

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)**

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FOR THE YEAR ENDED 31 DECEMBER 2023**

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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.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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 residencies.

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.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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 inform 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.

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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.

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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.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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.

PILOTLIGHT (LIMITED BY GUARANTEE) (03270679)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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

PILOTLIGHT (LIMITED BY GUARANTEE) (03270679)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

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.

**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.

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
- 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.

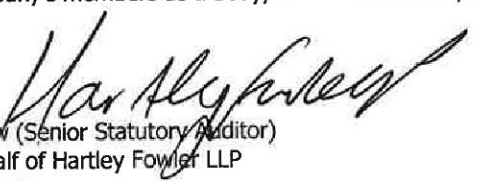
**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF
PILOTLIGHT
(LIMITED BY GUARANTEE)**

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		<u>1,075,947</u>	<u>414,299</u>	<u>1,490,246</u>	<u>1,371,697</u>
EXPENDITURE ON					
Raising funds	6	41,951	-	41,951	74,711
Charitable activities	7				
Providing business support to UK charities		<u>1,221,756</u>	<u>420,949</u>	<u>1,642,705</u>	<u>1,473,950</u>
Total		<u>1,263,707</u>	<u>420,949</u>	<u>1,684,656</u>	<u>1,548,661</u>
Net gains on investments		<u>16,720</u>	<u>-</u>	<u>16,720</u>	<u>7,894</u>
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		<u><u>784,368</u></u>	<u><u>-</u></u>	<u><u>784,368</u></u>	<u><u>962,058</u></u>

The notes form part of these financial statements

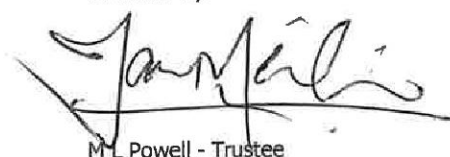
**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2023**

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

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**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	<u>(500,548)</u>	<u>439,928</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

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

The notes form part of these financial statements

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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.

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

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.

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

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	<u>255,585</u>	<u>171,110</u>

4. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	<u>12,158</u>	<u>1,948</u>

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. INCOME FROM CHARITABLE ACTIVITIES

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

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
	<u>414,299</u>	<u>398,028</u>

6. RAISING FUNDS

Raising donations and legacies

	2023 £	2022 £
Consultancy fees	<u>41,951</u>	<u>74,711</u>

7. CHARITABLE ACTIVITIES COSTS

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

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

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

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

9. SUPPORT COSTS

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

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
	<u>380,019</u>	<u>398,462</u>

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
	<u>6,850</u>	<u>5,400</u>

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	<u>82,012</u>	<u>83,060</u>

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

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
	<u>1,230,662</u>	<u>1,046,705</u>

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

	2023	2022
Charity Work	<u>26</u>	<u>25</u>

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	-
	<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	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	<u>973,669</u>	<u>398,028</u>	<u>1,371,697</u>
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	<u>1,157,283</u>	<u>391,378</u>	<u>1,548,661</u>
Net gains on investments	<u>7,894</u>	<u>-</u>	<u>7,894</u>

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

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	<u>955,408</u>	<u>6,650</u>	<u>962,058</u>

14. INTANGIBLE FIXED ASSETS

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

(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.

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

15. TANGIBLE FIXED ASSETS

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

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)
	<u>102,297</u>
At 31 December 2023	
NET BOOK VALUE	
At 31 December 2023	<u>102,297</u>
At 31 December 2022	<u>240,806</u>

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.

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

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
	<u>195,308</u>	<u>167,048</u>

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
	<u>559,187</u>	<u>620,675</u>

	2023	2022
	£	£
<u>Deferred Income</u>		
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)
	<u>486,038</u>	<u>429,275</u>

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	<u>542,066</u>	<u>878,833</u>

	2023	2022
	£	£
<u>Deferred Income</u>		
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
	<u>542,066</u>	<u>878,833</u>

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.

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

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
	<u>230,722</u>	<u>179,990</u>

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)
	<u>784,368</u>	<u>-</u>	<u>784,368</u>	<u>962,058</u>

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)
	<u>955,408</u>	<u>6,650</u>	<u>962,508</u>

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	<u>962,058</u>	<u>(177,690)</u>	<u>784,368</u>

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

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)	-	-
	<u>414,299</u>	<u>(420,949)</u>	<u>-</u>	<u>(6,650)</u>
TOTAL FUNDS	<u>1,490,246</u>	<u>(1,684,656)</u>	<u>16,720</u>	<u>(177,690)</u>

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

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.

**PILOTLIGHT
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

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
	<u>373,708</u>	<u>337,525</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 £7,093 (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).