure consist mainly of monthly salary costs and the cost of our office in London. The charity typically holds its assets in cash balances but could receive donations in the form of property, land or other forms of investment product.

Financial risks are managed as part of an overall system of risk governance. The primary financial risks over 2022 were on the income rather than the expenditure side, but with early action and close contact with our primary sources of funding, the charity continued to attract and use financial support throughout the year. We were pleased to be awarded a new grant of £1m from Garfield Weston Foundation for a further three years of activity through the Weston Charity Awards.

The Board recognised again that we are in a position to invest in developing our work for the future. One of the most significant financial commitments over 2021 has been an investment in our technology platform. Following a review of our systems, we appointed a partner agency to support the upgrade of our Salesforce platform to a new instance, providing a strong base to support our activity, from the sales side of prospecting for and recruiting Pilotlighters through to the activity side of running projects with Partner Charities.

The financial deficit for the year is therefore a planned one, in line with agreed budgets, and thanks to very significant efforts by our team of staff and Pilotlighters, we have raised levels of income and our financial performance has been in line with our plans and no other significant events have affected the finances of the charity during the year.

OUR STRUCTURE AND GOVERNANCE

Pilotlight is a charitable company limited by guarantee, incorporated on 29 October 1996 and registered as a charity on 6 December 1996. The organisation is led by a Chief Executive Officer ("CEO"), Ed Mayo.

The company was established under a Memorandum of Association which set the objects and powers of the charitable company and is governed under its Articles of Association. A review of the legal instruments of the charity led to changes to our constitution, to bring these into line with current good practice, and these were approved by the relevant regulatory authorities in 2021.

The Board operate to an up to date set of governance policies and process in a Trustee Handbook and undertake an annual Board Effectiveness Review led by the Chair. These take account of the recommendations of the Charity Governance Code. The policies set out reserved and delegated matters, including around Pilotlight's financial assets. The committee structure of the Board has been reviewed and re-designed, with the Finance and Risk Committee supporting the Board in relation to financial compliance and performance.

Trustees of Pilotlight's Board are required to disclose all relevant interests and register them with the Chief Executive and withdraw from decisions where a conflict of interest arises. A policy on conflicts of interest governs the handling of decisions, including where a trustee is also involved with another relevant organization with whom we may co-operate with, setting out that trustees may, under appropriate circumstances, be involved in discussions about it but not in any decision-making process. All related party transactions are disclosed in note 23 to the accounts.

The Handbook forms a key element of our system of trustee induction, alongside a structured programme of engagement in our work and for meeting people within the staff team. Following an open recruitment process, run in-house, and having identified key competences we were looking for, we were delighted to receive a significant number of very good quality applications to join the Board. Four new trustees were appointed in 2022, bringing new and additional skills to what we do. One trustee completed the end of his second term and stepped down. New members of the Trustee Board are instructed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association and the decision-making process by other members of the Committee.

The Treasury and Investment Policy sets out the charity's approach to the management of its funds and its liquidity requirements in this context. In line with this, the charity is active in the context of social investment, participating in two social venture capital funds operated by Bridges – the Bridges Social Impact Bond Fund and the Bridges Social Outcomes Fund II. We monitor the financial performance of these, aware of the risk that social investment has faced in an uncertain economy. These are considered to be a way of generating both financial and social returns, in line with our charitable objects. These two funds have a net book value of £240,806. The charity has no funds in the form of investment assets overseas.

The Reserves Policy sets out that the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should, in the medium term, be around 6 months of running costs. In addition to the significant deferred revenue balances, the Board feels that this would enable the funding of working capital, provide resources against unforeseen circumstances, and support new growth projects. In the event of a significant drop in funding, it would be necessary to consider how the funding would be replaced or activities changed. Unrestricted reserves in 2022 decreased by £175,720 to £955,408.

The Trustee Board oversees the charity and meets around four times a year, with additional committee and working group meetings where required. The Chair of the Board is Sally Bailey and the Vice Chairs are Fiona Rodford and Mei Li Powell. Mei Li Powell is Treasurer and Chair of the Finance and Risk Committee. Fiona Rodford is Chair of the People and Culture Committee. Peter Moss is Chair of the Innovation Committee.

The CEO is appointed by the Board to manage the day-to-day operations of the charity. The CEO, Ed Mayo, is supported by a Leadership Team that includes Mel Whitney-Long (Head of Operations), Mila Evanics (Head of Charities and Impact), Sam Matthews (Head of Delivery) and Tom Leavesley-Matthews (Head of Partnerships). We are grateful to Charlie Medcalf who stepped down from the Leadership Team in the Summer of 2022, after long years of creative and committed service to our work. We are pleased that Charlie will continue to work with Pilotlight in a new format, as a Senior Associate.

The Board oversees a framework for the appropriate governance of risk, including a Risk Register, risk controls and mitigation and regular management and Board scrutiny of relevant risks.

Our governance approach includes a consideration of our risk appetite. As an entrepreneurial charity for whom the majority of our income is earned through our activities, we know that risk and opportunity go hand in hand and in the context of our goals for the charity, expressed in our ten year strategy, we look to take positive, calculated risks in order to ensure that we minimise the larger risk of failing to achieve our overall goals.

In terms of downside risks, 2022 saw a relative deterioration in economic conditions and the highest risk for the charity was perceived to be a loss of income. Other risks have included staff retention and cyber security. Looking forward, given the continued economic uncertainty, we expect to continue to be operating in a relatively high-risk environment, in which innovation may be of particular value.

The pay of the senior staff is reviewed annually and a pay pot is set for increases in remuneration across staff where required, in line with an overall pay policy agreed by the Board. The Trustee Board benchmarks against pay levels in other voluntary sector organisations of a similar size and uses information from annual sector pay surveys to inform their decision-making.

We are conscious that the current conditions in the economy, society and state of the environment are ones that can be challenging when it comes to people's mental health and we keep a close eye on this for our staff through the ongoing work of the People and Culture Committee.

The charity conducted an independent annual staff survey in 2022. All 24 staff took part and agreed that 'I am proud to work for Pilotlight'. Pilotlight's biggest strength, as in previous years, was seen to be our people and our shared purpose. Almost all staff (23/24) agreed 'The people I work with treat each other with fairness and respect', 'I understand what Pilotlight wants to achieve as an organisation', 'I have confidence in the leadership team', 'I feel appreciated', and 'I am treated with fairness and respect'. Almost all (22/24) staff would recommend Pilotlight as an employer.

The Trustee Board has had due regard to the Charity Commission guidance on public benefit and has complied with the duty in section 17 of the Charities Act 2011.

For completeness, we would add that there are no exemptions from disclosure or funds held as a custodian trustee on behalf of others that are applicable to the charity.

DIVERSITY, EQUITY AND INCLUSION (DEI)

The charity has made a commitment to champion anti-racism and promote Diversity, Equity and Inclusion (DEI) in its work. We see this as a sustained process of commitment and learning through action. Within the UK charity sector and in collaboration with the business sector, we recognise that we are operating in a context of overlapping and multi-generational challenges of power inequalities, racism and injustice. To be part of changing that requires us to operate as a community in ways that shift power and dismantle privilege.

We have an active programme of action on DEI, with targets for progress operating over time. Two trustees act as DEI champions (Katherine Mathieson and Gerry Anyanwu), in liaison with the Leadership Team and a staff DEI Committee (chaired by Breanne O'Brien, followed by Reena Pastakia). A review of action on DEI in November 2022 identified the following strengths and weaknesses:

An exercise to look at strengths and weaknesses included, among others:

Strengths

- Strong commitment to DEI, with commitments engrained in operational strategy, with accountability and transparency
- High level awareness of DEI issues and a culture of respect and inclusiveness – where people feel valued
- Good learning through collaboration with partners

Weaknesses

- Levels of stretch and stress can get in the way of well-being
- Lack of expertise and resources around challenges of inclusion
- Inclusivity unproven around all disabilities, visible and invisible.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

The Board recognises the value of tracking how the charity interacts with the natural environment, with society as well as our governance. The core focus of the charity is to achieve social impact and we see that our current work contributes to five United Nations Sustainable Development Goals: 1—no poverty; 5—gender equality; 10—reduced inequalities; 11—sustainable cities and communities; 17—partnership for the goals. We consider the environmental and social impact of our operations, including working to an agreed Climate Emergency Policy and promoting actions such as around greening our office in London. As part of this, we conducted exploratory work over the year to assess the potential to develop as an innovation a new programme of capacity building for charities in the context of climate change. This has included working on a pilot basis with a small number of environmental charities.

OUR FUTURE PLANS

The Board approved in December 2022 an Operational Plan for Pilotlight for our work in 2023, along with a deficit budget for a further year that draws on reserves to invest in our future, as part of a longer-term financial plan to deliver on our new strategy.

The 2023 Operating Plan includes a set of Key Performance Indicators, listed below:

- Weighted pipeline value of Partner Businesses of £300k
- Three anchor partners by year end
- 1,000 Pilotlighters on board
- 181 charity projects delivered
- Increase in website visitors of 20%
- Pilotlighter satisfaction over 4 out of 5
- Charity satisfaction over 4 out of 5
- Positive variance on budget
- Staff turnover under 25%

As a strategic exercise, Pilotlight will be reviewing its theory of change and overhauling its data collection and reporting system around the impact of its work. This is expected to take until 2024 before data collection can begin to use the revised tools for reporting on impact.

As part of our ongoing commitment to DEI, the following steps are part of the plans for completion in 2023:

- Review of our recruitment processes
- Accreditation under the Inclusive Employers Standard
- Staff knowledge/ resources, including focused training events run by charities that we partner with.

Under the strategic theme of innovation, a core focus will be our work on learning and development. We have always understood that engaging in our programmes brings learning benefits to charity leaders and also to Pilotlighters, but we have not looked before to track these comprehensively and to look to market our programmes to potential partner businesses as a learning experience that brings a direct return on investment to those employers who participate. Over 2023, we plan to develop a framework of Learning Outcomes for key programmes and to partner with key businesses, such as Sodexo, to pilot options for developing our offer as a Learning and Development provider, all in line with our core focus of generating positive impact for charities over time.

Under the strategic theme of collaboration, Pilotlight will look to build on key partnerships over the year ahead. Pilotlight's CEO, for example is a member of the steering group for a new coalition of infrastructure organisations for the voluntary sector, the Civil Society Group. This supplements the work of NCVO, the national association of which the charity is also a member.

One key partnership is the UK Pro Bono Association, which is an informal collaborative network we co-founded and is developing as a welcome learning network for those in the field. The first practical outcome of this will be a system of signposting and referral for those working in the field of skilled volunteering to help ensure that charities are able to find the support that they need.

OUR REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03270679 (England and Wales)

Registered Charity number

1059660

Scottish Charity Registration Reference

SC038844

Registered office

5th Floor, 14 Bonhill Street, London EC2A 4BX

Principal address

5th Floor, 14 Bonhill Street, London EC2A 4BX

Trustees

O S W Lloyd

F M Rodford (Vice Chair)

G J Hale

S F Bailey (Chair)

P D Moss

M L Powell (Treasurer, Vice Chair)

G O Anyanwu

K T S Mathieson

A Halliday (appointed 6/9/22)

F Kuhlmann (appointed 6/9/22)

A L Rothwell (appointed 6/9/22)

F Siddiqui (appointed 6/9/22)

C J Connelly (resigned 6/9/22)

Auditors

Hartley Fowler LLP Statutory Auditors Chartered Accountants 4th Floor Tuition House 27-37 St George's Road Wimbledon London SW19 4EU

Bankers

HSBC Weybridge Commercial Centre Church Street Weybridge Surrey KT13 8DF

Solicitors

Anthony Collins Solicitors, 134 Edmund Street, Birmingham, B3 2ES

Chief Executive Officer and Company Secretary

Mr E Mayo

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of charitable company (Limited by guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

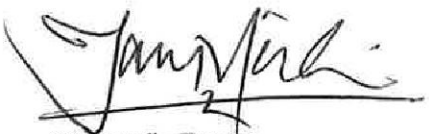
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Approved by order of the board of trustees on 12 June 2023 and signed on its behalf by:



M L Powell - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF PILOTLIGHT (LIMITED BY GUARANTEE)

Opinion

We have audited the financial statements of Pilotlight (Limited by guarantee) (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

-the nature of the industry and sector, control environment and the charities activities;

-results of our enquiries of management about their own identification and assessment of the risks of irregularities;

-any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non -compliance;

- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;

- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in. The key laws and regulations we considered in this context included the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006, UK Companies Act and tax legislation.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

As a result of performing the above, we did not identify any key matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provision of relevant laws and regulations described as having a direct effect on the financial statements;

-enquiring of management concerning actual and potential litigation and claims;

-performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

-reviewing minutes of meetings of those charged with governance, reviewing internal reports, and

-in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale for any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Askew (Senior Statutory Auditor)
for and on behalf of Hartley Fowler LLP
Statutory Auditors
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
4th Floor Tuition House
27-37 St George's Road
Wimbledon
London
SW19 4EU

Date: 28/6/23

PILOTLIGHT
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	171,110	-	171,110	200,456
Charitable activities	5				
Providing business support to UK charities		800,611	398,028	1,198,639	1,034,549
Investment income	4	1,948	-	1,948	343
Total		973,669	398,028	1,371,697	1,235,348
EXPENDITURE ON					
Raising funds	6	74,711	-	74,711	97,323
Charitable activities	7				
Providing business support to UK charities		1,082,572	391,378	1,473,950	1,258,838
Total		1,157,283	391,378	1,548,661	1,356,161
Net gains on investments		7,894	-	7,894	9,872
NET INCOME/(EXPENDITURE)		(175,720)	6,650	(169,070)	(110,941)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,131,128	-	1,131,128	1,242,069
TOTAL FUNDS CARRIED FORWARD		955,408	6,650	962,058	1,131,128

The notes form part of these financial statements

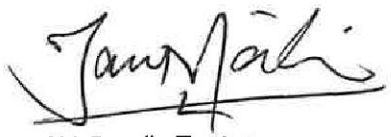
PILOTLIGHT
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	14	56,595	30,208
Tangible assets	15	78,547	100,989
Investments	16	240,806	246,945
		375,948	378,142
CURRENT ASSETS			
Debtors	17	167,048	134,084
Cash at bank		1,918,570	1,512,115
		2,085,618	1,646,199
CREDITORS			
Amounts falling due within one year	18	(620,675)	(691,013)
NET CURRENT ASSETS		1,464,943	955,186
TOTAL ASSETS LESS CURRENT LIABILITIES		1,840,891	1,333,328
CREDITORS			
Amounts falling due after more than one year	19	(878,833)	(202,200)
NET ASSETS		962,058	1,131,128
FUNDS	22		
Unrestricted funds		955,408	1,131,128
Restricted funds		6,650	-
TOTAL FUNDS		962,058	1,131,128

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

The financial statements were approved by the Board of Trustees and authorised for issue on 12 June 2023 and were signed on its behalf by:



M L Powell - Trustee

The notes form part of these financial statements

PILOTLIGHT
(LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	439,928	(271,414)
Net cash provided by/(used in) operating activities		439,928	(271,414)
Cash flows from investing activities			
Purchase of intangible fixed assets		(32,531)	(30,720)
Purchase of tangible fixed assets		(15,077)	(106,428)
Purchase of fixed asset investments		(18,063)	(20,074)
Sale of fixed asset investments		32,096	25,163
Interest received		1,948	343
Net cash used in investing activities		(31,627)	(131,716)
Cash flows from financing activities			
Loan repayments in year		(1,846)	(1,428)
Net cash used in financing activities		(1,846)	(1,428)
Change in cash and cash equivalents in the reporting period		406,455	(404,558)
Cash and cash equivalents at the beginning of the reporting period		1,512,115	1,916,673
Cash and cash equivalents at the end of the reporting period		1,918,570	1,512,115

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(169,070)	(110,941)
Adjustments for:		
Depreciation charges	43,663	18,737
Gain on investments	(7,894)	(9,872)
Interest received	(1,948)	(343)
Increase in debtors	(31,118)	(40,984)
Increase/(decrease) in creditors	606,295	(128,011)
Net cash provided by/(used in) operations	439,928	(271,414)

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/22 £	Cash flow £	At 31/12/22 £
Net cash			
Cash at bank	1,512,115	406,455	1,918,570
	1,512,115	406,455	1,918,570
Total	1,512,115	406,455	1,918,570

The notes form part of these financial statements

1. GENERAL INFORMATION

The charitable company is incorporated and domiciled in England and Wales. The address of its registered office is Audrey House, 16-20 Ely House, London, EC1N 6SN. The registered number of the company is 03270679. The registered number of the charity is 1059660. The Scottish registered number of the charity is SCO38844.

The financial information presented is for the year ended 31 December 2022 and 31 December 2021. The financial information is presented in sterling.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006, The Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 (as amended). The financial statements have been prepared under the historical cost convention.

a) Preparation of the accounts on a going concern basis

The financial statements have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves, the financial position, future plans and the expected level of income and expenditure for 12 months from authorising these financial statements.The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

b) Significant judgements and estimates.

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

(i) Deferred income. This represents corporate membership income and grant income that relates to future accounting periods.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Corporate membership income is deferred and only released to the Statement of Financial Activities over the period to which the membership relates.

Voluntary income is received by way of grants, donations and gifts, including gift aid income where applicable, and is included in full in the statement of financial activities when receivable. Income from grants, where related to performance and specific deliverables, is accounted for when it is probable that the income will be received and amount can be measured reliably. Where conditions are imposed that must be met before the charity has unconditional entitlement, the income is deferred and not included in income until the pre-conditions for use have been met.

Gifts in kind are included at the estimated monetary value to the charity. Where services are provided to the charity as a donation that would normally be purchased, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity.

Donated assets are recognised at current fair value. The donated asset is recognised as donation income and debited to fixed asset investments.

2. ACCOUNTING POLICIES - continued

Income

Government Grants
Government grants are recognised when the entity has reasonable assurance that conditions attached to the grant will be complied with and that the grant will be received.

Revenue grants are recognised using the accrual model and are therefore recognised as income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. Revenue grants are measured at fair value, being the amount of cash receivable.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds
Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Governance costs
Since there is no direct cost to holding Trustee Board meetings and no Trustee Board expenses are reimbursed, governance costs only include statutory audit fees.

Website development costs
Website development costs are capitalised only if they are reliably measurable, the product is technically feasible, it is probable that future economic benefits will be generated, and the charity has the intention and sufficient resources to complete the development.

Website development costs are amortized by the straight-line method over their estimated useful life, of five years, from the day on which the website became available for use.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

All capital items are capitalised and a full year's depreciation is charged on a monthly basis from the date of purchase.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows;

Office Equipment - over 3 or 5 years.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Fixed asset investments
Fixed asset investments comprise two funds:
(i) The Bridges Social Impact Bond Fund, and
(ii) The Bridges Social Outcomes Fund II.

The Investments in the Funds are initially recognised at transaction value and subsequently measured at fair value as at the balance sheet date. The Funds are valued at the fair value of the net assets. Distributions from the Funds are a return of capital and disclosed as a disposal in the fixed asset investment note.

The statement of financial activities includes the net gains and losses on revaluation and disposals during the year.

Cash at bank
Cash at bank includes bank deposit accounts 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.

Debtors
Trade and other debtors are recognised at the settlement amount due. Prepayments are recognised at the invoiced cost prepaid.

Creditors
Creditors are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at the settlement amount.

Impairment
Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations - Individuals and Trusts	171,110	200,456

4. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	1,948	343

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022 £	2021 £
Corporate Contract Income	Providing business support to UK charities	800,611	715,816
Grants	Providing business support to UK charities	398,028	318,733
		1,198,639	1,034,549

Grants received, included in the above, are as follows:

	2022 £	2021 £
The Garfield Weston Foundation	250,000	250,000
The National Lottery Community	97,878	64,083
Pro Bono Economics / Oak Foundation	50,150	4,650
	398,028	318,733

6. RAISING FUNDS

Raising donations and legacies

	2022 £	2021 £
Consultancy fees	74,711	97,323

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Providing business support to UK charities	1,070,088	403,862	1,473,950

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022 £	2021 £
Staff costs	1,046,705	865,687
Travel	23,383	6,404
	1,070,088	872,091

9. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Providing business support to UK charities	398,462	5,400	403,862

Support costs, included in the above, are as follows:

Management

	2022 Providing business support to UK charities	2021 Total activities
	£	£
Rent and office costs	187,920	202,053
Insurance	5,548	3,526
Telephone	9,214	16,252
Sundries	23,754	26,752
Recruitment costs	16,204	15,757
Legal and professional fees	90,662	80,318
Financial outsourcing	19,895	16,350
Bank charges	1,602	1,602
Amortisation of intangible fixed assets	6,144	512
Depreciation of tangible and heritage assets	37,519	18,225
	398,462	381,347

Governance costs

	2022 Providing business support to UK charities	2021 Total activities
	£	£
Auditors' remuneration	4,350	4,350
Auditors' remuneration for non audit work	1,050	1,050
	5,400	5,400

10. NET INCOME/(EXPENDITURE)

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

	2022	2021
	£	£
Auditors' remuneration	4,350	4,350
Auditors' remuneration for non audit work	1,050	1,050
Depreciation - owned assets	37,519	18,225
Development costs amortisation	6,144	512
Operating leases	83,060	101,311

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

12. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	912,913	761,967
Social security costs	95,051	74,722
Other pension costs	38,741	28,998
	1,046,705	865,687

The average monthly number of employees during the year was as follows:

	2022	2021
Charity Work	25	21

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
£70,001 - £80,000	1	1

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	200,456	-	200,456
Charitable activities			
Providing business support to UK charities	715,816	318,733	1,034,549
Investment income	343	-	343
Total	916,615	318,733	1,235,348
EXPENDITURE ON			
Raising funds	97,323	-	97,323
Charitable activities			
Providing business support to UK charities	940,105	318,733	1,258,838
Total	1,037,428	318,733	1,356,161
Net gains on investments	9,872	-	9,872
NET INCOME/(EXPENDITURE)	(110,941)	-	(110,941)

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	1,242,069	-	1,242,069
TOTAL FUNDS CARRIED FORWARD	1,131,128	-	1,131,128

14. INTANGIBLE FIXED ASSETS

	Development costs £
COST	
At 1 January 2022	30,720
Additions	32,531
At 31 December 2022	63,251
AMORTISATION	
At 1 January 2022	512
Charge for year	6,144
At 31 December 2022	6,656
NET BOOK VALUE	
At 31 December 2022	56,595
At 31 December 2021	30,208

Development costs incurred in 2021 related to the development of the charity's website which came into operation in December 2021.The trustees' consider that the useful estimated life of the website is five years.

Development costs incurred in 2022 related to the development of the charity's CRM software which will be effective in 2023 when the costs will be amortized over the useful estimated life.

15. TANGIBLE FIXED ASSETS

	Office equipment £
COST	
At 1 January 2022	212,455
Additions	15,077
At 31 December 2022	227,532
DEPRECIATION	
At 1 January 2022	111,466
Charge for year	37,519
At 31 December 2022	148,985
NET BOOK VALUE	
At 31 December 2022	78,547
At 31 December 2021	100,989

16. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 January 2022	246,945
Additions	18,063
Disposals	(32,096)
Revaluations	7,894
At 31 December 2022	240,806
NET BOOK VALUE	
At 31 December 2022	240,806
At 31 December 2021	246,945

There were no investment assets outside the UK.

Pilotlight have invested into 2 funds:

(I) Bridges Social Impact Bond Fund

In March 2018 The Highwood Foundation transfered to Pilotlight by way of a donation (valued at £212,711) its limited partnership share in this Fund. The Highwood Foundation paid Pilotlight the remaining commitment of £143,983.

(ii) Bridges Social Outcomes Fund II

In March 2019 Pilotlight became in limited partner in this fund. During the year it made contributions of £18,062 (2021 £20,074) into this fund and at the year end had an unfunded commitment of £123,124 (2021 £138,307).

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other debtors	44,542	36,356
Membership debtors	49,850	48,672
VAT	19,838	26,365
Prepayments	52,818	22,691
	167,048	134,084

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	9,182	8,803
Social security and other taxes	27,421	20,130
Other creditors	88,149	89,750
Deferred income	429,275	506,638
Accrued expenses	66,648	65,692
	620,675	691,013

	2022	2021
	£	£
Deferred Income		
Balance at 1 January 2022	506,638	423,837
Deferred income - amounts falling due after more than one year (transferred)	202,200	250,000
Amounts deferred in the year	227,944	284,935
Amounts released to income	(507,537)	(452,134)
Balance at 31 December 2022	429,275	506,638

Deferred income at 31 December 2022 consists of £104,154 (2021 £157,510) corporate membership income and £325,121 (2021 £349,128) grant income which relates to the year ended 31 December 2023.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Deferred income	878,833	202,200

	2022	2021
	£	£
Deferred Income		
Balance at 1 January 2021	202,200	452,200
Deferred income - amounts falling due within one year (transferred)	(202,200)	(250,000)
Amounts deferred in the year	878,833	-
Balance at 31 December 2022	878,833	202,200

In November 2019 Garfield Weston awarded Pilotlight a grant of £750,000 to be spread over three years towards the partnership between Garfield Weston and Pilotlight on the Weston Charity Awards. The remaining deferred income relating to this grant is now included in deferred income less than one year.

In September 2022 Garfield Weston awarded Pilotlight a grant of £1,000,000 to be spread over three years towards the partnership between Garfield Weston and Pilotlight on the Weston Charity Awards. This grant is included in deferred income less than one year £121,167 and deferred income more than one year £878,833.

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	108,568	74,208
Between one and five years	71,422	174,119
	179,990	248,327

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2022 Total funds	2021 Total funds
	£	£	£	£
Fixed assets	135,142	-	135,142	131,197
Investments	240,806	-	240,806	246,945
Current assets	875,010	1,210,608	2,085,618	1,646,199
Current liabilities	(295,550)	(325,125)	(620,675)	(691,013)
Long term liabilities	-	(878,833)	(878,833)	(202,200)
	955,408	6,650	962,058	1,131,128

Comparatives for net assets between funds

	Unrestricted funds	Restricted funds	2021 Total funds
	£	£	£
Fixed assets	131,197	-	131,197
Investments	246,945	-	246,945
Current assets	1,094,871	551,328	1,646,199
Current liabilities	(341,885)	(349,128)	(691,013)
Long term liabilities	-	(202,200)	(202,200)
	1,131,128	-	1,131,128

22. MOVEMENT IN FUNDS

	At 1/1/22	Net movement in funds	At 31/12/22
	£	£	£
Unrestricted funds			
General fund	1,131,128	(175,720)	955,408
Restricted funds			
Pro Bono/Oak Foundation	-	6,650	6,650
TOTAL FUNDS	1,131,128	(169,070)	962,058

22. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	973,669	(1,157,283)	7,894	(175,720)
Restricted funds				
Pro Bono/Oak Foundation	50,150	(43,500)	-	6,650
The National Lottery Community Fund	97,878	(97,878)	-	-
The Garfield Weston Foundation	250,000	(250,000)	-	-
	398,028	(391,378)	-	6,650
TOTAL FUNDS	1,371,697	(1,548,661)	7,894	(169,070)

Comparatives for movement in funds

	At 1/1/21 £	Net movement in funds £	At 31/12/21 £
Unrestricted funds			
General fund	1,242,069	(110,941)	1,131,128
TOTAL FUNDS	1,242,069	(110,941)	1,131,128

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	916,615	(1,037,428)	9,872	(110,941)
Restricted funds				
Pro Bono/Oak Foundation	4,650	(4,650)	-	-
The National Lottery Community Fund	64,083	(64,083)	-	-
The Garfield Weston Foundation	250,000	(250,000)	-	-
	318,733	(318,733)	-	-
TOTAL FUNDS	1,235,348	(1,356,161)	9,872	(110,941)

Restricted Funds

(i) The Garfield Weston Foundation. Supporting Pilotlight and charities in the Midlands, North-East, North-West of England and Wales through the Weston Charity Awards. See the note on deferred income for more details.

(ii) Pro Bono Economics / Oak Foundation: Providing specialist skills for 10 housing and homelessness charities in Oak Foundation's portfolio of grantees.

22. MOVEMENT IN FUNDS - continued

(iii) The National Lottery Community Fund. To establish a sustainable presence for Pilotlight in Birmingham, enabling charities in the area to access its highly managed capacity building programmes and to build sustainable local support networks between charities and businesses. The total grant in the current year was for £289,061 over three years.

23. RELATED PARTY DISCLOSURES

Key management compensation

	2022	2021
	£	£
Salaries and other short-term benefits	320,869	313,430
Post-employment benefits	16,656	15,246
	337,525	328,676

Key management includes certain senior employees who have authority and responsibility for planning and controlling the activities of the charity.

During the year trustees made donations of £7,998 (2021 £12,225).

24. COMPANY LIMITED BY GUARANTEE

The charity is limited by guarantee and has no share capital. The liability of each member is determined by the Articles of the charity and shall not exceed £1. There were 12 members as at 31st December 2022 (2021: 9).

PILOTLIGHT

England & Wales - Charity number 1059660

Accounts

REGISTERED COMPANY NUMBER: 03270679 (England and Wales)
REGISTERED CHARITY NUMBER: 1059660

REPORT OF THE TRUSTEES AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

FOR

PILOTLIGHT
(LIMITED BY GUARANTEE)

PILOTLIGHT
(LIMITED BY GUARANTEE)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Page
Report of the Trustees	1 to 11
Report of the Independent Auditors	12 to 15
Statement of Financial Activities	16
Statement of Financial Position	17
Statement of Cash Flows	18
Notes to the Statement of Cash Flows	19
Notes to the Financial Statements	20 to 31
Detailed Statement of Financial Activities	32 to 33

PILOTLIGHT (LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of 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).

OUR OBJECTIVES

Pilotlight is a charity that amplifies the impact charities, business and individuals can bring to make a better world. Since 1996, we've helped over 1,000 charities who tackle social disadvantage to ignite change that lasts.

This is our report of our work and progress over another extraordinary year, in which charities have played a critical role in meeting social needs in the context of the COVID-19 pandemic has. We want to thank all of our members, corporate partners and charity partners for their participation and support for what we have been able to contribute to this.

OUR PERFORMANCE AND IMPACT

We exist to amplify the impact that charities, business and individuals can bring to the world. We do this by bringing charities together with business and business experts who can tackle the pressing issues charities are facing. We do this by managing the relationship between business and charities to maximise the impact they bring. We do this by helping individuals apply their expertise to those who need it, and to grow their own skills as part of a team of advisors.

We increase the impact of individuals by bringing them new experiences, perspectives and learning. We increase the impact of organisations by exposing their talent to new situations and challenges. We increase the impact of charities by giving them the expertise and resources they need. As a result we amplify the good work that's done in the world.

Having developed a model for our work in the context of the pandemic, we have been able to step up what we are doing with remote working and remote delivery of our support for charities. In 2021, we worked with more charities and Pilotlighters and delivered more support than any previous year. We worked with 750 Pilotlighters on 162 projects, delivering support to 159 unique charities (141 projects and 135 charities in 2020). Together, these charities are supporting over 5.5 million people.

The charities we support are typically small (up to £100,000 income), medium (up to £1 million) or large (up to £10 million) under the classifications of the National Council for Voluntary Organisations (NCVO). The average charity income was £692,234. All have some link with disadvantage, which remains our core focus. 37% of our Partner Charities have a focus on supporting children and young people.

29% of our Partner Charities are supporting their local communities (their neighbourhood or local authority area), 27% have regional reach and 3% have an international reach. The majority of our charities are located in the most deprived areas of the UK. In terms of nations, the majority (125) of charities are based in England. The regional spread of our work is assisted by our partnership with the Garfield Weston Foundation and The National Lottery Community Fund in the Midlands.

We worked with 310 Pilotlighters who gave their skills and experience to support charities through Pilotlight 360 (down from 313 in 2020) and 440 Pilotlighters who supported charities through programmes delivered with a Partner Business (up from 347 in 2020).

The Pilotlight 360 Programme helped charity leaders: 100% increased their confidence in their role (83% in 2020); 94% increased their leadership skills (87% in 2020); 85% increased their wellbeing (70% in 2020). In 2020 we had seen a drop in the reported benefits for career development and networks, reflecting perhaps the changing nature of interactions through online participation, but these outcomes recovered in 2021.

The Pilotlight 360 Programme helped Pilotlighters: 97% increased their understanding of other perspectives; 83% increased their listening skills, 70% increased their personal wellbeing.

In terms of impact on charities, after two years, charities we have worked with have increased their income by 58% and service users by 15%. A 5 year rolling average shows an increase in income of 44% and an increase in service users of 30%.

Overall, the charity hit five of the eight Key Performance Indicators, which were set at stretch targets for the year. The charity fell short but still came close, with strong progress, on the other three.

In line with other organisations, the charity did see an increased level of staff turnover in the second half of 2021. Even so, staff turnover in 2021 overall has been the lowest of any of the last four years.

All 21 staff, in our independent Annual Staff Survey, agreed that 'I am proud to work for Pilotlight' and all staff agreed 'The people I work with treat each other with fairness and respect'. 'I am treated with fairness and respect', 'My work schedule is flexible enough to meet my needs' and 'I would recommend Pilotlight as an employer' also received high average ratings. The top three words used by staff to describe Pilotlight's culture are 'supportive', 'collaborative' and 'inclusive'.

At the same time, a year of remote working has had an impact on staff and on their well-being, with drops in the ratings for 'I rarely get stressed at work' and 'My workload is reasonable'.

The average rating for 'Pilotlight does a good job in promoting equality and diversity' has seen steady improvement since 2019 and was the most improved rating over the previous year. The charity has made a commitment to champion anti-racism and promote Diversity, Equity and Inclusion in its work. In terms of key data, monitoring progress on this, we found that in a diversity and inclusion monitoring survey: 4% of Pilotlighters consider themselves to have a disability (1% in 2020); up to 21% of Pilotlighters are people of colour (10% in 2020); 4% of Pilotlighters are LGBTQ+; 47% of Pilotlighters are female. Of charity leaders: 78% are female; 8% are of people of colour – all of whom were involved in shorter programmes rather than Pilotlight 360. For both Pilotlighters and charity leaders, there are significant numbers of people involved who are under 45 years of age.

We do attract consistent positive feedback and testimonials for our work, including:

- "It was far better than anything I expected, you really got under the skin of our charity and our potential". CEO, Barnado's

- "The Pilotlighters said how proud and satisfied they feel. One said that his partner noticed that he never talks about work but that he didn't stop talking about this project."

This performance in terms of impact is tracked through a system of data monitoring, with independent assurance from our evaluation partners, Cornish + Grey. Over the course of the year, we were pleased to be recognised in the NatWest Social Enterprise 100 as one of the top five social enterprises in the UK in terms of our social impact accounting.

OUR ACTIVITIES

We operate a number of pro bono programmes on a model of 'skills sharing' in which we attract people with business and organisational skills to support charity leaders – with both learning through the process. These programmes are:

Pilotlight 360

Our most comprehensive programme (formerly known simply as the 'Pilotlight Programme'). Over a 10 month period, four of our most senior and experienced Pilotlighters coach a charity leader and their board through the strategic challenges they face.

Pilotlight Insight

A programme to provide insight on a specific business challenge. Over ten weeks, six Pilotlighters apply their analytical skills and expertise to explore an issue in depth and to recommend solutions.

Pilotlight Direction

A programme to explore a specific strategic opportunity. Over eight weeks, six Pilotlighters assess its viability and establish how it can be reached.

Pilotlight Impact Day

A one-day event designed to explore innovative and practical solutions to a specific operational challenge. Multiple teams of Pilotlighters apply their knowledge and experience to create ideas and impact.

Bespoke programmes

These are programmes designed to meet a specific need for either the charity or a partner organisation.

A partnership with the Garfield Weston Foundation has helped to open access to the Pilotlight 360 programme through the Weston Charity Awards. These were run in partnership in 2021 for the eighth year. From a pilot of 6 charities in the North-East in 2014, in 2021 twenty charities from the North of England, the Midlands and Wales were award winners.

More widely, we have run events for members and the wider public, including an annual conference, The Power of Charity, an online event with 165 people registered to hear Andy Haldane, at that point the Chief Economist for the Bank of England.

OUR STRATEGY

Following a careful process of contact with and insight from our stakeholders and learning from our work and plans to date, the Board approved a new ten year strategy for the charity, in line with our founding objects and vision. The core idea of Pilotlight remains a compelling one - that those working to tackle poverty, for public gain, should have no less access to high quality professional skills than those who are wealthy and have the means to pay for them for private gain.

The new strategy sets out that over the coming ten years, to realise this potential of leverage for the charity sector, we want to make a systems change, to bring about a fundamental shift in how skills sharing is perceived and delivered to the sector, with the following vision, mission and values:

Vision

A world that is fairer and more sustainable because charities, wider social enterprises and inclusive businesses have the skills that they need to tackle disadvantage.

Mission

To facilitate and promote the sharing of professional skills to help charities help people most effectively.

Values

Our values are aligned with our vision and mission and characterise how we believe that skills sharing can work to its potential:

- We bring people together
- We believe in potential
- We expect the best

If we are successful, then in three years' time, by innovating our offer in line with charity needs, we will be working with five 'anchor' corporate partners, compared to 2 in 2021, serving, as a result, over 200 charities and social enterprises. We will be collaborating with other skills sharing providers and will have co-created a shared strategy to grow this as a field of practice.

In ten years' time, if we are successful, there will be a joined up skills based support system across the UK for charities and social enterprises. This system is not assumed to be a single organisation and nor is it simply the result of growth in one existing organisation, including our work at Pilotlight - rather we assume that this system can only be achieved if we and others in the field are open to options to partner or integrate and co-create this over time.

We see that this could be wider too, with the potential to cover all organisations working for the public benefit, including more businesses that recognise their place in the world as doing good in addition to making money. This will be a system that makes a major contribution to sustainable development goals.

In the strategy, we characterise three, overlapping 'horizons' required to realise this ambition:

Horizon 1 – delivery of skills sharing. Building on the foundation of existing operational work, ensuring that this remains active and healthy, we will run skills sharing programmes to support charities to meet people's needs.

Horizon 2 – innovation in skills sharing. We will develop new products each of which offers sustainable ways to support charities and social enterprise in their work to help more people, more effectively.

Horizon 3 – collaboration in skills sharing. Through collaboration, we will make it easier for people with skills and charities who need skills to find each other, for more people overall to benefit from the help that they need from charities and social enterprises.

OUR FINANCES

Pilotlight meets its objectives of supporting charities to increase their social impact through a business model that we have developed over time. We fund our activities principally through individual business member donations and corporate fees, the remainder through Trust & Foundation grants. Pilotlight uses its income to provide programmes designed to support charities seeking to increase their social impact by improving their efficiency and effectiveness. The programmes are provided to participating charities free of charge.

In 2021 grants make up around 26% of our total income with membership income being our primary source of income. Our total income was £1,235,348. Our grant income includes support from the Garfield Weston Foundation, the National Lottery Community Fund and the Oak Foundation.

Included in creditors is deferred income of £708,838 of which £202,200 is deferred income falling due after more than one year. Our costs were £1,356,161. Cash at year end was £1,512,115.

Pilotlight has varied sources of income including annual fees from individual members or from companies who sponsor their employees' membership costs. Members pay annually so income is received across the full calendar year. The organisation also receives occasional grants which typically involve one or more lump sum receipts. Finally, we have in the past received ad hoc donations from private or corporate donors. We do not typically engage in open public fundraising.

Pilotlight's expenditure consist mainly of monthly salary costs and the cost of our office in London. The charity typically holds its assets in cash balances but could receive donations in the form of property, land or other forms of investment product.

One of the most significant financial commitments over 2021 has been our move to a new office. Having reviewed 19 office spaces we decided to move to a newly refurbished building, 14 Bonhill Street, London. The new offices represent a cost saving compared to before, albeit with the costs of a higher fit-out requirement at the start. The space is of a higher quality than our former offices, but slightly smaller (1,931 square foot), allowing for new ways of working. The building is in easy walking distance to several major stations (Old Street, Liverpool Street and Moorgate). We do also have the use of an office in Birmingham, courtesy of our partner business Wesleyan.

Financial risks are managed as part of an overall system of risk governance. The primary financial risks over 2021 were on the income rather than the expenditure side, but with early action and close contact with our primary sources of funding, the charity continued to attract and use financial support throughout the year.

The Board recognised again that these were the 'rainy days' that our financial reserves were here to act as a buffer against, but also that we were in a position to invest in developing our work for the future. This included expenditure around a new Leadership Team, to meet the needs set out in the new strategy, and around a new brand and website for the charity - we are grateful to Lukecharles and Strange for the expert support they gave to us for these. The financial deficit for the year is therefore a planned one and while the COVID-19 pandemic has shaped the context for our work, thanks to very significant efforts by our team of staff and Pilotlighters, our financial performance has been in line with our plans and no other significant events have affected the finances of the charity during the year.

OUR STRUCTURE AND GOVERNANCE

Pilotlight is a charitable company limited by guarantee, incorporated on 29 October 1996 and registered as a charity on 6 December 1996. The organisation is led by a Chief Executive Officer ("CEO"), Ed Mayo.

The company was established under a Memorandum of Association which set the objects and powers of the charitable company and is governed under its Articles of Association. A review of the legal instruments of the charity led to changes to our constitution, to bring these into line with current good practice, and these were approved by the relevant regulatory authorities in 2021.

The Board operate to an up to date set of governance policies and process in a Trustee Handbook and undertake an annual Board Effectiveness Review led by the Chair. These take account of the recommendations of the Charity Governance Code. The policies set out reserved and delegated matters, including around Pilotlight's financial assets. The committee structure of the Board has been reviewed and re-designed, with the Finance and Risk Committee supporting the Board in relation to financial compliance and performance.

Trustees of Pilotlight's Board are required to disclose all relevant interests and register them with the Chief Executive and withdraw from decisions where a conflict of interest arises. A policy on conflicts of interest governs the handling of decisions, including where a trustee is also involved with another relevant organization with whom we may co-operate with, setting out that trustees may, under appropriate circumstances, be involved in discussions about it but not in any decision-making process. All related party transactions are disclosed in note 24 to the accounts.

The Handbook forms a key element of our system of trustee induction, alongside a structured programme of engagement in our work and for meeting people within the staff team. Three new trustees were appointed in 2021, with the addition of skills and experience of charity leaders on the Pilotlight Board. New members of the Trustee Board are instructed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association and the decision-making process by other members of the Committee.

The Treasury and Investment Policy sets out the charity's approach to the management of its funds and its liquidity requirements in this context. In line with this, the charity is active in the context of social investment, participating in two social venture capital funds operated by Bridges – the Bridges Social Impact Bond Fund and the Bridges Social Outcomes Fund II. We monitor the financial performance of these, aware of the risk that social investment has faced in an uncertain economy. These are considered to be a way of generating both financial and social returns, in line with our charitable objects. These two funds have a fair value of £246,945. The charity has no funds in the form of investment assets overseas.

The Reserves Policy sets out that the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should, in the medium term, be around 6 months of running costs, which equates to approximately £600,000. In addition to the significant deferred revenue balances, the Board feels that this would enable the funding of working capital, provide resources against unforeseen circumstances, and support new growth projects. In the event of a significant drop in funding, it would be necessary to consider how the funding would be replaced or activities changed. Unrestricted reserves in 2021 decreased by £110,941 to £1,131,128.

The Trustee Board oversees the charity and meets around four times a year, with additional committee and working group meetings where required. The Chair of the Board is Sally Bailey and the Vice Chair is Tina Alexandrou, who stepped down in December 2021, with Mei Li Powell and Fiona Rodford appointed as Vice-Chairs. Chris Connelly is Chair of the Finance and Risk Committee.

The CEO is appointed by the Board to manage the day-to-day operations of the charity. Bruce McCombie was Deputy CEO up to October 2021, when he left the charity after ten years' service. We are grateful for his outstanding contribution over time. The CEO, Ed Mayo, is supported by a new Leadership Team that was formed in November 2021, including Mel Whitney-Long (Head of Operations), Charlie Medcalf (Head of Charity Experience), Tom Leavesly-Matthews (Head of Partnerships) and Sam Matthews (Head of Delivery).

The Board oversees a framework for the appropriate governance of risk, including a Risk Register, risk controls and mitigation and regular management and Board scrutiny of relevant risks, including a consideration of our risk appetite. 2021 was a high-risk year in many ways and the highest risk for the charity was seen to be a loss of income, so that it would not be able to carry out its charitable activities. Key risks have included staff retention and cyber security. Looking forward, given the continued economic uncertainty, we expect to continue to be operating in a relatively high-risk environment, compared to previous years. One consequence of this is that the mental health of staff, as of our partners through our work, is one to keep a close eye on.

The pay of the senior staff is reviewed annually and a pay pot is set for increases in remuneration across staff where required, in line with an overall pay policy agreed by the Board. The Trustee Board benchmarks against pay levels in other voluntary sector organisations of a similar size and uses information from annual sector pay surveys to inform their decision-making.

The Trustee Board has had due regard to the Charity Commission guidance on public benefit and has complied with the duty in section 17 of the Charities Act 2011.

For completeness, we would add that there are no exemptions from disclosure or funds held as a custodian trustee on behalf of others that are applicable to the charity.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

The Board recognises the value of tracking how the charity interacts with the natural environment, with society as well as our governance. The core focus of the charity is to achieve social impact and we see that our current work contributes to five United Nations Sustainable Development Goals: 1 – no poverty; 5 – gender equality; 10 – reduced inequalities; 11 – sustainable cities and communities; 17 – partnership for the goals. We consider the environmental and social impact of our operations, including working to an agreed Climate Emergency Policy and promoting actions such as around greening our new office in London, following a workshop on sustainability of trustees and staff held in late 2021.

OUR FUTURE PLANS

The Board approved in December 2021 an Operational Plan for Pilotlight for our work in 2022, along with a deficit budget that draws on reserves to invest in our future, as part of a longer-term financial plan to deliver on our new strategy.

The 2022 Operating Plan includes a set of Key Performance Indicators, listed below:

- Current and new corporate partner pipeline value
- Three strategic partners by the end of the year
- Number of charity Expressions of Interest received
- 204 charity projects delivered
- Pilotlighter and charity satisfaction above 4 out of 5
- Double our supporter numbers on our email list
- Financial performance with a positive variance on budget
- Staff turnover under 25%.

Under the strategic theme of collaboration, Pilotlight will look to build on key partnerships over the year ahead. Pilotlight's CEO, for example, has also been elected as a member of the steering group for a new coalition of infrastructure organisations for the voluntary sector, the Civil Society Group. This supplements the work of NCVO, the national association of which the charity is also a member.

One significant initiative, we believe, is that in collaboration with Cranfield Trust and Reach Volunteering, Pilotlight has formed a new network, the UK Pro Bono Association, which is developing as a welcome learning network for those in the field and is likely to point towards practical ways in which they can work together to ensure more effective support for the charity sector. As they say, watch this space...

OUR REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03270679 (England and Wales)

Registered Charity number

1059660

Scottish Charity Registration Reference

SC038844

Registered office

Audrey House 16-20 Ely Place London EC1N 6SN

Principal address

5th Floor, 14 Bonhill Street, London EC2A 4BX

Trustees

Ms C Alexandrou (resigned 1/12/21)

Mr C J Connelly - Treasurer

Mr O S W Lloyd

F M Rodford

Mr G J Hale

Ms S F Bailey

Mr P D Moss

Ms M L Powell (appointed 1/3/21)

Ms G O Anyanwu (appointed 1/3/21)

Ms K T S Mathieson (appointed 1/3/21)

Company Secretary

Mr E Mayo (appointed 22/2/22)

I Patel (resigned 22/2/22)

Auditors

Hartley Fowler LLP Statutory Auditors Chartered Accountants 4th Floor Tuition House 27-37 St George's Road Wimbledon London SW19 4EU

Bankers

HSBC Weybridge Commercial Centre Church Street Weybridge Surrey KT13 8DF

Solicitors

Anthony Collins Solicitors, 134 Edmund Street, Birmingham, B3 2ES

Chief Executive Officer

Mr E Mayo

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of charitable company (Limited by guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

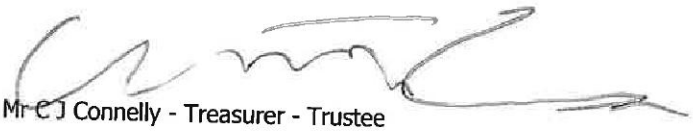
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Approved by order of the board of trustees on 23 June 2022 and signed on its behalf by:



Mr C J Connelly - Treasurer - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF PILOTLIGHT (LIMITED BY GUARANTEE)

Opinion

We have audited the financial statements of Pilotlight (Limited by guarantee) (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF PILOTLIGHT (LIMITED BY GUARANTEE)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

-the nature of the industry and sector, control environment and the charities activities;

-results of our enquiries of management about their own identification and assessment of the risks of irregularities;

-any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non -compliance;

- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;

- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in. The key laws and regulations we considered in this context included the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006, UK Companies Act and tax legislation.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

As a result of performing the above, we did not identify any key matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provision of relevant laws and regulations described as having a direct effect on the financial statements;

-enquiring of management concerning actual and potential litigation and claims;

-performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

-reviewing minutes of meetings of those charged with governance, reviewing internal reports, and

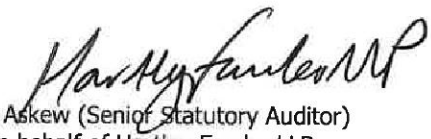
-in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale for any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Askew (Senior Statutory Auditor)
for and on behalf of Hartley Fowler LLP
Statutory Auditors
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
4th Floor Tuition House
27-37 St George's Road
Wimbledon
London
SW19 4EU

13 July 2022

PILOTLIGHT
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	200,456	-	200,456	210,655
Charitable activities	5				
Providing business support to UK charities		715,816	318,733	1,034,549	940,908
Investment income	4	343	-	343	2,740
Other income	6	-	-	-	11,538
Total		916,615	318,733	1,235,348	1,165,841
EXPENDITURE ON					
Raising funds	7	97,323	-	97,323	45,574
Charitable activities	8				
Providing business support to UK charities		940,105	318,733	1,258,838	1,139,648
Total		1,037,428	318,733	1,356,161	1,185,222
Net gains/(losses) on investments		9,872	-	9,872	(5,849)
NET INCOME/(EXPENDITURE)		(110,941)	-	(110,941)	(25,230)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,242,069	-	1,242,069	1,267,299
TOTAL FUNDS CARRIED FORWARD		1,131,128	-	1,131,128	1,242,069

The notes form part of these financial statements

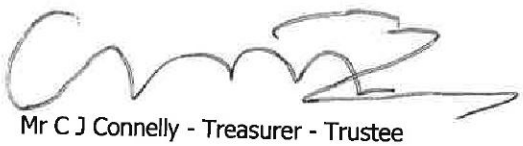
PILOTLIGHT
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	15	30,208	-
Tangible assets	16	100,989	12,786
Investments	17	246,945	242,162
		378,142	254,948
CURRENT ASSETS			
Debtors	18	134,084	93,100
Cash at bank		1,512,115	1,916,673
		1,646,199	2,009,773
CREDITORS			
Amounts falling due within one year	19	(691,013)	(570,452)
NET CURRENT ASSETS		955,186	1,439,321
TOTAL ASSETS LESS CURRENT LIABILITIES		1,333,328	1,694,269
CREDITORS			
Amounts falling due after more than one year	20	(202,200)	(452,200)
NET ASSETS		1,131,128	1,242,069
FUNDS	23		
Unrestricted funds		1,131,128	1,242,069
TOTAL FUNDS		1,131,128	1,242,069

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

The financial statements were approved by the Board of Trustees and authorised for issue on 23 June 2022 and were signed on its behalf by:



Mr C J Connelly - Treasurer - Trustee

The notes form part of these financial statements

PILOTLIGHT
(LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	(271,414)	(314,014)
Net cash used in operating activities		(271,414)	(314,014)
Cash flows from investing activities			
Purchase of intangible fixed assets		(30,720)	-
Purchase of tangible fixed assets		(106,428)	(5,017)
Purchase of fixed asset investments		(20,074)	(49,361)
Sale of fixed asset investments		25,163	36,358
Interest received		343	2,740
Net cash used in investing activities		(131,716)	(15,280)
Cash flows from financing activities			
Loan repayments in year		(1,428)	(6,400)
Net cash used in financing activities		(1,428)	(6,400)
Change in cash and cash equivalents in the reporting period		(404,558)	(335,694)
Cash and cash equivalents at the beginning of the reporting period		1,916,673	2,252,367
Cash and cash equivalents at the end of the reporting period		1,512,115	1,916,673

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(110,941)	(25,230)
Adjustments for:		
Depreciation charges	18,737	13,512
(Gain)/losses on investments	(9,872)	5,849
Interest received	(343)	(2,740)
Increase in debtors	(40,984)	(5,790)
Decrease in creditors	(128,011)	(299,615)
Net cash used in operations	(271,414)	(314,014)

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/21	Cash flow	At 31/12/21
	£	£	£
Net cash			
Cash at bank	1,916,673	(404,558)	1,512,115
	1,916,673	(404,558)	1,512,115
Total	1,916,673	(404,558)	1,512,115

The notes form part of these financial statements

1. GENERAL INFORMATION

The charitable company is incorporated and domiciled in England and Wales. The address of its registered office is Audrey House, 16-20 Ely House, London, EC1N 6SN. The registered number of the company is 03270679. The registered number of the charity is 1059660. The Scottish registered number of the charity is SCO38844.

The financial information presented is for the year ended 31 December 2021 and 31 December 2020. The financial information is presented in sterling.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006, The Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 (as amended). The financial statements have been prepared under the historical cost convention.

a) Preparation of the accounts on a going concern basis

The financial statements have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves, the financial position, future plans and the expected level of income and expenditure for 12 months from authorising these financial statements.The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

b) Significant judgements and estimates.

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

(i) Deferred income. This represents corporate membership income and grant income that relates to future accounting periods.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Corporate membership income is deferred and only released to the Statement of Financial Activities over the period to which the membership relates.

Voluntary income is received by way of grants, donations and gifts, including gift aid income where applicable, and is included in full in the statement of financial activities when receivable. Income from grants, where related to performance and specific deliverables, is accounted for when it is probable that the income will be received and amount can be measured reliably. Where conditions are imposed that must be met before the charity has unconditional entitlement, the income is deferred and not included in income until the pre-conditions for use have been met.

Gifts in kind are included at the estimated monetary value to the charity. Where services are provided to the charity as a donation that would normally be purchased, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity.

Donated assets are recognised at current fair value. The donated asset is recognised as donation income and debited to fixed asset investments.

2. ACCOUNTING POLICIES - continued

Income

Government Grants
Government grants are recognised when the entity has reasonable assurance that conditions attached to the grant will be complied with and that the grant will be received.

Revenue grants are recognised using the accrual model and are therefore recognised as income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. Revenue grants are measured at fair value, being the amount of cash receivable.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds
Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Governance costs
Since there is no direct cost to holding Trustee Board meetings and no Trustee Board expenses are reimbursed, governance costs only include the statutory audit fee.

Website development costs
Website development costs are capitalised only if they are reliably measurable, the product is technically feasible, it is probable that future economic benefits will be generated, and the charity has the intention and sufficient resources to complete the development.

Website development costs are amortized by the straight-line method over their estimated useful life, of five years, from the day on which the website became available for use.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

All capital items are capitalised and a full year's depreciation is charged on a monthly basis from the date of purchase.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows;

Office Equipment - over 3 or 5 years.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Fixed asset investments
Fixed asset investments comprise two funds:
(i) The Bridges Social Impact Bond Fund, and
(ii) The Bridges Social Outcomes Fund II.

The Investments in the Funds are initially recognised at transaction value and subsequently measured at fair value as at the balance sheet date. The Funds are valued at the fair value of the net assets. Distributions from the Funds are a return of capital and disclosed as a disposal in the fixed asset investment note.

The statement of financial activities includes the net gains and losses on revaluation and disposals during the year.

Cash at bank
Cash at bank includes bank deposit accounts 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.

Debtors
Trade and other debtors are recognised at the settlement amount due. Prepayments are recognised at the invoiced cost prepaid.

Creditors
Creditors are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at the settlement amount.

Impairment
Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

3. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations - Individuals and Trusts	200,456	210,655

4. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	343	2,740

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021 £	2020 £
Corporate Contract Income	Providing business support to UK charities	715,816	557,283
Grants	Providing business support to UK charities	318,733	383,625
		1,034,549	940,908

Grants received, included in the above, are as follows:

	2021 £	2020 £
The Garfield Weston Foundation	250,000	288,000
The National Lottery Community	64,083	63,900
Pro Bono Economics / Oak Foundation	4,650	19,625
Porticus	-	3,000
Careers and Enterprise Company	-	9,100
	318,733	383,625

6. OTHER INCOME

	2021 £	2020 £
Government grants	-	11,538

Other income includes a government grant for furlough of £nil (2020 £11,538).

7. RAISING FUNDS

Raising donations and legacies

	2021 £	2020 £
Consultancy fees	97,323	45,574

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Support costs (see note 10) £	Totals £
Providing business support to UK charities	872,091	386,747	1,258,838

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021	2020
	£	£
Staff costs	865,687	812,745
Travel	6,404	10,355
Bad debts	-	4,000
	872,091	827,100

10. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Providing business support to UK charities	381,347	5,400	386,747

Support costs, included in the above, are as follows:

Management

	2021 Providing business support to UK charities	2020 Total activities
	£	£
Rent and office costs	202,053	161,686
Insurance	3,526	3,272
Telephone	16,252	11,530
Sundries	26,752	17,874
Recruitment costs	15,757	28,125
Legal and professional fees	80,318	52,982
Financial outsourcing	16,350	16,250
Bank charges	1,602	1,917
Amortisation of intangible fixed assets	512	-
Depreciation of tangible and heritage assets	18,225	13,512
	381,347	307,148

Governance costs

	2021 Providing business support to UK charities	2020 Total activities
	£	£
Auditors' remuneration	4,350	4,350
Auditors' remuneration for non audit work	1,050	1,050
	5,400	5,400

11. NET INCOME/(EXPENDITURE)

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

	2021	2020
	£	£
Auditors' remuneration	4,350	4,350
Auditors' remuneration for non audit work	1,050	1,050
Depreciation - owned assets	18,225	13,512
Development costs amortisation	512	-
Operating leases	101,311	92,286
Government grants	-	(11,538)

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

13. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	761,967	724,001
Social security costs	74,722	71,489
Other pension costs	28,998	17,255
	865,687	812,745

The average monthly number of employees during the year was as follows:

	2021	2020
Charity Work	21	20

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
£70,001 - £80,000	1	1

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	210,655	-	210,655
Charitable activities			
Providing business support to UK charities	576,908	364,000	940,908
Investment income	2,740	-	2,740
Other income	11,538	-	11,538
Total	801,841	364,000	1,165,841
EXPENDITURE ON			
Raising funds	45,574	-	45,574
Charitable activities			
Providing business support to UK charities	775,648	364,000	1,139,648
Total	821,222	364,000	1,185,222
Net gains/(losses) on investments	(5,849)	-	(5,849)
NET INCOME/(EXPENDITURE)	(25,230)	-	(25,230)
RECONCILIATION OF FUNDS			
Total funds brought forward	1,267,299	-	1,267,299
TOTAL FUNDS CARRIED FORWARD	1,242,069	-	1,242,069

15. INTANGIBLE FIXED ASSETS

	Development costs £
COST	
Additions	30,720
AMORTISATION	
Charge for year	512
NET BOOK VALUE	
At 31 December 2021	30,208
At 31 December 2020	-

Development costs incurred in 2021 related to the development of the charity's website which came into operation in December 2021.The trustees' consider that the useful estimated life of the website is five years.

16. TANGIBLE FIXED ASSETS

	Office equipment £
COST	
At 1 January 2021	106,027
Additions	106,428
At 31 December 2021	212,455
DEPRECIATION	
At 1 January 2021	93,241
Charge for year	18,225
At 31 December 2021	111,466
NET BOOK VALUE	
At 31 December 2021	100,989
At 31 December 2020	12,786

17. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 January 2021	242,162
Additions	20,074
Disposals	(25,163)
Revaluations	9,872
At 31 December 2021	246,945
NET BOOK VALUE	
At 31 December 2021	246,945
At 31 December 2020	242,162

There were no investment assets outside the UK.

Pilotlight have invested into 2 funds:

(I) Bridges Social Impact Bond Fund

In March 2018 The Highwood Foundation transfered to Pilotlight by way of a donation (valued at £212,711) its limited partnership share in this Fund. The Highwood Foundation paid Pilotlight the remaining commitment of £143,983.

(ii) Bridges Social Outcomes Fund II

In March 2019 Pilotlight became in limited partner in this fund. During the year it made contributions of £20,074 (2020 £49,361) into this fund and at the year end had an unfunded commitment of £138,307 (2020 £158,382).

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other debtors	36,356	12,312
Membership debtors	48,672	39,236
VAT	26,365	2,303
Prepayments	22,691	39,249
	134,084	93,100

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	8,803	2,613
Social security and other taxes	20,130	20,256
Other creditors	89,750	90,510
Deferred income	506,638	423,837
Accrued expenses	65,692	33,236
	691,013	570,452

	2021	2020
	£	£
Deferred Income		
Balance at 1 January 2021	423,837	426,395
Deferred income - amounts falling due after more than one year (transferred)	250,000	297,800
Amounts deferred in the year	284,935	221,149
Amounts released to income	(452,134)	(552,507)
Balance at 31 December 2021	506,638	423,837

Deferred income at 31 December 2021 consists of £157,510 (2020 £133,399) corporate membership income and £349,127 (2020 £290,438) grant income which relates to the year ended 31 December 2022.

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Deferred income	202,200	452,200

	2021	2020
	£	£
Deferred Income		
Balance at 1 January 2020	452,200	750,000
Deferred income - amounts falling due within one year (transferred)	(250,000)	(297,800)
Balance at 31 December 2021	202,200	452,200

In November 2019 Garfield Weston awarded Pilotlight a grant of £750,000 to be spread over three years towards the partnership between Garfield Weston and Pilotlight on the Weston Charity Awards.

21. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	74,208	73,533
Between one and five years	174,119	9,372
	248,327	82,905

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2021 Total funds	2020 Total funds
	£	£	£	£
Fixed assets	131,197	-	131,197	12,786
Investments	246,945	-	246,945	242,162
Current assets	1,094,871	551,328	1,646,199	2,009,773
Current liabilities	(341,885)	(349,128)	(691,013)	(570,452)
Long term liabilities	-	(202,200)	(202,200)	(452,200)
	1,131,128	-	1,131,128	1,242,069

Comparatives for net assets between funds

	Unrestricted funds	Restricted funds	2020 Total funds
	£	£	£
Fixed assets	12,786	-	12,786
Investments	242,162	-	242,162
Current assets	1,267,136	742,637	2,009,773
Current liabilities	(280,015)	(290,437)	(570,452)
Long term liabilities	-	(452,200)	(452,200)
	1,242,069	-	1,242,069

23. MOVEMENT IN FUNDS

	At 1/1/21	Net movement in funds	At 31/12/21
	£	£	£
Unrestricted funds			
General fund	1,242,069	(110,941)	1,131,128
TOTAL FUNDS	1,242,069	(110,941)	1,131,128

23. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	916,615	(1,037,428)	9,872	(110,941)
Restricted funds				
Pro Bono/Oak Foundation	4,650	(4,650)	-	-
The National Lottery Community Fund	64,083	(64,083)	-	-
The Garfield Weston Foundation	250,000	(250,000)	-	-
	318,733	(318,733)	-	-
TOTAL FUNDS	1,235,348	(1,356,161)	9,872	(110,941)

Comparatives for movement in funds

	At 1/1/20 £	Net movement in funds £	At 31/12/20 £
Unrestricted funds			
General fund	1,267,299	(25,230)	1,242,069
TOTAL FUNDS	1,267,299	(25,230)	1,242,069

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	801,841	(821,222)	(5,849)	(25,230)
Restricted funds				
Porticus UK	3,000	(3,000)	-	-
The Garfield Weston Foundation	288,000	(288,000)	-	-
The National Lottery Community Fund	63,900	(63,900)	-	-
The Careers and Enterprise Fund	9,100	(9,100)	-	-
	364,000	(364,000)	-	-
TOTAL FUNDS	1,165,841	(1,185,222)	(5,849)	(25,230)

Restricted Funds

(i) The Garfield Weston Foundation. Supporting Pilotlight and charities in the Midlands, North-East, North-West of England and Wales through the Weston Charity Awards.

(ii) Porticus UK: this grant is to support charity leader bursary spots on the Pilotlight Programme.

23. MOVEMENT IN FUNDS - continued

(iii) Pro Bono Economics / Oak Foundation: Providing specialist skills for 10 housing and homelessness charities in Oak Foundation's portfolio of grantees.

(iv) The National Lottery Community Fund. To establish a sustainable presence for Pilotlight in Birmingham, enabling charities in the area to access its highly managed capacity building programmes and to build sustainable local support networks between charities and businesses. The total grant is for £213,075 over three years.

(v) The Careers and Enterprise Company (CEC): Performing assessments and diagnostics of CEC's Community Plus grant recipients.

24. RELATED PARTY DISCLOSURES

Key management compensation

	2021	2020
	£	£
Salaries and other short-term benefits	313,430	220,773
Post-employment benefits	15,246	6,190
	328,676	226,963

Key management includes certain senior employees who have authority and responsibility for planning and controlling the activities of the charity.

During the year trustees made donations of £12,225 (2020 £11,784).

25. COMPANY LIMITED BY GUARANTEE

The charity is limited by guarantee and has no share capital. The liability of each member is determined by the Articles of the charity and shall not exceed £1. There were 9 members as at 31st December 2021 (2020: 7).

PILOTLIGHT

England & Wales - Charity number 1059660

Accounts

REGISTERED COMPANY NUMBER: 03270679 (England and Wales)
REGISTERED CHARITY NUMBER: 1059660

REPORT OF THE TRUSTEES AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

FOR

PILOTLIGHT
(LIMITED BY GUARANTEE)

PILOTLIGHT
(LIMITED BY GUARANTEE)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Page
Report of the Trustees	1 to 10
Report of the Independent Auditors	11 to 14
Statement of Financial Activities	15
Statement of Financial Position	16
Statement of Cash Flows	17
Notes to the Statement of Cash Flows	18
Notes to the Financial Statements	19 to 30
Detailed Statement of Financial Activities	31 to 32

PILOTLIGHT (LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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).

OUR OBJECTIVES

Pilotlight is a charity that supports charities. Because we rely on earned income more than charity grants, we can also be described as a social enterprise. Our objective is to help charities and social enterprises become more resilient and deliver more effective and efficient services, resulting in better outcomes for disadvantaged people.

This is our report of our work and progress across an extraordinary year, with the onset of the COVID-19 pandemic. We want to thank all of our members, corporate partners and charity partners for their participation and support for what we have been able to achieve, at a time at which it has never been more needed.

OUR PERFORMANCE AND IMPACT

Across the charity and linked social enterprise sector in 2020, organisations have seen a trend of rising needs (in terms of demand from beneficiaries) and falling incomes – a phenomenon we have characterised as a 'scissors effect' because of the challenges that this brings to charity leaders and their teams. We have faced the same pressures, because despite the shift to remote working and remote delivery of all our programmes, the demand for our support has been strong.

Alongside this, we have managed a change in executive leadership, saying goodbye to Gillian Murray who has made such a brilliant contribution to our work, setting our model and operations on a firm, professional and sustainable footing. After a short period in which Bruce McCombie was Interim Chief Executive, we welcomed Ed Mayo as new Chief Executive half way through the year.

In retrospect, it is perhaps easy to gloss over the dramatic events of the year as we experienced them and to move to the summary conclusion, in which we can see that the outcomes and impacts we achieved over the year are extensive and in line with previous years. At the time, it felt far more uncertain than this and the Board played an active role in supporting the charity, both around the change in staff leadership but also in the context of the risks and uncertainties of the time. We did not know whether our corporate partners would continue their support for our work. We did not know whether charities would be in such pressing emergencies that longer-term support of the kind that we tend to offer might be less in need. We did not know whether our operations could be sustained through home working, whether we would face illness and staff shortages ourselves and we did not know whether our members and charity partners would take up the switch which we needed to plan at short notice, to move all our delivery online. Our budget contingencies reflected these uncertainties and the Board recognised early on that these were the 'rainy days' that our financial reserves were here to act as a buffer against.

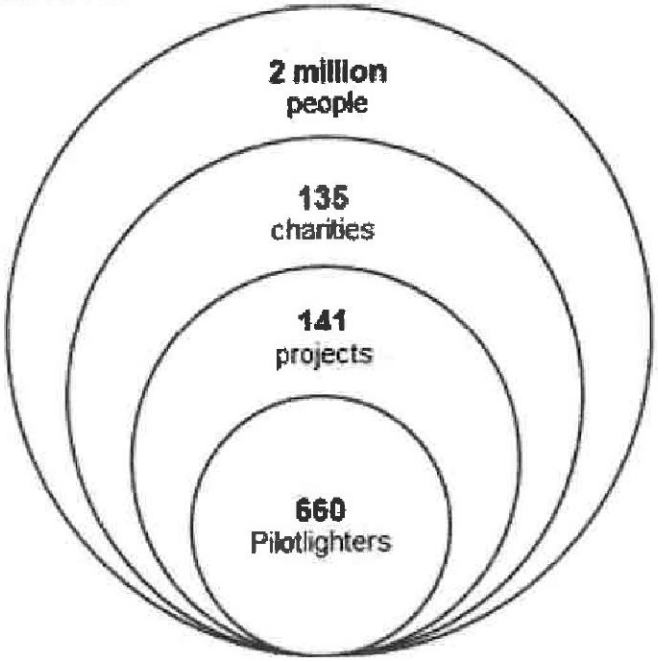
The outcomes, both in terms of financial performance and social impact, demonstrate the way in which our hard-working and talented staff team and network of members ('Pilotlighters') overcame these uncertainties and made a significant difference. With the exception of one project, the Morgan Stanley Strategy Challenge which was put on hold for a year, all our programmes moved to virtual delivery.

In 2020, Pilotlight worked with 660 Pilotlighters on 141 projects, delivering support to 135 unique charities. Together, these 135 charities were supporting over 2 million people across the UK over the year. While the number of charities that we work with fell compared to the previous year (152 in 2019), we are reporting a higher reach in terms of indirect beneficiaries (1.4m in 2019). This reflects a more systematic accounting for these numbers, including all charities working with us on our partnership programmes. The numbers, even so, are conservative, as they cover only those served in the twelve month period of our contact.

Over time, Pilotlight has worked with an estimated 2,835 Pilotlighters on 970 projects to support 769 charities. This means that we expect that by the end of 2021, Pilotlight will have worked with over 3,000 Pilotlighters and delivered over 1,000 projects in the 25 years since we were founded.

Our impact evaluation framework demonstrates that satisfaction with the move to on-line delivery was high amongst charity leaders and Pilotlighters, and stakeholder satisfaction with the overall experience of projects was on a par with previous years. Charity satisfaction with project outcomes remained high across all our programmes. The feedback suggested that these charity leaders were particularly appreciative of the value of the strategic planning work with Pilotlight in the light of Covid-19.

Using this framework, we also look at the performance of charities that we have worked with before, in order to gauge some of the longer-term benefits of our form of organisation development support. Charity leaders supported on the Pilotlight Programme in 2018 reported positive longer term impact for their organisations against a number of key outcomes - particularly on strategic vision, the effectiveness of the senior management team, and the clarity of marketing and communications.



Compared to 2019, impact on job satisfaction was up for charity leaders but down for corporate Pilotlighters. Impact on Pilotlighter engagement with the charity sector remained strong. There was a significant fall in the level of charity leaders and Pilotlighters that report that their involvement had had an impact on their career development and professional networks – not surprising perhaps given the external environment and limitations of virtual working.

Encouragingly, particularly in the context of difficult circumstances, the percentage of CEOs saying that their involvement had increased their job satisfaction was up from 59% in 2019 to 70% in 2020. Some leaders commented that they had particularly appreciated the support in a role that could 'be a very lonely one' at the best of times.

"It was good to have 'critical friends' who I could share information with and get support. It was a good chance to share my thoughts, feelings and ideas with peers and be able to get honest feedback."

"The sympathetic response from the project managers and Pilotlighters was very useful and created space to reflect on the crisis."

Close to all Pilotlighters (96%) report that their involvement with Pilotlight increases their understanding of other perspectives, including different leadership styles.

"Really reinforced my belief in the power of team work and diversity of thought, we worked together well as a team benefitting from each other's perspectives."

"I have always wanted to find a way to use my professional skills in a charitable context. This programme has really given me insight in to the way that charities operate, the common challenges they face and how I might usefully contribute."

OUR ACTIVITIES

The activities that lie behind this are all based on a core model which matches leaders from charities and social enterprises with teams of people with business and organization skills to support what they do. These programmes are free to charities and social enterprise and we attract funding, typically from individual Pilotlighters and corporate partners to cover the costs of delivering these.

In our longstanding Pilotlight Programme for example, our skilled project management staff facilitate a 10 month engagement to help the charity leader plan for sustainability, development and growth. With our corporate partners, we have developed a range of shorter programmes, typically between 2 and 6 months, also aimed at supporting charities but in different ways and at different stages of their development.

A partnership with the Garfield Weston Foundation has helped to open access to our support for a wider range of charities through the Weston Charity Awards. These were run in partnership in 2020 for the seventh year. From a pilot of 6 charities in the North-East in 2014, in 2020 nineteen charities were award winners.

The way we fulfil our mission is by harnessing the skills of the business community. Traditionally, we have worked with senior leaders; now we have expanded our programme suite to utilise Pilotlighter skills at different career levels within our corporate partners. In addition, we have run a Bursary Pilotlighter programme, in which we offer places for free to selected charity leaders who join as Pilotlighters in order to benefit other charities and to learn themselves in the process.

In June 2020, the Board agreed to the formation of a working group comprised of staff and trustees to develop our organisational understanding and performance on Diversity, Equity and Inclusion, with the goal of developing an Action Plan on this for approval in early 2021.

The breakdown by income of the charities and social enterprises that we work with through the input of our Pilotlighters is set out below.

Size		Charities worked with in 2020		Charities on Pilotlight Programme (Including Weston Charity Awards)		Charities on partnership programmes	
Income Band	Name	No.	%	No.	%	No.	%
<£10,000	Micro	0	0	0	0	0	0
£10,000 to £100,000	Small	11	8	2	2	9	19
£100,000 to £1m	Medium	82	61	59	69	22	47
£1m to £10m	Large	37	27	22	26	14	30
£10m to £100m	Major	0	0	0	0	0	0
> £100m	Super-major	1	1	1	1	0	0
Missing		4	3	2	2	2	4
All		135	100	86	100	47	100

OUR FINANCES

Pilotlight meets its objectives of supporting charities to increase their social impact through a business model that we have developed over time. We fund our activities principally through individual business member donations and corporate fees, the remainder through Trust & Foundation grants. Pilotlight uses its income to provide programmes designed to support charities seeking to increase their social impact by improving their efficiency and effectiveness. The programmes are provided to participating charities free of charge.

In 2020 grants make up around 33% of our total income with membership income being our primary source of income. Our total income was £1,165,841. Our grant income includes support from the Garfield Weston Foundation, the National Lottery Community Fund and the Oak Foundation. In addition, we received support from Central Government for furloughed staff of £11,538.

Included in creditors is deferred income of £876,037, of which £423,837 is deferred income due in less than one year. Our costs were £1,185,222. Cash at year end was £1,916,673.

Pilotlight has varied sources of income including annual fees from individual members or from companies who sponsor their employees' membership costs. Members pay annually so income is received across the full calendar year. The organisation also receives occasional grants which typically involve one or more lump sum receipts. Finally, we have in the past received ad hoc donations from private or corporate donors. We do not typically engage in open public fundraising.

Pilotlight's expenditure consist mainly of monthly salary costs and the cost of our offices in London and Edinburgh. The charity typically holds its assets in cash balances but could receive donations in the form of property, land or other forms of investment product.

Financial risks are managed as part of an overall system of risk governance. The primary financial risks over 2020 were on the income rather than the expenditure side, but with early action and close contact with our primary sources of funding, the charity continued to attract and use financial support throughout the year. So, despite the unprecedented impact of the COVID-19 pandemic and thanks to very significant efforts by our team of staff and Pilotlighters, our financial performance has been relatively stable and no other significant events have affected the finances of the charity during the year.

OUR STRUCTURE AND GOVERNANCE

Pilotlight is a charitable company limited by guarantee, incorporated on 29 October 1996 and registered as a charity on 6 December 1996. The organisation is led by a Chief Executive Officer ("CEO"), supported by a Leadership Team.

The company was established under a Memorandum of Association which set the objects and powers of the charitable company and is governed under its Articles of Association. A review of the legal instruments of the charity has led to work on proposed changes to our constitution, to bring these into line with current good practice, and the intention is for these to be approved in 2021.

Following a review of governance policies and process, coupled with a Board Effectiveness Review, a new set of policies and associated Trustee Handbook were agreed in December 2020. This took account of the recommendations of the Charity Governance Code. The policies set out reserved and delegated matters, including around Pilotlight's financial assets and expanded the Finance Committee to become a Finance and Risk Committee.

Trustees of Pilotlight's Board are required to disclose all relevant interests and register them with the Chief Executive and withdraw from decisions where a conflict of interest arises. A policy on conflicts of interest governs the handling of decisions, including where a trustee is also involved with another relevant organization with whom we may co-operate with, setting out that trustees may, under appropriate circumstances, be involved in discussions about it but not in any decision-making process. All related party transactions are disclosed in note 23 to the accounts.

The Handbook forms a key element of our system of trustee induction, alongside a structured programme of engagement in our work and for meeting people within the staff team. New members of the Trustee Board are instructed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association and the decision-making process by other members of the Committee. A refresher session on the duties of the trustee was held with input from our newly appointed charity law partner, Anthony Collins Solicitors. Towards the end of the year, a recruitment programme was launched with the agency BAME Recruitment, to attract new trustees with the skills and experience identified by the Board as needed for its work and good governance going forward.

The Treasury and Investment Policy sets out the charity's approach to the management of its funds and its liquidity requirements in this context. In line with this, the charity is active in the context of social investment, participating in two social venture capital funds operated by Bridges – the Bridges Social Impact Bond Fund and the Bridges Social Outcomes Fund II. We monitor the financial performance of these, aware of the heightened risk that social investment has faced over the year.

These are considered to be a way of generating both financial and social returns, in line with our charitable objects. These two funds have a net book value of £242,162. The charity has no funds in the form of investment assets overseas.

The Reserves Policy sets out that the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should, in the medium term, be around 6 months of running costs, which equates to approximately £600,000. In addition to the significant deferred revenue balances, the Board feels that this would enable the funding of working capital, provide resources against unforeseen circumstances, and support new growth projects. In the event of a significant drop in funding, it would be necessary to consider how the funding would be replaced or activities changed. Unrestricted reserves in 2020 decreased by £19,829 to to £1,247,470.

The Trustee Board oversees the charity and meets around four times a year, with additional committee and working group meetings where required. The Chair of the Board is Sally Bailey and the Vice Chair is Tina Alexandrou. Chris Connelly is Chair of the Finance and Risk Committee.

The Chief Executive (Ed Mayo, at year end) is appointed by the Board to manage the day-to-day operations of the charity. A Leadership Team consists of 4 senior members of staff including the Chief Executive, Deputy Chief Executive (Bruce McCombie), Head of Operations (Mel Whitney-Long) and Head of Programmes (Charlie Medcalf). We also acknowledge the work of Alisa Hall, who worked as interim over the year and was a member of the Leadership Team.

The Board oversees a framework for the appropriate governance of risk, including a Risk Register, risk controls and mitigation and regular management and Board scrutiny of relevant risks, including a consideration of our risk appetite. 2020 was a high-risk year in many ways and the highest risk for the charity was seen to be a loss of income, so that it would not be able to carry out its charitable activities. Some of the key risks, such as around the shift to remote working have reduced over time, while others if anything have increased, such as cyber security. Looking forward, given the continued economic uncertainty, we expect to continue to be operating in a relatively high-risk environment, compared to previous years.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings, although this did not prove possible in 2020. The Trustee Board benchmarks against pay levels in other voluntary sector organisations of a similar size and uses information from annual sector pay surveys to inform their decision-making.

The Trustee Board has had due regard to the Charity Commission guidance on public benefit and has complied with the duty in section 17 of the Charities Act 2011.

For completeness, we would add that there are no exemptions from disclosure or funds held as a custodian trustee on behalf of others that are applicable to the charity.

OUR FUTURE PLANS

With the appointment of a new Chief Executive, Pilotlight has started a programme of strategy development in July 2020, designed to explore how the charity can best achieve its mission over time. The framework for this has been set as a ten year agenda, allowing the team to be ambitious in how we make progress on our charitable objectives. This strategy work has benefited from our learning and the tools in use with our charity partners and included extensive stakeholder insight, a mapping of our core markets, potential collaborators and competitors, analysis of key trends in the external environment and an identification of strengths, weaknesses, opportunities, and threats.

By the end of 2020, the Board had decided on two key themes for our future work: how we innovate our offer around skills sharing to grow our impact; and how we collaborate with others in the field to allow for a genuine step change in the impact of skills sharing for charities and social enterprises. In support of this, the charity ran a Roundtable on Third Sector Support in November 2020, bringing together a wide range of key potential partners, to explore how better to work together.

As a bridge to this, the Board approved in December 2020 an Operational Plan for Pilotlight for our work in 2021. One key theme set out in this was a focus on supporting learning and development across the staff, in recognition of the skills and the potential that they bring as a high performing team. In addition, we will review our approach to our office use, in London and Edinburgh, along with one team member in the Midlands.

The 2021 Operating Plan includes a set of Key Performance Indicators, listed below.

Key Performance Indicators for 2021

1. Number of charity partners recruited
2. Number of charity projects delivered
3. Increase in social media followers 25%
4. Maintain Pilotlighter satisfaction rates: 4 out of 5
5. Increase membership renewal rate by 5%
6. Partnerships proposal pipeline value
7. Maintain rolling average of staff survey results
8. Financial performance: <5% variance on budget

OUR REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03270679 (England and Wales)

Registered Charity number

1059660

Scottish Charity Registration Reference

SC038844

Registered office

Audrey House 16-20 Ely Place London EC1N 6SN

Principal address

Valiant House, 4 - 10 Heneage Lane London EC3A 5DQ

Trustees

Ms C Alexandrou

Mr C J Connelly - Treasurer

Mr O S W Lloyd (appointed 17/3/20)

F M Rodford (appointed 17/3/20)

Ms A F M Sinclair (resigned 14/12/20)

Mr G J Hale

Mr J Salas (resigned 14/12/20)

Ms S F Bailey

Mr P D Moss

Company Secretary

Mr I Patel

Auditors

Hartley Fowler LLP Statutory Auditors Chartered Accountants 4th Floor Tuition House 27-37 St George's Road Wimbledon London SW19 4EU

Bankers

HSBC Weybridge Commercial Centre Church Street Weybridge Surrey KT13 8DF

Solicitors

Anthony Collins Solicitors, 134 Edmund Street, Birmingham, B3 2ES

Chief Executive Officer

Mr E Mayo (appointed 29/6/20) Mr B McCombie (interim CEO from 10/4/20 - 28/6/20) Ms G Murray (resigned (9/4/20)

PILOTLIGHT (LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also directors of the charitable company (Limited by guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charity SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the companies act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Approved by order of the board of trustees on 2 June 2021 and signed on its behalf by:

.....

Mr CJ Connelly – Treasurer - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF PILOTLIGHT (LIMITED BY GUARANTEE)

Opinion

We have audited the financial statements of Pilotlight (Limited by guarantee) (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

-the nature of the industry and sector, control environment and the charities activities;

-results of our enquiries of management about their own identification and assessment of the risks of irregularities;

-any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non -compliance;

- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;

- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in. The key laws and regulations we considered in this context included the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006, UK Companies Act and tax legislation.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

As a result of performing the above, we did not identify any key matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provision of relevant laws and regulations described as having a direct effect on the financial statements;

-enquiring of management concerning actual and potential litigation and claims;

-performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

-reviewing minutes of meetings of those charged with governance, reviewing internal reports, and

-in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale for any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Askew (Senior Statutory Auditor)
for and on behalf of Hatley Fowler LLP
Statutory Auditors
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
4th Floor Tuition House
27-37 St George's Road
Wimbledon
London
SW19 4EU

Date: 22/6/21

PILOTLIGHT
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	210,655	-	210,655	214,051
Charitable activities	5				
Providing business support to UK charities		576,908	364,000	940,908	990,137
Investment income	4	2,740	-	2,740	2,705
Other income	6	11,538	-	11,538	-
Total		801,841	364,000	1,165,841	1,206,893
EXPENDITURE ON					
Raising funds	7	45,574	-	45,574	58,568
Charitable activities	8				
Providing business support to UK charities		775,648	364,000	1,139,648	1,103,040
Total		821,222	364,000	1,185,222	1,161,608
Net gains/(losses) on investments		(5,849)	-	(5,849)	16,729
NET INCOME/(EXPENDITURE)		(25,230)	-	(25,230)	62,014
RECONCILIATION OF FUNDS					
Total funds brought forward		1,267,299	-	1,267,299	1,205,285
TOTAL FUNDS CARRIED FORWARD		1,242,069	-	1,242,069	1,267,299

The notes form part of these financial statements

PILOTLIGHT
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	15	12,786	21,281
Investments	16	242,162	235,008
		254,948	256,289
CURRENT ASSETS			
Debtors	17	93,100	87,310
Cash at bank		1,916,673	2,252,367
		2,009,773	2,339,677
CREDITORS			
Amounts falling due within one year	18	(570,452)	(578,667)
NET CURRENT ASSETS		1,439,321	1,761,010
TOTAL ASSETS LESS CURRENT LIABILITIES		1,694,269	2,017,299
CREDITORS			
Amounts falling due after more than one year	19	(452,200)	(750,000)
NET ASSETS		1,242,069	1,267,299
FUNDS	22		
Unrestricted funds		1,242,069	1,267,299
TOTAL FUNDS		1,242,069	1,267,299

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

The financial statements were approved by the Board of Trustees and authorised for issue on 2 June 2021 and were signed on its behalf by:

Mr C J Connelly - Treasurer - Trustee

The notes form part of these financial statements

PILOTLIGHT
(LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	(314,014)	562,933
Net cash (used in)/provided by operating activities		(314,014)	562,933
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,017)	(251)
Purchase of fixed asset investments		(49,361)	(42,369)
Sale of fixed asset investments		36,358	25,547
Interest received		2,740	2,705
Net cash used in investing activities		(15,280)	(14,368)
Cash flows from financing activities			
Loan repayments in year		(6,400)	(20,742)
Net cash used in financing activities		(6,400)	(20,742)
Change in cash and cash equivalents in the reporting period		(335,694)	527,823
Cash and cash equivalents at the beginning of the reporting period		2,252,367	1,724,544
Cash and cash equivalents at the end of the reporting period		1,916,673	2,252,367

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(25,230)	62,014
Adjustments for:		
Depreciation charges	13,512	13,005
Losses/(gain) on investments	5,849	(11,025)
Interest received	(2,740)	(2,705)
(Increase)/decrease in debtors	(5,790)	118,567
(Decrease)/increase in creditors	(299,615)	383,077
Net cash (used in)/provided by operations	(314,014)	562,933

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/20 £	Cash flow £	At 31/12/20 £
Net cash			
Cash at bank	2,252,367	(335,694)	1,916,673
	2,252,367	(335,694)	1,916,673
Total	2,252,367	(335,694)	1,916,673

The notes form part of these financial statements

1. GENERAL INFORMATION

The charitable company is incorporated and domiciled in England and Wales. The address of its registered office is Audrey House, 16-20 Ely House, London, EC1N 6SN. The registered number of the company is 03270679. The registered number of the charity is 1059660. The Scottish registered number of the charity is SCO38844.

The financial information presented is for the year ended 31 December 2020 and 31 December 2019. The financial information is presented in sterling.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006, The Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 (as amended). The financial statements have been prepared under the historical cost convention.

a) Preparation of the accounts on a going concern basis

The financial statements have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves, the financial position, future plans and the expected level of income and expenditure for 12 months from authorising these financial statements.The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

b) Significant judgements and estimates.

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

(i) Deferred income. This represents corporate membership income and grant income that relates to future accounting periods.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Corporate membership income is deferred and only released to the Statement of Financial Activities over the period to which the membership relates.

Voluntary income is received by way of grants, donations and gifts, including gift aid income where applicable, and is included in full in the statement of financial activities when receivable. Income from grants, where related to performance and specific deliverables, is accounted for when it is probable that the income will be received and amount can be measured reliably. Where conditions are imposed that must be met before the charity has unconditional entitlement, the income is deferred and not included in income until the pre-conditions for use have been met.

Gifts in kind are included at the estimated monetary value to the charity. Where services are provided to the charity as a donation that would normally be purchased, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity.

Donated assets are recognised at current fair value. The donated asset is recognised as donation income and debited to fixed asset investments.

2. ACCOUNTING POLICIES - continued

Income
Government Grants
Government grants are recognised when the entity has reasonable assurance that conditions attached to the grant will be complied with and that the grant will be received.

Revenue grants are recognised using the accrual model and are therefore recognised as income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. Revenue grants are measured at fair value, being the amount of cash receivable.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds
Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Governance costs
Since there is no direct cost to holding Trustee Board meetings and no Trustee Board expenses are reimbursed, governance costs only include the statutory audit fee.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

All capital items are capitalised and a full year's depreciation is charged on a monthly basis from the date of purchase.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows;

Office Equipment - over 3 or 5 years.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Fixed asset investments
Fixed asset investments comprise two funds:
(i) The Bridges Social Impact Bond Fund, and

2. ACCOUNTING POLICIES - continued

(ii) The Bridges Social Outcomes Fund II.

The Investments in the Funds are initially recognised at transaction value and subsequently measured at fair value as at the balance sheet date. The Funds are valued at the fair value of the net assets. Distributions from the Funds are a return of capital and disclosed as a disposal in the fixed asset investment note.

The statement of financial activities includes the net gains and losses on revaluation and disposals during the year.

Cash at bank
Cash at bank includes bank deposit accounts 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.

Debtors
Trade and other debtors are recognised at the settlement amount due. Prepayments are recognised at the invoiced cost prepaid.

Creditors
Creditors are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at the settlement amount.

Impairment
Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

3. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations - Individuals and Trusts	210,655	214,051

4. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	2,740	2,705

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2020 £	2019 £
Corporate Contract Income	Providing business support to UK charities	557,283	593,460
Grants	Providing business support to UK charities	383,625	396,677
		940,908	990,137

Grants received, included in the above, are as follows:

	2020 £	2019 £
Porticus	3,000	23,000
The Garfield Weston Foundation	288,000	292,000
Pro Bono Economics / Oak Foundation	19,625	33,065
Careers and Enterprise Company	9,100	13,400
The National Lottery Community	63,900	35,212
	383,625	396,677

6. OTHER INCOME

	2020 £	2019 £
Government grants	11,538	-

Other income includes a government grant for furlough of £11,538.

7. RAISING FUNDS

Raising donations and legacies

	2020 £	2019 £
Consultancy fees	45,574	52,864

Investment management costs

	2020 £	2019 £
Impairment losses	-	5,704
Aggregate amounts	45,574	58,568

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9)	Support costs (see note 10)	Totals
	£	£	£
Providing business support to UK charities	827,100	312,548	1,139,648

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020	2019
	£	£
Staff costs	812,745	734,911
Travel	10,355	25,674
Bad debts	4,000	3,150
	827,100	763,735

10. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Providing business support to UK charities	307,148	5,400	312,548

Support costs, included in the above, are as follows:

Management

	2020 Providing business support to UK charities	2019 Total activities
	£	£
Rent and office costs	161,686	168,275
Insurance	3,272	4,317
Telephone	11,530	18,223
Sundries	17,874	24,311
Recruitment costs	28,125	24,115
Legal and professional fees	52,982	63,751
Financial outsourcing	16,250	16,250
Bank charges	1,917	1,208
Depreciation of tangible and heritage assets	13,512	13,005
	307,148	333,455

10. SUPPORT COSTS - continued

Governance costs

	2020 Providing business support to UK charities	2019 Total activities
	£	£
Auditors' remuneration	4,350	4,800
Auditors' remuneration for non audit work	1,050	1,050
	5,400	5,850

11. NET INCOME/(EXPENDITURE)

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

	2020	2019
	£	£
Auditors' remuneration	4,350	4,800
Auditors' remuneration for non audit work	1,050	1,050
Depreciation - owned assets	13,512	13,005
Operating leases	92,286	92,400
Government grants	(11,538)	-

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

13. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	724,001	656,994
Social security costs	71,489	65,051
Other pension costs	17,255	12,866
	812,745	734,911

The average monthly number of employees during the year was as follows:

	2020	2019
Charity Work	20	21

13. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	2019
£70,001 - £80,000	1	1

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	214,051	-	214,051
Charitable activities			
Providing business support to UK charities	626,525	363,612	990,137
Investment income	2,705	-	2,705
Total	843,281	363,612	1,206,893
EXPENDITURE ON			
Raising funds	58,568	-	58,568
Charitable activities			
Providing business support to UK charities	739,428	363,612	1,103,040
Total	797,996	363,612	1,161,608
Net gains on investments	16,729	-	16,729
NET INCOME	62,014	-	62,014
RECONCILIATION OF FUNDS			
Total funds brought forward	1,205,285	-	1,205,285
TOTAL FUNDS CARRIED FORWARD	1,267,299	-	1,267,299

15. TANGIBLE FIXED ASSETS

	Office equipment £
COST	
At 1 January 2020	101,010
Additions	5,017
At 31 December 2020	106,027
DEPRECIATION	
At 1 January 2020	79,729
Charge for year	13,512
At 31 December 2020	93,241
NET BOOK VALUE	
At 31 December 2020	12,786
At 31 December 2019	21,281

16. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 January 2020	235,008
Additions	49,361
Disposals	(36,358)
Revaluations	(5,849)
At 31 December 2020	242,162
NET BOOK VALUE	
At 31 December 2020	242,162
At 31 December 2019	235,008

There were no investment assets outside the UK.

Pilotlight have invested into 2 funds:

(I) Bridges Social Impact Bond Fund

In March 2018 The Highwood Foundation transfered to Pilotlight by way of a donation (valued at £212,711) its limited partnership share in this Fund. The Highwood Foundation paid Pilotlight the remaining commitment of £143,983.

(ii) Bridges Social Outcomes Fund II

In March 2019 Pilotlight became in limited partner in this fund. During the year it made contributions of £49,361 (2019 £42,368) into this fund and at the year end had an unfunded commitment of £158,382 (2019 £207,631).

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Other debtors	12,312	11,198
Membership debtors	39,236	29,734
VAT	2,303	6,639
Prepayments	39,249	39,739
	93,100	87,310

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	2,613	3,438
Social security and other taxes	20,256	19,948
Other creditors	90,510	97,283
Deferred income	423,837	426,395
Accrued expenses	33,236	31,603
	570,452	578,667

	2020	2019
	£	£
Deferred Income		
Balance at 1 January 2020	426,395	541,373
Deferred income - amounts falling due after more than one year (transferred)	297,800	240,205
Amounts deferred in the year	222,149	981,803
Amounts released to income	(522,507)	(586,986)
Amounts deferred - amounts falling due after more than one year (transferred)	-	(750,000)
Balance at 31 December 2020	423,837	426,395

Deferred income at 31 December 2020 consists of £133,399 (2019 £138,882) corporate membership income and £290,438 (2019 £287,513) grant income which relates to the year ended 31 December 2021.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Deferred income	452,200	750,000

	2020	2019
	£	£
Deferred Income		
Balance at 1 January 2020	750,000	240,205
Amounts deferred in the year to periods beyond 31 December 2021	-	750,000
Deferred income - amounts falling due within one year (transferred)	(297,800)	(240,205)
Balance at 31 December 2020	452,200	750,000

In November 2019 Garfield Weston awarded Pilotlight a grant of £750,000 to be spread over three years towards the partnership between Garfield Weston and Pilotlight on the Weston Charity Awards.

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	73,533	102,324
Between one and five years	9,372	77,874
	82,905	180,198

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2020 Total funds	2019 Total funds
	£	£	£	£
Fixed assets	12,786	-	12,786	21,281
Investments	242,162	-	242,162	235,008
Current assets	1,719,338	290,435	2,009,773	2,339,677
Current liabilities	(732,217)	161,765	(570,452)	(578,667)
Long term liabilities	-	(452,200)	(452,200)	(750,000)
	1,242,069	-	1,242,069	1,267,299

Comparatives for net assets between funds

	Unrestricted funds	Restricted funds	2019 Total funds
	£	£	£
Fixed assets	21,281	-	21,281
Investments	235,008	-	235,008
Current assets	1,265,296	1,074,381	2,339,677
Current liabilities	(254,286)	(324,381)	(578,667)
Long term liabilities	-	(750,000)	(750,000)
	1,267,299	-	1,267,299

22. MOVEMENT IN FUNDS

	At 1/1/20	Net movement in funds	At 31/12/20
	£	£	£
Unrestricted funds			
General fund	1,267,299	(25,230)	1,242,069
TOTAL FUNDS	1,267,299	(25,230)	1,242,069

22. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	801,841	(821,222)	(5,849)	(25,230)
Restricted funds				
Porticus UK	3,000	(3,000)	-	-
The Garfield Weston Foundation	288,000	(288,000)	-	-
The National Lottery Community Fund	63,900	(63,900)	-	-
The Careers and Enterprise Fund	9,100	(9,100)	-	-
	364,000	(364,000)	-	-
TOTAL FUNDS	1,165,841	(1,185,222)	(5,849)	(25,230)

Comparatives for movement in funds

	At 1/1/19 £	Net movement in funds £	At 31/12/19 £
Unrestricted funds			
General fund	1,205,285	62,014	1,267,299
TOTAL FUNDS	1,205,285	62,014	1,267,299

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	843,281	(797,996)	16,729	62,014
Restricted funds				
Porticus UK	23,000	(23,000)	-	-
The Garfield Weston Foundation	292,000	(292,000)	-	-
The National Lottery Community Fund	35,212	(35,212)	-	-
The Careers and Enterprise Fund	13,400	(13,400)	-	-
	363,612	(363,612)	-	-
TOTAL FUNDS	1,206,893	(1,161,608)	16,729	62,014

Restricted Funds

(i) The Garfield Weston Foundation. Supporting Pilotlight and charities in the Midlands, North-East, North-West of England and Wales through the Weston Charity Awards.

22. MOVEMENT IN FUNDS - continued

(ii) Porticus UK: this grant is to support charity leader bursary spots on the Pilotlight Programme.

(iii) Pro Bono Economics / Oak Foundation: Providing specialist skills for 10 housing and homelessness charities in Oak Foundation's portfolio of grantees.

(iv) The National Lottery Community Fund. To establish a sustainable presence for Pilotlight in Birmingham, enabling charities in the area to access its highly managed capacity building programmes and to build sustainable local support networks between charities and businesses. The total grant is for £213,075 over three years.

(v) The Careers and Enterprise Company (CEC): Performing assessments and diagnostics of CEC's Community Plus grant recipients.

23. RELATED PARTY DISCLOSURES

Key management compensation

	2020	2019
	£	£
Salaries and other short-term benefits	220,773	206,349
Post-employment benefits	6,190	3,831
	226,963	210,180

Key management includes certain senior employees who have authority and responsibility for planning and controlling the activities of the charity.

During the year trustees made donations of £11,784 (2019 £7,852).

24. COMPANY LIMITED BY GUARANTEE

The charity is limited by guarantee and has no share capital. The liability of each member is determined by the Articles of the charity and shall not exceed £1. There were 7 members as at 31st December 2020 (2019:6).