

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

Lorraine 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.

THE LANTERN COMMUNITY

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

KEY MANAGEMENT PERSONNEL:

Senior managers

B.Bilge Hunt

Carol Cheeseman

Jason Gonsalves

Vell Cattaree

Burga Liddiard

Robert van Turenhout

Claudiu Deliu

- Chief Executive Officer / Nominated Individual

- Operations Manager

- Estate and Maintenance Manager

- Day Services Manager

- Registered Manager Four Meadows

- Finance Manager

- 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

THE LANTERN COMMUNITY

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

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

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

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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.

THE LANTERN COMMUNITY

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

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 as to provide a safe and caring environment for the Community.

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 - 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 2023.

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.

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

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.

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

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.

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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.

THE LANTERN COMMUNITY

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

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.

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)
TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

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.

A handwritten signature in black ink, appearing to read 'Goodhead', enclosed within a large, loopy oval stroke.

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

		2024	2023
	Note	£	£
Cash flow from operating activities	22	349,077	672,693
Net cash flow from operating activities		<u>349,077</u>	<u>672,693</u>
 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		<u>9,777</u>	<u>(38,820)</u>
 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		<u>(277,141)</u>	<u>(105,791)</u>
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		<u>4,378,372</u>	<u>4,296,659</u>
 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		<u>4,378,372</u>	<u>4,296,659</u>

THE LANTERN COMMUNITY

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

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).

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

(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 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.

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

(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.

THE LANTERN COMMUNITY

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

(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:

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

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

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

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).

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

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
	<u>2,227,859</u>	<u>1,995,295</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:

	2024	2023
	No.	No.
Lantern Residential and Workshops	<u>98</u>	<u>98</u>

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	<u>11,055</u>	<u>8,745</u>
Fees payable to the charity's auditor for other services:	<u>869</u>	<u>348</u>
VAT consultancy services provided by the charity's auditor	<u>-</u>	<u>-</u>

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

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

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.

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

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 Essentials 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

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

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
	<u>515,289</u>	<u>571,831</u>

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
	<u>225,997</u>	<u>447,485</u>

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;	<u>47,767</u>	<u>89,488</u>
Between 1 and 2 years;	49,328	93,780
Between 2 and 5 years;	76,668	253,705
Between 5 and 10 years.	-	-
	<u>125,996</u>	<u>347,485</u>
Total bank loans	<u>173,763</u>	<u>436,973</u>

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

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.

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

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
<i>Total designated funds</i>	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
<i>Total unrestricted funds</i>	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.

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

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 to Statement of Financial Activities for the year	31,624	(381,816)
At 31 March 2024	<u>2,755,143</u>	<u>2,927,781</u>

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	<u>1,743,627</u>	<u>9,417,478</u>	<u>2,280,107</u>	<u>13,441,212</u>

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024
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).

THE LANTERN COMMUNITY

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

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 impairment 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	<u>349,077</u>	<u>672,692</u>

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 Activities. 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.

