THE LANTERN COMMUNITY

England & Wales · Charity number 1075845

Details

Other names	THE LANTERN RETREAT, SEAHORSES
Status	Registered
Legal form	Charitable company
Company number	03773749
Registered	1999-06-04
Register	View on the Charity Commission register

Contact

Address	Lantern Folly Farm Lane Ashley Ringwood BH24 2NN
Phone	01425460191
Email	info@lanterncommunity.org.uk
Website	www.lanterncommunity.org.uk

Activities

Objects: THE CHARITY'S OBJECTS ARE FOR THE PUBLIC BENEFIT TO RELIEVE SICKNESS, PROMOTE GOOD HEALTH, PROVIDE CARE TO AND ADVANCE THE EDUCATION AND TRAINING OF PEOPLE WITH A DISABILITY (WHETHER MENTAL OR PHYSICAL), THE YOUNG, THE OLD OR PEOPLE OTHERWISE IN NEED, IN ACCORDANCE WITH THE PRINCIPLES OF DR. RUDOLPH STEINER (AS SUMMARISED IN SCHEDULE 2 TO THESE ARTICLES), PARTICULARLY (WITHOUT LIMITATION) BY THE ESTABLISHMENT AND MAINTENANCE OF INTENTIONAL COMMUNITIES IN THE FORM OF VILLAGES, RESIDENTIAL HOUSES, DAY CENTRES, KINDERGARTENS, SCHOOLS, COLLEGES OR OTHER TYPES OF SOCIAL AND/OR EDUCATIONAL COMMUNITY IN WHICH BENEFICIARIES LIVE AND/OR WORK AND/OR TO WHICH THEY OTHERWISE RESORT IN COMMUNITY WITH PERSONS PROVIDING SUPPORT (KNOWN AS "CO-WORKERS").

Activities: To provide supported accommodation and meaningful work activities to residents with a Learning Disability who hold their own tenancy in the charity's property. To provide meaningful work activities to non-residents with a learning disability.

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Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** General Charitable Purposes, Education/training, Disability, Accommodation/housing, Arts/culture/heritage/science
- **Who:** People With Disabilities, The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED. IN PRACTICE HAMPSHIRE.
- Dorset

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£4,608,010	£3,945,552	£14,151,945	107
2024-03-31	£3,869,489	£3,639,788	£13,441,212	98
2023-03-31	£3,685,000	£3,290,154	£13,211,510	98
2022-03-31	£2,850,175	£2,701,613	£9,888,884	92
2021-03-31	£2,897,223	£2,907,108	£9,740,322	97

Trustees

Name	Role	Appointed
David Walker		2023-03-01
ELIZABETH BORD		2013-04-25
IAN HUMPHRIES		2013-01-10
Immanuel VERHOEVEN		2023-10-21
LORAINE MORGAN		2016-01-18
LUIGI NATALE CARNELLI		2015-03-16
MARIA VERHOEVEN		
MICHAEL ANDREW BRADSHAW		2017-11-27
Neil Anthony Hollands		2023-02-20

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THE LANTERN COMMUNITY

England & Wales - Charity number 1075845

Accounts

THE LANTERN COMMUNITY

COMPANY NUMBER: 03773749

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

INTRODUCTION

The Trustees present their report and the audited financial statements for the year ended 31 March 2025. This includes the Directors' Report and Strategic Report as required by Company Law.

The legal and administrative information set out below forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2022).

REFERENCE AND ADMINISTRATIVE DETAILS

The organisation is a charitable company limited by guarantee, incorporated on 20 May 1999 and registered as a charity on 4 June 1999. The charity changed its name on 5 December 2012 from The Lantern Retreat to The Lantern Community.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

REGISTERED COMPANY NUMBER: 3773749

REGISTERED CHARITY NUMBER: 1075845

PRINCIPAL ADDRESS AND REGISTERED OFFICE

The Lantern Centre, Folly Farm Lane, Ashley, Ringwood, Hampshire BH24 2NN

TRUSTEES/DIRECTORS

during the year and to date:

Liz Bord

Michael Bradshaw

Luigi Carnelli - Chair from Autumn 2025

Alan Hollands - resigned 30 September 2024

Neil Hollands

Ian Humphries - Chair until Autumn 2025

Loraine Morgan

Immanuel Verhoeven- appointed 21 October 2024

Maria Verhoeven

David Walker

All Trustees are elected by the charity's membership or appointed by the Trustees to fill any interim vacancies, in accordance with the Charity's Articles of Association. In such cases those Trustees are required to offer themselves for re-election at the next following AGM. One (2024: One) such appointment has been made since the last AGM.

KEY MANAGEMENT PERSONNEL:

Senior managers

B.Bilge Hunt	- Chief Executive Officer / Nominated Individual
Carol Cheeseman	- Operations Manager
Jason Gonsalves	- Estate and Maintenance Manager
Vell Cattaree	- Day Services and Workshops Manager
Burga Liddiard	- Registered Manager Four Meadows
Damian Zibur - appointed 1 April 2024	- Resourcing and Development Manager
Robert van Turenhout	- Finance Manager
Claudiu Deliu	- Registered Manager Phoenix

LEGAL ADVISORS:

Broadfield
46 The Avenue, Southampton SO17 1AX

BANKERS:

National Westminster Bank plc
11 High Street, Ringwood, Hampshire BH24 1BA

AUDITORS:

Knight Goodhead Ltd
7 Bournemouth Rd, Chandler's Ford
Eastleigh SO53 3DA

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association. This document was amended by special resolutions on 30 April 2007, 19 November 2012, 29 August 2014 and 28 September 2019.

APPOINTMENT AND TRAINING OF THE TRUSTEES

There must be at least five Trustees at any time and no more than two may be co-workers. Trustees shall be proposed for appointment by the existing Trustees. The Board seeks to have Trustees with a range of competencies and backgrounds, to allow it to effectively fulfil its role. An induction pack is provided for all Trustees and specialist training is carried out on topics such as governance from time to time as required.

MEMBERS

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2025 was 130 (2024: 131).

GOVERNANCE OF THE CHARITY

The Trustees recognise their ultimate responsibility for directing the affairs of The Lantern Community and for ensuring that it is solvent, well-run, and delivering the charitable outcomes for the benefit of the public for which it has been set up.

The Trustees meet together at least quarterly to review reports from management and to discuss matters such as the strategic direction of The Lantern Community, governance issues and certain financial matters. A number of Committees and Working Groups have been established to ensure that these matters can be properly addressed. These committees are seen as part of the on-going structure of the community and membership consists of Trustees and members of the Lantern Management Group. A pattern of at least four meetings each year has been established. The dates for these four meetings are fixed well in advance so that reports can be considered by Trustees prior to Trustee Board meetings.

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

OBJECTIVES AND ACTIVITIES

Charitable Objects

Under the Memorandum and Articles of Association adopted on 29 August 2014, the objects of the charity are as follows:

To relieve sickness, promote good health, provide care to and advance the education and training of people with a disability (whether mental or physical), the young, the old, or people otherwise in need, in accordance with the principles of Dr Rudolf Steiner, particularly (without limitation) by the establishment and maintenance of intentional communities in the form of villages, residential houses, day centres, kindergartens, schools, colleges or other types of social and / or educational community in which beneficiaries live and / or work and / or to which they otherwise resort, in community with persons providing support (known as "Co-workers").

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future objectives. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Activities

1. The provision of housing for its beneficiaries who choose to live within a social and therapeutic community. The Lantern Community consists of eleven houses for beneficiaries, all with easy access to the town of Ringwood in Hampshire. We ended the year with a residential population of sixty-four people in the Lantern Community in Ringwood. Fifty-one are adults with learning disabilities who hold their own tenancies, seven are short term volunteer workers, three are long term Co-workers and three are retired long term Co-workers.

2. The provision of personal care services to meet the care needs of beneficiaries. The Lantern Community offers Personal Care services to people who live in or near the Lantern Community Estate or who use the Day Services on the estate. The Lantern Community has a certificate of registration with the Care Quality Commission (CQC) for the regulated activity 'personal care'. The Lantern Community as a service provider has two registered locations.

3. The provision of support services to assist in developing the beneficiaries' independence and enabling them to maintain their tenancy. The Lantern Community worked closely with East Boro Housing Trust who continue to provide expertise in managing tenancies and related matters. Another link to external expertise is maintained with Worknest (formerly known as Ellis Whittam) providing advice on employment law, HR and health and safety in an unlimited support agreement covering these important areas.

4. The provision of Day Services which create opportunities for work experience, lifelong learning, artistic and educational development. The work and training facilities are Estate Work, Pottery, Art Studios, Weaving, Seasonal Crafts, Home Making Skills, Café, Bakery, Gift Shop, a Spinnery and Horticultural Nursery, many of these selling products to the general public.

OBJECTIVES AND ACTIVITIES - continued

Objectives

- To provide a range of accommodation, workshops and social settings, staffed by highly motivated employees and volunteers able to support adults who have learning disabilities.
- To provide opportunities for adults with learning disabilities to meet and interact with a wide range of people within the security of The Lantern Community and to develop the skills to engage with the wider community.
- To support people to build relationships and develop their confidence so that they can take a full and active role in society.
- To extend and develop the range and quality of the services offered in direct response to the needs of those adults with a learning disability.

Companions

During the year, the number of companions reached 51 as we bid farewell to two of our companions to whom we wish every success in their future journeys, and we were delighted to welcome a new companion who joined our community in July 2024.

In the workshops, more day placements have been finalized shortly after the end of the fiscal year and the total number has reached 20 as at the beginning of July 2025.

Assured Tenancies

The Trustee Board, in collaboration with the management group, extended offers of assured tenancies to all companions who had been in place for over 12 months. These tenancies offer the highest level of security, reflecting the charity's deep commitment to the long-term wellbeing and stability of its beneficiaries.

Volunteer Visa Challenges and Contingency Planning

A significant challenge during the year was related to our co-workers (volunteers), who are central to our life-sharing ethos in the house communities. Historically, this model has been integral to our charity's identity. However, we began experiencing increased visa rejections for these vital volunteers. In response, we sought support from stakeholders to lobby against the UK Home Office's decisions. We extend our heartfelt thanks to all who supported us in this matter.

To mitigate the impact, we developed a Three-Year Business Plan outlining how to restructure support in the houses without volunteer assistance. Some rooms previously allocated to co-workers were reassigned to prospective companions, aligning with our approach to making the best use of our assets.

We are pleased to report that the visa crisis has now eased. While the number of incoming volunteers remains reduced, we are once again welcoming them into the community. This period prompted a comprehensive review of co-worker roles and their contributions, which is ongoing.

OBJECTIVES AND ACTIVITIES - continued

Night Cover Enhancements

Responding to the evolving needs of our companions, the community has reviewed its night cover arrangements across all sites. We are implementing a waking night cover provision for all on-site companions, with the exception of Tawa and Willow End, which are slightly off-site. This change is being implemented with the support of our main funder, Dorset County Council (DCC), and aims to create a more robust, proactive, and future-proof system of night support.

Financial Update

Finances presented another area of concern due to prolonged uncertainty surrounding our hourly rate negotiations with DCC. Fortunately, by August 2024, an agreement was reached, resulting in an increase in our hourly rate. This allowed us to implement a mid-year 5.0% pay rise for all staff working in the residential team—a token of our appreciation and a measure to remain competitive in a tight recruitment market.

Additionally, the Trustee Board introduced an Investments Policy to optimise the charity's financial resources. Investments in gilts and bonds were made with the assistance of a reputed Financial Adviser to protect our reserves from inflation and to strengthen long-term financial sustainability.

Building and Infrastructure Projects

Our community has been active with several significant building projects, including:

- Installation of new polytunnels for the land workshop and overall refurbishment of the area involved so to create a more suitable and safer working environment for our companions
- Total refurbishment of the temporary pottery building and art workshop
- Creation of a new land workshop shed
- Refurbishment of various office spaces

In line with our Environmental Policy and commitment to sustainability, we also installed solar panels on the roof of one of our houses, demonstrating our ongoing efforts to improve energy efficiency.

An environmental review was undertaken to update the maintenance plan, which will influence future budgets. It was acknowledged that health and safety must remain a central focus while managing expectations effectively.

Craft Centre and New Workshop Spaces

Our Craft Centre (Pottery and Art building) remains out of use, with no resolution yet reached with the relevant parties.

Despite this, all our workshops are operating as before although in temporary accommodations.

Y C Chan Centre

The Trustee Board and management have reviewed and revised the plans for the new building project. We are moving forward with a more streamlined design that will include two larger workshop rooms and a communal social space. This new facility will be named the YC Chan Centre, in recognition of our donors' contributions. Each workshop will feature dedicated outdoor space, and the building design will reflect the aesthetic and values of the community.

We are now in the final stage of the relevant Planning Authorisation process

ACHIEVEMENTS AND PERFORMANCE - continued

Community Life and Celebrations

Our social and cultural calendar remained full and vibrant. Highlights included the Winter Fayre, which was combined with the Martinmas Festival—a magical occasion shared with families and friends in November 2024 while an opening ceremony of the new Land Workshop area was held on the 5th of July on the Parents Forum 2025.

Cyber Security Enhancements

To strengthen our cyber security, we have invested in new laptops and computers to ensure compliance with Cyber Essentials. We are in the process of implementing multi-factor authentication for all system access. Once complete, we will apply for official Cyber Essentials certification.

HR and Training

Staff recruitment and retention continued to be key challenges throughout the year. However, through the Skilled Worker Sponsorship route, we were able to successfully employ six individuals from overseas. We are closely monitoring recent and ongoing developments in the Health and Social Care Workers Visa Route to ensure compliance and continued access to this recruitment pathway.

As part of our commitment to inclusive employment practices, we have signed up to the Disability Confident Scheme, demonstrating our dedication to supporting individuals with disabilities across a variety of roles within the community.

We have continued to deliver both mandatory and specialised training to our staff, ensuring they are equipped with the necessary skills, knowledge, and competencies to perform their roles effectively and confidently.

To enhance operational efficiency, we have also invested in several software systems to improve processes related to payroll, absence management, and staff training. These tools are helping us streamline administrative functions and support a more responsive and data-informed HR function.

This year has brought both challenges and growth, and we are proud of the resilience and unity shown by our community. The steps taken ensure we are well-positioned to continue delivering on our mission in the years ahead.

Plans for the coming year

- Ensure our care provision maintains a CQC rating of 'Good' as a minimum.
- We will continue with the current strategy of integrating the ageing companions and retired co-workers in the community. We will strive to meet the needs of our changing population.
- We will aim to meet the changing needs of people with diverse abilities who approach us. To do this we will adapt some of our workshops for those who may wish to have a slower pace of life in their old age or try something different.
- We will fill the vacancies in residential and reach full capacity.
- We will continue to make sure all of our beneficiaries live in accommodation that is fit for purpose and in good condition.
- We will endeavour to reach a resolution regarding the dispute about the Art and Pottery building.
- We aim to start building a new creative art centre in the budget year 2025-26 and complete it by the end of our 2026-27 budget year. Following the completion of the creative art centre, we will complete the essential upgrading of the other premises as well as landscaping around the new building.
- Ensure staff are equipped to care for Companions with dementia.
- Improve staff and volunteer recruitment and retention.
- Invest in technology to improve our effectiveness and efficiency.
- Pursue growth in income, by increasing:
    1. Donations, fundraising and legacies.
    2. Number of workshops and day placements.

MEDIUM TERM PLANS

- We will persevere to work with our organisation values to maintain the ethos and the fabric of an intentional community.
- Develop a long-term staff and volunteer recruitment and retention strategy and plan, to include:
    1. Apprenticeships.
    2. Number and roles of Volunteers.
    3. Staff training and development.
- Develop a long-term plan for making our buildings and accommodation 'fit for the future', to include:
    1. Modernise Companion accommodation.
    2. Pottery and New Building, including space for increasing workshops.
    3. Evaluate the potential for future acquisitions.

PAY POLICY

Due to a national scarcity of care staff, and expectations of a significant increase in the rate of inflation, and also as a sign of appreciation for their commitment and resilience during the difficult times, all our staff were awarded a significant pay increase of 10.0%, effective from April 1st 2024, and an additional 5.2% effective from 1st December 2024.

STRATEGIC REPORT

RISK MANAGEMENT

The Trustees have established a process for reviewing the key risks facing the charity and for ensuring that actions are taken to manage those risks. A detailed Risk Register is maintained. Individual risks are reviewed by the appropriate committee and the results reported to the Board of Trustees. The Trustees have given consideration to the major risks to which the charity is exposed and are satisfied that systems and procedures are in place to manage those risks or that action is being taken to establish such systems and procedures.

The two principal risk areas are:

Operational Risk

Craft Centre: As previously reported a number of building and design faults have been identified in one of the craft centre buildings (pottery and art). We are in a pre-action protocol with the architect, who also acted as the project administrator, as well as the company which carried out the construction works. We have appointed lawyers to represent us and have also appointed court approved Expert Witnesses to clarify the problems with the building (Please see notes 12 and 13 in the notes to these accounts).

Another operational risk that The Lantern Community needs to take into account in the coming years is the continuing negative impact of Brexit on the recruitment of volunteers, in particular on the numbers of co-workers. The Lantern community, in common with most Camphill Communities is very reliant on residential volunteers for cultural enrichment/life sharing. A reduction in voluntary co-workers, because of difficulties in obtaining visas, would mean losing a very important aspect of community life. The Lantern Community is working with other communities in creating an awareness and lobbying about the importance of having co-workers in Camphill communities.

Finance Risk

The Finance Manager has the relevant qualifications and experience to maintain the professional approach in finances. The Lantern Community invested in a good computerised finance system, Advanced Exchequer, which is kept up to date. Quarterly management accounts are produced for management and the Trustee Board.

FINANCIAL PERFORMANCE

Total incoming resources on charitable activities for the year totalled £4,020,766 (2024: £3,725,873). Of this amount £2,929,841 (2024: £2,715,661), or 72.9% (2024: 72.9%), related to care fees mostly paid for by local authorities. In particular, Dorset County Council contributed £1,931,818 (2024: £1,919,753), or 48.0% (2024: 51.5%), of total income from charitable activities. In addition, housing benefit of £653,611 (2024: £557,256), or 16.3% (2024: 15.0%), of our total income from charitable activities was received from East Dorset District Council on behalf of our companions and long term volunteers. It can be seen that a significant proportion of income comes from local government and that changes in government policy could have a notable effect on The Lantern Community's financial situation. Relations with both Dorset County Council and East Dorset District Council remain positive.

The Board of Trustees of The Lantern Community continues to measure actual financial performance against budgets at every meeting of the Board.

PERFORMANCE CRITERIA - EXTERNAL QUALITY MEASURES

There were Health & Safety audits by Worknest (formerly known as Ellis Whittam) and fire risk assessments by Dorset Fire Protection. The Lantern Community considers these external reports and assessments to be helpful and is responsive to proposals or comments made.

RESERVES POLICY

The Trustees have continued to review the level of reserves held by the charity in line with the guidance set out by the Charity Commission. Sufficient reserves need to be available to cover unforeseeable fluctuations in income and cash flow. The Trustees consider that there should be cover for at least approximately six months of expenditure.

As at 31 March 2025 General Reserves stood at £2,487,313 (2024: £2,280,107). Of this £119,789 (2024: £80,483) represents non land and buildings tangible fixed assets, leaving free reserves of £2,367,524 (2024: £2,199,624), equivalent to 6.2 months of continuing operational expenditure (2024: 7.0 months). Please also see note 16.

The purpose, movements and balances of all the restricted and designated funds are set out in Notes 15 and 16 respectively. The Property Capital Fund can only be realised on disposal of the property and settlement of the related loans.

In the coming year the trustees may designate funds for short- and longer-term property maintenance and alterations.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF COMPLIANCE

The Trustees believe they have complied with all currently prevailing laws and regulations that apply to the charity and its operations.

AUDITORS

So far as the Trustees are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware. Each trustee has taken all the steps that ought to be taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The provision of auditing services was subjected to open competition in 2021. A resolution to appoint Knight Goodhead, who were selected to succeed PKF Francis Clarke as the Lantern Community's auditors, was approved by the charity's members in their Annual General Meeting which was held on October 2nd 2021.

This report has been prepared in accordance with the Companies Act 2006, and complies with the charity's governing document and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2024).

The Strategic Report is also hereby approved.

Approved by the Trustees and signed on their behalf by Ian Humphries (Trustee).....

Date: ~~July 2025~~ 22 SEPTEMBER 2025

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LANTERN COMMUNITY

OPINION

We have audited the financial statements of The Lantern Community (the 'charity') for the year ended 31 March 2025, which comprise the Statement of Financial Activities, Balance Sheet and Statement of the Cash Flows, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its results 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.

This report is made solely to the charitable company's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 Charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LANTERN COMMUNITY

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION 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 Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' annual report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the financial statements.

We have nothing to report in respect of the following matters where the Companies Act 2006 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.

As explained more fully in the Statement of responsibilities of Trustees set out on page 11, 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LANTERN COMMUNITY

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the report of the executive committee, 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 they 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.

AUDITOR'S 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

We identified the laws and regulations applicable to the charitable company through discussions with trustees and other management and we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify any unusual or unexpected relationships, tested journal entries to identify unusual transactions and investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance; and
- Enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

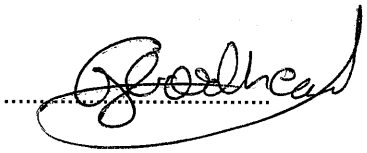
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LANTERN COMMUNITY

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

Knight Goodhead Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

USE OF OUR REPORT

This report is made solely to the charitable company's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Goodhead FCA (Senior Statutory Auditor)
For and on behalf of Knight Goodhead Ltd,
Chartered Accountants and Statutory Auditor

Knight Goodhead Ltd
7 Bournemouth Rd, Chandler's Ford
Eastleigh SO53 3DA

Date: 10 OCTOBER 2025

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2025

(including Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	2025 Total £	2024 Total £
Income from:					
Charitable activities	2	4,020,766	-	4,020,766	3,725,873
Investments	2	98,317	49,043	147,360	124,822
Total income		4,119,083	49,043	4,168,126	3,869,489
Expenditure on:					
Raising funds	3	6,420	-	6,420	1,935
Charitable activities	3	3,908,869	30,263	3,939,132	3,465,215
Total expenditure		3,915,289	30,263	3,945,552	3,467,150
Net income before donation and legacy income	2	203,794	18,780	222,574	402,339
Donations and legacies	2	439,884	-	439,884	18,794
Net income after donation and legacy income	15	643,678	18,780	662,458	421,133
Revaluation of properties	17	48,275	-	48,275	(172,638)
Net movement in funds		691,953	18,780	710,733	229,701
Reconciliation of funds:					
Revaluation reserve brought forward	17	2,755,143	-	2,755,143	2,927,781
Transfer of funds	15	164,272	(164,272)	-	-
Total funds brought forward	18	8,942,442	1,743,627	10,686,069	10,283,730
Total funds carried forward	18	12,553,810	1,598,135	14,151,945	13,441,212

All income and expenditure derives from continuing activities.

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)

BALANCE SHEET AS AT 31 MARCH 2025

	Note		2025		2024
		£	£	£	£
Fixed assets					
Tangible assets	8		10,021,052		9,421,363
Intangible assets	9		34,725		32,846
Current assets					
Stocks	10	28,001		26,960	
Debtors	12	318,476		322,957	
Cash at bank and in hand		1,619,566		4,378,372	
Investments	11	2,853,424		-	
		4,819,467		4,728,289	
Creditors: amounts falling due within one year	13	(646,559)		(515,289)	
Net current assets			4,172,908		4,213,000
Total assets less current liabilities			14,228,685		13,667,209
Creditors: amounts falling due after more than one year	14		(76,740)		(225,997)
Net assets			14,151,945		13,441,212
Charity Funds					
Restricted Funds	15		1,598,135		1,743,627
General funds	16		2,487,314		2,280,107
Designated funds	16		7,263,078		6,662,335
Revaluation reserve	17		2,803,418		2,755,143
Total charity funds	18		14,151,945		13,441,212

The financial statements were approved and authorised for issue by the Board on 22 SEPTEMBER 2025 ~~July 2025~~

Signed on behalf of the Board of Trustees by Ian Humphries (Trustee)

Date: 22 SEPTEMBER 2025 ~~July 2025~~

The notes on pages 22 to 43 form part of these financial statements.

Company registration number: 03773749

THE LANTERN COMMUNITY
(Company limited by guarantee and not having a share capital)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
Cash flow from operating activities	22	284,600	349,077
Net cash flow from operating activities		284,600	349,077
Cash flow from investing activities			
Payments to acquire tangible fixed assets	8	(235,785)	(103,095)
Payments to acquire Financial investments	11	(2,804,000)	-
Payments to acquire intangible fixed assets	9	(5,837)	
Receipts from sales of tangible fixed assets		-	15,000
Interest received		54,877	97,872
Net cash flow from investing activities		(2,990,745)	9,777
Cash flow from financing activities			
Repayment of long term loans	14	(47,697)	(263,209)
Interest paid		(4,964)	(13,932)
Net cash flow from financing activities		(52,661)	(277,141)
Net increase / (decrease) in cash and cash equivalents		(2,758,806)	81,713
Cash and cash equivalents at 1 April 2024		4,378,372	4,296,659
Cash and cash equivalents at 31 March 2025		1,619,566	4,378,372
Cash and cash equivalents consists of:			
Cash at bank and in hand		1,619,566	4,378,372
Cash and cash equivalents at 31 March 2025		1,619,566	4,378,372

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) GENERAL INFORMATION AND BASIS OF PREPARATION

The Lantern Community is an incorporated charity in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are providing housing, care and support within a social and therapeutic community.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2024.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(B) FUNDS

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

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

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

(C) INCOME RECOGNITION

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the Statement of Recommended Practice (FRS 102).

(C) INCOME RECOGNITION - continued

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities is generated by supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives fees from local government in respect of services and facilities provided. Income from government and other grants and fees are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as deposits. It includes interest income which is recognised as the charity's right to receive payment is established.

(D) EXPENDITURE RECOGNITION

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes publicity and advertising costs incurred in seeking voluntary contributions. They do not include the costs of disseminating information in support of the charitable activities;
- Expenditure on charitable activities includes the costs of operations directed towards fulfilling the charitable objective; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to the cost of raising funds and expenditure on charitable activities on a basis consistent with the use of the resources. Premises overheads have been allocated based on the location where possible or based on area and other overheads have been allocated on an activity level basis.

The analysis of these costs are included in note 3.

(E) GOVERNMENT GRANT INCOME

A grant that becomes receivable as compensation for expenses already incurred will be recognised in profit or loss in the same period in which the related expense is incurred.

(F) TANGIBLE FIXED ASSETS

Tangible fixed assets, except for land and buildings, are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Land and buildings are stated at market value less accumulated impairment losses.

(F) TANGIBLE FIXED ASSETS - continued

Depreciation is provided on all tangible fixed assets, except for land and buildings, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land	Nil– see below
Freehold buildings	Nil– see below
Furniture and Equipment	20% reducing balance
Computer Equipment	33% reducing balance
Motor vehicles	25% reducing balance

The Lantern Community changed its accounting policy in connection with Land and buildings in its financial year 2022/23. In previous financial statements an historical cost less depreciation model had been adopted. The effective date of the revaluation in these accounts was on April 1st 2022. A firm of Chartered Surveyors, authorised by the Royal Institution of Chartered Surveyors (RICS), valued the charity's properties located at our Ringwood campus on July 4th 2022, July 5th 2022 and August 17th 2024 and the fair values recorded on those dates were used in our 2022/23 financial statements. For subsequent years adjustments have been made to reflect property indices published by the Office of National Statistics. Our property on the Isle of Wight was not valued by a RICS approved surveyor however its fair value has been determined by using a combination of indices from HM Land Registry as well as comparisons to actual sales of similar local properties.

The Lantern Community will appoint RICS approved surveyors to carry out formal valuations every five years with the next valuation expected to occur in our 2027/28 financial year. In between these 5 yearly formal valuations we will adjust carrying values using property price indices available from HM Land Registry.

(G) STOCKS

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete, slow-moving or otherwise impaired stock where appropriate.

(H) DEBTORS AND CREDITORS RECEIVABLE / PAYABLE WITHIN ONE YEAR

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(I) LOANS AND BORROWINGS

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(J) CONCESSIONARY LOANS

Concessionary loans include those received from third parties which are interest free or below market interest rates and are made to advance charitable purposes. Loans repayable on demand within one year are measured at cost, less impairment. Concessionary loans repayable in over one year are measured at cost as no interest is chargeable.

(K) 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 is estimated and compared to the carrying amount.

(L) PROVISIONS

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

(M) EMPLOYEE BENEFITS

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(N) TAX

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(O) GOING CONCERN

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern. As explained in the Trustees report on page10, the Trustees have considered the uncertainty relating to the coronavirus pandemic, which began just before the start of our 2020-21 financial year, and the impact on the charity's operations and finances in the short to medium term. In the opinion of the Trustees, with its robust income stream as well as 6.2 months or £2,367,524 of free reserves and the constant monitoring and control of costs, the charity has sufficient working capital to continue to meet its financial obligations and pay its liabilities as they fall due for the foreseeable future and therefore the financial statements have been prepared on a going concern basis. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves held for the charity to be able to continue as a going concern.

(P) INTANGIBLE ASSETS

Intangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. The estimated useful life is 10 years and amortisation is charged to the profit and loss account on a straight line basis.

(Q) JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

The amounts set aside for designated funds to cover future costs.

(R) FINANCIAL INSTRUMENTS

Current asset investments are investments which the charity holds for resale or pending their sale and cash or cash equivalents with a maturity date of less than one year. Current asset investment are initially measured at cost and subsequent changes in fair value are recognised through the Statement of Financial Activity.

2 INCOME

	Residential	Workshops	Internal sales eliminated	Total 2025	Total 2024
	£	£	£	£	£
DONATIONS AND LEGACIES					
Donations, legacies and similar incoming resources	439,884			**439,884**	18,794
CHARITABLE ACTIVITIES					
Fees and contributions – local authorities / other sources	2,343,758	586,083		**2,929,841**	2,715,661
Rent and service charges	607,097			**607,097**	514,726
Ineligible and mobility	328,020			**328,020**	308,001
Shop / café / bakery & other workshops sales		220,968	(78,150)	**142,818**	147,989
Other income	20,430	1,560	(9,000)	**12,990**	39,496
Total incoming resources from charitable activities	**3,299,305**	**808,611**	**(87,150)**	**4,020,766**	3,725,873
Reinvested investment income (see note 11)	38,631	33,477		**72,108**	-
Realised and unrealised gains on investments (see note 11)		20,370		**20,370**	-
Bank interest received	49,233	5,649		**54,882**	124,822
Total investment income	**87,864**	**59,496**	**-**	**147,360**	124,822
TOTAL INCOME	**3,827,053**	**868,107**	**(87,150)**	**4,608,010**	3,869,489
TOTAL EXPENDITURE (see note 3)	**(2,989,638)**	**(1,043,064)**	**87,150**	**(3,945,552)**	(3,467,150)
NET INCOME FOR THE YEAR	**837,415**	**(174,957)**	**-**	**662,458**	402,339

Income from donations and legacies was £439,885 (2024 - £18,794) of which £337,230 (2024 - £3,333) was attributable to restricted funds (Note 15) and £102,655 (2024 - £15,460) was attributable to unrestricted funds (note 16).

3 EXPENDITURE

	Residential	Workshops	Internal sales eliminated	Total 2025	Total 2024
	£	£	£	£	£
RAISING FUNDS					
Fundraising and publicity	7,901	19	(1,500)	**6,420**	1,935
CHARITABLE ACTIVITIES					
Employed staff costs	2,089,161	632,050		**2,721,211**	2,265,788
Co-worker costs	77,043	7,500	(7,500)	**77,043**	105,370
Premises costs	267,909	190,288		**458,197**	435,152
Depreciation – owned assets - note 8	19,918	5,762		**25,680**	21,688
Amortisation of intangible assets - note 9	3,307	652		**3,959**	3,667
Office and administration	111,273	16,904		**128,177**	137,680
Medical costs	4,439	-		**4,439**	3,778
Garden and estate	11,370	-		**11,370**	13,597
Food, household and cleaning	282,077	8,527	(73,547)	**217,057**	213,719
Cost of sales	-	162,955	(4,603)	**158,352**	153,363
Motor and travel expenses	42,503	54		**42,557**	38,274
Legal and professional fees	13,268	4,456		**17,724**	34,164
Bank charges	2,780	(6)		**2,774**	2,922
Investment manager's charges (see note 11)	3,639	6,133		**9,772**	
Loan interest	4,864	0		**4,864**	12,995
Realised and unrealised losses on investments (see note 11)	30,962	5,707		**36,669**	-
Sundry expenses	5,406	-		**5,406**	6,505
Audit and accountancy	8,222	2,062		**10,284**	11,925
Trustee Board costs	3,597	-		**3,597**	4,628
Total resources expended on charitable activities	2,981,738	1,043,044	(85,650)	**3,939,132**	3,465,215
TOTAL EXPENDITURE FOR THE YEAR (see note 2)	**2,989,639**	**1,043,063**	**(87,150)**	**3,945,552**	3,467,150

£30,263 (2024 - £30,000) of the above costs were attributable to restricted funds (Note 15). £3,915,289 (2024 - £3,437,150) of the above costs were attributable to unrestricted funds (Note 16).

4 DEFERRED INCOME

During the year payments in advance of £71,543 (2024: £74,819) were received and have been treated as deferred income as they relate to the next financial year, and are included within other creditors.

5 EMPLOYED STAFF COSTS AND NUMBERS

During the year, no Trustees were reimbursed expenses totalling £NIL (2024: no Trustees, £NIL). No trustee received any remuneration in the current year or prior year.

During the year indemnity insurance of £1,064 (2024: £1,064) was paid to cover the Trustees in the event of any misrepresentation of the organisation.

Employed staff costs were as follows:	2025	2024
	£	£
Salaries and wages	2,369,771	2,007,173
Social security costs	217,238	169,066
Pension costs	56,660	51,620
	2,643,669	2,227,859

No employees earned more than £60,000 per annum during the year under review (2024: Nil).

The average weekly number of employees during the year was as follows:	2025	2024
	No.	No.
Lantern Residential and Workshops	107	98

The employee benefits of key management personnel for the year ended 31 March 2025 was £404,285 (2024: £345,820). A list of key management personnel may be found on page 3 of this document.

6 TAXATION

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

7 AUDITORS REMUNERATION

	2025	2024
	£	£
Fees payable to the charity's auditor for the audit of the charity's annual accounts	10,110	11,055
Fees payable to the charity's auditor for other services:	174	869
VAT consultancy services provided by the charity's auditor	-	-

VAT consultancy costs are included in legal and professional fees in note 3.

8 TANGIBLE FIXED ASSETS

	Freehold land & buildings	Assets under construction	Furniture & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
COST OR VALUATION						
At 1 April 2024	9,331,488	9,391	153,950	33,633	135,086	9,663,548
Additions in the year	341,527	164,272	39,982	25,004	-	570,785
Revaluation to market value (see note 17)	54,584	-	-	-	-	54,584
Disposals in the year	-	-	-	-	-	-
At 31 March 2025	**9,727,599**	**173,663**	**193,932**	**58,637**	**135,086**	**10,288,917**
DEPRECIATION						
At 1 April 2024	-	-	103,962	24,475	113,748	242,185
Charge for the year	-	-	12,249	7,864	5,567	25,680
Disposals in the year	-	-	-	-	-	-
At 31 March 2025	**-**	**-**	**116,211**	**32,339**	**119,315**	**267,865**
NET BOOK VALUE						
At 31 March 2025	**9,727,599**	**173,663**	**77,721**	**26,298**	**15,771**	**10,021,052**
At 31 March 2024	9,331,488	9,391	49,988	9,158	21,338	9,421,363

If land and buildings were measured at their historical cost the carrying amounts in these accounts would have been £7,411,312 (2024 - £7,069,785), being cost £7,411,312 (2024 - £7,069,785) and accumulated depreciation £NIL (2024 - £NIL).

The closing balance of £173,663 in Assets under Construction relates entirely to costs incurred for the new YC Chan Creative Arts Centre. Please see associated restricted and unrestricted funds in notes 15 and 16 respectively.

9 INTANGIBLE ASSETS	**2025**	**2024**
	£	**£**
COST OR VALUATION		
At 1 April 2024	36,675	36,675
Additions in the year	5,837	-
Revaluation to market value	-	-
Disposals in the year	-	-
At 31 March 2025	**42,512**	**36,675**
DEPRECIATION		
At 1 April 2024	3,828	161
Charge for the year	3,959	3,667
Disposals in the year	-	
At 31 March 2025	**7,787**	**3,828**
NET BOOK VALUE		
At 31 March 2025	**34,725**	**32,847**

The intangible asset relates to services purchased to configure and install a Cyber Essentials certified Local Area Network.

10 STOCK

As at 31 March 2025 stock was valued at £28,001 (2024: £26,960) and related to goods for resale in the shop on the Ringwood estate.

11 INVESTMENTS	**TOTAL**	**RESTRICTED**	**UNRESTRICTED**
Amount invested	2,804,000	1,550,389	1,253,611
Fund manager's charges	(6,384)	(4,250)	(2,134)
Re-invested Income	72,108	38,631	33,477
Unrealised gain / (loss)	(9,292)	20,370	(29,662)
Loss in disposal of investments	(7,007)	(5,707)	(1,300)
Fair value as at 31 March 2025	**2,853,425**	**1,599,433**	**1,253,992**

12 DEBTORS

	2025 £	2024 £
Trade debtors	126,216	101,239
Other debtors	62,377	44,283
Prepayments and accrued income	129,883	177,435
	318,476	322,957

13 CREDITORS: amounts falling due within one year

	2025 £	2024 £
Bank loans (see note 14)	49,326	47,767
Unsecured concessionary loan - see note 14	100,000	-
Trade creditors	149,264	127,173
Other creditors	57,032	71,182
Other taxation and social security	61,696	54,854
Accruals	157,698	139,494
Deferred income	71,543	74,819
	646,559	515,289

14 CREDITORS: amounts falling due after more than one year

	2025 £	2024 £
Unsecured concessionary loan - see note 13	-	100,000
Bank loans	76,740	125,997
	76,740	225,997

14 CREDITORS: amounts falling due after more than one year cont'd.

An unsecured concessionary loan has been advanced to The Lantern Community by the family trust of a beneficiary. This loan is for an indefinite term, but can become repayable in certain events such as the beneficiary leaving the charity. In some circumstances it can become repayable on demand. A side agreement was signed in the year ending 31 August 2014, in which it stated that the family trust would not require repayment of this loan before 1 September 2020. A subsequent side agreement has been signed in May 2019, in which it stated that the family trust would not require payment of this loan before 1 September 2025.

In 2017 two bank loans of £450,000 each were negotiated, secured on Willow End Cottage, Silver Birches and Badger Cottage. One loan is fixed rate at 3.22% for a ten year term and the second had a variable rate of 2% above the Bank of England base rate for a ten year term. The charity repaid to the bank the entire amount outstanding on the variable rate loan in the year to 31 March 2024.

The bank loans are repayable by instalments as follows:	2025	2024
	£	£
Within 1 year;	49,326	47,767
Between 1 and 2 years;	50,938	49,329
Between 2 and 5 years;	25,802	76,668
Between 5 and 10 years.	-	-
	76,740	125,997
Total bank loans	126,066	173,764

15 RESTRICTED FUNDS

	At 1 April 2024	Incoming Resources	Outgoing resources	Transfers	At 31 March 2025
	£	£	£	£	£
Woodwork workshop	1,020	-	-	-	1,020
YC Chan Craft Centre	1,646,727	49,043	-	(164,272)	1,531,498
Support with gym running costs	90,000		(30,000)	-	60,000
Hillcrest activities	240	-	-	-	240
In memory of Jose Palau	1,945	-	-	-	1,945
New pergolas	348	-	(263)	-	85
For a new vehicle	2,000	-			2,000
Fundraising by a companion	714	-			714
For a sensory garden	620				620
Ukraine war	13	-	-	-	13
Total restricted funds	1,743,627	49,043	(30,263)	(164,272)	1,598,135

15 RESTRICTED FUNDS cont'd

Woodwork Workshop

Donations were received and fundraising was undertaken for the purpose of contributing to the costs of a canopy for the woodwork workshop. These funds have not yet been spent.

YC Chan Craft Centre (formerly Lantern Hall)

A large number of donations have been received and allocated to the project for a YC Chan Craft Centre at The Lantern Community in Ringwood.

Support with gym running costs

A donation was received to offset some of the operating costs of the new gym for a period of five years.

Hillcrest activities

A number of donations have been received with the instruction that they be used for activities in Hillcrest, one of the houses in the community.

In memory of Jose Palau

A day services client named Jose Palau passed away during the year under review and donations were subsequently received. The intention is a physical memorial will be procured to preserve the memory of Jose Palau.

New Pergolas

New pergolas were constructed in the previous financial year and this was supported by a generous £10,000 donation from the T.H. Russell Charitable Trust.

Ukraine war

Donations were collected by a companion to help the citizens of Ukraine.

For a new vehicle

This fund will be used to help the charity purchase new vehicles to replace old, expensive to maintain, vehicles.

Fundraising by a companion

A companion raised funds for a project which is personal to them. The charity is holding these funds on behalf of the companion.

For a sensory garden

The Charity intends to develop a sensory garden for the benefit of its beneficiaries, its employees and other stakeholders.

Ukraine war

Donations were collected by a companion to help the citizens of Ukraine.

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

16 UNRESTRICTED FUNDS

	At 1 April 2024	Incoming Resources	Outgoing resources	Transfers	At 31 March 2025
	£	£	£	£	£
DESIGNATED FUNDS:					
Motor Vehicle Sinking Fund		12,981			12,981
Co-worker retirement	23,404	-	-	-	23,404
Co-worker social fund	32,956	5,000	(10,000)	-	27,956
YC Chan Craft Centre	117,967		-	-	117,967
Long term maintenance	80,000	10,000	-	-	90,000
Future Projects	96,036	104,884	-	(81,924)	118,996
	350,363	132,865	(10,000)	(81,924)	391,304
Property capital fund	6,311,971	-		559,803	6,871,774
Total designated funds	6,662,334	132,865	(10,000)	477,879	7,263,078
General funds	2,280,107	4,426,102	(3,905,289)	(313,606)	2,487,314
Total unrestricted funds	8,942,441	4,558,967	(3,915,289)	164,273.00	9,750,392

Purposes of designated funds

Co-worker retirement fund

This is a fund created to contribute towards meeting the retirement needs of the co-workers.

Co-worker social fund

The co-worker social fund has been created to finance anticipated future expenditure relating to financial assistance to co-workers, e.g. when they leave The Lantern Community.

Bakery project fund

Up until June 2016 donations from the second hand books scheme were allocated to a fund to contribute to the costs of the planned Bakery project. This project includes major external and internal works and improved access.

YC Chan Craft Centre

See also note 15 above for the YC Chan Craft Centre under restricted funds. Some donations have been received without restrictions and have been designated to fund this major project. Other general donations were allocated to this fund up until June 2019.

16 UNRESTRICTED FUNDS cont'd

Long term maintenance
A provision of £10,000 per annum is being made. Amounts in this fund will be released when a major maintenance task is undertaken.

Future Projects fund
This fund was created in July 2018. The rationale is to allow donations to be gathered in a general pot and then projects to be proposed for trustee approval, to ensure donated monies are used effectively and expeditiously.

Property capital fund
This fund has been created to reflect the carrying value of land & buildings held by the charity, net of bank loans and property related loans outstanding at the balance sheet date.

Motor Vehicle Sinking Fund
This fund has been created to enable the charity to purchase a motor vehicle for approximately £40,000 every three years.

17 REVALUATION RESERVE

	2025	2024
At 1 April 2024	2,755,143	2,927,781
Revaluation to market value - see note 8	54,582	(204,262)
Transferred to Statement of Financial Activities for the year - current year	(6,307)	31,624
At 31 March 2025	**2,803,418**	**2,755,143**

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	AS AT 31 MARCH 2025			
	Restricted funds	Designated funds	General funds	Total funds
	£	£		£
Tangible fixed assets	-	9,901,262	119,790	10,021,052
Intangible fixed assets	-	-	34,725	34,725
Net current assets	1,598,135	241,974	2,332,799	4,172,908
Long term liabilities	-	(76,740)	-	(76,740)
NET ASSETS AS AT 31 MARCH 2025	1,598,135	10,066,496	2,487,314	14,151,945

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

	AS AT 31 MARCH 2024			
	Restricted funds	**Designated funds**	**General funds**	**Total funds**
	£	£		£
Tangible fixed assets	-	9,340,880	80,483	9,421,363
Intangible fixed assets	-	-	32,846	32,846
Net current assets	1,743,627	302,595	2,166,778	4,213,000
Long term liabilities	-	(225,997)	-	(225,997)
NET ASSETS AS AT 31 MARCH 2024	1,743,627	9,417,478	2,280,107	13,441,212

19 RELATED PARTIES

The following transactions and relationships with related parties are of note:

Three family members of M Verhoeven and I Veroeven, who are both Trustees, are employed by The Lantern Community and are remunerated at the same rate as all other employees who are employed in similar roles.

Liz Bord, trustee, is also The Lantern Community's nominated trustee of The Camphill Benevolent Fund (CBF), which makes disbursements to retired co-workers.

Donations by Trustees to The Lantern Community in the year ended 31 March 2025 amounted to £993 (2024: £NIL).

20 DONATED SERVICES AND ASSETS

In the year ended 31 March 2025 there was no income from donated services and assets (2024: £NIL).

21 DEFINED CONTRIBUTION PENSION SCHEME

The company operates a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension commitment for the year under this scheme was £56,660 (2024: £51,588).

22 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025	2024
	£	£
Net income for year - note 2	662,458	402,339
Interest receivable	(54,882)	(124,822)
Interest payable	4,864	12,995
Depreciation and impairment of tangible fixed assets	(24,942)	229,617
Above impairment offset by reduction in Revaluation Reserve	48,275	(172,638)
Impairment of buildings in progress	-	6,382
Gift of a tangible asset	(335,000)	-
(Profit) / loss on disposal of tangible fixed assets	-	(9,985)
Gain on investments	(49,424)	-
(Increase) / decrease in stock	(1,041)	(7,947)
(Increase) / decrease in debtors	4,481	27,020
Increase / (decrease) in creditors	29,811	(13,884)
Net cash flow from operating activities	284,600	349,077

23 OPERATING LEASES

Future minimum lease payments per annum under non-cancellable operating leases as at 31 March 2025

	2025	2024
	£	£
Not later than one year	15,755	9,012
Later than one year and not later than five years	62,851	40,568
Greater than five years	6,703	-
	85,310	49,580

THE LANTERN COMMUNITY

England & Wales - Charity number 1075845

Accounts

THE LANTERN COMMUNITY

COMPANY NUMBER: 03773749

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

INTRODUCTION

The Trustees present their report and the audited financial statements for the year ended 31 March 2024. This includes the Directors' Report and Strategic Report as required by Company Law.

The legal and administrative information set out below forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2022).

REFERENCE AND ADMINISTRATIVE DETAILS

The organisation is a charitable company limited by guarantee, incorporated on 20 May 1999 and registered as a charity on 4 June 1999. The charity changed its name on 5 December 2012 from The Lantern Retreat to The Lantern Community.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

REGISTERED COMPANY NUMBER: 3773749

REGISTERED CHARITY NUMBER: 1075845

PRINCIPAL ADDRESS AND REGISTERED OFFICE

The Lantern Centre, Folly Farm Lane, Ashley, Ringwood, Hampshire BH24 2NN

TRUSTEES/DIRECTORS

during the year and to date:

Liz Bord

Michael Bradshaw

Luigi Carnelli

Alan Hollands - resigned 30 September 2023

Neil Hollands

Ian Humphries - Chair until Autumn 2025

Mark Loveys - resigned 12 September 2013

Loraine Morgan

Immanuel Verhoeven- appointed 21 October 2023

Maria Verhoeven

David Walker

All Trustees are elected by the charity's membership or appointed by the Trustees to fill any interim vacancies, in accordance with the Charity's Articles of Association. In such cases those Trustees are required to offer themselves for re-election at the next following AGM. One (2023: Two) such appointment has been made since the last AGM.

KEY MANAGEMENT PERSONNEL:

Senior managers

B.Bilge Hunt	- Chief Executive Officer / Nominated Individual
Carol Cheeseman	- Operations Manager
Jason Gonsalves	- Estate and Maintenance Manager
Vell Cattaree	- Day Services Manager
Burga Liddiard	- Registered Manager Four Meadows
Robert van Turenhout	- Finance Manager
Claudiu Deliu	- Registered Manager Phoenix

LEGAL ADVISORS:

Pitmans
46 The Avenue, Southampton SO17 1AX

BANKERS:

National Westminster Bank plc
11 High Street, Ringwood, Hampshire BH24 1BA

AUDITORS:

Knight Goodhead Ltd
7 Bournemouth Rd, Chandler's Ford
Eastleigh SO53 3DA

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association. This document was amended by special resolutions on 30 April 2007, 19 November 2012, 29 August 2014 and 28 September 2019.

APPOINTMENT AND TRAINING OF THE TRUSTEES

There must be at least five Trustees at any time and no more than two may be co-workers. Trustees shall be proposed for appointment by the existing Trustees. The Board seeks to have Trustees with a range of competencies and backgrounds, to allow it to effectively fulfill its role. An induction pack is provided for all Trustees and specialist training is carried out on topics such as governance from time to time as required.

MEMBERS

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2024 was 131 (2023: 126).

GOVERNANCE OF THE CHARITY

The Trustees recognise their ultimate responsibility for directing the affairs of The Lantern Community and for ensuring that it is solvent, well-run, and delivering the charitable outcomes for the benefit of the public for which it has been set up.

The Trustees meet together at least quarterly to review reports from management and to discuss matters such as the strategic direction of The Lantern Community, governance issues and certain financial matters. A number of Committees and Working Groups have been established to ensure that these matters can be properly addressed. These committees are seen as part of the on-going structure of the community and membership consists of Trustees and members of the Lantern Management Group. A pattern of at least four meetings each year has been established. The dates for these four meetings are fixed well in advance so that reports can be considered by Trustees prior to Trustee Board meetings.

THE LANTERN COMMUNITY

(Company limited by guarantee and not having a share capital)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES

Charitable Objects

Under the Memorandum and Articles of Association adopted on 29 August 2014, the objects of the charity are as follows:

To relieve sickness, promote good health, provide care to and advance the education and training of people with a disability (whether mental or physical), the young, the old, or people otherwise in need, in accordance with the principles of Dr Rudolf Steiner, particularly (without limitation) by the establishment and maintenance of intentional communities in the form of villages, residential houses, day centres, kindergartens, schools, colleges or other types of social and / or educational community in which beneficiaries live and / or work and / or to which they otherwise resort, in community with persons providing support (known as "Co-workers").

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future objectives. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Activities

1. The provision of housing for its beneficiaries who choose to live within a social and therapeutic community. The Lantern Community consists of eleven houses for beneficiaries, all with easy access to the town of Ringwood in Hampshire. The Lantern Community continues to include the tenants of Tawa (which belongs to the Oliver Trust) within its full life and provides care and support to them in their own home. There is a residential population of seventy-five people in the Lantern Community in Ringwood (including Tawa). Fifty-two are adults with learning disabilities who hold their own tenancies, seventeen are short term volunteer workers, three are long term Co-workers and three are retired long term Co-workers.

2. The provision of personal care services to meet the care needs of beneficiaries. The Lantern Community offers Personal Care services to people who live in or near the Lantern Community Estate or who use the Day Services on the estate. The Lantern Community has a certificate of registration with the Care Quality Commission (CQC) for the regulated activity 'personal care'. The Lantern Community as a service provider has two registered locations.

3. The provision of support services to assist in developing the beneficiaries' independence and enabling them to maintain their tenancy. The Lantern Community works closely with East Boro Housing Trust who continue to provide expertise in managing tenancies and related matters. Another link to external expertise is maintained with Worknest (formerly known as Ellis Whittam) providing advice on employment law, HR and health and safety in an unlimited support agreement covering these important areas.

4. The provision of Day Services which create opportunities for work experience, lifelong learning, artistic and educational development. The work and training facilities are Estate Work, Pottery, Art Studios, Weaving, Seasonal Crafts, Home Making Skills, Café, Bakery, Gift Shop and Horticultural Nursery, many of these selling products to the general public.

OBJECTIVES AND ACTIVITIES - continued

Objectives

- To provide a range of accommodation, workshops and social settings, staffed by highly motivated employees and volunteers able to support adults who have learning disabilities.
- To provide opportunities for adults with learning disabilities to meet and interact with a wide range of people within the security of The Lantern Community and to develop the skills to engage with the wider community.
- To support people to build relationships and develop their confidence so that they can take a full and active role in society.
- To extend and develop the range and quality of the services offered in direct response to the needs of those adults with a learning disability.

In the year, we have maintained the number of companions residing in the community at 52 with one vacancy in one of our houses. We have had several interviews and working visits for the vacancy and we have found a suitable candidate who joined us after the year under review.

After a long break due to outbreaks of covid and infection control measures, we at last opened our shop and café to the public in May 2023. We are pleased to report that the re-opening has been very well received by our visiting customers. More Companion activities have resumed, and volunteers have returned to the Community.

This year, our main focus has been the changing needs of our companions. Since the pandemic, there have been some health concerns as well as aging-related challenges among the companions. This has led us to adopt a more flexible and person-centred approach to meet the ever-changing needs of the companions. We continue to invest in our staff with training to equip them with the right skills to be able to support the companions. In this venture, we still have a long journey in front of us as the needs of the companions are changing rapidly and becoming more complex in regard to their health challenges. Thankfully we have received good support from our partners and from our colleagues in Dorset council with their multi-disciplinary teams able to support our companions. This valuable assistance has helped our companions and also given our staff reassurance that they are not alone in their endeavours.

The new Healthy Living workshop has been a great success as it is very popular and it is also helping us to lose weight and gain some agility lost during the long covid years. Despite this we still have ongoing concerns about some companions' healthy living and eating habits. To tackle this, beside the healthy living workshop, we have offered 1:1 sessions for some of our companions who are in need of this additional support. As to be expected this is a slow-going process as the outcomes take longer to achieve with lifelong habits and aging.

We have also introduced another workshop, Spinnery, to our day services provision. Spinnery offers a calm and serene environment for our companions who may need to have a slower pace in their daily lives.

To prepare the workforce in the workshops, to meet the changing needs of the Companions, we have introduced, even though there is no statutory requirement, Care Certificate training for new workshop staff members. This development has been embraced by the new staff, particularly as it can be classified as Continued Professional Development (CPD). This initiative created additional costs for the Community but we believe it is necessary so at to provide a safe and caring environment for the Community.

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES - continued

Objectives - continued

Following the pandemic the main strategy has been to support the Companions to get moving in the Community with various activities introduced to support this. This initiative has been welcomed by all.

Our maintenance team had a busy year which resulted in a new Land workshop building being constructed near the Art workshop. This additional building has enabled our Pottery workshop to expand its size and level of activity.

The green gym, which is made up of four pieces of equipment, has been installed and is proving to be popular.

A new appointment to the Estates team had been made and the role includes assisting the Landscape Workshop.

We have carried on with routine and planned maintenance across the community so we are able to provide a safe and good quality living environment for our beneficiaries and staff.

We have also reviewed our 3-year Estate and Maintenance plans and decided to undertake a number of upgrades to some of our houses for mobility needs and ease for care. Currently some houses have en-suite facilities however in most houses companions have to share bathroom and toilet facilities. The main aim of this exercise is to improve the quality of life for everyone who reside in the community. Trustees and management are determined to achieve this objective in the coming years.

ACHIEVEMENTS AND PERFORMANCE

Challenges around staff retention and recruitment continued during the year under review. In response, our Trustee board, having carefully reviewed the current economic situation as well as the charity's resources agreed unanimously to award another significant pay increase for all staff with effective from 1 December 2023. This followed two significant increases in pay rates which were implemented with effect from 1st April 2023 and then again on 1st December 2013.

In order to diversify and increase our recruitment options, we applied for, and were awarded Skilled Worker sponsorship status which means we are now able to recruit from abroad if the candidates fulfil our requirements.

We have managed to have a full complement of co-workers this year; a number of co-workers from this year have chosen to stay in the community for longer under the above Skilled Worker sponsorship scheme.

Some staff have experienced burn out and work-related stress following the difficulties of working during the Covid pandemic. To support our workforce a Staff Wellbeing programme "Marching into Wellbeing" was launched during the month of March 2023. Managers also held face-to-face information sharing sessions with different teams on this well-being offering and other solutions available in our community, locally and nationally. Sessions on mindfulness, nutrition, and healthy lifestyle also took place in our community during the period of the project.

Following the pandemic we started celebrating our festivals again without isolation requirements and restrictions during the year; coming together as a community once again was renovating and exciting. Our Winter Fayre was again a huge success and we participated in the local Ringwood carnival where we achieved second place in our category.

We continue to review and update our IT network on site to ensure we continue to be as safe from a cyber-attack as possible. We believe we have future proofed our IT arrangements for the coming years by investing in the infrastructure.

ACHIEVEMENTS AND PERFORMANCE - continued

A new cloud-based rota system has been implemented which should mean a large increase in efficiencies.

Difficulties in establishing a timeframe for the remedial works to the pottery and art building has been demoralising for all of us in the community and it has also made long term planning for other building projects very challenging.

With generous support from our donors, we have begun the planning process for our new creative art centre project which is to be called the YC Chan Craft Centre. We hope to submit our planning application to the local authorities in the next few months.

The Board asked the Strategy Working group to revisit our strategy and strategic objectives. The review included both external and internal factors as well as our strengths and weaknesses in relation to future challenges. A SWOT (strengths, weaknesses, opportunities and threats) analysis has also been completed.

It was recommended that our strategy should be to focus on maintaining our CQC rating of good, work on staff recruitment and retention, invest in technology, ensure buildings were fit for the future, continue grow income, reduce our carbon footprint, grow awareness in local community and make more use of space on the estate.

Strategic Plans were to be developed to look at potential for all these areas.

Following several years of debating the issue, and following many years of low interest rates, the Board decided that an investment strategy needed to be formulated for the Community. The Board recognised that a long-term investment strategy was needed for the charity's reserves as well as for our restricted funding. Following a comprehensive review, and after being shortlisted from three possible providers, the Trustee Board appointed RBC Brewin Dolphin to manage the investing of the charity's reserves.

Plans for the coming year

- Ensure our care provision maintains a CQC rating of 'Good' as a minimum.
- We will continue with the current strategy of integrating the ageing companions and retired co-workers in the community. We will strive to meet the needs of our changing population.
- We will aim to meet the changing needs of people with diverse abilities who approach us. To do this we will adapt some of our workshops for those who may wish to have a slower pace of life in their old age or try something different.
- We will fill the vacancies in residential and reach full capacity.
- We will continue to make sure all of our beneficiaries live in accommodation that is fit for purpose and in good condition.
- We will endeavour to reach a resolution regarding the dispute about the Art and Pottery building.
- We aim to start building a new creative art centre in the budget year 2024-2025 and complete it by the end of our 2025-26 budget year. Following the completion of the creative art centre, we will complete the essential upgrading of the other premises as well as landscaping around the new building.
- Ensure staff are equipped to care for Companions with dementia.
- Improve staff and volunteer recruitment and retention.
- Invest in technology to improve our effectiveness and efficiency.
- Pursue growth in income, by increasing:
    1. Donations, fundraising and legacies.
    2. Café and shop income.
    3. Number of workshops and day placements.

MEDIUM TERM PLANS

- We will persevere to work with our organisation values to maintain the ethos and the fabric of an intentional community.
- Develop scenario plans to evaluate the potential increase in staffing costs if the number of co-worker falls.
- Develop a long-term staff and volunteer recruitment and retention strategy and plan, to include:
    1. Apprenticeships.
    2. Disability friendly employer.
    3. Number and roles of Volunteers.
    4. Staff training and development.
- Develop a long-term plan for making our buildings and accommodation 'fit for the future', to include:
    1. Modernise Companion accommodation.
    2. Pottery and New Building, including space for increasing workshops.
    3. Evaluate the potential for future acquisitions.
- Continue to develop the plan to make better use of our estate.
    1. Donations, fundraising and legacies.
    2. Café and shop income.
    3. Number of workshops and day placements.
- Develop a plan to reduce our Carbon footprint year-on-year.
- Develop a plan to build awareness in the local community.

PAY POLICY FOR SENIOR AND OTHER STAFF

Due to a national scarcity of care staff, and expectations of a significant increase in the rate of inflation, and also as a sign of appreciation for their commitment and resilience during the difficult times, all our staff were awarded a significant pay increase of 10.0%, effective from April 1st 2024, and an additional 5.2% effective from 1st December 2024.

Subject to the above variation from our usual policy, the Senior Managers are all on an approved pay scale based on the NJC (National Joint Council) Pay Scales. All these posts cover a range of 3 - 6 spinal points on the NJC Scale. The individual managers have been appointed to a point within the range commensurate with their qualifications and experience. For the Chief Executive Officer progression within the range is automatic but for the other senior managers there is a "bar" at the mid-point and progression above the "bar" is dependent on performance and qualification. Future senior staff appointments will be made in a similar way. In normal circumstances pay rises will be in line with those agreed as part of the NJC Pay Scale agreement. Consideration will be given on an annual basis to the appropriateness of the NJC Pay Scales and whether any changes in the structure of community require reconsideration of the pay scale approved by the Board of The Lantern Community.

STRATEGIC REPORT

RISK MANAGEMENT

The Trustees have established a process for reviewing the key risks facing the charity and for ensuring that actions are taken to manage those risks. A detailed Risk Register is maintained. Individual risks are reviewed by the appropriate committee and the results reported to the Board of Trustees. The Trustees have given consideration to the major risks to which the charity is exposed and are satisfied that systems and procedures are in place to manage those risks or that action is being taken to establish such systems and procedures.

The two principal risk areas are:

Operational Risk

Craft Centre: As previously reported a number of building and design faults have been identified in one of the craft centre buildings (pottery and art). We are in a pre-action protocol with the architect, who also acted as the project administrator, as well as the company which carried out the construction works. We have appointed lawyers to represent us and have also appointed court approved Expert Witnesses to clarify the problems with the building (Please see notes 12 and 13 in the notes to these accounts).

Another operational risk that The Lantern Community needs to take into account in the coming years is the continuing negative impact of Brexit on the recruitment of volunteers, in particular on the numbers of co-workers. The Lantern community, in common with most Camphill Communities is very reliant on residential volunteers for cultural enrichment/life sharing. A reduction in voluntary co-workers, because of difficulties in obtaining visas, would mean losing a very important aspect of community life. The Lantern Community is working with other communities in creating an awareness and lobbying about the importance of having co-workers in Camphill communities. Thankfully our recent application to the UK Home Office to increase the annual number of visas we can issue from 10 to 30 has been approved. We also applied for, and were awarded, Skilled Worker sponsorship status which means we are now able to recruit from abroad if the candidates fulfil our requirements.

Covid -19

The Trustees have considered the financial position of the charity and the potential impact of Covid-19. As most of our contract income is paid for by the UK local government sector we are in the relatively fortunate position of not experiencing a decline in our contract revenues. The Trustees believe the short to medium term impact on liquidity will not affect the ability of the charity to fulfill its aims and commitments. As our income stream is robust and as we have significant free reserves amounting to £2,199,624 or 7.0 months of continuing operations expenditure, we are confident the charity is able to continue fulfilling its objective for at least the short and medium term. However, we cannot exclude the possibility of long term financial impact arising from the Covid-19 pandemic.

Finance Risk

The Finance Manager has the relevant qualifications and experience to maintain the professional approach in finances. The Lantern Community invested in a good computerised finance system, Advanced Exchequer, which is kept up to date. Quarterly management accounts are produced for management and the Trustee Board.

A major tool for the control of operations in The Lantern Community is the annual three-year business plan, the first year being the budget. The plan contains the major assumptions for all elements of the organisation, including capital expenditure projects, beneficiary and staff numbers. The plan has income and expenditure, balance sheet and cashflow forecasts, allowing a clear framework for future direction. The plans are set prudently and the experience has been that actual results exceed the plan.

FINANCIAL PERFORMANCE

Total incoming resources on charitable activities for the year totalled £3,725,873 (2023: £2,985,672). Of this amount £2,715,661 (2023: £2,209,872), or 72.9% (2023: 74.0%), related to care fees mostly paid for by local authorities. In particular, Dorset County Council contributed £1,919,753 (2023: £1,471,867), or 51.5% (2023: 49.3%), of total income from charitable activities. In addition, housing benefit of £557,256 (2023: £441,662), or 15.0% (2023: 14.8%), of our total income from charitable activities was received from East Dorset District Council on behalf of our companions and long term volunteers. It can be seen that a significant proportion of income comes from local government and that changes in government policy could have a notable effect on The Lantern Community's financial situation. Relations with both Dorset County Council and East Dorset District Council remain positive.

The Board of Trustees of The Lantern Community continues to measure actual financial performance against budgets at every meeting of the Board.

PERFORMANCE CRITERIA - EXTERNAL QUALITY MEASURES

There were Health & Safety audits by Worknest (formerly known as Ellis Whittam) and fire risk assessments by Dorset Fire Protection. The Lantern Community considers these external reports and assessments to be helpful and is responsive to proposals or comments made.

RESERVES POLICY

The Trustees have continued to review the level of reserves held by the charity in line with the guidance set out by the Charity Commission. Sufficient reserves need to be available to cover unforeseeable fluctuations in income and cash flow. The Trustees consider that there should be cover for at least approximately six months of expenditure.

As at 31 March 2024 General Reserves stood at £2,280,107 (2023: £2,179,621). Of this £80,483 (2023: £86,945) represents non land and buildings tangible fixed assets, leaving free reserves of £2,199,624 (2023: £2,092,675), equivalent to 7.0 months of continuing operational expenditure (2023: 7.6 months). Please also see note 16.

The purpose, movements and balances of all the restricted and designated funds are set out in Notes 14 and 15 respectively. The Property Capital Fund can only be realised on disposal of the property and settlement of the related loans.

In the coming year the trustees may designate funds for short- and longer-term property maintenance and alterations.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF COMPLIANCE

The Trustees believe they have complied with all currently prevailing laws and regulations that apply to the charity and its operations.

AUDITORS

So far as the Trustees are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware. Each trustee has taken all the steps that ought to be taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The provision of auditing services was subjected to open competition in 2021. A resolution to appoint Knight Goodhead, who were selected to succeed PKF Francis Clarke as the Lantern Community's auditors, was approved by the charity's members in their Annual General Meeting which was held on October 2nd 2021.

This report has been prepared in accordance with the Companies Act 2006, and complies with the charity's governing document and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2023).

The Strategic Report is also hereby approved.

Approved by the Trustees and signed on their behalf by Ian Humphries (Trustee)..... Date: 15 July 2024

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LANTERN COMMUNITY

OPINION

We have audited the financial statements of The Lantern Community (the 'charity') for the year ended 31 March 2024, which comprise the Statement of Financial Activities, Balance Sheet and Statement of the Cash Flows, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its results 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.

This report is made solely to the charitable company's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 Charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LANTERN COMMUNITY

OTHER INFORMATION - continued

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION 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 Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' annual report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the financial statements.

We have nothing to report in respect of the following matters where the Companies Act 2006 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.

As explained more fully in the Statement of responsibilities of Trustees set out on page 11, 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LANTERN COMMUNITY
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS
RESPONSIBILITIES OF TRUSTEES

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

We identified the laws and regulations applicable to the charitable company through discussions with trustees and other management and we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify any unusual or unexpected relationships, tested journal entries to identify unusual transactions and investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance; and
- Enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LANTERN COMMUNITY

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

Knight Goodhead Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

USE OF OUR REPORT

This report is made solely to the charitable company's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Goodhead FCA (Senior Statutory Auditor)
For and on behalf of Knight Goodhead Ltd,
Chartered Accountants and Statutory Auditor

Knight Goodhead Ltd
7 Bournemouth Rd, Chandler's Ford
Eastleigh SO53 3DA

Date: 27 August 2024

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2024

(including Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	2024 Total £	2023 Total £
Income from:					
Donations and legacies	2	15,460	3,334	18,794	669,456
Charitable activities	2	3,725,873	-	3,725,873	2,985,672
Investments	2	124,822	-	124,822	29,872
Total income		3,866,155	3,334	3,869,489	3,685,000
Expenditure on:					
Raising funds	3	1,935	-	1,935	2,017
Charitable activities	3	3,435,215	30,000	3,465,215	2,803,719
Total expenditure		3,437,150	30,000	3,467,150	2,805,736
Net income	2	429,005	(26,666)	402,339	879,264
Revaluation of properties	8/16	(172,638)	-	(172,638)	-
Exceptional item	24	-	-	-	(484,418)
Net movement in funds		256,367	(26,666)	229,701	394,846
Reconciliation of funds:					
Revaluation reserve brought forward	1(f)	2,927,781	-	2,927,781	2,927,780
Total funds brought forward	14/15	8,513,437	1,770,293	10,283,730	9,888,884
Total funds carried forward	14/15	11,697,585	1,743,627	13,441,212	13,211,510

All income and expenditure derives from continuing activities.

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)

BALANCE SHEET AS AT 31 MARCH 2024

	Note	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	8		9,421,363		9,555,614
Intangible assets	9		32,846		36,514
Current assets					
Stocks	10	26,960		19,013	
Debtors	11	322,957		323,026	
Cash at bank and in hand		4,378,372		4,296,659	
		4,728,289		4,638,698	
Creditors: amounts falling due within one year	12	(515,289)		(571,831)	
Net current assets			4,213,000		4,066,867
Total assets less current liabilities			13,667,209		13,658,995
Creditors: amounts falling due after more than one year	13		(225,997)		(447,485)
Net assets			13,441,212		13,211,510
Charity Funds					
Restricted Funds	14		1,743,627		1,770,293
General funds	15		2,280,107		2,179,621
Designated funds	15		6,662,335		6,333,815
Revaluation reserve	8/16		2,755,143		2,927,781
Total charity funds	17		13,441,212		13,211,510

The financial statements were approved and authorised for issue by the Board on 15 July 2024

Signed on behalf of the Board of Trustees by Ian Humphries (Trustee) Date: 15 July 2024

The notes on pages 20 to 35 form part of these financial statements. Company registration number: 03773749

THE LANTERN COMMUNITY

(Company limited by guarantee and not having a share capital)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 £
Cash flow from operating activities	22	349,077	672,693
Net cash flow from operating activities		349,077	672,693
Cash flow from investing activities			
Payments to acquire tangible fixed assets	8	(103,095)	(33,194)
Payments to acquire intangible fixed assets		-	(36,675)
Receipts from sales of tangible fixed assets		15,000	1,177
Interest received		97,872	29,872
Net cash flow from investing activities		9,777	(38,820)
Cash flow from financing activities			
Repayment of long term loans	13	(263,209)	(88,224)
Interest paid		(13,932)	(17,567)
Net cash flow from financing activities		(277,141)	(105,791)
Net increase / (decrease) in cash and cash equivalents		81,713	528,082
Cash and cash equivalents at 1 April 2023		4,296,659	3,768,577
Cash and cash equivalents at 31 March 2024		4,378,372	4,296,659
Cash and cash equivalents consists of:			
Cash at bank and in hand		4,378,372	4,296,659
Cash and cash equivalents at 31 March 2024		4,378,372	4,296,659

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) GENERAL INFORMATION AND BASIS OF PREPARATION

The Lantern Community is an incorporated charity in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are providing housing, care and support within a social and therapeutic community.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2023.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(B) FUNDS

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

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

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

(C) INCOME RECOGNITION

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the Statement of Recommended Practice (FRS 102).

(C) INCOME RECOGNITION - continued

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities is generated by supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives fees from local government in respect of services and facilities provided. Income from government and other grants and fees are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as deposits. It includes interest income which is recognised as the charity's right to receive payment is established.

(D) EXPENDITURE RECOGNITION

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes publicity and advertising costs incurred in seeking voluntary contributions. They do not include the costs of disseminating information in support of the charitable activities;
- Expenditure on charitable activities includes the costs of operations directed towards fulfilling the charitable objective; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

The analysis of these costs are included in note 3.

(E) GOVERNMENT GRANT INCOME

A grant that becomes receivable as compensation for expenses already incurred will be recognised in profit or loss in the same period in which the related expense is incurred.

(F) TANGIBLE FIXED ASSETS

Tangible fixed assets, except for land and buiildings, are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Land and buildings are stated at market value less accumlated impairment losses.

(F) TANGIBLE FIXED ASSETS - continued

Depreciation is provided on all tangible fixed assets, except for land and buildings, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land	Nil– see below
Freehold buildings	Nil– see below
Furniture and Equipment	20% reducing balance
Computer Equipment	33% reducing balance
Motor vehicles	25% reducing balance

The Lantern Community changed its accounting policy in connection with Land and buildings in its financial year 2022/23. In previous financial statements an historical cost less depreciation model had been adopted. The effective date of the revaluation in these accounts was on April 1st 2022. A firm of Chartered Surveyors, authorised by the Royal Institution of Chartered Surveyors (RICS), valued our properties located at our Ringwood campus on July 4th 2022, July 5th 2022 and August 17th 2023 and the fair values recorded on those dates were used in our 2022/23 financial statements. Our property on the Isle of Wight was not valued by a RICS approved surveyor however its fair value has been determined by using a combination of indices from HM Land Registry as well as comparisons to actual sales of similar local properties.

The Lantern Community will appoint RICS approved surveyors to carry out formal valuations every five years with the next valuation expected to occur in our 2027/28 financial year. In between these 5 yearly formal valuations we will adjust carrying values using property price indices available from HM Land Registry.

(G) STOCKS

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete, slow-moving or otherwise impaired stock where appropriate.

(H) DEBTORS AND CREDITORS RECEIVABLE / PAYABLE WITHIN ONE YEAR

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(I) LOANS AND BORROWINGS

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(J) CONCESSIONARY LOANS

Concessionary loans include those received from third parties which are interest free or below market interest rates and are made to advance charitable purposes. Loans repayable on demand within one year are measured at cost, less impairment. Concessionary loans repayable in over one year are measured at cost as no interest is chargeable.

(K) 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 is estimated and compared to the carrying amount.

(L) PROVISIONS

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(M) EMPLOYEE BENEFITS

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(N) TAX

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(O) GOING CONCERN

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern. As explained in the Trustees report on page10, the Trustees have considered the uncertainty relating to the coronavirus pandemic, which began just before the start of our 2020-21 financial year, and the impact on the charity's operations and finances in the short to medium term. In the opinion of the Trustees, with its robust income stream as well as 7.0 months or £2,199,624 of free reserves and the constant monitoring and control of costs, the charity has sufficient working capital to continue to meet its financial obligations and pay its liabilities as they fall due for the foreseeable future and therefore the financial statements have been prepared on a going concern basis. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves held for the charity to be able to continue as a going concern.

(P) INTANGIBLE ASSETS

Intangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. The estimated useful life is 10 years and amortisation is charged to the profit and loss account on a straight line basis

(Q) JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

(Q) JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - continued

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

The amounts set aside for designated funds to cover future costs.

2 INCOME

	Residential	Workshops	Internal sales eliminated	Total 2024	Total 2023
	£	£	£	£	£
DONATIONS AND LEGACIES					
Donations, legacies and similar incoming resources	18,794	-		**18,794**	669,456
CHARITABLE ACTIVITIES					
Fees and contributions – local authorities / other sources	2,165,450	550,211		**2,715,661**	2,209,873
Rent and service charges	514,726	-		**514,726**	401,689
Ineligible and mobility	308,001	-		**308,001**	206,365
Shop / café / bakery & other workshops sales	-	214,864	(66,875)	**147,989**	121,448
Other income	39,039	457		**39,496**	46,297
Total incoming resources from charitable activities	3,027,216	765,532	(66,875)	**3,725,873**	2,985,672
INVESTMENTS					
Investment income	110,014	14,808		**124,822**	29,872
Total investment income	110,014	14,808	-	**124,822**	29,872
TOTAL INCOME	3,156,024	780,340	(66,875)	**3,869,489**	3,685,000
TOTAL EXPENDITURE (see note 3)	(2,572,349)	(961,676)	66,875	**(3,467,150)**	(2,805,736)
EXCEPTIONAL ITEM (see note 24)				-	(484,418)
NET INCOME FOR THE YEAR	**583,675**	**(181,336)**	-	**402,339**	394,846

Income from donations and legacies was £18,793 (2023 - £669,456) of which £3,333 (2023 - £650,013) was attributable to restricted (Note 14) and £15,460 (2023 - £19,443) was attributable to unrestricted funds (note 15).

3 EXPENDITURE

	Residential	Workshops	Internal sales eliminated	Total 2024	Total 2023
	£	£	£	£	£
RAISING FUNDS					
Fundraising and publicity	1,659	276		**1,935**	2,017
CHARITABLE ACTIVITIES					
Employed staff costs	1,703,033	562,755		**2,265,788**	2,032,511
Co-worker costs	97,870	7,500		**105,370**	103,999
Premises costs	241,831	193,321		**435,152**	262,949
Depreciation – owned assets	20,626	4,729		**25,355**	40,920
Write back of provision for repairs to Pottery building (see note 12)				-	(224,476)
Office and administration	118,864	18,816		**137,680**	109,347
Medical costs	3,778	-		**3,778**	1,300
Garden and estate	13,597	-		**13,597**	18,863
Food, household and cleaning	266,748	2,443	(55,472)	**213,719**	187,580
Cost of sales	-	164,766	(11,403)	**153,363**	143,057
Hotel recreational costs	-	-		-	-
Motor and travel expenses	37,954	320		**38,274**	39,498
Legal and professional fees	31,739	2,425		**34,164**	34,817
Bank charges	2,912	10		**2,922**	3,132
Loan interest	12,995	-		**12,995**	17,949
(Profit) / Loss on sale of fixed assets	-	-		**0**	-
Sundry expenses	4,392	2,113		**6,505**	19,741
Audit and accountancy	9,724	2,201		**11,925**	9,093
Trustee Board costs	4,628	-		**4,628**	3,439
Total resources expended on charitable activities	2,570,691	961,399	(66,875)	**3,465,215**	2,803,719
TOTAL EXPENDITURE FOR THE YEAR	**2,572,350**	**961,675**	**(66,875)**	3,467,150	2,805,736

£30,000 (2023 - £30,000) of the above costs were attributable to restricted funds (Note 14). £3,437,150 (2023 - £2,775,736) of the above costs were attributable to unrestricted funds (Note 15).

4 DEFERRED INCOME

During the year payments in advance of £74,819 (2023: £43,333) were received and have been treated as deferred income as they relate to the next financial year, and are included within other creditors.

5 EMPLOYED STAFF COSTS AND NUMBERS

During the year, no Trustees were reimbursed expenses totalling £NIL (2023: no Trustees, £NIL). No trustee received any remuneration in the current year or prior year other than disclosed in note 18 to the accounts.

During the year indemnity insurance of £1,064 (2023: £1,064) was paid to cover the Trustees in the event of any misrepresentation of the organisation.

Employed staff costs were as follows:	2024	2023
	£	£
Salaries and wages	2,007,173	1,800,474
Social security costs	169,066	148,575
Pension costs	51,620	46,246
	2,227,859	1,995,295

No employee earned more than £60,000 per annum during this year or the prior year.

The average weekly number of employees during the year was as follows:	2024	2023
	No.	No.
Lantern Residential and Workshops	98	98

The employee benefits of key management personnel for the year ended 31 March 2024 was £345,820 (2023: £307,063). A list of key management personnel may be found on page 3 of this document.

6 TAXATION

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

7 AUDITORS REMUNERATION

	2024	2023
	£	£
Fees payable to the charity's auditor for the audit of the charity's annual accounts	11,055	8,745
Fees payable to the charity's auditor for other services:	869	348
VAT consultancy services provided by the charity's auditor	-	-

VAT consultancy costs are included in legal and professional fees in note 3.

8 TANGIBLE FIXED ASSETS

	Freehold land & buildings	Assets under construction	Furniture & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
COST OR VALUATION						
At 1 April 2023	9,462,285	6,382	145,297	33,633	142,559	9,790,156
Additions in the year	73,466	9,391	8,653	-	11,585	103,095
Revaluation to market value (see note 16)	(204,262)	(6,382)	-	-	-	(210,644)
Disposals in the year	-	-	-	-	(19,058)	(19,058)
At 31 March 2024	**9,331,489**	**9,391**	**153,950**	**33,633**	**135,086**	**9,663,549**
DEPRECIATION						
At 1 April 2023	-	-	92,679	19,951	121,912	234,542
Charge for the year	-	-	11,283	4,524	5,881	21,688
Disposals in the year	-	-	-	-	(14,044)	(14,044)
At 31 March 2024	**-**	**-**	**103,962**	**24,475**	**113,749**	**242,186**
NET BOOK VALUE						
At 31 March 2024	**9,331,489**	**9,391**	**49,988**	**9,158**	**21,337**	**9,421,363**
At 31 March 2023	9,462,285	6,382	52,618	13,682	20,647	9,555,614

If land and buildings were measured at their historical cost the carrying amounts in these accounts would have been £7,069,785 (2023 - £6,920,300), being cost £7,069,785 (2023 - £6,916,319) and accumulated depreciation £NIL (2023 - £NIL).

The closing balance of £9,391 in Assets under Construction relates entirely to costs incurred for a new Creative Arts Centre. Please see associated restricted and unrestricted funds in notes 14 and 15 respectively. As the location and design of the new Creative Arts Centre had both changed significantly a review has been carried out of money spent before the decisions had been made to change the design and location of the building. Following the review it was determined that £6,382 (2023: £102,602) of expenditure had no value and consequently has been written off to the profit and loss account using free reserves.

9 INTANGIBLE ASSETS

	2024
	£
COST OR VALUATION	
At 1 April 2023	36,675
Additions in the year	-
Revaluation to market value	-
Disposals in the year	-
At 31 March 2024	**36,675**
DEPRECIATION	
At 1 April 2023	161
Charge for the year	3,667
Disposals in the year	
At 31 March 2024	**3,828**
NET BOOK VALUE	
At 31 March 2024	**32,847**
At 31 March 2024	**36,514**

The intangible asset relates to services purchased to configure and install a Cyber Esssentials certified Local Area Network.

10 STOCK

As at 31 March 2024 stock was valued at £26,960 (2023: £19,013) and related to goods for resale in the shop on the Ringwood estate.

11 DEBTORS

	2024	2023
	£	£
Trade debtors	101,239	70,810
Other debtors	44,283	50,195
Prepayments and accrued income	177,435	202,021
	322,957	323,026

12 CREDITORS: amounts falling due within one year

	2024 £	2023 £
Bank loans (see note 13)	47,767	89,488
Trade creditors	127,173	123,404
Other creditors	71,182	67,396
Other taxation and social security	54,854	47,849
Accruals	139,494	200,361
Deferred income	74,819	43,333
	515,289	571,831

13 CREDITORS: amounts falling due after more than one year

	2024 £	2023 £
Unsecured concessionary loan	100,000	100,000
Bank loans	125,997	347,485
	225,997	447,485

An unsecured concessionary loan has been advanced to The Lantern Community by the family trust of a beneficiary. This loan is for an indefinite term, but can become repayable in certain events such as the beneficiary leaving the charity. In some circumstances it can become repayable on demand. A side agreement was signed in the year ending 31 August 2014, in which it stated that the family trust would not require repayment of this loan before 1 September 2020. A subsequent side agreement has been signed in May 2020, in which it stated that the family trust would not require payment of this loan before 1 September 2025.

In 2017 two bank loans of £450,000 each were negotiated, secured on Willow End Cottage, Silver Birches and Badger Cottage. One loan is fixed rate at 3.22% for a ten year term and the second had a variable rate of 2% above the Bank of England base rate for a ten year term. During the year under review the charity repaid to the bank the entire amount outstanding on the variable rate loan.

The bank loans are repayable by instalments as follows:	2024 £	2023 £
Within 1 year;	47,767	89,488
Between 1 and 2 years;	49,328	93,780
Between 2 and 5 years;	76,668	253,705
Between 5 and 10 years.	-	-
	125,996	347,485
Total bank loans	173,763	436,973

14 RESTRICTED FUNDS

	At 1 April 2023	Incoming Resources	Outgoing resources	Transfers	At 31 March 2024
	£	£	£	£	£
Woodwork workshop	1,020	-	-	-	1,020
YC Chan Craft Centre (formerly Lantern Hall)	1,646,727	-	-	-	1,646,727
Support with gym running costs	120,000		(30,000)	-	90,000
Hillcrest activities	240	-	-	-	240
In memory of Jose Palau	1,945	-	-	-	1,945
New pergolas	348	-	-	-	348
For a new vehicle		2,000			2,000
Fundraising by a companion		1,334			1,334
Ukraine war	13	-	-	-	13
Total restricted funds	1,770,293	3,334	(30,000)	-	1,743,627

Woodwork Workshop
Donations were received and fundraising was undertaken for the purpose of contributing to the costs of a canopy for the woodwork workshop. These funds have not yet been spent.

YC Chan Craft Centre (formerly Lantern Hall)
A large number of donations have been received and allocated to the project for a YC Chan Craft Centre at The Lantern Community in Ringwood.

Support with gym running costs
A donation was received to offset some of the operating costs of the new gym for a period of five years.

Hillcrest activities
A number of donations have been received with the instruction that they be used for activities in Hillcrest, one of the houses in the community.

In memory of Jose Palau
A day services client named Jose Palau passed away during the year under review and donations were subsequently received. The intention is a physical memorial will be procured to preserve the memory of Jose Palau.

New Pergolas
New pergolas were constructed in the previous financial year and this was supported by a generous £10,000 donation from the T.H. Russell Charitable Trust.

Ukraine war
Donations were collected by a companion to help the citizens of Ukraine.

15 UNRESTRICTED FUNDS

	At 1 April 2023	Incoming Resources	Outgoing resources	Transfers	At 31 March 2024
	£	£	£	£	£
DESIGNATED FUNDS:					
Co-worker retirement	23,404	-	-	-	23,404
Co-worker social fund	37,956	5,000	(10,000)	-	32,956
YC Chan Craft Centre	117,967	-	-	-	117,967
Long term maintenance	70,000	10,000	-	-	80,000
Future Projects	80,576	15,460	-	-	96,036
	329,903	30,460	(10,000)	-	350,363
Property capital fund	6,003,912	-	-	308,059	6,311,971
Total designated funds	6,333,815	30,460	(10,000)	308,059	6,662,335
General funds	2,179,621	3,835,695	(3,427,150)	(308,059)	2,280,107
Total unrestricted funds	8,513,436	3,866,155	(3,437,150)	-	8,942,441

General funds

The figure of £3,427,150 (2023: £3,250,154) for outgoing resources is made up of £3,437,150 (2023: £2,805,737) of general expenditure, details of which can be found in note 3 of these accounts, and an exceptional item of expenditure of £NIL (2023: £484,418) details of which can be found in note 22 of these accounts.

Purposes of designated funds

Co-worker retirement fund

This is a fund created to contribute towards meeting the retirement needs of the co-workers.

Co-worker social fund

The co-worker social fund has been created to finance anticipated future expenditure relating to financial assistance to co-workers, e.g. when they leave The Lantern Community.

Bakery project fund

Up until June 2016 donations from the second hand books scheme were allocated to a fund to contribute to the costs of the planned Bakery project. This project includes major external and internal works and improved access.

15 UNRESTRICTED FUNDS - continued

YC Chan Craft Centre

See also note 14 above for the YC Chan Craft Centre under restricted funds. Some donations have been received without restrictions and have been designated to fund this major project. Other general donations were allocated to this fund up until June 2019.

Long term maintenance

A provision of £10,000 per annum is being made. Amounts in this fund will be released when a major maintenance task is undertaken.

Future Projects fund

This fund was created in July 2018. The rationale is to allow donations to be gathered in a general pot and then projects to be proposed for trustee approval, to ensure donated monies are used effectively and expeditiously.

Property capital fund

This fund has been created to reflect the carrying value of land & buildings held by the charity, net of bank loans and property related loans outstanding at the balance sheet date.

16 REVALUATION RESERVE

	2024	2023
At 1 April 2023	2,927,781	-
Revaluation to market value	(204,262)	3,309,597
Transferred toStatement of Financial Activies for the year	31,624	(381,816)
At 31 March 2024	**2,755,143**	**2,927,781**

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	AS AT 31 MARCH 2024			
	Restricted funds	**Designated funds**	**General funds**	**Total funds**
	£	**£**		**£**
Tangible fixed assets	-	9,340,880	80,483	9,421,363
Intangible fixed assets			32,846	32,846
Net current assets	1,743,627	302,595	2,166,778	4,213,000
Rounding				0
Long term liabilities	-	(225,997)	-	(225,997)
NET ASSETS AS AT 31 MARCH 2024	1,743,627	9,417,478	2,280,107	13,441,212

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

	AS AT 31 MARCH 2023			
	Restricted funds	Designated funds	General funds	Total funds
	£	£		£
Tangible fixed assets	-	9,468,667	86,947	9,555,614
Intangible fixed assets			36,514	36,514
Net current assets	1,770,293	240,414	2,056,160	4,066,867
Long term liabilities		(447,485)	-	(447,485)
NET ASSETS AS AT 31 MARCH 2023	1,770,293	9,261,596	2,179,621	13,211,510

19 RELATED PARTIES

The following transactions and relationships with related parties are of note:

Three family members of M Verhoeven and I Veroeven, who are both Trustees, are employed by The Lantern Community and are remunerated at the same rate as all other employees who are employed in similar roles.

Liz Bord, trustee, is also The Lantern Community's nominated trustee of The Camphill Benevolent Fund (CBF), which makes disbursements to retired co-workers.

Donations by Trustees to The Lantern Community in the year ended 31 March 2024 amounted to £NIL (2023: £NIL).

20 DONATED SERVICES AND ASSETS

In the year ended 31 March 2024 there was no income from donated services and assets (2023: £NIL).

21 DEFINED CONTRIBUTION PENSION SCHEME

The company operates a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension commitment for the year under this scheme was £51,588 (2023: £46,246).

22 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024	2023
	£	£
Net income for year	402,339	394,846
Interest receivable	(124,822)	(29,872)
Interest payable	12,995	17,949
Depreciation and impairment of tangible fixed assets	229,617	40,920
Above impairement offset by reduction in Revaluation Reserv	(172,638)	
Impairment of buildings in progress	6,382	484,418
(Profit) / loss on disposal of tangible fixed assets	(9,985)	(461)
(Increase) / decrease in stock	(7,947)	(666)
(Increase) / decrease in debtors	27,020	(90,963)
Increase / (decrease) in creditors	(13,884)	(143,479)
Net cash flow from operating activities	349,077	672,692

23 OPERATING LEASES

Future minimum lease payments per annum under non-cancellable operating leases as at 31 March 2024

	2024	2023
	£	£
Not later than one year	9,012	19,069
Later than one year and not later than five years	40,568	18,191

24 EXCEPTIONAL ITEM

The entirety of this note relates to the financial year ending on 31st March 2023. As mentioned in note 1(f) The Lantern Community has changed its accounting policy in connection with Land and buildings. In previous financial statements an historical cost less depreciation model had been adopted. In these and future financial statements land and buildings will be recorded at their fair value less impairment losses. As a result of the valuation referred to in note 1(f) three buildings had a fair value less than their historical cost. As a consequence the impairment, amounting to £381,816, has been charged to the Charity's Statement of Financial Activites. Additionally, the Charity had invested £102,602 towards the construction of the YC Chan Craft Centre. As a decision was made to change the location and design of this building the Trustees concluded that the already incurred expenditure had no value and as a consequence has been charged to the Charity's Statement of Financial Activities. As the items making up the exceptional item both relate to the Charity's land and buildings, in accordance with its policy (please see Note 15) an amount of £484,418 has been charged against the Property Capital Fund. The effect of this transfer means that the exceptional item of £484,418 charged to the Charity's Statement of Financial Activity has no effect on the Charity's free reserves.

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)

COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

(including Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Income from:					
Donations and legacies	2	19,443	650,013	669,456	38,568
Charitable activities	2	2,985,672	-	2,985,672	2,809,461
Investments	2	29,872	-	29,872	2,145
Total income		3,034,987	650,013	3,685,000	2,850,175
Expenditure on:					
Raising funds	3	2,017	-	2,017	167
Charitable activities	3	2,773,719	30,000	2,803,719	2,701,446
Total expenditure		2,775,736	30,000	2,805,736	2,701,613
Net income	2	259,251	620,013	879,264	148,562
Sub-total - Net income	14/15	259,251	620,013	879,264	148,562
Exceptional item	23	(484,418)		(484,418)	-
Net movement in funds		(225,167)	620,013	394,846	148,562
Reconciliation of funds:					
Revaluation of properties	1(f)	2,927,780	-	2,927,780	
Transfer of funds	14/15	-	-	-	-
Total funds brought forward	14/15	8,738,604	1,150,280	9,888,884	9,740,322
Total funds carried forward	14/15	11,441,217	1,770,293	13,211,510	9,888,884

The above Exceptional Item does not reduce the Charity's free reserves. Please see note 24 of these accounts for more information.

All income and expenditure derives from continuing activities.

THE LANTERN COMMUNITY

England & Wales - Charity number 1075845

Accounts

THE LANTERN COMMUNITY

COMPANY NUMBER: 03773749

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023

INTRODUCTION

The Trustees present their report and the audited financial statements for the year ended 31 March 2023. This includes the Directors' Report and Strategic Report as required by Company Law.

The legal and administrative information set out below forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2022).

REFERENCE AND ADMINISTRATIVE DETAILS

The organisation is a charitable company limited by guarantee, incorporated on 20 May 1999 and registered as a charity on 4 June 1999. The charity changed its name on 5 December 2012 from The Lantern Retreat to The Lantern Community.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

REGISTERED COMPANY NUMBER: 3773749

REGISTERED CHARITY NUMBER: 1075845

PRINCIPAL ADDRESS AND REGISTERED OFFICE

The Lantern Centre, Folly Farm Lane, Ashley, Ringwood, Hampshire BH24 2NN

TRUSTEES/DIRECTORS

during the year and to date:

Liz Bord - appointed on 2 October 2022
Michael Bradshaw
Luigi Carnelli
Heidi Harrison - resigned on 18 July 2022
Alan Hollands - appointed on 2 October 2022
Neil Hollands - appointed on 20 February 2023
Ian Humphries
Mark Loveys - resigned 12 September 2013
Loraine Morgan - Chair until 30 September 2023
Louise Tonkin - resigned on 1 October 2022
Maria Verhoeven
David Walker - appointed on 1 March 2023

All Trustees are elected by the charity's membership or appointed by the Trustees to fill any interim vacancies, in accordance with the Charity's Articles of Association. In such cases those Trustees are required to offer themselves for re-election at the next following AGM. Two (2022: None) such appointments have been made since the last AGM.

KEY MANAGEMENT PERSONNEL:

Senior managers

B.Bilge Hunt	General Manager / Nominated Individual
Carol Cheeseman	Operations Manager
Robert van Turenhout	Finance Manager
Jason Gonsalves	Estate and Maintenance Manager
Burga Liddiard	Registered Manager Four Meadows
Ann Stevens	Resigned as Registered Manager Phoenix - 6 March 2023
Claudiu Deliu	Registered Manager Phoenix - appointed 6 March 2023
Vell Cattaree	Appointed permanent Day Services Manager on 1 February 2023

LEGAL ADVISORS:

Pitmans
46 The Avenue, Southampton SO17 1AX

BANKERS:

National Westminster Bank plc
11 High Street, Ringwood, Hampshire BH24 1BA

AUDITORS:

Knight Goodhead Ltd
7 Bournemouth Rd, Chandler's Ford
Eastleigh SO53 3DA

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association. This document was amended by special resolutions on 30 April 2007, 19 November 2012, 29 August 2014 and 28 September 2019.

Appointment and training of the Trustees

There must be at least five Trustees at any time and no more than two may be co-workers. Trustees shall be proposed for appointment by the existing Trustees. The Board seeks to have Trustees with a range of competencies and backgrounds, to allow it to effectively fulfill its role. An induction pack is provided for all Trustees and specialist training is carried out on topics such as governance from time to time as required.

Members

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2023 was 126 (2022: 122).

Governance of the Charity

The Trustees recognise their ultimate responsibility for directing the affairs of The Lantern Community and for ensuring that it is solvent, well-run, and delivering the charitable outcomes for the benefit of the public for which it has been set up.

The Trustees meet together at least quarterly to review reports from management and to discuss matters such as the strategic direction of The Lantern Community, governance issues and certain financial matters. A number of Committees and Working Groups have been established to ensure that these matters can be properly addressed. These committees are seen as part of the on-going structure of the community and membership consists of Trustees and members of the Lantern Management Group. A pattern of at least four meetings each year has been established, although, and especially at the beginning of the financial year, the coronavirus pandemic prohibited many of these meetings from taking place. The committees have resumed meeting at least three times a year now that the pandemic is behind us. The dates for these three meetings are fixed well in advance to enable reports to be considered by a Trustee Board meeting within a few weeks. The Strategy Committee recommended the establishment of a 'Changing Needs' Working Group. Having held Full Trustee Board meetings remotely during the Coronavirus pandemic the Full Trustee Board have been meeting in person since their last meeting on 22 February 2023

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

Charitable Objects

Under the Memorandum and Articles of Association adopted on 29 August 2014, the objects of the charity are as follows:

To relieve sickness, promote good health, provide care to and advance the education and training of people with a disability (whether mental or physical), the young, the old, or people otherwise in need, in accordance with the principles of Dr Rudolf Steiner, particularly (without limitation) by the establishment and maintenance of intentional communities in the form of villages, residential houses, day centres, kindergartens, schools, colleges or other types of social and / or educational community in which beneficiaries live and / or work and / or to which they otherwise resort, in community with persons providing support (known as "Co-workers").

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future objectives. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Activities

1. The provision of housing for its beneficiaries who choose to live within a social and therapeutic community. The Lantern Community consists of eleven houses for beneficiaries, all with easy access to the town of Ringwood in Hampshire. The Lantern Community continues to include the tenants of Tawa (which belongs to the Oliver Trust) within its full life and provides care and support to them in their own home. There is a residential population of seventy-eight people in the Lantern Community in Ringwood (including Tawa). Fifty two are adults with learning disabilities who hold their own tenancies, twenty-three are short term volunteer workers and three are long term Co-workers.

Activities cont'd

2. The provision of personal care services to meet the care needs of beneficiaries. The Lantern Community offers Personal Care services to people who live in or near the Lantern Community Estate or who use the Day Services on the estate. The Lantern Community has a certificate of registration with the Care Quality Commission (CQC) for the regulated activity 'personal care'. The Lantern Community as a service provider has two (formerly three) registered locations.

3. The provision of support services to assist in developing the beneficiaries' independence and enabling them to maintain their tenancy. The Lantern Community works closely with East Boro Housing Trust who continue to provide expertise in managing tenancies and related matters. Another link to external expertise is maintained with Worknest (formerly known as Ellis Whittam) providing advice on employment law, HR and health and safety in an unlimited support agreement covering these important areas.

4. The provision of Day Services which create opportunities for work experience, lifelong learning, artistic and educational development. The work and training facilities are: Estate Work, Pottery, Art Studios, Weaving, Seasonal Crafts, Home Making Skills, Café, Bakery, Gift Shop and Horticultural Nursery, many of these selling products to the general public.

OBJECTIVES AND ACTIVITIES - continued

Objectives

- To provide a range of accommodation, workshops and social settings, staffed by highly motivated employees and volunteers able to support adults who have learning disabilities.
- To provide opportunities for adults with learning disabilities to meet and interact with a wide range of people within the security of The Lantern Community and to develop the skills to engage with the wider community,
- To support people to build relationships and develop their confidence so that they can take a full and active role in society.
- To extend and develop the range and quality of the services offered in direct response to the needs of those adults with a learning disability.

ACHIEVEMENTS AND PERFORMANCE

In the year we welcomed two new Companions however we also unfortunately said goodbye to one of our beneficiaries.

As was the case in the previous financial year we entered the new financial year with outbreaks of Covid and isolations. Fortunately, during the year, we were able to drop some of the infection control measures and we tentatively reintroduced a less restricted way of life. We supported the Companions to return to activities, such as on-site yoga, snap club and also shopping locally.

Face masks no longer needed to be worn in December 2022 and morning gatherings indoors were reinstated. We were also very relieved to be able to stop all Covid testing across the community.

After a long break due to outbreaks of covid and infection control measures, we at last opened our shop and café to the public in May 2022. We are pleased to report that the re-opening has been very well received by our visiting customers.

Small changes with the relaxation of Covid restrictions in the Community, in line with government guidelines, had made a big impact with more Companion activities being resumed and volunteers returning on a phased return.

It was no surprise that most of us had put on weight and lost agility during the long Covid years. As a response we started a new initiative / workshop called Healthy Living. We believe that a holistic approach to well-being is paramount, and all our Companions deserve access to the support they want and need to improve and maintain the quality of their health.

The main strategy was to support the Companions to get moving in the Community following the lockdowns with various activities introduced to support this. This initiative has been a success and is very popular.

Current Companion demographics has highlighted their changing needs due to the pandemic and also the natural ageing process; in response to this we have/or are in the process of reviewing the mission for the workshops so it also satisfies the needs of the younger Community members. To prepare the workforce in the workshops, to meet the changing needs of the Companions, we have introduced, even though there is no statutory requirement, Care Certificate training for new workshop staff members. This development has been embraced by the new staff, particularly as it can be classified as Continued Professional Development (CPD). This initiative created additional costs for the Community but we believe it is necessary so at to provide a safe and caring environment for the Community.

Offices for management and administrative staff were finally completed on the mezzanine floor of the Lantern Centre and staff have now moved into their new offices. At last, managers and administrative staff have much more suitable and well equipped offices in which to work and hold meetings.

We have carried on with routine and planned maintenance across the community so we are able to provide a safe and good quality living environment for our beneficiaries and staff.

We had a CQC inspection in our Four Meadows location in February 2023 on two of the five outcomes – namely the 'safe' and 'well led' categories. The inspection went well and we achieved 'good' results in both categories. We also met all statutory requirements and were able to provide all of the evidence required in a prompt manner.

Challenges around staff retention and recruitment continued during the year under review. In response, our Trustee board, having carefully reviewed the current economic situation as well as the charity's resources agreed unanimously to award a significant pay increase for all staff with effect from 1 April 2023. This followed a similar significant increase in pay rates which were implemented from 1st April 2022.

In order to diversify and increase our recruitment options, we applied for, and were awarded Skilled Worker sponsorship status which means we are now able to recruit from abroad if the candidates fulfil our requirements.

We have managed to have a full complement of co-workers this year; a number of co-workers from this year have chosen to stay in the community for longer under the above Skilled Worker sponsorship scheme.

Some staff have experienced burn out and work-related stress following the difficulties of working during the Covid pandemic. To support our workforce a Staff Wellbeing programme "Marching into Wellbeing" was launched during the month of March 2023. Managers also held face-to-face information sharing sessions with different teams on this well-being offering and other solutions available in our community, locally and nationally. Sessions on mindfulness, nutrition, and healthy lifestyle also took place in our community during the period of the project.

ACHIEVEMENTS AND PERFORMANCE - continued

We recognise that we have lost a number of long-term community members during the pandemic and new faces have joined us. To promote the understanding and collaboration around the Camphill practices, we arranged for bespoke anthroposophical training for all staff. These training sessions were well received with enthusiasm by staff.

The consultation process for our organisational values was completed in the year under review and the agreed values are listed below and are also on our website. They are also now included in our Community recruitment packs. Stakeholder consultations also happened for our three-year business plan.

- We believe each individual is unique and special.
- We foster a sense of belonging
- We value the importance of encounter and sharing
- We foster a spiritual environment based on the Anthroposophical values upon which the community was built.
- We treat everyone with kindness, dignity and understanding.
- We will live and work in an environmentally sustainable way
- We work in a collaborative manner with local community, families, and other stakeholders.

We started celebrating our festivals again without isolation requirements and restrictions during the year; coming together as a community once again was renovating and exciting. We extended our welcome to all of our stakeholders for the Jubilee Party and also later our Winter Fayre. Both occasions were celebrated with such gusto and huge numbers of people attended.

We had a long journey of reviewing and updating our IT network on site to ensure cyber security and data protection. We are pleased to announce that at last we have achieved Cyber Essential credentials to prove our compliance. We believe we have future proofed the IT arrangements for the coming years by investing in the infrastructure.

Difficulties in establishing a timeframe for the remedial works to the pottery and art building has been demoralising for all of us in the community and it has also made long term planning for other building projects very challenging.

With generous support from our donors, we have restarted the planning process for our new hall project. We hope to submit our planning application for the new hall to the local authorities in the next few months.

Unfortunately our Pottery and Art building were still out of action during the year under review. Further investigations were carried out by our Expert Witnesses and work is still under way with a view to finalising their reports.

Plans for the coming year

- We will aspire to improve the CQC ratings and maintain the delivery of excellent support and care to the beneficiary group.
- We will continue with the current strategy of integrating the ageing companions and retired co-workers in the community. We will strive to meet the needs of our changing population.
- We will aim to meet the changing needs of people with diverse abilities who approach us. To do this we will adapt some of our workshops for those who may wish to have a slower pace of life in their old age or try something different.
- We will fill the vacancies in the residential and workshops to reach full capacity.
- We will make sure all of our beneficiaries live in accommodation that is fit for purpose and in good condition.
- We will endeavour to reach a resolution regarding the dispute about the Art and Pottery building.

Medium Term Plans

- We aim to start building a new hall in the budget year 2024-2025 and complete it by the end of our 2025-26 budget year. Following the completion of the hall, we will complete the essential upgrading of the other premises as well as landscaping around the new hall.
- We will start implementing effective and creative ways of working to maximise the efficiency and productivity.
- We will persevere to work with our organisation values to maintain the ethos and the fabric of an intentional community.

Pay policy for senior and other staff

Due to a national scarcity of care staff, and expectations of a significant increase in the rate of inflation, and also as a sign of appreciation for their commitment and resilience during the difficult times, all our staff were awarded a significant pay increase of 10.0%, effective from April 1st 2023.

Subject to the above variation from our usual policy, the Senior Managers are all on an approved pay scale based on the NJC (National Joint Council) Pay Scales. All these posts cover a range of 3 - 6 spinal points on the NJC Scale. The individual managers have been appointed to a point within the range commensurate with their qualifications and experience. For the General Manager progression within the range is automatic but for the other senior managers there is a "bar" at the mid-point and progression above the "bar" is dependent on performance and qualification. Future senior staff appointments will be made in a similar way. In normal circumstances pay rises will be in line with those agreed as part of the NJC Pay Scale agreement. Consideration will be given on an annual basis to the appropriateness of the NJC Pay Scales and whether any changes in the structure of community require reconsideration of the pay scale approved by the Board of The Lantern Community.

STRATEGIC REPORT

RISK MANAGEMENT

The Trustees have established a process for reviewing the key risks facing the charity and for ensuring that actions are taken to manage those risks. A detailed Risk Register is maintained. Individual risks are reviewed by the appropriate committee and the results reported to the Board of Trustees. The Trustees have given consideration to the major risks to which the charity is exposed and are satisfied that systems and procedures are in place to manage those risks or that action is being taken to establish such systems and procedures.

The three principal risk areas are:

Operational Risk

Craft Centre: As previously reported a number of building and design faults have been identified in one of the craft centre buildings (pottery and art). We are in a pre-action protocol with the architect, who also acted as the project administrator, as well as the company which carried out the construction works. We have appointed lawyers to represent us and have also appointed court approved Expert Witnesses to clarify the problems with the building (Please see notes 12 and 13 in the notes to these accounts).

Another operational risk that The Lantern Community needs to take into account in the coming years is the impact of Brexit on the recruitment of volunteers, in particular on the numbers of co-workers. The Lantern community, in common with most Camphill Communities is very reliant on residential volunteers for cultural enrichment/life sharing. A reduction in voluntary co-workers, because of difficulties in obtaining visas, would mean losing a very important aspect of community life. The Lantern Community is working with other communities in creating an awareness and lobbying about the importance of having co-workers in Camphill communities. Thankfully our recent application to the UK Home Office to increase the annual number of visas we can issue from 10 to 30 has been approved. We also applied for, and were awarded Skilled Worker sponsorship status which means we are now able to recruit from abroad if the candidates fulfil our requirements.

Covid -19

The Trustees have considered the financial position of the charity and the potential impact of Covid-19. As most of our contract income is paid for by the UK local government sector we are in the relatively fortunate position of not experiencing a decline in our contract revenues. The Trustees believe the short to medium term impact on liquidity will not affect the ability of the charity to fulfill its aims and commitments. As our income stream is robust and as we have significant free reserves amounting to £1,852,400 or 6.7 months of continuing operations expenditure, we are confident the charity is able to continue fulfilling its objective for at least the short and medium term. However, we cannot exclude the possibility of long term financial impact arising from the Covid-19 pandemic.

RISK MANAGEMENT - continued

Even though as a community, we have been blessed with a relatively high level of reserves fund and continuous public funding, challenges dealing with after Covid-19 pandemic may cause financial problems in the long term.

Finance Risk

computerised finance system, Advanced Exchequer, which is kept up to date. Quarterly management accounts are produced for management and the Trustee Board.

A major tool for the control of operations in The Lantern Community is the annual three year business plan, the first year being the budget. The plan contains the major assumptions for all elements of the organisation, including capital expenditure projects, beneficiary and staff numbers. The plan has income and expenditure, balance sheet and cashflow forecasts, allowing a clear framework for future direction. The plans are set prudently and the experience has been that actual results exceed the plan.

Financial Performance

Total incoming resources on charitable activities for the year totalled £2,985,672 (2022: £2,809,461). Of this amount £2,209,872 (2022: £2,071,126), or 74.0% (2022: 73.7%), related to care fees mostly paid for by local authorities. In particular, Dorset County Council contributed £1,471,867 (2022: £1,395,818), or 49.3% (2022: 49.7%), of total income from charitable activities. In addition, housing benefit of £441,662 (2022: £431,473), or 14.8% (2022: 15.4%), of our total income from charitable activities was received from East Dorset District Council on behalf of our companions and long term volunteers. It can be seen that a significant proportion of income comes from local government and that changes in government policy could have a notable effect on The Lantern Community's financial situation. Relations with both Dorset County Council and East Dorset District Council remain positive.

The Board of Trustees of The Lantern Community continues to measure actual financial performance against budgets at every meeting of the Board.

Performance Criteria - External Quality Measures

We had a CQC inspection in February 2023 for 'safe' and 'well led' in Four Meadows location. The inspection went well. In both areas we achieved 'good' results. We met all statutory requirements and were able to provide the evidence required in a prompt manner.

There were Health & Safety audits by Worknest (formerly known as Ellis Whittam) and fire risk assessments by East Boro Housing Trust. The Lantern Community considers these external reports and assessments to be helpful and is responsive to proposals or comments made.

RESERVES POLICY

The Trustees have continued to review the level of reserves held by the charity in line with the guidance set out by the Charity Commission. The previous year's losses have had to be covered and sufficient reserves need to be available to cover unforeseeable fluctuations in income and cash flow. The Trustees consider that the aim should be to be able to cover at least three months expenditure and in the longer term for the charity to have free reserves equal to approximately six months expenditure.

As at 31 March 2023 General Reserves stood at £2,179,622 (2022: £1,755,635). Of this £86,945 (2022: £95,630) represents non land and buildings tangible fixed assets, leaving free reserves of £2,092,677 (2022: £1,660,005), equivalent to 7.6 months of continuing operational expenditure (2022: 6.7 months). Please also see note 16.

The purpose, movements and balances of all the restricted and designated funds are set out in Notes 14 and 15 respectively. The Property Capital Fund can only be realised on disposal of the property and settlement of the related loans.

In the coming year the trustees may designate funds for short and longer term property maintenance and alterations.

Statement of Directors' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Compliance

The Trustees believe they have complied with all currently prevailing laws and regulations that apply to the charity and its operations.

Auditors

So far as the Trustees are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware. Each trustee has taken all the steps that ought to be taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The provision of auditing services was subjected to open competition in 2021. A resolution to appoint Knight Goodhead, who were selected to succeed PKF Francis Clarke as the Lantern Community's auditors, was approved by the charity's members in their Annual General Meeting which was held on October 2nd 2021.

This report has been prepared in accordance with the Companies Act 2006, and complies with the charity's governing document and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2022).

The Strategic Report is also hereby approved.

Approved by the Trustees and signed on their behalf by Loraine Morgan (Trustee)..... Date: 18.9 ~~July~~ 2023

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LANTERN COMMUNITY

Opinion

We have audited the financial statements of The Lantern Community (the 'charity') for the year ended 31 March 2023, which comprise the Statement of Financial Activities, Balance Sheet and Statement of the Cash Flows, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its results 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.

This report is made solely to the charitable company's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 Charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LANTERN COMMUNITY

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the financial statements.

We have nothing to report in respect of the following matters where the Companies Act 2006 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.

As explained more fully in the Statement of responsibilities of Trustees set out on page 11, 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LANTERN COMMUNITY

Auditor's responsibilities for the audit of the financial statements

Responsibilities of Trustees

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

We identified the laws and regulations applicable to the charitable company through discussions with trustees and other management and we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify any unusual or unexpected relationships, tested journal entries to identify unusual transactions and investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation
- Reading the minutes of meetings of those charged with governance; and
- Enquiring of management as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LANTERN COMMUNITY

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

Knight Goodhead Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Use of our report

This report is made solely to the charitable company's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Goodhead FCA (Senior Statutory Auditor)
For and on behalf of Knight Goodhead Ltd,
Chartered Accountants and Statutory Auditor

Knight Goodhead Ltd
7 Bournemouth Rd, Chandler's Ford
Eastleigh SO53 3DA

Date: 18 September 2023

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

(including Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Income from:					
Donations and legacies	2	19,443	650,013	669,456	38,568
Charitable activities	2	2,985,672	-	2,985,672	2,809,461
Investments	2	29,872	-	29,872	2,145
Total income		3,034,987	650,013	3,685,000	2,850,175
Expenditure on:					
Raising funds	3	2,017	-	2,017	167
Charitable activities	3	2,773,719	30,000	2,803,719	2,701,446
Total expenditure		2,775,736	30,000	2,805,736	2,701,613
Sub-total - Net income	14/15	259,251	620,013	879,264	148,562
Exceptional item	23	(484,418)		(484,418)	-
Net movement in funds		(225,167)	620,013	394,846	148,562
Reconciliation of funds:					
Revaluation of properties	1(f)	2,927,780	-	2,927,780	
Transfer of funds	14/15	-	-	-	-
Total funds brought forward	14/15	8,738,604	1,150,280	9,888,884	9,740,322
Total funds carried forward	14/15	11,441,217	1,770,293	13,211,510	9,888,884

The above Exceptional Item does not reduce the Charity's free reserves. Please see note 23 of these accounts for more information.

All income and expenditure derives from continuing activities.

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)

BALANCE SHEET AS AT 31 MARCH 2023

	Note	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	8		9,555,614		7,120,533
Intangible assets	9		36,514		-
Current assets					
Stocks	10	19,013		18,347	
Debtors	11	323,026		232,063	
Cash at bank and in hand		4,296,659		3,768,577	
		4,638,698		4,018,987	
Creditors: amounts falling due within one year	12	(571,831)		(713,855)	
Net current assets			4,066,867		3,305,132
Total assets less current liabilities			13,658,995		10,425,665
Creditors: amounts falling due after more than one y	14		(447,485)		(536,780)
Net assets			13,211,510		9,888,884
Charity Funds					
Restricted Funds	15		1,770,293		1,150,280
General funds	16		2,179,621		1,755,635
Designated funds	16		6,333,815		6,982,969
Revaluation reserve	8		2,927,781		-
Total charity funds	17		13,211,510		9,888,884

The financial statements were approved and authorised for issue by the Board on..19th SEPT 2023

Signed on behalf of the Board of Trustees by Loraine Morgan (Trustee) ..... Date: ..19.9.23

The notes on pages 19 to 33 form part of these financial statements. Company registration number: 03773749

THE LANTERN COMMUNITY

(Company limited by guarantee and not having a share capital)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Cash flow from operating activities	21	672,693	195,236
Net cash flow from operating activities		672,693	195,236
Cash flow from investing activities			
Payments to acquire tangible fixed assets	8	(33,194)	(64,212)
Payments to acquire intangible fixed assets		(36,675)	
Receipts from sales of tangible fixed assets		1,177	0
Interest received	2	29,872	2,145
Net cash flow from investing activities		(38,820)	(62,067)
Cash flow from financing activities			
Repayment of long term loans	14	(88,224)	(87,298)
Interest paid		(17,567)	(15,757)
Net cash flow from financing activities		(105,791)	(103,055)
Net increase / (decrease) in cash and cash equivalents		528,082	30,114
Cash and cash equivalents at 1 April 2022		3,768,577	3,738,463
Cash and cash equivalents at 31 March 2023		4,296,659	3,768,577
Cash and cash equivalents consists of:			
Cash at bank and in hand		4,296,659	3,768,577
Cash and cash equivalents at 31 March 2023		4,296,659	3,768,577

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

1 **Summary of significant accounting policies**

(a) General information and basis of preparation

The Lantern Community is an incorporated charity in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are providing housing, care and support within a social and therapeutic community.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2022.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

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

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

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

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the Statement of Recommended Practice (FRS 102).

(c) Income recognition - continued

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities is generated by supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives fees from local government in respect of services and facilities provided. Income from government and other grants and fees are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as deposits. It includes interest income which is recognised as the charity's right to receive payment is established.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes publicity and advertising costs incurred in seeking voluntary contributions. They do not include the costs of disseminating information in support of the charitable activities;
- Expenditure on charitable activities includes the costs of operations directed towards fulfilling the charitable objective; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to the cost of raising funds and expenditure on charitable activities on a basis consistent with the use of the resources. Premises overheads have been allocated based on the location where possible or based on area and other overheads have been allocated on an activity level basis.

The analysis of these costs are included in note 3.

(e) Government grant income

A grant that becomes receivable as compensation for expenses already incurred will be recognised in profit or loss in the same period in which the related expense is incurred.

(f) Tangible fixed assets

Tangible fixed assets, except for land and buiildings, are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Land and buildings are stated at market value less accumlated impairment losses.

(f) Tangible fixed assets cont'd

Depreciation is provided on all tangible fixed assets, except for land and buildings, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land	Nil– see below
Freehold buildings	Nil– see below
Furniture and Equipment	20% reducing balance
Computer Equipment	33% reducing balance
Motor vehicles	25% reducing balance

The Lantern Community has changed its accounting policy in connection with Land and buildings. In previous financial statements an historical cost less depreciation model had been adopted. In these and future financial statements land and buildings will be recorded at their fair value less impairment losses. The effective date of the revaluation in these accounts was on April 1st 2022. A firm of Chartered Surveyors, authorised by the Royal Institution of Chartered Surveyors (RICS), valued our properties located at our Ringwood campus on July 4th and July 5th 2022 and the fair values recorded on those dates have been used as the basis of their carrying values in these financial statements. Due to significant deterioration in one of our buildings a RICS authorised Chartered Surveyor re-valued this buiding on August 17th 2023 (please see note 23). Further valuations by RICS approved surveyors will take place every five years with the next valuation occuring in our 2027/28 financial year. Our property on the Isle of Wight was not valued by a RICS approved surveyor however its fair value has been determined by using a combination of indices from HM Land Registry as well as comparisons to actual sales of similar local properties.

(g) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete, slow-moving or otherwise impaired stock where appropriate.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(j) Concessionary loans

Concessionary loans include those received from third parties which are interest free or below market interest rates and are made to advance charitable purposes. Loans repayable on demand within one year are measured at cost, less impairment. Concessionary loans repayable in over one year are measured at cost as no interest is chargeable.

(k) 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 is estimated and compared to the carrying amount.

(l) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(m) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(n) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(o) Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern. As explained in the Trustees report on page10, the Trustees have considered the uncertainty relating to the coronavirus pandemic, which began just before the start of our 2020-21 financial year, and the impact on the charity's operations and finances in the short to medium term. In the opinion of the Trustees, with its robust income stream as well as 7.6 months or £2,092,677 of free reserves and the constant monitoring and control of costs, the charity has sufficient working capital to continue to meet its financial obligations and pay its liabilities as they fall due for the foreseeable future and therefore the financial statements have been prepared on a going concern basis. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves held for the charity to be able to continue as a going concern.

(p) Intangible Assets

Intangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. The estimated useful life is 10 years and amortisation is charged to the profit and loss account on a straight line basis

(q) Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

The amounts set aside for designated funds to cover future costs.

2 INCOME

	Residential	Workshops	Internal sales eliminated	Total 2023	Total 2022
	£	£	£	£	£
DONATIONS AND LEGACIES					
Donations, legacies and similar incoming resources	519,456	150,000		**669,456**	38,568
CHARITABLE ACTIVITIES					
Fees and contributions – local authorities / other sources	1,752,766	457,107		**2,209,873**	2,071,126
Rent and service charges	401,689	-		**401,689**	409,199
Ineligible and mobility	206,365	-		**206,365**	201,064
Shop / café / bakery & other workshops sales	-	170,276	(48,828)	**121,448**	34,128
Other income	29,853	16,444		**46,297**	93,945
Total incoming resources from charitable activities	2,390,673	643,827	(48,828)	**2,985,672**	2,809,461
INVESTMENTS					
Investment income	27,502	2,370		**29,872**	2,145
Total investment income	27,502	2,370	-	**29,872**	2,145
TOTAL INCOME	2,937,631	796,197	(48,828)	**3,685,000**	2,850,175
TOTAL EXPENDITURE (see note 3)	(2,305,476)	(549,088)	48,828	**(2,805,736)**	(2,701,613)
EXCEPTIONAL ITEM (see note 23)		(484,418)		**(484,418)**	
NET INCOME FOR THE YEAR	**632,155**	**(237,309)**	-	**394,846**	148,562

Income from donations and legacies was £669,456 (2022 - £38,568) of which £650,013 (2022 - £20,000) was attributable to restricted (Note 14) and £19,443 (2022 - £18,568) was attributable to unrestricted funds (note 15).

3 EXPENDITURE

	Residential	Workshops	Internal sales eliminated	Total 2023	Total 2022
	£	£	£	£	£
RAISING FUNDS					
Fundraising and publicity	1,717	300		**2,017**	167
CHARITABLE ACTIVITIES					
Employed staff costs	1,482,802	549,756	(47)	**2,032,511**	1,751,834
Co-worker costs	96,499	7,500		**103,999**	117,182
Premises costs	228,072	34,877		**262,949**	298,607
Depreciation – owned assets	27,783	13,137		**40,920**	31,367
Write back of provision for repairs to Pottery building (see note 12)		(224,476)		**(224,476)**	
Office and administration	94,745	14,602		**109,347**	140,084
Medical costs	1,300	-		**1,300**	3,842
Garden and estate	18,863	-		**18,863**	13,817
Food, household and cleaning	228,326	2,495	(43,241)	**187,580**	154,856
Cost of sales	17,444	131,009	(5,396)	**143,057**	82,479
Hotel recreational costs	-	-		**-**	-
Motor and travel expenses	39,309	189		**39,498**	34,680
Legal and professional fees	30,719	4,098		**34,817**	18,609
Bank charges	3,103	29.00		**3,132**	2,978
Loan interest	17,949	-		**17,949**	15,368
(Profit) / Loss on sale of fixed assets	-	-		**-**	-
Sundry expenses	5,873	13,868		**19,741**	23,414
Audit and accountancy	7,389	1,704		**9,093**	8,146
Trustee Board costs	3,583	-	(144)	**3,439**	4,184
Total resources expended on charitable activities	2,303,759	548,788	(48,828)	**2,803,719**	2,701,446
TOTAL EXPENDITURE FOR THE YEAR	**2,305,476**	**549,088**	**(48,828)**	**2,805,736**	2,701,613

£30,000 (2022 - £0) of the above costs were attributable to restricted funds (Note 14). £2,775,736 (2022 - £2,701,613) of the above costs were attributable to unrestricted funds (Note 15).

4 DEFERRED INCOME

During the year payments in advance of £43,333 (2022: £58,605) were received and have been treated as deferred income as they relate to the next financial year, and are included within other creditors.

5 EMPLOYED STAFF COSTS AND NUMBERS

During the year, twelve Trustees were reimbursed expenses totalling £NIL (2022: nine Trustees, £NIL). No trustee received any remuneration in the current year or prior year other than disclosed in note 18 to the accounts.

During the year indemnity insurance of £1,064 (2022: £1,064) was paid to cover the Trustees in the event of any misrepresentation of the organisation.

Employed staff costs were as follows:	2023	2022
	£	£
Salaries and wages	1,800,474	1,544,345
Social security costs	148,575	130,109
Pension costs	46,246	40,076
	1,995,295	1,714,531

No employee earned more than £60,000 per annum during this year or the prior year.

The average weekly number of employees during the year was as follows:	2023	2022
	No.	No.
Lantern Residential and Workshops (Ringwood)	98	92

The employee benefits of key management personnel for the year ended 31 March 2023 was £307,063 (2022: £313,610). A list of key management personnel may be found on page 3 of this document.

6 TAXATION

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

7 AUDITORS REMUNERATION

	2023	2022
	£	£
Fees payable to the charity's auditor for the audit of the charity's annual accounts	9,093	8,146
Fees payable to the charity's auditor for other services:		
VAT consultancy services provided by the charity's auditor	-	-

VAT consultancy costs are included in legal and professional fees in note 3.

8 TANGIBLE FIXED ASSETS

	Freehold land & buildings	Assets under construction	Paths	Furniture & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
COST OR VALUATION							
At 1 April 2022	6,928,059	102,602	31,686	134,834	20,924	152,896	7,371,001
Additions in the year	3,641	6,382	0	10,463	12,709	0	33,195
Revaluation to market value	2,545,965	0	0	0	0	0	2,545,965
Disposals in the year	(15,380)	(102,602)	(31,686)	0	0	(10,337)	(160,005)
At 31 March 2023	**9,462,285**	**6,382**	**-**	**145,297**	**33,633**	**142,559**	**9,790,156**
DEPRECIATION							
At 1 April 2022	5,758	-	23,069	80,888	18,942	121,810	250,467
Charge for the year	9,622	-	8,617	11,791	1,009	9,723	40,762
Disposals in the year	(15,380)	-	(31,686)	0	0	(9,621)	(56,687)
At 31 March 2023	**-**	**-**	**-**	**92,679**	**19,951**	**121,912**	**234,542**
NET BOOK VALUE							
At 31 March 2023	**9,462,285**	**6,382**	**-**	**52,618**	**13,682**	**20,647**	**9,555,614**
At 31 March 2022	6,922,300	102,603	8,617	53,945	1,982	31,086	7,120,533

If land and buildings were measured at their historical cost the carrying amounts in these accounts would have been £6,916,319 (2022 - £6,920,300), being cost £6,916,319 (2022 - £6,928,058) and accumulated depreciation £NIL (2022 - £5,758).

The closing balance of £6,382 in Assets under Construction relates entirely to costs incurred for the new hall. Please see associated restricted and unrestricted funds in notes 14 and 15 respectively. As the location and design of the new hall have both changed significantly a review was carried out of the £102,602 of money spent before the decision had been made to change the design and location of the building. Following the review it was determined that these incurred funds had no value and have consequently been written off to the profit and loss account using free reserves.

9 INTANGIBLE ASSETS	**2023**
	£
COST OR VALUATION	
At 1 April 2022	
Additions in the year	36,675
Revaluation to market value	-
Disposals in the year	-
At 31 March 2023	**36,675**
DEPRECIATION	
At 1 April 2022	
Charge for the year	161
Disposals in the year	
At 31 March 2023	**161**
NET BOOK VALUE	
At 31 March 2023	**36,514**
At 31 March 2022	-

The intangible asset relates to services purchased to configure and install a Cyber Esssentials certified Local Area Network.

10 STOCK

As at 31 March 2023 stock was valued at £19,013 (2022: £18,347) and related to goods for resale in the shop on the Ringwood estate.

11 DEBTORS

	2023 £	2022 £
Trade debtors	70,810	51,930
Other debtors	50,195	25,123
Prepayments and accrued income	202,021	155,010
	323,026	232,063

12 CREDITORS: amounts falling due within one year

	2023 £	2022 £
Bank loans (see note 13)	89,488	88,416
Trade creditors	123,404	100,138
Other creditors	67,396	37,901
Other taxation and social security	47,849	43,929
Accruals	200,361	384,866
Deferred income	43,333	58,605
	571,831	713,855

Included in the above accruals figure of £200,361 (2022: £384,866) is a provision of £NIL (2022: £252,991) which was an estimated cost of repairing defects in one of our workshop buildings which was constructed approximately 9 years ago. We are in a pre-action protocol with the architect and builder of the workshop and expect to recover most, if not all, of the cost of remedial works and other related costs incurred. We hope for most of the cost to be expended by the end of our 2023/24 financial year however this is reliant on settling with the parties who we believe are culpable for the defects in the building. If we are unable to settle, and the case proceeds to court, we expect the costs will be incurred in 2024/25. As the cost of repairing the defects cannot now be reliably measured it has been derecognised in accordance with FRS 102 section 21.4(c)

	2023 £	2022 £
At 1 April 2022	252,991	286,644
Costs charged to the provision in the year	(28,515)	(33,653)
Derecognition of the provision	(224,476)	
At 31 March 2023	**-**	**252,991**

14 CREDITORS: amounts falling due after more than one year

	2023	2022
	£	£
Unsecured concessionary loan	100,000	100,000
Bank loans	347,485	436,780
	447,485	536,780

An unsecured concessionary loan has been advanced to The Lantern Community by the family trust of a beneficiary. This loan is for an indefinite term, but can become repayable in certain events such as the beneficiary leaving the charity. In some circumstances it can become repayable on demand. A side agreement was signed in the year ending 31 August 2014, in which it stated that the family trust would not require repayment of this loan before 1 September 2020. A subsequent side agreement has been signed in May 2020, in which it stated that the family trust would not require payment of this loan before 1 September 2025.

In 2017 two bank loans of £450,000 each were negotiated, secured on Willow End Cottage, Silver Birches and Badger Cottage. One loan is fixed rate at 3.22% for a ten year term and the second is variable rate at 2% above the Bank of England base rate for a ten year term.

The bank loans are repayable by instalments as follows	2023	2022
	£	£
Within 1 year	89,488	88,416
Between 1 and 2 years	93,780	91,095
Between 2 and 5 years	253,705	290,186
Between 5 and 10 years	-	55,499
	347,485	436,780
Total bank loans	436,973	525,196

15 RESTRICTED FUNDS

	At 1 April 2022	Incoming Resources	Outgoing resources	Transfers	At 31 March 2023
	£	£	£	£	£
Woodwork workshop	1,020	-	-	-	1,020
Lantern Hall	1,146,727	500,000	-	-	1,646,727
Support with gym running costs	-	150,000	(30,000)	-	120,000
Hillcrest activities	240	-	-	-	240
In memory of Jose Palau	1,945	-	-	-	1,945
New pergolas	348	-	-	-	348
Ukraine war	-	13	-	-	13
Total restricted funds	1,150,280	650,013	(30,000)	-	1,770,293

15 RESTRICTED FUNDS cont'd

Woodwork Workshop

Donations were received and fundraising was undertaken for the purpose of contributing to the costs of a canopy for the woodwork workshop. These funds have not yet been spent.

Lantern Hall

A large number of donations have been received and allocated to the project for a new hall at The Lantern Community in Ringwood. An additional donation of £500,000 for the Lantern Hall project was received after March 31st 2023.

Support with gym running costs

A donation was received to offset some of the operating costs of the new gym for a period of five years.

Hillcrest activities

A number of donations have been received with the instruction that they be used for activities in Hillcrest, one of the houses in the community.

In memory of Jose Palau

A day services client named Jose Palau passed away during the year under review and donations were subsequently received. The intention is a physical memorial will be procured to preserve the memory of Jose Palau

New Pergolas

New pergolas were constructed in the previous financial year and this was supported by a generous £10,000 donation from the T.H. Russell Charitable Trust

Ukraine war

Donations were collected by a companion to help the citizens of Ukraine.

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

16 UNRESTRICTED FUNDS

	At 1 April 2022	Incoming Resources	Outgoing resources	Transfers	At 31 March 2023
	£	£	£	£	£
DESIGNATED FUNDS:					
Cash backed designated funds:					
Co-worker retirement	23,404	-	-	-	23,404
Co-worker social fund	42,956	5,000	(10,000)	-	37,956
Bakery project	2,543	-	-	(2,543)	-
Lantern Hall	117,967	-	-	-	117,967
Long term maintenance	60,000	10,000	-	-	70,000
Future Projects	61,133	19,443	-	-	80,576
Lantern Centre office refurbishment	132,044	-	-	(132,044)	-
Lantern Centre shop refurbishment	143,215	-	-	(143,215)	-
	583,262	34,443	(10,000)	(277,802)	329,903
Property capital fund	6,399,706	-	(484,418)	88,624	6,003,912
Total designated funds	6,982,968	34,443	(494,418)	(189,178)	6,333,815
General funds * please see note below	1,755,635	3,000,544	(2,765,736)	189,178	2,179,621
Total unrestricted funds	8,738,603	3,034,987	(3,260,154)	-	8,513,436

General funds

The figure of £3,250,154 for outgoing resources is made up of £2,805,737 of general expenditure, details of which can be found in note 3 of these accounts, and an exceptional item of expenditure of £484,418 details of which can be found in note 23 of these accounts.

Purposes of designated funds

Co-worker retirement fund

This is a fund created to contribute towards meeting the retirement needs of the co-workers.

Co-worker social fund

The co-worker social fund has been created to finance anticipated future expenditure relating to financial assistance to co-workers, e.g. when they leave The Lantern Community.

Bakery project fund

Up until June 2016 donations from the second hand books scheme were allocated to a fund to contribute to the costs of the planned Bakery project. This project includes major external and internal works and improved access.

16 UNRESTRICTED FUNDS cont'd

Lantern Hall

See also note 14 above for the Lantern Hall under restricted funds. Some donations have been received without restrictions and have been designated to the fund for this major project. Other general donations were allocated to this fund up until June 2019.

Long term maintenance

A provision of £10,000 per annum is being made. Amounts in this fund will be released when a major maintenance task is undertaken.

Future Projects fund

This fund was created in July 2018. The rationale is to allow donations to be gathered in a general pot and then projects to be proposed for trustee approval, to ensure donated monies are used effectively and expeditiously.

Property capital fund

This fund has been created to reflect the carrying value of land & buildings held by the charity, net of bank loans and property related loans outstanding at the balance sheet date.

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	AS AT 31 MARCH 2023			
	Restricted funds	Designated funds	General funds	Total funds
	£	£		£
Tangible fixed assets	-	9,468,667	86,947	9,555,614
Intangible fixed assets			36,514	36,514
Net current assets	1,770,293	240,414	2,056,160	4,066,867
Long term liabilities	-	(447,485)	-	(447,485)
NET ASSETS AS AT 31 MARCH 2023	1,770,293	9,261,596	2,179,621	13,211,510

	AS AT 31 MARCH 2022			
	Restricted funds	Designated funds	General funds	Total funds
	£	£		£
Tangible fixed assets	-	7,024,903	95,630	7,120,533
Net current assets	1,150,280	494,846	1,660,006	3,305,132
Long term liabilities	-	(536,780)	-	(536,780)
NET ASSETS AS AT 31 MARCH 2022	1,150,280	6,982,968	1,755,636	9,888,884

18 RELATED PARTIES

The following transactions and relationships with related parties are of note:

Four family members of M Verhoeven, who is a Trustee, are employed by The Lantern Community and are remunerated at the same rate as all other employees who are employed in similar roles. The wife of M Bradshaw was employed by The Lantern Community as Human Resources Assistant and she was also remunerated at the same rate as all other employees who are employed in similar roles.

During the year no purchases were made from a company called Concert Networks Ltd (2022: £791) whose sole director and shareholder was Neil Hollands, who is now a Trustee of the Lantern Community. All transactions were at arms length and there was no amount due to or from the company as at 31st March 2023 and 31st March 2022. Neil Hollands sold his stake in Concert Networks Ltd on August 18th 2021.

Liz Bord, trustee, is also The Lantern Community's nominated trustee of The Camphill Benevolent Fund (CBF), which makes disbursements to retired co-workers.

Donations by Trustees to The Lantern Community in the year ended 31 March 2023 amounted to £100 (2022: £NIL).

19 DONATED SERVICES AND ASSETS

In the year ended 31 March 2023 there was no income from donated services and assets (2022: £NIL).

20 DEFINED CONTRIBUTION PENSION SCHEME

The company operates a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension commitment for the year under this scheme was £46,246 (2021/22: £40,076).

21 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net income for year	394,846	148,562
Interest receivable	(29,872)	(2,145)
Interest payable	17,949	15,368
Depreciation and impairment of tangible fixed assets	40,920	31,367
Impairment of buildings in progress	484,418	-
(Profit) / loss on disposal of tangible fixed assets	(461)	-
(Increase) / decrease in stock	(666)	593
(Increase) / decrease in debtors	(90,963)	(45,018)
Increase / (decrease) in creditors	(143,479)	46,510
Net cash flow from operating activities	672,692	195,236

22 OPERATING LEASES

Future minimum lease payments per annum under non-cancellable operating leases as at 31 March 2023

	2023	2022
	£	£
Not later than one year	19,069	9,759
Later than one year and not later than five years	18,191	7,035

23 EXCEPTIONAL ITEM

As mentioned in note 1(f) The Lantern Community has changed its accounting policy in connection with Land and buildings. In previous financial statements an historical cost less depreciation model had been adopted. In these and future financial statements land and buildings will be recorded at their fair value less impairment losses. As a result of the valuation referred to in note 1(f) three buildings had a fair value less than their historical cost. As a consequence the impairment, amounting to £381,816, has been charged to the Charity's Statement of Financial Activites. Additionally, the Charity had invested £102,602 towards the construction of a new community hall. As a decision was made to change the location and design of the hall the Trustees concluded that the already incurred expenditure had no value and as a consequence has been charged to the Charity's Statement of Financial Activities. As the items making up the exceptional item both relate to the Charity's land and buildings, in accordance with its policy (please see Note 16) an amount of £484,418 has been charged against the Property Capital Fund. The effect of this transfer means that the exceptional item of £484,418 charged to the Charity's Statement of Financial Activity has no effect on the Charity's free reserves.

THE LANTERN COMMUNITY

England & Wales - Charity number 1075845

Accounts

THE LANTERN COMMUNITY

COMPANY NUMBER: 03773749

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

INTRODUCTION

The Trustees present their report and the audited financial statements for the year ended 31 March 2022. This includes the Directors' Report and Strategic Report as required by Company Law.

The legal and administrative information set out below forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) published on 16 July 2014.

REFERENCE AND ADMINISTRATIVE DETAILS

The organisation is a charitable company limited by guarantee, incorporated on 20 May 1999 and registered as a charity on 4 June 1999. The charity changed its name on 5 December 2012 from The Lantern Retreat to The Lantern Community.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

REGISTERED COMPANY NUMBER: 3773749

REGISTERED CHARITY NUMBER: 1075845

PRINCIPAL ADDRESS AND REGISTERED OFFICE

The Lantern Centre, Folly Farm Lane, Ashley, Ringwood, Hampshire BH24 2NN

TRUSTEES/DIRECTORS

during the year and to date:

Liz Bord

Michael Bradshaw - (reappointed by rotation on 2 October 2021)

Luigi Carnelli

Heidi Harrison - (Resigned on 18 July 2022)

Alan Hollands

Ian Humphries - (reappointed by rotation on 2 October 2021)

Mark Loveys – (appointed on 24 May 2021, reappointed on 2 October 2021)

Loraine Morgan - Chair until 1 October 2022

Louise Tonkin

Maria Verhoeven - (reappointed by rotation on 2 October 2021)

All Trustees are elected by the charity's membership or appointed by the Trustees to fill any interim vacancies, in accordance with the Charity's Articles of Association. In such cases those Trustees are required to offer themselves for re-election at the next following AGM. No (2021: One) such appointment has been made since the last AGM.

KEY MANAGEMENT PERSONNEL:

Senior managers

B.Bilge Hunt	General Manager / Nominated Individual
Carol Cheeseman	Operations Manager
Emma Borbely-Bartis - left 26 July 2021	Day Services Manager
Robert van Turenhout	Finance Manager
Richard Pestell- left 14 January 2022	Estate and Maintenance Manager
Jason Gonsalves - joined on 1 January 2022	Estate and Maintenance Manager
Burga Liddiard	Registered Manager Four Meadows
Ann Stevens	Registered Manager Phoenix
Vell Cattaree	Retail Services Manager / Acting Day Services Manager

LEGAL ADVISORS:

Pitmans
46 The Avenue, Southampton SO17 1AX

BANKERS:

National Westminster Bank plc
11 High Street, Ringwood, Hampshire BH24 1BA

AUDITORS:

Knight Goodhead Ltd
7 Bournemouth Rd, Chandler's Ford
Eastleigh SO53 3DA

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association. This document was amended by special resolutions on 30 April 2007, 19 November 2012, 29 August 2014 and 28 September 2019.

Appointment and training of the Trustees

There must be at least five Trustees at any time and no more than two may be co-workers. Trustees shall be proposed for appointment by the existing Trustees. The Board seeks to have Trustees with a range of competencies and backgrounds, to allow it to effectively fulfill its role. An induction pack is provided for all Trustees and specialist training is carried out on topics such as governance from time to time as required.

Members

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2022 was 122 (2021: 122).

Governance of the Charity

The Trustees recognise their ultimate responsibility for directing the affairs of The Lantern Community and for ensuring that it is solvent, well-run, and delivering the charitable outcomes for the benefit of the public for which it has been set up.

The Trustees meet together at least quarterly to review reports from management and to discuss matters such as the strategic direction of The Lantern Community, governance issues and certain financial matters. A number of Committees and Working Groups have been established to ensure that these matters can be properly addressed. These committees are seen as part of the on-going structure of the community and membership consists of Trustees and members of the Lantern Management Group. A pattern of at least three meetings each year has been established, although the coronavirus pandemic prohibited many of these meetings in the year under review, with the dates for these three meetings being fixed well in advance to enable reports to be considered by a Trustee Board meeting within a few weeks. The Strategy Committee recommended the establishment of a 'Changing Needs' Working Group. Having held Full Trustee Board meetings remotely during the Coronavirus pandemic the Full Trustee Board have been meeting in person since their last meeting on 22 February 2022

THE LANTERN COMMUNITY

(Company limited by guarantee and not having a share capital)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

OBJECTIVES AND ACTIVITIES

Charitable Objects

Under the Memorandum and Articles of Association adopted on 29 August 2014, the objects of the charity are as follows:

To relieve sickness, promote good health, provide care to and advance the education and training of people with a disability (whether mental or physical), the young, the old, or people otherwise in need, in accordance with the principles of Dr Rudolf Steiner, particularly (without limitation) by the establishment and maintenance of intentional communities in the form of villages, residential houses, day centres, kindergartens, schools, colleges or other types of social and / or educational community in which beneficiaries live and / or work and / or to which they otherwise resort, in community with persons providing support (known as "Co-workers").

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future objectives. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Activities

1. The provision of housing for its beneficiaries who choose to live within a social and therapeutic community. The Lantern Community consists of eleven houses for beneficiaries, all with easy access to the town of Ringwood in Hampshire. The Lantern Community continues to include the tenants of Tawa (which belongs to the Oliver Trust) within its full life and provides care and support to them in their own home. There is a residential population of seventy-five people in the Lantern Community in Ringwood (including Tawa). Fifty one are adults with learning disabilities who hold their own tenancies, twenty are short term volunteer workers and four are long term Co-workers.

2. The provision of personal care services to meet the care needs of beneficiaries. The Lantern Community offers Personal Care services to people who live in or near the Lantern Community Estate or who use the Day Services on the estate. The Lantern Community has a certificate of registration with the Care Quality Commission (CQC) for the regulated activity 'personal care'. The Lantern Community as a service provider has two (formerly three) registered locations. In the beginning of 2020, The Lantern Community applied for a change of registration regarding closing the Field Maple Tree Location after an internal review and consequent restructuring of the management of the support and care across the community.

3. The provision of support services to assist in developing the beneficiaries' independence and enabling them to maintain their tenancy. The Lantern Community works closely with East Boro Housing Trust who continue to provide expertise in managing tenancies and related matters. Another link to external expertise is maintained with Worknest (formerly known as Ellis Whittam) providing advice on employment law, HR and health and safety in an unlimited support agreement covering these important areas.

4. The provision of Day Services which create opportunities for work experience, lifelong learning, artistic and educational development. The work and training facilities are: Estate Work, Pottery, Art Studios, Weaving, Seasonal Crafts, Home Making Skills, Café, Bakery, Gift Shop and Horticultural Nursery, many of these selling products to the general public.

OBJECTIVES AND ACTIVITIES - continued

Objectives

- To provide a range of accommodation, workshops and social settings, staffed by highly motivated employees and volunteers able to support adults who have learning disabilities.
- To provide opportunities for adults with learning disabilities to meet and interact with a wide range of people within the security of The Lantern Community and to develop the skills to engage with the wider community,
- To support people to build relationships and develop their confidence so that they can take a full and active role in society.
- To extend and develop the range and quality of the services offered in direct response to the needs of those adults with a learning disability.

ACHIEVEMENTS AND PERFORMANCE

2021-2022 was another challenging year for the community as we lost another two long-term standing community members

Since the beginning of the pandemic, we were very lucky that we managed to keep the community Covid-19 free for so many months. However, with the new variant, Omicron, at the beginning of 2022, we experienced serious outbreaks where most of the companions and staff had to self-isolate, and in some cases, whole houses needed to lock down.

The community was in an unprecedented situation dealing with ill health, self-isolation, holidays and flexible working requests alongside a depleted and tired workforce. We continued to dynamically risk manage the situation depending on the infection rates across the country, county and community. We maintained 'house bubbles' until the end of 2021 and then gradually introduced a location-wise timetable where companions were able to meet with different households in the same location. A staged approach from easement was implemented in order to take into account the mental health and wellbeing of companions and staff.

Following the government guidance on the 12th of April 2021, companions started to go on outings, shopping trips, picnics, etc. These trips were risk-managed and organised carefully with infection control measures in place. Staff who were working from home resumed work onsite from May 2021

Staff and companions were offered their second vaccinations and boosters respectively and a high uptake in vaccinations across the community helped with reducing the spread and symptoms of covid 19 considerably.

ACHIEVEMENTS AND PERFORMANCE - continued

Our Shop and café stayed closed to the public through the year under review and they finally re-opened to the public on May 11th 2022. Ongoing Covid outbreaks prevented us from restarting day placements until the beginning of 2022

There have been staff movements across the departments, and we said farewell to a number of long-standing community members whom we shall miss. We wish them good luck in their future ventures. As a consequence our HR department was busy dealing with recruitment as well as juggling the increasing workload due to staff illnesses, absences, etc. We also formally adopted a value-based recruitment policy in 2021.

The last 12 months have seen massive price increases, major supply chain issues, etc which have made the maintenance and development of our estate extremely challenging. Despite this the following building projects were completed in the year under review

- A new high quality gym was built adjacent to our Silver Birches property. We were able to fund the construction costs, and most of the on-going running costs, thanks to a generous donation from the Chan Yin Chuen Memorial Charitable Foundation.
- The Lantern gathering room was fully refurbished
- A new disabled toilet in the Shop in the Lantern Centre
- New toilet facilities next to the Land workshop

Due to the upcoming investigation and subsequent repair work needed in the craft centre art and pottery building, we relocated the pottery workshop temporarily adjacent to the land workshop. Investigations to confirm defects in the construction and design of the building started in January 2022 and continue to date.

Plans for the coming year

- Fill the vacancies in the residential and day services .
- Commence the building of a multi-use hall/social centre on the site in the budget year 2023/24.
- Maintain the delivery of excellent support and care to the beneficiary group.
- Create additional office and meeting rooms to provide a more suitable working environment for senior managers and administrative staff.
- Create a strategy and implement a system to meet the changing needs of the beneficiary group in the community.
- Relaunch our retail services with a revised vision and layout.

Medium Term Plans

To create new workshops. We need to meet the changing needs of some beneficiaries who may wish to have a slower pace of life in their old age.

To provide as many individuals as possible, both beneficiaries and day placements, the chance to be involved in meaningful day opportunities and skills training in craft and service workshops.

To invest in training and improving our Health and Safety procedures.

Pay policy for senior and other staff

Due to a national scarcity of care staff, and expectations of a significant increase in the rate of inflation, and also as a sign of appreciation for their commitment and resilience during the pandemic, our care staff were awarded a significant pay increase of 9.15%, effective from April 1st 2022. All other staff received an increase of 7.0%. This decision was recommended by Senior management, and unanimously approved by the Trustee board in their meeting held on 21 February 2022 (when the prevailing CPI rate at the time was 5.5%).

Subject to the above variation from our usual policy, the Senior Managers are all on an approved pay scale based on the NJC (National Joint Council) Pay Scales. All these posts cover a range of 3 - 6 spinal points on the NJC Scale. The individual managers have been appointed to a point within the range commensurate with their qualifications and experience. For the General Manager progression within the range is automatic but for the other senior managers there is a "bar" at the mid-point and progression above the "bar" is dependent on performance and qualification. Future senior staff appointments will be made in a similar way. In normal circumstances pay rises will be in line with those agreed as part of the NJC Pay Scale agreement. Consideration will be given on an annual basis to the appropriateness of the NJC Pay Scales and whether any changes in the structure of community require reconsideration of the pay scale approved by the Board of The Lantern Community.

STRATEGIC REPORT

Risk management

The Trustees have established a process for reviewing the key risks facing the charity and for ensuring that actions are taken to manage those risks. A detailed Risk Register is maintained. Individual risks are reviewed by the appropriate committee and the results reported to the Board of Trustees. The Trustees have given consideration to the major risks to which the charity is exposed and are satisfied that systems and procedures are in place to manage those risks or that action is being taken to establish such systems and procedures.

The three principal risk areas are:

Operational Risk

Craft Centre: As previously reported a number of building and design faults have been identified in one of the craft centre buildings (pottery and art). We are in a pre-action protocol with the architect, who also acted as the project administrator, as well as the company which carried out the construction works. We have appointed lawyers to represent us and have also appointed expert witnesses to clarify the problems with the building. Included in these accounts is a provision of £268,791 to cover the cost of repairing the building.

Another operational risk that The Lantern Community needs to take into account in the coming years is the impact of Brexit on the recruitment of volunteers, in particular on the numbers of Co-workers. The Lantern community, in common with most Camphill Communities is very reliant on residential volunteers for cultural enrichment/life sharing. A reduction in voluntary co-workers, because of difficulties in obtaining visas, would mean losing a very important aspect of community life. The Lantern Community is working with other communities in creating an awareness and lobbying about the importance of having co-workers in Camphill communities. Thankfully our recent application to the UK Home Office to increase the annual number of visas we can issue from 10 to 30 has been approved.

Covid -19

The Trustees have considered the financial position of the charity and the potential impact of Covid-19. As most of our contract income is paid for by the UK local government sector we are in the relatively fortunate position of not experiencing a decline in our contract revenues. The Trustees also continue to monitor the COVID-19 related increases in our costs and believe the short to medium term impact on liquidity will not affect the ability of the charity to fulfill its aims and commitments. The business plan predicts that although the pandemic is likely to result in higher costs, as our income stream is robust and as we have significant free reserves amounting to £1,660,005 or 6.7 months of continuing operations expenditure, we are confident the charity is able to continue fulfilling its objective for at least the short and medium term. However, we cannot exclude the possibility of long term financial impact arising from the Covid-19 pandemic.

Finance Risk

The Finance Manager has the relevant qualifications and experience to maintain the professional approach in finances. The Lantern Community invested in a good computerised finance system, Advanced Exchequer, which is kept up to date. Quarterly management accounts are produced for management and the Trustee Board.

A major tool for the control of operations in The Lantern Community is the annual three year business plan, the first year being the budget. The plan contains the major assumptions for all elements of the organisation, including capital expenditure projects, beneficiary and staff numbers. The plan has income and expenditure, balance sheet and cashflow forecasts, allowing a clear framework for future direction. The plans are set prudently and the experience has been that actual results exceed the plan.

Financial Performance

Total incoming resources on charitable activities for the year totaled £2,809,461. Of this amount £2,071,126, or 73.7% (2021: 70.9%), related to care fees mostly paid for by local authorities. In particular, Dorset County Council contributed £1,395,818, or 49.7% (2021: 47.3%), of total income from charitable activities. In addition, housing benefit of £431,473, or 15.4% (2021: 15.1%), of our total income from charitable activities was received from East Dorset District Council on behalf of our companions and long term volunteers. It can be seen that a significant proportion of income comes from local government and that changes in government policy could have a notable effect on The Lantern Community's financial situation. Relations with both Dorset County Council and East Dorset District Council remain positive.

Performance Criteria

The Board of Trustees of The Lantern Community continues to measure actual financial performance against budgets at every meeting of the Board.

Performance Criteria - continued

The Board and the Lantern Management Group have been considering more formal means of measuring performance and are working on a number of areas. Arriving at suitable performance indicators and developing the systems for capturing the data is a significant task. The areas that such indicators will be focused on include:

Beneficiaries

- Use of the 'Outcome Star model' to assess beneficiaries' progress, identify development needs and arrive at an action plan. The Outcome Star Model is an identifying and enabling method for determining and assessing beneficiaries' changing needs. Summaries and analysis of Beneficiaries' Outcome Star assessments will be utilised as performance indicators to assess the effectiveness and quality of support and care provision received.
- The involvement of beneficiaries in external activities outside The Lantern Community sites. The Lantern Community has initiated a number of projects for beneficiaries to partake in external activities to gain confidence and experience.

Staff

- Annual appraisals are being undertaken for all staff. The outcome of appraisals will provide a benchmark in assessing staff performance in the coming years and will help in assessing the organisation's performance.
- Analysing staff turnover: Staff are important in providing support for beneficiaries so comparing our staff turnover with that of other providers in the care sector and understanding the reasons for staff leaving provides useful information.

External Quality Measures

We were not inspected in the year under review by Social Services or CQC due to ongoing infection control measures in place in care and support provisions. There were Health & Safety audits by Worknest (formerly known as Ellis Whittam) and fire risk assessments by East Boro Housing Trust. The Lantern Community considers these external reports and assessments to be helpful and is responsive to proposals or comments made.

RESERVES POLICY

The Trustees have continued to review the level of reserves held by the charity in line with the guidance set out by the Charity Commission. The previous year's losses have had to be covered and sufficient reserves need to be available to cover unforeseeable fluctuations in income and cash flow. The Trustees consider that the aim should be to be able to cover at least three months expenditure and in the longer term for the charity to have free reserves equal to approximately six months expenditure.

As at 31 March 2022 General Reserves stood at £1,755,635 (2021: £1,707,110 : this prior year figure has been restated, please see note 15 for details). Of this £95,630 (2021: £110,109) represents non land and buildings tangible fixed assets, leaving free reserves of £1,660,005 (2021: £1,597,001 : this prior year figure has been restated, please see note 15 for details), equivalent to 6.7 months of continuing operational expenditure (2021: 6.7 months : this prior year figure has been restated, please see note 15 for details). Please also see note 16.

The purpose, movements and balances of all the restricted and designated funds are set out in Notes 14 and 15 respectively. The Property Capital Fund can only be realised on disposal of the property and settlement of the related loans.

In the coming year the trustees may designate funds for short and longer term property maintenance and alterations.

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)
TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

Statement of Directors' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Compliance

The Trustees believe they have complied with all currently prevailing laws and regulations that apply to the charity and its operations.

Auditors

So far as the Trustees are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware. Each trustee has taken all the steps that ought to be taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The provision of auditing services was subjected to open competition in 2021. A resolution to appoint Knight Goodhead, who were selected to succeed PKF Francis Clarke as the Lantern Community's auditors, was approved by the charity's members in their Annual General Meeting which was held on October 2nd 2021.

This report has been prepared in accordance with the Companies Act 2006, and complies with the charity's governing document and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2020).

The Strategic Report is also hereby approved.

Approved by the Trustees and signed on their behalf by Loraine Morgan (Trustee)  Date: 26 September 2022

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LANTERN COMMUNITY

Opinion

We have audited the financial statements of The Lantern Community (the 'charity') for the year ended 31 March 2022, which comprise the Statement of Financial Activities, Balance Sheet and Statement of the Cash Flows, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its results 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.

This report is made solely to the charitable company's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 Charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 Trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the financial statements.

We have nothing to report in respect of the following matters where the Companies Act 2006 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.

Responsibilities of Trustees

As explained more fully in the Statement of responsibilities of Trustees set out on page 11, 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LANTERN COMMUNITY

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

We identified the laws and regulations applicable to the charitable company through discussions with trustees and other management and we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify any unusual or unexpected relationships, tested journal entries to identify unusual transactions and investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation
- Reading the minutes of meetings of those charged with governance; and
- Enquiring of management as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

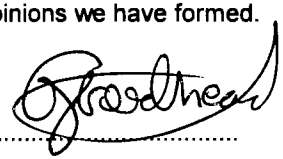
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LANTERN COMMUNITY

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

Knight Goodhead Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Use of our report

This report is made solely to the charitable company's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....

Christopher Goodhead FCA (Senior Statutory Auditor)
For and on behalf of Knight Goodhead Ltd,
Chartered Accountants and Statutory Auditor

Knight Goodhead Ltd
7 Bournemouth Rd, Chandler's Ford
Eastleigh SO53 3DA

Date: 26 September 2022

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

(including Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Income from:					
Donations and legacies	2	18,568	20,000	38,568	47,356
Charitable activities	2	2,809,461	-	2,809,461	2,844,677
Investments	2	2,145	-	2,145	5,190
Total income		2,830,175	20,000	2,850,175	2,897,223
Expenditure on:					
Raising funds	3	167	-	167	187
Charitable activities	3	2,701,446		2,701,446	2,906,921
Total expenditure		2,701,613	-	2,701,613	2,907,108
Net income	2	128,562	20,000	148,562	(9,885)
Net movement in funds	14/15	128,562	20,000	148,562	(9,885)
Reconciliation of funds:					
Transfer of funds	14/15	74,439	(74,439)	-	
Total funds brought forward	14/15	8,535,603	1,204,719	9,740,322	9,750,207
Total funds carried forward	14/15	8,738,604	1,150,280	9,888,884	9,740,322

All income and expenditure derives from continuing activities.

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)

BALANCE SHEET AS AT 31 MARCH 2022

	Note		2022		2021
		£	£	£	£
Fixed assets					
Tangible assets	8		7,120,533		7,087,688
Current assets					
Stocks	9	18,347		18,940	
Debtors	10	232,063		187,045	
Cash at bank and in hand		3,768,577		3,738,463	
		4,018,987		3,944,448	
Creditors: amounts falling due within one year	11	(713,855)		(666,968)	
Net current assets			3,305,132		3,277,480
Total assets less current liabilities			10,425,665		10,365,168
Creditors: amounts falling due after more than one year	13		(536,780)		(624,846)
Net assets			9,888,884		9,740,322
Charity Funds					
Restricted Funds	14		1,150,280		1,204,719
General funds	15		1,755,635		2,029,867
Designated funds	15		6,982,968		6,505,736
Total charity funds	16		9,888,884		9,740,322

The financial statements were approved and authorised for issue by the Board on July 2022.

Signed on behalf of the Board of Trustees by Loraine Morgan (Trustee)  Date: 26 September 2022

The notes on pages 19 to 33 form part of these financial statements. Company registration number: 03773749

THE LANTERN COMMUNITY

(Company limited by guarantee and not having a share capital)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Cash flow from operating activities	21	195,236	189,400
Net cash flow from operating activities		195,236	189,400
Cash flow from investing activities			
Payments to acquire tangible fixed assets	8	(64,212)	(95,328)
Receipts from sales of tangible fixed assets		-	0
Interest received	2	2,145	5,190
Net cash flow from investing activities		(62,067)	(90,138)
Cash flow from financing activities			
Repayment of long term loans	13	(87,298)	(85,228)
Interest paid		(15,757)	(17,672)
Net cash flow from financing activities		(103,055)	(102,900)
Net increase / (decrease) in cash and cash equivalents		30,114	(3,639)
Cash and cash equivalents at 1 April 2021		3,738,463	3,742,101
Cash and cash equivalents at 31 March 2022		3,768,577	3,738,463
Cash and cash equivalents consists of:			
Cash at bank and in hand		3,768,577	3,738,463
Cash and cash equivalents at 31 March 2022		3,768,577	3,738,463

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

1 Summary of significant accounting policies

(a) General information and basis of preparation

The Lantern Community is an incorporated charity in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are providing housing, care and support within a social and therapeutic community.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2020.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

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

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

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

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the Statement of Recommended Practice (FRS 102).

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset

Income from trading activities is generated by supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives fees from local government in respect of services and facilities provided. Income from government and other grants and fees are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as deposits. It includes interest income which is recognised as the charity's right to receive payment is established.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes publicity and advertising costs incurred in seeking voluntary contributions. They do not include the costs of disseminating information in support of the charitable activities;
- Expenditure on charitable activities includes the costs of operations directed towards fulfilling the charitable objective; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to the cost of raising funds and expenditure on charitable activities on a basis consistent with the use of the resources. Premises overheads have been allocated based on the location where possible or based on area and other overheads have been allocated on an activity level basis.

The analysis of these costs is included in note 3.

(e) Government grant income

A grant that becomes receivable as compensation for expenses already incurred will be recognised in profit or loss in the same period in which the related expense is incurred.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land	Nil– see below
Freehold buildings	Nil– see below
Furniture and Equipment	20% reducing balance
Computer Equipment	33% reducing balance
Motor vehicles	25% reducing balance

Freehold land is not depreciated in general but the cost of paths is written off over 10 years on a straight line basis. In addition the pergolas, which were constructed in financial year 2020-21 and which have a carrying value of £4,371 (2021: £9,652), are being depreciated over 2 years on a straight line basis. The other Freehold buildings are not depreciated because the Trustees consider the high level of ongoing maintenance extends the life of these assets for an indefinite period, the Trustees consider the carrying value not to be less than their residual value. A firm of Chartered Surveyors, authorised by the Royal Institution of Chartered Surveyors, valued our properties located at our Ringwood campus on July 4th and July 5th 2022. Their ensuing report confirmed the aggregate value of our properties in these accounts are not overstated. In a year when no professional valuation has taken place, the Trustees would consider whether any impairment has occurred on an annual basis to make sure any events or matters (such as damage or exceptional deterioration) that would require a write down against the carrying value of any particular building.

(g) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete, slow-moving or otherwise impaired stock where appropriate.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(j) Concessionary loans

Concessionary loans include those received from third parties which are interest free or below market interest rates and are made to advance charitable purposes. Loans repayable on demand within one year are measured at cost, less impairment. Concessionary loans repayable in over one year are measured at cost as no interest is chargeable.

(k) 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 is estimated and compared to the carrying amount.

(l) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(m) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(n) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(o) Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern. As explained in the Trustees report on page10, the Trustees have considered the uncertainty relating to the coronavirus pandemic, which began just before the start of our 2020-21 financial year, and the impact on the charity's operations and finances in the short to medium term. In the opinion of the Trustees, with its robust income stream as well as 6.7 months or £1,660,005 of free reserves and the constant monitoring and control of costs, the charity has sufficient working capital to continue to meet its financial obligations and pay its liabilities as they fall due for the foreseeable future and therefore the financial statements have been prepared on a going concern basis. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves held for the charity to be able to continue as a going concern.

(p) Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

That the market value of properties is not expected to fall.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

The amounts set aside for designated funds to cover future costs.

2 INCOME

	Residential	Workshops	Internal sales eliminated	Total 2022	Total 2021
	£	£	£	£	£
DONATIONS AND LEGACIES					
Donations, legacies and similar incoming resources	38,568	-	-	**38,568**	47,356
CHARITABLE ACTIVITIES					
Fees and contributions – local authorities / other sources	1,634,278	456,768	(19,920)	**2,071,126**	2,016,638
Rent and service charges	409,199	-		**409,199**	400,009
Ineligible and mobility	201,064	-		**201,064**	200,244
Shop / café / bakery & other workshops sales	-	77,296	(43,168)	**34,128**	62,290
Guest House income	-	-		**-**	0
Other income	63,233	30,712		**93,945**	165,497
Total incoming resources from charitable activities	2,307,773	564,776	(63,088)	**2,809,461**	2,844,677
INVESTMENTS					
Investment income	1,961	184	-	**2,145**	5,190
Total investment income	1,961	184	-	**2,145**	5,190
TOTAL INCOME	2,348,302	564,961	(63,088)	**2,850,175**	2,897,223
TOTAL EXPENDITURE (see note 3)	(2,021,068)	(743,632)	63,088	**(2,701,613)**	(2,907,108)
NET INCOME FOR THE YEAR	**327,233**	**(178,671)**	**-**	**148,562**	(9,885)

Income from donations and legacies was £38,568 (2021 - £47,356) of which £20,000 (2021 - £23,422) was attributable to restricted (Note 14) and £18,568 (2021 - £23,934) was attributable to unrestricted funds (note 15).

3 EXPENDITURE

	Residential	Workshops	Internal sales eliminated	Total 2022	Total 2021
	£	£	£	£	£
RAISING FUNDS					
Fundraising and publicity	1,667	0	(1,500)	**167**	187
CHARITABLE ACTIVITIES					
Employed staff costs	1,240,599	511,235		**1,751,834**	1,814,158
Co-worker costs	117,182	7,500	(7,500)	**117,182**	73,706
Premises costs	220,885	77,916	(194)	**298,607**	531,929
Depreciation – owned assets	22,523	8,844		**31,367**	29,228
Office and administration	113,944	26,140		**140,084**	76,626
Medical costs	3,842	-		**3,842**	22,446
Garden and estate	24,737	-	(10,920)	**13,817**	5,766
Food, household and cleaning	195,934	756	(41,834)	**154,856**	136,892
Cost of sales	-	83,618	(1,139)	**82,479**	120,320
Hotel recreational costs	-	-		**-**	-
Motor and travel expenses	34,476	204		**34,680**	28,768
Legal and professional fees	12,375	6,234		**18,609**	17,083
Bank charges	2,943	34.87		**2,978**	2,869
Loan interest	15,368	-		**15,368**	17,376
(Profit) / Loss on sale of fixed assets	-	-		**-**	-
Sundry expenses	3,886	19,529		**23,414**	15,940
Audit and accountancy	6,525	1,621		**8,146**	9,845
Trustee Board costs	4,184	-		**4,184**	3,970
Total resources expended on charitable activities	2,019,401	743,632	(61,588)	**2,701,446**	2,906,921
TOTAL EXPENDITURE FOR THE YEAR	**2,021,068**	**743,632**	**(63,088)**	**2,701,613**	2,907,108

None (2021 - £33,964) of the above costs were attributable to restricted funds (Note 14). £2,701,613 (2021 - £2,873,144) of the above costs were attributable to unrestricted funds (Note 15).

4 DEFERRED INCOME

During the year payments in advance of £58,605 (2021: £64,299) were received and have been treated as deferred income as they relate to the next financial year, and are included within other creditors.

5 EMPLOYED STAFF COSTS AND NUMBERS

During the year, ten Trustees were reimbursed expenses totalling £NIL (2021: nine Trustees, £NIL). No trustee received any remuneration in the current year or prior year other than disclosed in note 18 to the accounts.

During the year indemnity insurance of £1,064 (2021: £850) was paid to cover the Trustees in the event of any misrepresentation of the organisation.

Employed staff costs were as follows:	2022 £	2021 £
Salaries and wages	1,544,345	1,679,975
Social security costs	130,109	127,085
Pension costs	40,076	41,805
	1,714,531	1,848,864

No employee earned more than £60,000 per annum during this year or the prior year.

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

	2022 No.	2021 No.
Lantern Residential and Workshops (Ringwood)	92	97

The employee benefits of key management personnel for the year ended 31 March 2022 was £313,610 (2021: £323,940). A list of key management personnel may be found on page 3 of this document.

6 TAXATION

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

7 AUDITORS REMUNERATION

	2022	2021
	£	£
Fees payable to the charity's auditor for the audit of the charity's annual accounts	8,146	9,845
Fees payable to the charity's auditor for other services:		
VAT consultancy services provided by the charity's auditor	-	90

VAT consultancy costs are included in legal and professional fees in note 3.

8 TANGIBLE FIXED ASSETS

	Freehold land & buildings	Assets under construction	Paths	Furniture & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
COST OR VALUATION							
At 1 April 2021	6,847,736	130,298	31,686	123,248	20,924	152,896	7,306,788
Additions in the year	0	52,627	-	11,585	-	0	64,212
Transfers	80,322	(80,322)	-	-	-	-	-
Disposals in the year	-	-	-	-	-	-	-
At 31 March 2022	**6,928,058**	**102,603**	**31,686**	**134,833**	**20,924**	**152,896**	**7,371,000**
DEPRECIATION							
At 1 April 2021	455.00	-	19,901	70,462	17,970	110,313	219,101
Charge for the year	5,303	-	3,168	10,426	972	11,497	31,366
Disposals in the year	-	-	-	-	-	-	-
At 31 March 2022	**5,758.00**	**-**	**23,069**	**80,888**	**18,942**	**121,810**	**250,467**
NET BOOK VALUE							
At 31 March 2022	**6,922,300**	**102,603**	**8,617**	**53,945**	**1,982**	**31,086**	**7,120,533**
At 31 March 2021	6,847,282	130,297	11,785	52,787	2,954	42,583	7,087,688

The charity's land and buildings were valued at open market value by Primmer Olds LLP, Chartered Surveyors in March 2013 prior to devolution from The Sheiling Trust. This has been adopted as the deemed cost at the transition date. Subsequent additions are at cost.

The closing balance of £102,603 in Assets under Construction relates entirely to costs incurred for the new hall. Please see associated restricted and unrestricted funds in notes 14 and 15 respectively.

9 STOCK

As at 31 March 2022 stock was valued at £18,347 (2021: £18,940) and related to goods for resale in the shop on the Ringwood estate.

10 DEBTORS

	2022 £	2021 £
Trade debtors	51,930	44,126
Other debtors	25,123	13,725
Prepayments and accrued income	155,010	129,194
	232,063	187,045

11 CREDITORS: amounts falling due within one year

	2022 £	2021 £
Unsecured concessionary loans for indefinite terms (see note 13)	-	0
Bank loans (see note 13)	88,416	87,649
Trade creditors	100,138	47,747
Other creditors	37,901	32,820
Other taxation and social security	43,929	44,064
Accruals	384,866	390,389
Deferred income	58,605	64,299
	713,855	666,968

12 CONTINGENT ASSET

Included in the above accruals figure of £384,866 in note 11: Creditors due within one year is a provision of £252,991 which is the estimated cost of repairing defects in one of our workshop buildings which was constructed approximately 8 years ago. We are in a pre-action protocol with the architect and builder of the workshop and expect to recover most, if not all, of the cost of remedial works. In accordance with FRS 102 we have not recognised any funds recoverable in these accounts.

13 CREDITORS: amounts falling due after more than one year

	2022 £	2021 £
Unsecured concessionary loan	100,000	100,000
Bank loans	436,780	524,846
	536,780	624,846

An unsecured concessionary loan has been advanced to The Lantern Community by the family trust of a beneficiary. This loan is for an indefinite term, but can become repayable in certain events such as the beneficiary leaving the charity. In some circumstances it can become repayable on demand. A side agreement was signed in the year ending 31 August 2014, in which it stated that the family trust would not require repayment of this loan before 1 September 2020. A subsequent side agreement has been signed in May 2020, in which it stated that the family trust would not require payment of this loan before 1 September 2025.

In 2017 two bank loans of £450,000 each were negotiated, secured on Willow End Cottage, Silver Birches and Badger Cottage. One loan is fixed rate at 3.22% for a ten year term and the second is variable rate at 2% above the Bank of England base rate for a ten year term.

The bank loans are repayable by instalments as follows	2022	2021
	£	£
Within 1 year	88,416	87,649
Between 1 and 2 years	91,095	90,005
Between 2 and 5 years	290,186	284,826
Between 5 and 10 years	55,499	150,015
	436,780	524,846
Total bank loans	525,197	612,495

14 RESTRICTED FUNDS

	At 1 April 2021	Incoming Resources	Outgoing resources	Transfers	At 31 March 2022
	£	£	£	£	£
Woodwork workshop	1,020	-	-	-	1,020
Lantern Hall	1,146,727	-	-	-	1,146,727
Hillcrest activities	240	-		-	240
Field Maple activities	54,439	20,000		(74,439)	-
In memory of Jose Palau	1,945	-	-	-	1,945
New pergolas	348	-	-		348
Total restricted funds	1,204,719	20,000	0	(74,439)	1,150,280

Woodwork Workshop

Donations were received and fundraising was undertaken for the purpose of contributing to the costs of a canopy for the woodwork workshop. These funds have not yet been spent.

Lantern Hall

A large number of donations have been received and allocated to the project for a new hall at The Lantern Community in Ringwood. An additional donation of £500,000 for the Lantern Hall project was received after March 31st 2022.

Hillcrest activities

A number of donations have been received with the instruction that they be used for activities in Hillcrest, one of the houses in the community.

Field Maple activities

Donations of £15,000 and £100,000 were received in March 2016 and July 2017 respectively for Field Maple activities. The donor received a list of proposed projects with associated costings, which formed the basis for the donations. Some tasks were undertaken in the year ended 31 March 2017 and some more in the year ended 31 March 2019. The balance brought forward at 1 April 2021 is for the gym project which commenced in our 2019/20 financial year and was completed, at a total cost of £74,439, in the year to 31st March 2022.

In memory of Jose Palau

A day services client named Jose Palau passed away during the year under review and donations were subsequently received. The intention is a physical memorial will be procured to preserve the memory of Jose Palau

Replacement tractor fund

In August 2019 our tractor and ride on mower were stolen. We received the above donations during the year and these will be used to offset the costs of the replacement machinery which was purchased in the year under review

New Pergolas

New pergolas were constructed in the previous financial year and this was supported by a generous £10,000 donation from the T.H. Russell Charitable Trust

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

15 UNRESTRICTED FUNDS

	At 1 April 2021	Restatement of opening reserves	Incoming Resources	Outgoing resources	Transfers	At 31 March 2022
	£	£	£	£	£	£
DESIGNATED FUNDS:						
Cash backed designated funds:						
Co-worker retirement	23,404		-	-	-	23,404
Co-worker social fund	51,670		5,000	(13,715)	-	42,956
Bakery project	2,543		-	-	-	2,543
Lantern Hall	117,967		-	-	-	117,967
Long term maintenance	50,000		10,000	-	-	60,000
Future Projects	42,565		18,568	-	-	61,133
Lantern Centre office refurbishment	132,044		-	-	-	132,044
Lantern Centre shop refurbishment	143,215		-	-	-	143,215
	563,408		33,568	(13,715)	-	583,262
Property capital fund	5,942,328	322,756	-	-	134,622	6,399,706
Total designated funds	6,505,736	322,756	33,568	(13,715)	134,622	6,982,968
General funds * please see note below	2,029,867	(322,756)	2,796,606	(2,687,898)	(60,183)	1,755,635
Total unrestricted funds	8,535,603	-	2,830,175	(2,701,613)	74,439	8,738,604

Restatement of opening reserves

In the financial years ending on 31st March 2020 and 31st March 2021 the amounts of £171,127 and £151,630 respectively were incorrectly not transferred from free reserves to the Property Capital Fund. These transfers should have been made to reflect the repayments of bank loans and also capitalised expenditure on buildings as stated in our below accounting policy entitled "Property capital fund". To correct this error an amount of £322,756, which is the total of £171,127 and £151,630, has been deducted from opening free reserves and added to the opening balance of the Property Capital Fund. The Trustees believe this treatment is most appropriate as the Property Capital Fund is a Designated Fund. The effect of these adjustments are: our free reserves as at March 31st 2021 were £1,597,001 and not £1,919,758 and this represented 6.7 months of continuing operations expenditure and not 8.0 months.

Purposes of designated funds

Co-worker retirement fund

This is a fund created to contribute towards meeting the retirement needs of the co-workers.

Co-worker social fund

The co-worker social fund has been created to finance anticipated future expenditure relating to financial assistance to co-workers, e.g. when they leave The Lantern Community.

Bakery project fund

Up until June 2016 donations from the second hand books scheme were allocated to a fund to contribute to the costs of the planned Bakery project. This project includes major

Lantern Hall

See also note 14 above for the Lantern Hall under restricted funds. Some donations have been received without restrictions and have been designated to the fund for this major

Long term maintenance

A provision of £10,000 per annum is being made. Amounts in this fund will be released when a major maintenance task is undertaken.

Future Projects fund

This fund was created in July 2018. The rationale is to allow donations to be gathered in a general pot and then projects to be proposed for trustee approval, to ensure donated monies are used effectively and expeditiously.

Property capital fund

This fund has been created to reflect the carrying value of land & buildings held by the charity, net of bank loans and property related loans outstanding at the balance sheet date.

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	AS AT 31 MARCH 2022			
	Restricted funds	**Designated funds**	**General funds**	**Total funds**
	£	**£**		**£**
Tangible fixed assets	-	7,024,903	95,630	7,120,533
Net current assets	1,150,280	494,846	1,660,006	3,305,132
Long term liabilities	-	(536,780)	-	(536,780)
NET ASSETS AS AT 31 MARCH 2022	1,150,280	6,982,968	1,755,636	9,888,884

	AS AT 31 MARCH 2021			
	Restricted funds	**Designated funds**	**General funds**	**Total funds**
	£	**£**		**£**
Tangible fixed assets	-	6,977,579	110,109	7,087,688
Net current assets	1,204,719	153,003	1,919,758	3,277,480
Long term liabilities	-	(624,846)	-	(624,846)
NET ASSETS AS AT 31 MARCH 2021	1,204,719	6,505,736	2,029,867	9,740,322

17 AMOUNTS HELD FOR BENEFICIARIES

The charity no longer holds funds on behalf of beneficiaries (2021: £11,018). These funds were kept in a separate bank account and were not included in these financial

18 RELATED PARTIES

The following transactions and relationships with related parties are of note:

Three of the children of M Verhoeven, who is a Trustee, are employed by The Lantern Community and are remunerated at the same rate as all other employees who are employed in similar roles. The wife of M Bradshaw is employed by The Lantern Community as Human Resources Assistant and she is also remunerated at the same rate as all other employees who are employed in similar roles.

During the year purchases with a value of £791 (2021: £1,955) were made from a company called Concert Networks Ltd which the son of Alan Hollands, a Trustee, was the sole director and shareholder. All transactions were at arms length and there was no amount due to or from the company as at 31st March 2022. The son of Mr A Hollands sold his stake in Concert Networks Ltd on August 18th 2021.

Liz Bord, trustee, is also The Lantern Community's nominated trustee of The Camphill Benevolent Fund (CBF), which makes disbursements to retired co-workers.

Donations by Trustees to The Lantern Community in the year ended 31 March 2022 amounted to £NIL (2021: £2,025).

19 DONATED SERVICES AND ASSETS

In the year ended 31 March 2022 there was no income from donated services and assets (2021: £NIL).

20 DEFINED CONTRIBUTION PENSION SCHEME

The company operates a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension commitment for the year under this scheme was £40,076 (2019/20: £41,805).

21 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net income for year	148,562	(9,885)
Interest receivable	(2,145)	(5,190)
Interest payable	15,368	17,376
Depreciation and impairment of tangible fixed assets	31,367	29,228
(Profit) / loss on disposal of tangible fixed assets	-	0
(Increase) / decrease in stock	593	(14,440)
(Increase) / decrease in debtors	(45,018)	23,405
Increase / (decrease) in creditors	46,510	148,906
Net cash flow from operating activities	195,236	189,400

22 OPERATING LEASES

Future minimum lease payments per annum under non-cancellable operating leases as at 31 March 2022

	2022	2021
	£	£
Not later than one year	9,759	-
Later than one year and not later than five years	7,035	-

THE LANTERN COMMUNITY

England & Wales - Charity number 1075845

Accounts

THE LANTERN COMMUNITY

COMPANY NUMBER: 3773749

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

INTRODUCTION

The Trustees present their report and the audited financial statements for the year ended 31 March 2021. This includes the Directors' Report and Strategic Report as required by Company Law.

The legal and administrative information set out below forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) published on 16 July 2014.

REFERENCE AND ADMINISTRATIVE DETAILS

The organisation is a charitable company limited by guarantee, incorporated on 20 May 1999 and registered as a charity on 4 June 1999. The charity changed its name on 5 December 2012 from The Lantern Retreat to The Lantern Community.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

REGISTERED COMPANY NUMBER: 3773749

REGISTERED CHARITY NUMBER: 1075845

PRINCIPAL ADDRESS AND REGISTERED OFFICE

The Lantern Centre, Folly Farm Lane, Ashley, Ringwood, Hampshire BH24 2NN

TRUSTEES/DIRECTORS

during the year and to date:

Liz Bord

Michael Bradshaw

Luigi Carnelli- (reappointed by rotation on 26 September 2020)

Heidi Harrison -(appointed on 22 July 2020, reappointed on 26 September 2020)

Alan Hollands - (reappointed by rotation on 26 September 2020)

Ian Humphries

Mark Loveys – appointed on 24 May 2021

Loraine Morgan (reappointed by rotation on 26 September 2020)

Louise Tonkin - Chair until 2nd October 2021

Maria Verhoeven

All trustees are elected by the charity's membership or appointed by the trustees to fill any interim vacancies, in accordance with the Charity's Articles of Association. In such cases those trustees are required to offer themselves for re-election at the next following AGM. One such appointment has been made since the last AGM.

KEY MANAGEMENT PERSONNEL:

Senior managers

B.Bilge Hunt	General Manager / Nominated Individual
Carol Cheeseman	Operations Manager
Emma Borbely-Bartis - left 26 July 2021	Day Services Manager
Robert van Turenhout	Finance Manager
Richard Pestell	Estate and Maintenance Manager
Burga Liddiard	Registered Manager Four Meadows
Ann Stevens	Registered Manager Phoenix
Vell Cattaree	Retail Services Manager

LEGAL ADVISORS:

Pitmans
46 The Avenue, Southampton SO17 1AX

BANKERS:

National Westminster Bank plc
11 High Street, Ringwood, Hampshire BH24 1BA

AUDITORS:

PKF Francis Clark
Towngate House, 2-8 Parkstone Road, Poole
Dorset BH15 2PW

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association. This document was amended by special resolutions on 30 April 2007, 19 November 2012, 29 August 2014 and 28 September 2019.

Appointment and training of the Trustees

There must be at least five trustees at any time and no more than two may be co-workers. Trustees shall be proposed for appointment by the existing trustees. The Board seeks to have Trustees with a range of competencies and backgrounds, to allow it to effectively fulfil its role. An induction pack is provided for all Trustees and specialist training is carried out on topics such as governance from time to time as required.

Members

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2021 was 122 (2020: 120).

Governance of the Charity

The Trustees recognise their ultimate responsibility for directing the affairs of The Lantern Community and for ensuring that it is solvent, well-run, and delivering the charitable outcomes for the benefit of the public for which it has been set up.

The Trustees meet together at least quarterly to review reports from management and to discuss matters such as the strategic direction of The Lantern Community, governance issues and certain financial matters. A number of Committees and Working Groups have been established to ensure that these matters can be properly addressed. These committees are seen as part of the on-going structure of the community and membership consists of Trustees and members of the Lantern Management Group. A pattern of at least three meetings each year has been established, although the coronavirus pandemic prohibited many of these meetings in the year under review, with the dates for these three meetings being fixed well in advance to enable reports to be considered by a Trustee Board meeting within a few weeks. The Strategy Committee recommended the establishment of a 'Changing Needs' Working Group. Since the outbreak of the Coronavirus, Full Trustee Board meetings have been held remotely and this will continue for the foreseeable future.

THE LANTERN COMMUNITY

(Company limited by guarantee and not having a share capital)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES

Charitable Objects

Under the Memorandum and Articles of Association adopted on 29 August 2014, the objects of the charity are as follows:

To relieve sickness, promote good health, provide care to and advance the education and training of people with a disability (whether mental or physical), the young, the old, or people otherwise in need, in accordance with the principles of Dr Rudolf Steiner, particularly (without limitation) by the establishment and maintenance of intentional communities in the form of villages, residential houses, day centres, kindergartens, schools, colleges or other types of social and / or educational community in which beneficiaries live and / or work and / or to which they otherwise resort, in community with persons providing support (known as "Co-workers").

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future objectives. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set.

Activities

1. The provision of housing for its beneficiaries who choose to live within a social and therapeutic community. The Lantern Community consists of eleven houses for beneficiaries, all with easy access to the town of Ringwood in Hampshire. The Lantern Community continues to include the tenants of Tawa (which belongs to the Oliver Trust) within its full life and provides care and support to them in their own home. There is a residential population of seventy-four people in the Lantern Community in Ringwood (including Tawa). Fifty one are adults with learning disabilities who hold their own tenancies, eighteen are short term volunteer workers and five are long term Co-workers.

2. The provision of personal care services to meet the care needs of beneficiaries. The Lantern Community offers Personal Care services to people who live in or near the Lantern Community Estate or who use the Day Services on the estate. The Lantern Community has a certificate of registration with the Care Quality Commission (CQC) for the regulated activity 'personal care'. The Lantern Community as a service provider has two (formerly three) registered locations. In the beginning of 2020, The Lantern Community applied for a change of registration regarding closing the Field Maple Tree Location after an internal review and consequent restructuring of the management of the support and care across the community.

3. The provision of support services to assist in developing the beneficiaries' independence and enabling them to maintain their tenancy. The Lantern Community works closely with East Boro Housing Trust and they continue to provide expertise in managing tenancies and related matters. Another link to external expertise is maintained with Ellis Whittam providing advice on employment law, HR and health and safety in an unlimited support agreement covering these important areas.

4. The provision of Day Services which create opportunities for work experience, lifelong learning, artistic and educational development. The work and training facilities are: Estate Work, Pottery, Art Studios, Weaving, Seasonal Crafts, Home Making Skills, Café, Bakery, Gift Shop and Horticultural Nursery, many of these selling products to the general public.

OBJECTIVES AND ACTIVITIES - continued

Objectives

- To provide a range of accommodation, workshops and social settings, staffed by highly motivated employees and volunteers able to support adults who have learning disabilities.
- To provide opportunities for adults with learning disabilities to meet and interact with a wide range of people within the security of The Lantern Community and to develop the skills to engage with the wider community,
- To support people to build relationships and develop their confidence so that they can take a full and active role in society.
- To extend and develop the range and quality of the services offered in direct response to the needs of those adults with a learning disability.

ACHIEVEMENTS AND PERFORMANCE

Our 2020-21 financial year was one of the most challenging periods the community has ever experienced as was probably the case for many other care and support providers both in the UK and worldwide. Due to the coronavirus pandemic our year began, and also ended in, a national lockdown. We have had several ups and downs, easing the measures when appropriate in our risk management and then reviewing and strengthening them again when circumstances changed for the worse. However, amidst this chaos, we were able to continue to provide a safe environment for our companions and this was due to the resilience, selflessness and determination of our hard working and committed staff.

Nearly one and a half months before the start of the financial year we lost a long standing community member. Even though he was deteriorating quite considerably over the years, as well as being under the care of palliative care specialists, his passing away was still a shock for all of us. Unfortunately in October 2020, we lost another beneficiary. This was a sudden unexpected death and not related in any way to Covid 19. Both companions had lived with us in the Lantern for many years and before then they were part of the Sheiling School.

These two losses reduced the number of beneficiaries to 50 and we were not able to admit anyone to fill these vacancies until much later in the year due to the pandemic and our risk management. With the arrival of a new companion we ended the year, and currently have, 51 beneficiaries who live on site and we still have two vacancies which we intend to fill in the coming months.

At the beginning of pandemic, due to the uncertainties and the sudden lockdown, 10 of our co-workers chose to leave their volunteering posts with us earlier than their committed time. We also had employees who self-isolated due to signs of having contracted Covid-19 or were shielding because of underlying health conditions. This daily changing staff turnover and covering duty rotas were very difficult to manage. Our employees and remaining co-workers have been incredibly committed and supportive offering extra hours and flexibility in those rather drastic times. We are grateful as a community for their selfless devotion and hard work which they have shown throughout the year and to date.

We thankfully didn't have a confirmed COVID-19 outbreak in the community during our financial year 2020-21 and this was mainly due to the stringent measures put in place regarding where staff worked, staff illnesses and self-isolation procedures. In addition changes were made to our property portfolio by our Estate and Maintenance team to make our properties Covid safe. To achieve all of this considerable costs were incurred, mainly in the form of overtime to cover the gaps caused by staff on leave or self-isolating. We also minimised the number of houses staff worked in to minimise the potential impact of someone catching the virus. In the financial year we received local authority grants totalling £147,938 which we used to affray the additional pandemic related costs. Had we not received these grants we would have ended the year with an increased loss of £157,823 instead of the published loss figure of £9,885

ACHIEVEMENTS AND PERFORMANCE - continued

As at 31 March 2021, we had approximately seventeen short term co-workers supporting the community. Covid-19 has made the recruitment of staff in general much more difficult and also, as a result of Brexit, we have seen a sharp drop in demand from EU based volunteers due to substantial additional costs. Despite these two factors we have still been able to meet the needs of the community by recruiting suitably qualified and competent staff. Although we have worked hard in terms of our Human Resources and on retaining our staff, our staff turnover was higher this year than in previous years, mainly due to a very competitive employment market.

Despite the effects of the pandemic we have continued to increase pay and we believe we offer a competitive wage. We wish to make the Lantern Community a long term vocation for staff. We have also continued with the employee benefits initiated in previous years.

In the face of the threat posed by the pandemic examples of infection control measures we put into place include

- We unfortunately felt we had no option but to close our workshops to external day placements. We are aware of the impact that this has caused for our external attendees and our intention is to open our day services as soon as possible in a Covid-19 secure way.
- We cancelled all extra curriculum activities e.g eurythmy befriending, yoga, social clubs, speech, singing etc. in the beginning of pandemic and to this day, we have not resumed them.
- We closed our retail services, our shop, café and bakery to the public at the start of the first national lockdown and they will remain closed until it is safe to open up to the general public. Although the shop and café were closed to the general public, we have transformed them for our own internal use. All through the pandemic, the third part of our retail services, the bakery stayed open and carried on its operations to meet the needs of the public and community.
- At the beginning of pandemic, we restricted as much footfall into the community as possible, limiting subcontractors who work on site and asking volunteers, friends and relatives not to visit. During the year, we implemented changes to the existing risk management in line with government guidelines and we have recently started to allow relatives/ friends to visit their loved ones.
- Our companions remained in house "bubbles" when attending our workshops by allocating one house per workshop and revising the timetable. This enabled better risk management by restricting the risk of spread to one house and workshop if we have a case of Covid-19.
- Extensive Covid-19 related infection control training was delivered often remotely
- Risk assessments were carried out throughout the community by our Estate and Maintenance team with a view to minimising the risk of infection.
- Several of our staff spend a large proportion of their time each week administering our rigorous testing regime for both PCR and LFT testing

Our Estate and Maintenance team helped to meet our COVID- related needs and so most of the building projects planned for 2020-21 had to be postponed. These projects included

- The building of the new hall/social centre
- The development of our shop and café development
- Creating office space on the first floor of the Lantern Centre
- Maintenance work in the Craft Centre Art-Pottery building.

Building projects which were completed include

- A new building behind Badger Cottage which provides secure storage for our tractor and also some high quality office space
- A new multi-purpose property of high quality was built behind Barn Cottage
- Ten pergolas were installed in the Lantern Village Green. We would like to thank T H Russel Charitable Trust for financially supporting this project
- Alterations were made to our Seasonal and Weavery craft building to make them Covid-19 secure environment
- Iona was transformed into a much needed COVID safe visitors pod

The Estate and Maintenance manager and team also ensured we had sufficient stocks of good quality PPE, testing equipment, sanitising products, signage and more. This was after the start of the pandemic when the sourcing of these products was very difficult not just for us but for all care and support providers. However this came with a cost to the charity because of the increased prices in PPE at the beginning of the pandemic.

As an intentional community, the Covid-19 pandemic and Brexit have hit us maybe more than other UK based support and care provider. Two of the main values of the community are based on the importance of encounter and creating community together. Celebrations are also of great importance to us bringing people together and welcoming them to our community. Celebrating festivals, birthdays, are essential parts of who we are; it is part of our identity. It was challenging to maintain these core values while managing the risk of Covid but we believe we maintained a sense of our cultural identity. Since the restrictions have been somewhat relaxed, and using the new pergolas outside, we have been able to meet with each other again.

Plans for the coming year

- Fill the vacancies in the residential and day services .
- Commence the building of a multi-use hall/social centre on the site in the budget year 2021/22.
- Maintain the delivery of excellent support and care to the beneficiary group.
- Create additional office and meeting rooms to provide a more suitable working environment for senior managers and administrative staff.
- Create a strategy and implement a system to meet the changing needs of the beneficiary group in the community.
- Relaunch our retail services with a revised vision and layout.

Medium Term Plans

Create new workshops. Meet the changing needs of some beneficiaries who may wish to have a slower pace of life in their old age.

Enable as many individuals as possible, both beneficiaries and day placements, the chance to be involved in meaningful day opportunities and skills training in craft and service workshops.

Invest in training and improving our Health and Safety procedures.

Pay policy for senior staff

The Senior Managers are all on an approved pay scale based on the NJC (National Joint Council) Pay Scales. All these posts cover a range of 3 - 6 spinal points on the NJC Scale. The individual managers have been appointed to a point within the range commensurate with their qualifications and experience. For the General Manager progression within the range is automatic but for the other senior managers there is a "bar" at the mid-point and progression above the "bar" is dependent on performance and qualification. Future senior staff appointments will be made in a similar way. In normal circumstances pay rises will be in line with those agreed as part of the NJC Pay Scale agreement. Consideration will be given on an annual basis to the appropriateness of the NJC Pay Scales and whether any changes in the structure of community require reconsideration of the pay scale approved by the Board of The Lantern Community.

STRATEGIC REPORT

Risk management

The Trustees have established a process for reviewing the key risks facing the charity and for ensuring that actions are taken to manage those risks. A detailed Risk Register is maintained. Individual risks are reviewed by the appropriate committee the results of this exercise are reported to the Board of Trustees. The Trustees have given consideration to the major risks to which the charity is exposed and are satisfied that systems and procedures are in place to manage those risks or that action is being taken to establish such systems and procedures.

The three principal risk areas are:

Operational Risk

Craft Centre: During the last financial year, a number of issues were identified in one of the craft centre buildings (pottery and art) which included water ingress in the basement, cracks in the floor of the Art Studio, rainwater entering the building through the roof, problems with the roof. This is currently being investigated and a claim has been made through our insurance company, which may be contested by the lead contractor and could result in legal action being taken. The dispute regarding the liability for the water ingress continues. In the future remedial works will require the Art/Pottery workshop building to be closed for three months and an alternative venue will be sought. Included in these accounts is a provision of £286,644 to cover the cost of repairing the building.

Another operational risk that The Lantern Community needs to take into account in the coming years is the impact of Brexit on the recruitment of volunteers, in particular on the numbers of Co-workers. The Lantern community, in common with most Camphill Communities is very reliant on residential volunteers for cultural enrichment/life sharing. A reduction in voluntary co-workers, because of difficulties in obtaining visas, would mean losing a very important aspect of community life. The Lantern Community is intending working with other communities in creating an awareness and lobbying about the importance of having co-workers in Camphill communities for life-sharing. Thankfully our recent application to the UK Home Office to increase the annual number of visas we can issue from 10 to 30 was recently approved.

STRATEGIC REPORT - Operational Risk continued

Covid -19

The Trustees are closely monitoring the impact that COVID-19 is having on the charity's contract income and on its wellbeing overall. As most of our contract income is paid for by the UK local government sector we are in the relatively fortunate position of not experiencing a decline in our contract revenues. The Trustees are also closely monitoring the COVID-19 related increases in our costs and they believe the short to medium term impact on liquidity will not affect the ability of the charity to fulfil its aims and commitments.

The Trustees have considered the financial position of the charity and the potential impact of COVID-19. The business plan predicts that although the pandemic is likely to result to higher costs, as our income stream is robust and as we have significant free reserves amounting to £1,919,758 or 8.0 months of cover, they are confident the charity is able to continue fulfilling its objective for at least the short and medium term.

Even though as a community, we have been blessed with a relatively high level of reserves fund and continuous public funding, challenges dealing with after Covid-19 pandemic may cause financial problems in the long term.

Finance Risk

The Finance Manager has the relevant qualifications and experience to maintain the professional approach in finances. The Lantern Community invested in a good computerised finance system, Advanced Exchequer, which is kept up to date. Quarterly management accounts are produced for management and the Trustee Board.

A major instrument for the control of operations in The Lantern Community is the annual production of a three year business plan, the first year being the budget. The plan contains the major assumptions for all elements of the organisation, including capital expenditure projects, beneficiary and staff numbers. The plan has income and expenditure, balance sheet and cashflow forecasts, allowing a clear framework for future direction. The plans are set prudently and the experience has been that actual results exceed the plan.

Financial Performance

Total incoming resources on charitable activities for the year totalled £2,844,677. Of this amount £2,016,638 or 70.9% related to care fees from local authorities. In particular, Dorset County Council contributed £1,346,947 or 47.3% of total income from charitable activities. In addition, housing benefit of £428,670 (or 15.1% of our total income from charitable activities) was received from East Dorset District Council on behalf of our companions and long term volunteers. It can be seen that a significant proportion of income comes from local government and that changes in government policy could have a notable effect on The Lantern Community's financial situation. Relations with both Dorset County Council and East Dorset District Council remain positive.

Performance Criteria

The Board of Trustees of The Lantern Community continues to measure actual financial performance against budgets at every meeting of the Board.

The Board and the Lantern Management Group have been considering more formal means of measuring performance and are working on a number of areas on which they will report in the future. Arriving at suitable performance indicators and developing the systems for capturing the data is a significant task. The areas that such indicators will be focused on include:

Performance Criteria - continued

Beneficiaries

- Use of the 'Outcome Star model' to assess beneficiaries' progress, identify development needs and arrive at an action plan. The Outcome Star Model is an identifying and enabling for beneficiaries' changing needs. Summary and analysis of Beneficiaries' Outcome Star assessments will be utilised as performance indicators to assess the effectiveness and quality of support and care provision received.
- The involvement of beneficiaries in external activities outside The Lantern Community sites. The Lantern Community has initiated a number of projects for beneficiaries to partake in external activities to gain confidence and experience.

Staff

- Annual appraisals are being undertaken for all staff. The outcome of appraisals will provide a benchmark in assessing staff performance in the coming years and will help in assessing the organisation's performance.
- Analysing staff turnover: Staff are important in providing support for beneficiaries. Staff turnover compared to other providers in the care sector and understanding the reasons for staff leaving provides useful information.

External Quality Measures

We have not been inspected in 2020-2021 budget year by Social Services or CQC due to ongoing infection control measures in place in care and support provisions. It has Health & Safety audits by Ellis Whittam and fire risk assessments by East Boro Housing Trust. The Lantern Community considers these external reports and assessments to be helpful and is responsive to proposals or comments made.

RESERVES POLICY

The Trustees have continued to review the level of reserves held by the charity in line with the guidance set out by the Charity Commission. Sufficient reserves need to be available to cover unforeseeable fluctuations in income and cash flow. The Trustees consider that the aim should be to be able to cover at least three months expenditure and in the longer term for the charity to have free reserves equal to approximately six months expenditure.

As at 31 March 2021 General Reserves stood at £2,029,867 (2020: £2,029,526). Of this reserve balance £110,109 (2020: £110,411) represents non land and buildings tangible fixed assets, this leaves free reserves of £1,919,758 (2020: £1,919,115), equivalent to 8.0 months of continuing operations expenditure (2020: 8.1 months). See note 16.

The purpose, movements and balances of all the designated funds are set out in Note 14. The Property Capital Fund can only be realised on disposal of the property and settlement of the related loans.

Statement of Directors' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Compliance

The trustees believe they have complied with all currently prevailing laws and regulations that apply to the charity and its operations.

Auditors

So far as the trustees are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware. Each trustee has taken all the steps that he ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The provision of auditing services was subjected to open competition in 2021. A resolution to appoint Knight Goodhead, who were selected to succeed PKF Francis Clarke as the Lantern Community's auditors, will be proposed at the 2021 Annual General Meeting which is due to take place on October 2nd 2021.

This report has been prepared in accordance with the Companies Act 2006, and complies with the charity's governing document and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2020).

The Strategic Report is also hereby approved.

Approved by the trustees and signed on their behalf by Louise Tonkin (Trustee)  Date: September 17th 2021

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LANTERN COMMUNITY

Opinion

We have audited the financial statements of The Lantern Community (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, Balance Sheet and Statement of the Cash Flows, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its results 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.

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 Charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LANTERN COMMUNITY

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the financial statements.

We have nothing to report in respect of the following matters where the Companies Act 2006 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.

Responsibilities of trustees

As explained more fully in the Statement of responsibilities of trustees set out on page 12, 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LANTERN COMMUNITY

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the Charitable company. We gained an understanding of the Charitable company and the sector in which the Charitable company operates as part of this assessment to identify the key laws and regulations affecting the Charitable company. As part of this, we reviewed the Charitable company's website for an indication of any regulations in place and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were Charity legislation, health and safety regulations, the Care Act 2014 and breaches of The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and Charities SORP - FRS 102.

We discussed with management and trustees how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the Charitable company complies with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the Charitable company's ability to continue trading and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management and trustees regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none.
- Reviewed filings with the Charity Commission and whether there were any serious incident reports made during the year, of which there were none.
- Reviewed the most recent reports relating to regulatory visits from the Care Quality Commission (CQC), the overall ratings were 'good'
- Discussed with management if any health and safety incidents have been recorded during the year, of which there were none.
- Review of the GDPR policy and enquiries to management as to the occurrence of any reportable breaches, of which there were none.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance, of which there were none.
- Reviewed Board minutes
- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias, of which there were none.

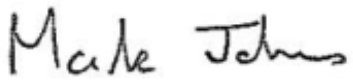
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE LANTERN COMMUNITY

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Johns FCCA FCA (Senior Statutory Auditor)
For and on behalf of PKF Francis Clark,
Chartered Accountants and Statutory Auditor

Towngate House
2-8 Parkstone Road
Poole
Dorset
BH15 2PW
Date:..21 September 2021

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

(including Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Income from:					
Donations and legacies	2	23,934	23,422	47,356	542,929
Charitable activities	2	2,844,677	-	2,844,677	3,069,008
Investments	2	5,190	-	5,190	16,687
Total income		2,873,801	23,422	2,897,223	3,628,624
Expenditure on:					
Raising funds	3	187	-	187	965
Charitable activities	3	2,872,957	33,964	2,906,921	2,930,654
Total expenditure		2,873,144	33,964	2,907,108	2,931,619
Net income	2	657	(10,542)	(9,885)	697,005
Net movement in funds	14/15	657	(10,542)	(9,885)	697,005
Reconciliation of funds:					
Total funds brought forward	14/15	8,534,946	1,215,261	9,750,207	9,053,202
Total funds carried forward	14/15	8,535,603	1,204,719	9,740,322	9,750,207

All income and expenditure derives from continuing activities.

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)

BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	8		7,087,688		7,021,588
Current assets					
Stocks	9	18,940		4,500	
Debtors	10	187,045		210,450	
Cash at bank and in hand		3,738,463		3,742,101	
		3,944,448		3,957,051	
Creditors: amounts falling due within one year	11	(666,968)		(516,069)	
Net current assets			3,277,480		3,440,983
Total assets less current liabilities			10,365,168		10,462,570
Creditors: amounts falling due after more than one year	13		(624,846)		(712,363)
Net assets			9,740,322		9,750,207
Charity Funds					
Restricted Funds	14		1,204,719		1,215,261
General funds	15		2,029,867		2,029,526
Designated funds	15		6,505,736		6,505,420
Total charity funds	16		9,740,322		9,750,207

The financial statements were approved and authorised for issue by the Board on September 6th 2021.

Signed on behalf of the Board of Trustees by Louise Tonkin (Trustee) Date: September 17th 2021

The notes on pages 20 to 33 form part of these financial statements. Company registration number: 03773749

THE LANTERN COMMUNITY

(Company limited by guarantee and not having a share capital)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021	2020
		£	£
Cash flow from operating activities	21	189,400	819,455
Net cash flow from operating activities		189,400	819,455
Cash flow from investing activities			
Payments to acquire tangible fixed assets	8	(95,328)	(96,738)
Receipts from sales of tangible fixed assets		-	928,149
Interest received	2	5,190	16,687
Net cash flow from investing activities		(90,138)	848,098
Cash flow from financing activities			
Repayment of long term loans	13	(85,228)	(81,811)
Interest paid		(17,672)	(22,190)
Net cash flow from financing activities		(102,900)	(104,001)
Net (decrease) / increase in cash and cash equivalents		(3,639)	1,563,552
Cash and cash equivalents at 1 April 2020		3,742,101	2,178,549
Cash and cash equivalents at 31 March 2021		3,738,463	3,742,101
Cash and cash equivalents consists of:			
Cash at bank and in hand		3,738,463	3,742,101
Cash and cash equivalents at 31 March 2021		3,738,463	3,742,101

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1 **Summary of significant accounting policies**

(a) General information and basis of preparation

The Lantern Community is an incorporated charity in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are providing housing, care and support within a social and therapeutic community.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2020.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

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

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the Statement of Recommended Practice (FRS 102).

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities is generated by supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives fees from local government in respect of services and facilities provided. Income from government and other grants and fees are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as deposits. It includes interest income which is recognised as the charity's right to receive payment is established.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes publicity and advertising costs incurred in seeking voluntary contributions. They do not include the costs of disseminating information in support of the charitable activities;
- Expenditure on charitable activities includes the costs of operations directed towards fulfilling the charitable objective; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to the cost of raising funds and expenditure on charitable activities on a basis consistent with the use of the resources. Premises overheads have been allocated based on the location where possible or based on area and other overheads have been allocated on an activity level basis.

The analysis of these costs is included in note 3.

(e) Government grant income

A grant that becomes receivable as compensation for expenses already incurred will be recognised in profit or loss in the same period in which the related expense is incurred.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land	Nil– see below
Freehold buildings	Nil– see below
Furniture and Equipment	20% reducing balance
Computer Equipment	33% reducing balance
Motor vehicles	25% reducing balance

Freehold land is not depreciated in general but the cost of paths is written off over 10 years on a straight line basis. In addition the pergolas, which were constructed in the year under review and have a carrying value of £9,652, are being depreciated over 2 years on a straight line basis. The other Freehold buildings are not depreciated because the trustees consider the high level of ongoing maintenance extends the life of these assets for an indefinite period, the trustees consider the carrying value not to be less than their residual value. The trustees consider whether any impairment has occurred on an annual basis and are not aware of any events or matters (such as damage or exceptional deterioration) that would require a write down against the carrying value of any particular building.

(g) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete, slow-moving or otherwise impaired stock where appropriate.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(j) Concessionary loans

Concessionary loans include those received from third parties which are interest free or below market interest rates and are made to advance charitable purposes. Loans repayable on demand within one year are measured at cost, less impairment. Concessionary loans repayable in over one year are measured at cost as no interest is chargeable.

(k) 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 is estimated and compared to the carrying amount.

(l) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(m) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(n) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(o) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern. As explained in the trustees report on page10, the trustees have considered the uncertainty relating to the coronavirus pandemic, which began just before the start of the financial year, and the impact on the charity's operations and finances in the short to medium term. In the opinion of the trustees, with its robust income stream as well as 8.0 months or £1,919,758 of free reserves and the constant monitoring and control of costs, the charity has sufficient working capital to continue to meet its financial obligations and pay its liabilities as they fall due for the foreseeable future and therefore the financial statements have been prepared on a going concern basis. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves held for the charity to be able to continue as a going concern.

(p) Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

That the market value of properties is not expected to fall.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

The amounts set aside for designated funds to cover future costs.

2 INCOME

	Residential (Ringwood)	Workshops (Ringwood)	Internal sales eliminated	Total 2021	Total 2020
	£	£	£	£	£
DONATIONS AND LEGACIES					
Donations, legacies and similar incoming resources	37,156	10,200	-	**47,356**	542,929
CHARITABLE ACTIVITIES					
Fees and contributions – local authorities / other sources	1,593,988	442,570	(19,920)	**2,016,638**	2,129,212
Rent and service charges	400,009	-	-	**400,009**	416,400
Ineligible and mobility	200,244	-	-	**200,244**	203,581
Shop / café / bakery & other workshops sales	-	155,164	(92,874)	**62,290**	253,571
Guest House income	-	-	-	**-**	39,320
Other income	130,049	35,448	-	**165,497**	26,924
Total incoming resources from charitable activities	2,324,289	633,182	(112,794)	**2,844,677**	3,069,008
INVESTMENTS					
Investment income	4,743	447	-	**5,190**	16,687
Total investment income	4,743	447	-	**5,190**	16,687
TOTAL INCOME	2,366,188	643,829	(112,794)	**2,897,223**	3,628,624
TOTAL EXPENDITURE (see note 3)	(1,942,098)	(1,077,804)	112,794	**(2,907,108)**	(2,931,619)
NET INCOME FOR THE YEAR	**424,090**	**(433,975)**	**-**	**(9,885)**	697,005

Income from donations and legacies was £47,356 (2020 - £542,929) of which £23,422 (2020 - £533,874) was attributable to restricted (Note 14) and £23,934 (2020 - £9,054) was attributable to unrestricted funds (note 15).

3 EXPENDITURE

	Residential (Ringwood)	Workshops (Ringwood)	Internal purchases eliminated	Total 2021	Total 2020
	£	£	£	£	£
RAISING FUNDS					
Fundraising and publicity	1,937	(250)	(1,500)	**187**	965
CHARITABLE ACTIVITIES					
Employed staff costs	1,272,339	562,828	(21,010)	**1,814,158**	1,947,091
Co-worker costs	75,497	7,500	(9,291)	**73,706**	82,449
Premises costs	185,593	346,338	(2)	**531,929**	281,124
Depreciation – owned assets	22,824	6,404	-	**29,228**	31,382
Office and administration	64,265	12,361	-	**76,626**	75,479
Medical costs	22,481	-	(35)	**22,446**	3,619
Garden and estate	16,696	-	(10,930)	**5,766**	26,471
Food, household and cleaning	204,529	1,066	(68,703)	**136,892**	191,364
Cost of sales	-	121,633	(1,313)	**120,320**	196,430
Hotel recreational costs	-	-	-	**-**	669
Motor and travel expenses	28,720	48	-	**28,768**	35,990
Legal and professional fees	12,500	4,583	-	**17,083**	16,704
Bank charges	2,869	-	-	**2,869**	2,715
Loan interest	17,376	-	-	**17,376**	21,907
(Profit) / Loss on sale of fixed assets	-	-	-	**-**	(11,215)
Sundry expenses	3,098	12,852	(10)	**15,940**	13,653
Audit and accountancy	7,405	2,440	-	**9,845**	10,488
Trustee Board costs	3,970	-	-	**3,970**	4,335
Total resources expended on charitable activities	1,940,161	1,078,054	(111,294)	**2,906,921**	2,930,654
TOTAL EXPENDITURE FOR THE YEAR	**1,942,098**	**1,077,804**	**(112,794)**	**2,907,108**	2,931,619

£33,964 (2020 - £21,103) of the above costs were attributable to restricted funds (Note 13). £2,873,144 (2020 - £2,910,516) of the above costs were attributable to unrestricted funds (Note 15).

4 DEFERRED INCOME

During the year payments in advance of £64,299 (2020: £44,685) were received and have been treated as deferred income as they relate to the next financial year, and are included within other creditors.

5 EMPLOYED STAFF COSTS AND NUMBERS

During the year, nine trustees were reimbursed expenses totalling £NIL (2020: eight trustees, £NIL). No trustee received any remuneration in the current year or prior year other than disclosed in note 18 to the accounts.

During the year indemnity insurance of £850 (2020: £773) was paid to cover the trustees in the event of any misrepresentation of the organisation.

Employed staff costs were as follows:	2021	2020
	£	£
Salaries and wages	1,679,975	1,754,566
Social security costs	127,085	121,160
Pension costs	41,805	43,337
	1,848,864	1,919,062

No employee earned more than £60,000 per annum during this year or the prior year.

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

	2021	2020
	No.	No.
Lantern Residential and Workshops (Ringwood)	97	106
Lantern Seahorses (Isle of Wight) - discontinued operation	-	2
	97	108

The employee benefits of key management personnel for the year ended 31 March 2021 was £323,940 (2020: £324,226). A list of key management personnel may be found on page 3 of this document.

6 TAXATION

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

7 AUDITORS REMUNERATION

	2021	2020
	£	£
Fees payable to the charity's auditor for the audit of the charity's annual accounts	9,845	10,295
Fees payable to the charity's auditor for other services:		
VAT consultancy services provided by the charity's auditor	90	2,255

VAT consultancy costs are included in legal and professional fees in note 3.

8 TANGIBLE FIXED ASSETS

	Freehold land & buildings	Assets under construction	Paths	Furniture & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
COST OR VALUATION							
At 1 April 2020	6,779,508	131,669	31,686	113,837	20,924	133,837	7,211,461
Additions in the year	9,652	57,205	-	9,412	-	19,059	95,328
Transfers	58,577	(58,577)	-	-	-	-	-
Disposals in the year	-	-	-	-	-	-	-
At 31 March 2021	**6,847,737**	**130,297**	**31,686**	**123,249**	**20,924**	**152,896**	**7,306,789**
DEPRECIATION							
At 1 April 2020	-	-	16,733	58,617	16,506	98,017	189,873
Charge for the year	455	-	3,168	11,845	1,464	12,296	29,228
Disposals in the year	-	-	-	-	-	-	-
At 31 March 2021	**455.00**	**-**	**19,901**	**70,462**	**17,970**	**110,313**	**219,101**
NET BOOK VALUE							
At 31 March 2021	**6,847,282**	**130,297**	**11,785**	**52,787**	**2,954**	**42,583**	**7,087,688**
At 31 March 2020	6,779,508	131,669	14,953	55,220	4,418	35,820	7,021,588

The charity's land and buildings were valued at open market value by Primmer Olds LLP, Chartered Surveyors in March 2013 prior to devolution from The Sheiling Trust. This has been adopted as the deemed cost at the transition date. Subsequent additions are at cost.

The closing balance of £130,297 in Assets under Construction includes costs incurred for the new hall of £98,858 and costs incurred for the gym project of £31,440. Please see associated restricted and unrestricted funds in notes 14 and 15 respectiveley.

9 STOCK

As at 31 March 2021 stock was valued at £18,940 (2020: £4,500) and related to goods for resale in the shop on the Ringwood estate.

10 DEBTORS

	2021	2020
	£	£
Trade debtors	44,126	73,077
Other debtors	13,725	15,493
Prepayments and accrued income	129,194	121,880
	187,045	210,450

11 CREDITORS: amounts falling due within one year

	2021	2020
	£	£
Unsecured concessionary loans for indefinite terms (see note 13)	-	100,000
Bank loans (see note 13)	87,649	85,359
Trade creditors	47,747	88,078
Other creditors	32,820	43,283
Other taxation and social security	44,064	40,375
Accruals	390,389	114,288
Deferred income	64,299	44,685
	666,968	516,069

An unsecured concessionary loan which had been advanced to The Lantern Community by the family trust of a beneficiary was fully repaid on September 18th 2020. The loan had been for an indefinite term, but was repayable in certain events such as the beneficiary leaving the charity. In some circumstances it could have been repayable on demand. As the repayment date for this loan was unspecified it was shown has been treated as falling due within one year.

12 CONTINGENT ASSET

Included within the above accruals figure of £390,389 in note 11: Creditors due within one year is a provision of £286,644 which is the estimated cost of repairing defects in one of our workshop buildings which was constructed approximately 8 years ago. Of the £286,644 cost we expect to recover approximately £106,187 from our insurers and we have also issued a Preliminary Notice of Claim against the construction company we believe to be responsible for the remaining balance of approximately £180,457. As we are not virtually certain of receiving these amounts, in accordance with FRS 102 they have not been recognised in these accounts as assets.

13 CREDITORS: amounts falling due after more than one year

	2021	2020
	£	£
Unsecured concessionary loan	100,000	100,000
Bank loans	524,846	612,363
	624,846	712,363

An unsecured concessionary loan has been advanced to The Lantern Community by the family trust of a beneficiary. This loan is for an indefinite term, but can become repayable in certain events such as the beneficiary leaving the charity. In some circumstances it can become repayable on demand. A side agreement was signed in the year ending 31 August 2014, in which it stated that the family trust would not require repayment of this loan before 1 September 2020. A subsequent side agreement has been signed in May 2020, in which it stated that the family trust would not require payment of this loan before 1 September 2025.

In 2017 two bank loans of £450,000 each were negotiated, secured on Willow End Cottage, Silver Birches and Badger Cottage. One loan is fixed rate at 3.22% for a ten year term and the second is variable rate at 2% above the Bank of England base rate for a ten year term.

The bank loans are repayable by instalments as follows	2021	2020
	£	£
Within 1 year	87,649	85,359
Between 1 and 2 years	90,005	87,651
Between 2 and 5 years	284,826	277,360
Between 5 and 10 years	150,015	247,352
	524,846	612,363
Total bank loans	612,495	697,723

14 RESTRICTED FUNDS

	At 1 April 2020	Incoming Resources	Outgoing resources	Transfers	At 31 March 2021
	£	£	£	£	£
Woodwork workshop	1,020	-	-	-	1,020
Lantern Hall	1,146,727	-	-	-	1,146,727
Hillcrest activities	297	-	(57)	-	240
Field Maple activities	54,439	-	-	-	54,439
Replacement tractor and mower fund	10,833	-	(10,833)	-	-
In memory of Jose Palau	1,945	-	-	-	1,945
For the Art Workshop		200	(200)	-	-
To help with COVID related costs		1,122	(1,122)	-	-
For Cydonia		100	(100)	-	-
New pergolas		10,000	(9,652)	-	348
New building behind Barn Cottage		12,000	(12,000)	-	-
Total restricted funds	1,215,261	23,422	(33,964)	-	1,204,719

Woodwork Workshop

Donations were received and fundraising was undertaken for the purpose of contributing to the costs of a canopy for the woodwork workshop. These funds have not yet been spent.

Lantern Hall

A large number of donations have been received and allocated to the project for a new hall at The Lantern Community in Ringwood.

Hillcrest activities

A number of donations have been received with the instruction that they be used for activities in Hillcrest, one of the houses in the community.

Field Maple activities

Donations of £15,000 and £100,000 were received in March 2016 and July 2017 respectively for Field Maple activities. The donor received a list of proposed projects with associated costings, which formed the basis for the donations. Some tasks were undertaken in the year ended 31 March 2017 and some more in the year ended 31 March 2019. The balance brought forward at 1 April 2020 is for the gym project which commenced in our 2019/20 financial year and, for reasons relating to the pandemic, was not completed as at 31st March 2021. As at the year end an amount of £31,440 had been spent (Note 8)

In memory of Jose Palau

A day services client named Jose Palau passed away during the year under review and donations were subsequently received. The intention is a physical memorial will be procured to preserve the memory of Jose Palau

Replacement tractor fund

In August 2019 our tractor and ride on mower were stolen. We received the above donations during the year and these will be used to offset the costs of the replacement machinery which was purchased in the year under review

New Pergolas

New pergolas were constructed in the year under review and the T.H. Russell Charitable Trust very generously donated £10,000 towards their cost.

15 UNRESTRICTED FUNDS

	At 1 April 2020	Incoming Resources	Outgoing resources	Transfers	At 31 March 2021
	£	£	£	£	£
DESIGNATED FUNDS:					
Cash backed designated funds:					
Co-worker retirement	23,404	-	-	-	23,404
Co-worker social fund	53,670	-	(10,000)	8,000	51,670
Bakery project	2,543	-	-	-	2,543
Lantern Hall	121,567	-	(3,600)	-	117,967
Long term maintenance	40,000	-	-	10,000	50,000
Future Projects	18,631	23,934	-	-	42,565
Lantern Centre office refurbishment	160,062	-	-	(28,018)	132,044
Lantern Centre shop refurbishment	143,215	-	-	-	143,215
	563,092	23,934	(13,600)	(10,018)	563,408
Property capital fund	5,942,328	-	-	-	5,942,328
Total designated funds	6,505,420	23,934	(13,600)	(10,018)	6,505,736
General funds	2,029,526	2,849,867	(2,859,544)	10,018	2,029,867
Total unrestricted funds	8,534,946	2,873,801	(2,873,144)	-	8,535,603

Purposes of designated funds

Co-worker retirement fund
This is a fund created to contribute towards meeting the retirement needs of the co-workers.

Co-worker social fund
The co-worker social fund has been created to finance anticipated future expenditure relating to financial assistance to co-workers, e.g. when they leave The Lantern Community. Payments of £5,000 each were paid to two retired co-workers

Bakery project fund
Up until June 2016 donations from the second hand books scheme were allocated to a fund to contribute to the costs of the planned Bakery project. This project includes major external and internal works and improved access.

Lantern Hall
See also note 14 above for Lantern Hall under restricted funds. Some donations have been received without restrictions and have been designated to the fund for this major project. Other general donations have been allocated to this fund up until June 2019.

Long term maintenance

A provision of £10,000 per annum is being made. Amounts in this fund will be released when a major maintenance task is undertaken.

Future Projects fund

This fund was created in July 2018. The rationale is to allow donations to be gathered in a general pot and then projects to be proposed for trustee approval, to ensure donated monies are used effectively and expeditiously.

Property capital fund

This fund has been created to reflect the carrying value of land & buildings held by the charity, net of bank loans and property related loans outstanding at the balance sheet date.

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds	Designated funds	General funds	Total funds
	£	£		£
Tangible fixed assets	-	6,977,579	110,109	7,087,688
Net current assets	1,204,719	153,003	1,919,758	3,277,480
Long term liabilities	-	(624,846)	-	(624,846)
NET ASSETS	1,204,719	6,505,736	2,029,867	9,740,322

17 AMOUNTS HELD FOR BENEFICIARIES

The charity holds £11,018 (2020: £8,294) on behalf of beneficiaries. These funds are in a separate bank account and are not included in these financial statements.

18 RELATED PARTIES

The following transactions and relationships with related parties are of note:

Two of the children of M Verhoeven, trustee, are employed by The Lantern Community as house co-ordinator and workshop co-ordinator and are remunerated accordingly. The wife of M Bradshaw is employed by The Lantern Community as Human Resources Assistant.

During the year purchases with a value of £1,955.11 were made from a company called Concert Networks Ltd which the son of Alan Hollands, a Trustee, is the sole director and shareholder. All transactions were at arms length and there was no amount due or from the company as at 31st March 2021.

Liz Bord, trustee, is also The Lantern Community's nominated trustee of The Camphill Benevolent Fund (CBF), which makes disbursements to retired co-workers.

Donations by trustees to The Lantern Community in the year ended 31 March 2021 amounted to £2,025 (2020: £5,000).

19 DONATED SERVICES AND ASSETS

In the year ended 31 March 2021 there was no income from donated services and assets (2020: £NIL).

20 DEFINED CONTRIBUTION PENSION SCHEME

The company operates a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension commitment for the year under this scheme was £41,805 (2019/20: £43,337).

21 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income for year	(9,885)	697,005
Interest receivable	(5,190)	(16,687)
Interest payable	17,376	21,907
Depreciation and impairment of tangible fixed assets	29,228	31,382
(Profit) / loss on disposal of tangible fixed assets	-	(11,215)
(Increase) / decrease in stock	(14,440)	43,298
(Increase) / decrease in debtors	23,405	21,852
Increase / (decrease) in creditors	148,906	31,914
Net cash flow from operating activities	189,400	819,455

22 OPERATING LEASES

Future minimum lease payments under non-cancellable operating leases as at 31 March 2021

	2021	2020
	£	£
Not later than one year	-	5,907
Later than one year and not later than five years	-	-