

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)**

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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)

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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

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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.

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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.

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

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

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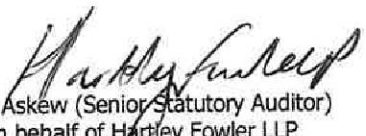
-in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale for any significant 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		<u>973,669</u>	<u>398,028</u>	<u>1,371,697</u>	<u>1,235,348</u>
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		<u>1,157,283</u>	<u>391,378</u>	<u>1,548,661</u>	<u>1,356,161</u>
Net gains on investments		<u>7,894</u>	-	<u>7,894</u>	<u>9,872</u>
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		<u><u>955,408</u></u>	<u><u>6,650</u></u>	<u><u>962,058</u></u>	<u><u>1,131,128</u></u>

The notes form part of these financial statements

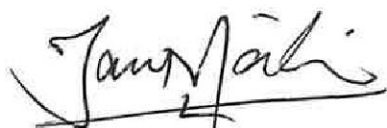
**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2022**

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

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		<u>439,928</u>	<u>(271,414)</u>
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		<u>(31,627)</u>	<u>(131,716)</u>
Cash flows from financing activities			
Loan repayments in year		(1,846)	(1,428)
Net cash used in financing activities		<u>(1,846)</u>	<u>(1,428)</u>
Change in cash and cash equivalents in the reporting period		<u>406,455</u>	<u>(404,558)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,512,115</u>	<u>1,916,673</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,918,570</u></u>	<u><u>1,512,115</u></u>

The notes form part of these financial statements

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**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	<u>439,928</u>	<u>(271,414)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

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

The notes form part of these financial statements

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	<u>171,110</u>	<u>200,456</u>

4. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	<u>1,948</u>	<u>343</u>

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. INCOME FROM CHARITABLE ACTIVITIES

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

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
	<u>398,028</u>	<u>318,733</u>

6. RAISING FUNDS

Raising donations and legacies

	2022 £	2021 £
Consultancy fees	<u>74,711</u>	<u>97,323</u>

7. CHARITABLE ACTIVITIES COSTS

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

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

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

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. SUPPORT COSTS

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

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
	<u>398,462</u>	<u>381,347</u>

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
	<u>5,400</u>	<u>5,400</u>

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	<u>83,060</u>	<u>101,311</u>

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

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
	<u>1,046,705</u>	<u>865,687</u>

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

	2022 25	2021 21
Charity Work	<u>25</u>	<u>21</u>

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

	2022 1	2021 1
£70,001 - £80,000	<u>1</u>	<u>1</u>

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	<u>916,615</u>	<u>318,733</u>	<u>1,235,348</u>
EXPENDITURE ON			
Raising funds	97,323	-	97,323
Charitable activities			
Providing business support to UK charities	940,105	318,733	1,258,838
Total	<u>1,037,428</u>	<u>318,733</u>	<u>1,356,161</u>
Net gains on investments	<u>9,872</u>	<u>-</u>	<u>9,872</u>
NET INCOME/(EXPENDITURE)	<u>(110,941)</u>	<u>-</u>	<u>(110,941)</u>

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	<u>1,131,128</u>	<u>-</u>	<u>1,131,128</u>

14. INTANGIBLE FIXED ASSETS

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

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.

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. TANGIBLE FIXED ASSETS

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

16. FIXED ASSET INVESTMENTS

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

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 transferred 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 a 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).

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

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
	<u>167,048</u>	<u>134,084</u>

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
	<u>620,675</u>	<u>691,013</u>

	2022	2021
	£	£
<u>Deferred Income</u>		
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)
	<u>429,275</u>	<u>506,638</u>

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	<u>878,833</u>	<u>202,200</u>
	2022	2021
	£	£
<u>Deferred Income</u>		
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	-
	<u>878,833</u>	<u>202,200</u>

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.

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

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
	<u>179,990</u>	<u>248,327</u>

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)
	<u>955,408</u>	<u>6,650</u>	<u>962,058</u>	<u>1,131,128</u>

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)
	<u>1,131,128</u>	<u>-</u>	<u>1,131,128</u>

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	<u>1,131,128</u>	<u>(169,070)</u>	<u>962,058</u>

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

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)	-	-
	<u>398,028</u>	<u>(391,378)</u>	<u>-</u>	<u>6,650</u>
TOTAL FUNDS	<u>1,371,697</u>	<u>(1,548,661)</u>	<u>7,894</u>	<u>(169,070)</u>

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
	<u>1,242,069</u>	<u>(110,941)</u>	<u>1,131,128</u>
TOTAL FUNDS	<u>1,242,069</u>	<u>(110,941)</u>	<u>1,131,128</u>

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)	-	-
	<u>318,733</u>	<u>(318,733)</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u>1,235,348</u>	<u>(1,356,161)</u>	<u>9,872</u>	<u>(110,941)</u>

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.

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

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
	<u>337,525</u>	<u>328,676</u>

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).