

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.

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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

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

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

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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.

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

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.

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

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.

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

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.

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STRATEGIC REPORT - Operational Risk continued

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.

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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

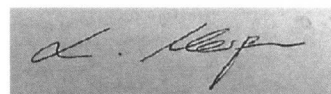
So far as the Trustees are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware. Each trustee has taken all the steps that ought to be taken as a trustee in order to make themselves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

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 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.

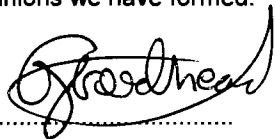
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LANTERN COMMUNITY

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
		<u>4,018,987</u>	<u>3,944,448</u>
Creditors: amounts falling due within one year	11	<u>(713,855)</u>	<u>(666,968)</u>
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	<u>(536,780)</u>	<u>(624,846)</u>
Net assets		<u>9,888,884</u>	<u>9,740,322</u>
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	<u>9,888,884</u>	<u>9,740,322</u>

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	<u>195,236</u>	<u>189,400</u>
Net cash flow from operating activities		<u>195,236</u>	<u>189,400</u>
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	<u>2,145</u>	<u>5,190</u>
Net cash flow from investing activities		<u>(62,067)</u>	<u>(90,138)</u>
Cash flow from financing activities			
Repayment of long term loans	13	(87,298)	(85,228)
Interest paid		<u>(15,757)</u>	<u>(17,672)</u>
Net cash flow from financing activities		<u>(103,055)</u>	<u>(102,900)</u>
Net increase / (decrease) in cash and cash equivalents		30,114	(3,639)
Cash and cash equivalents at 1 April 2021		<u>3,738,463</u>	<u>3,742,101</u>
Cash and cash equivalents at 31 March 2022		<u><u>3,768,577</u></u>	<u><u>3,738,463</u></u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		<u>3,768,577</u>	<u>3,738,463</u>
Cash and cash equivalents at 31 March 2022		<u><u>3,768,577</u></u>	<u><u>3,738,463</u></u>

THE LANTERN COMMUNITY

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

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).

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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.

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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.

THE LANTERN COMMUNITY

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

(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 page 10, 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.

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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
<i>Total investment income</i>	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).

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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).

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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
	<u>1,714,531</u>	<u>1,848,864</u>

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)	<u>92</u>	<u>97</u>

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.

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022
7 AUDITORS REMUNERATION

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

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.

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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
	<u>232,063</u>	<u>187,045</u>

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
	<u>713,855</u>	<u>666,968</u>

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
	<u>536,780</u>	<u>624,846</u>

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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	<u>88,416</u>	<u>87,649</u>
Between 1 and 2 years	91,095	90,005
Between 2 and 5 years	290,186	284,826
Between 5 and 10 years	<u>55,499</u>	<u>150,015</u>
	<u>436,780</u>	<u>524,846</u>
Total bank loans	<u>525,197</u>	<u>612,495</u>

14 RESTRICTED FUNDS

	At	Incoming	Outgoing	Transfers	At 31 March
	1 April 2021	Resources	resources		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	<u>1,204,719</u>	<u>20,000</u>	<u>0</u>	<u>(74,439)</u>	<u>1,150,280</u>

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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:						
<i>Cash backed designated funds:</i>						
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
<i>Total designated funds</i>	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
<i>Total unrestricted funds</i>	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.

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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	<u>195,236</u>	<u>189,400</u>

THE LANTERN COMMUNITY

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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	-