

THE LANTERN COMMUNITY
COMPANY NUMBER: 03773749

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

INTRODUCTION

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

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

REFERENCE AND ADMINISTRATIVE DETAILS

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

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

REGISTERED COMPANY NUMBER: 3773749

REGISTERED CHARITY NUMBER: 1075845

PRINCIPAL ADDRESS AND REGISTERED OFFICE

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

TRUSTEES/DIRECTORS

during the year and to date:

Liz Bord

Michael Bradshaw

Luigi Carnelli - Chair from Autumn 2025

Alan Hollands - resigned 30 September 2024

Neil Hollands

Ian Humphries - Chair until Autumn 2025

Loraine Morgan

Immanuel Verhoeven- appointed 21 October 2024

Maria Verhoeven

David Walker

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

THE LANTERN COMMUNITY

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

KEY MANAGEMENT PERSONNEL:

Senior managers

B.Bilge Hunt

Carol Cheeseman

Jason Gonsalves

Vell Cattaree

Burga Liddiard

Damian Zibur - appointed 1 April 2024

Robert van Turenhout

Claudiu Deliu

- Chief Executive Officer / Nominated Individual
- Operations Manager
- Estate and Maintenance Manager
- Day Services and Workshops Manager
- Registered Manager Four Meadows
- Resourcing and Development Manager
- Finance Manager
- Registered Manager Phoenix

LEGAL ADVISORS:

Broadfield

46 The Avenue, Southampton SO17 1AX

BANKERS:

National Westminster Bank plc

11 High Street, Ringwood, Hampshire BH24 1BA

AUDITORS:

Knight Goodhead Ltd

7 Bournemouth Rd, Chandler's Ford

Eastleigh SO53 3DA

THE LANTERN COMMUNITY

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

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

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

APPOINTMENT AND TRAINING OF THE TRUSTEES

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

MEMBERS

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

GOVERNANCE OF THE CHARITY

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

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

THE LANTERN COMMUNITY

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

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

OBJECTIVES AND ACTIVITIES

Charitable Objects

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

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

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

Activities

1. The provision of housing for its beneficiaries who choose to live within a social and therapeutic community. The Lantern Community consists of eleven houses for beneficiaries, all with easy access to the town of Ringwood in Hampshire. We ended the year with a residential population of sixty-four people in the Lantern Community in Ringwood. Fifty-one are adults with learning disabilities who hold their own tenancies, seven are short term volunteer workers, three are long term Co-workers and three are retired long term Co-workers.
2. The provision of personal care services to meet the care needs of beneficiaries. The Lantern Community offers Personal Care services to people who live in or near the Lantern Community Estate or who use the Day Services on the estate. The Lantern Community has a certificate of registration with the Care Quality Commission (CQC) for the regulated activity 'personal care'. The Lantern Community as a service provider has two registered locations.
3. The provision of support services to assist in developing the beneficiaries' independence and enabling them to maintain their tenancy. The Lantern Community worked closely with East Boro Housing Trust who continue to provide expertise in managing tenancies and related matters. Another link to external expertise is maintained with Worknest (formerly known as Ellis Whittam) providing advice on employment law, HR and health and safety in an unlimited support agreement covering these important areas.
4. The provision of Day Services which create opportunities for work experience, lifelong learning, artistic and educational development. The work and training facilities are Estate Work, Pottery, Art Studios, Weaving, Seasonal Crafts, Home Making Skills, Café, Bakery, Gift Shop, a Spinnery and Horticultural Nursery, many of these selling products to the general public.

THE LANTERN COMMUNITY

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

OBJECTIVES AND ACTIVITIES - continued

Objectives

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

Companions

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

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

Assured Tenancies

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

Volunteer Visa Challenges and Contingency Planning

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

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

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

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

OBJECTIVES AND ACTIVITIES - continued

Night Cover Enhancements

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

Financial Update

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

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

Building and Infrastructure Projects

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

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

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

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

Craft Centre and New Workshop Spaces

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

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

Y C Chan Centre

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

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

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

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

ACHIEVEMENTS AND PERFORMANCE - continued

Community Life and Celebrations

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

Cyber Security Enhancements

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

HR and Training

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

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

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

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

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

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

Plans for the coming year

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

MEDIUM TERM PLANS

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

PAY POLICY

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

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

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

RISK MANAGEMENT

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

The two principal risk areas are:

Operational Risk

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

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

Finance Risk

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

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL PERFORMANCE

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

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

PERFORMANCE CRITERIA - EXTERNAL QUALITY MEASURES

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

RESERVES POLICY

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

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

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

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

THE LANTERN COMMUNITY

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

STATEMENT OF COMPLIANCE

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

AUDITORS

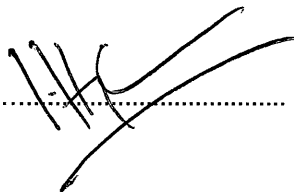
So far as the Trustees are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware. Each trustee has taken all the steps that ought to be taken as a trustee in order to make themselves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

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

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

The Strategic Report is also hereby approved.

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



22 SEPTEMBER 2025
Date: ~~July 2025~~

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LANTERN COMMUNITY

OPINION

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This report is made solely to the charitable company's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LANTERN COMMUNITY

Other information

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

As explained more fully in the Statement of responsibilities of Trustees set out on page 11, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LANTERN COMMUNITY

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the report of the executive committee, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

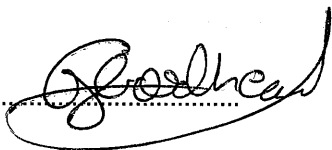
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LANTERN COMMUNITY

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

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

USE OF OUR REPORT

This report is made solely to the charitable company's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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

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

10 OCTOBER

Date: ~~10~~ 2025

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2025

(including Income and Expenditure Account)

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

All income and expenditure derives from continuing activities.

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

BALANCE SHEET AS AT 31 MARCH 2025

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

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

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

Date: ~~July 2025~~ ^{22 SEPTEMBER 2025}

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

Company registration number: 03773749

THE LANTERN COMMUNITY

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) GENERAL INFORMATION AND BASIS OF PREPARATION

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

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

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

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

(B) FUNDS

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

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

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

(C) INCOME RECOGNITION

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

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

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

(C) INCOME RECOGNITION - continued

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

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

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

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

(D) EXPENDITURE RECOGNITION

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

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

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

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

The analysis of these costs are included in note 3.

(E) GOVERNMENT GRANT INCOME

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

(F) TANGIBLE FIXED ASSETS

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

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

(F) TANGIBLE FIXED ASSETS - continued

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

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

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

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

(G) STOCKS

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

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

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

(I) LOANS AND BORROWINGS

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

(J) CONCESSIONARY LOANS

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

(K) IMPAIRMENT

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount.

(L) PROVISIONS

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

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

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

(M) EMPLOYEE BENEFITS

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

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

(N) TAX

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

(O) GOING CONCERN

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

(P) INTANGIBLE ASSETS

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

(Q) JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

(R) FINANCIAL INSTRUMENTS

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

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

2 INCOME

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

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

3 EXPENDITURE

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

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

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

4 DEFERRED INCOME

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

5 EMPLOYED STAFF COSTS AND NUMBERS

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

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

Employed staff costs were as follows:

	2025	2024
	£	£
Salaries and wages	2,369,771	2,007,173
Social security costs	217,238	169,066
Pension costs	56,660	51,620
	<u>2,643,669</u>	<u>2,227,859</u>

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

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

	2025	2024
	No.	No.
Lantern Residential and Workshops	<u>107</u>	<u>98</u>

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

6 TAXATION

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

7 AUDITORS REMUNERATION

	2025	2024
	£	£
Fees payable to the charity's auditor for the audit of the charity's annual accounts	<u>10,110</u>	<u>11,055</u>
Fees payable to the charity's auditor for other services:	<u>174</u>	<u>869</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 2025

8 TANGIBLE FIXED ASSETS

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

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

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

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

9 INTANGIBLE ASSETS

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

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

10 STOCK

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

11 INVESTMENTS

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

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

12 DEBTORS

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

13 CREDITORS: amounts falling due within one year

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

14 CREDITORS: amounts falling due after more than one year

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

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

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

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

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

The bank loans are repayable by instalments as follows:

	2025	2024
	£	£
Within 1 year;	49,326	47,767
Between 1 and 2 years;	50,938	49,329
Between 2 and 5 years;	25,802	76,668
Between 5 and 10 years.	-	-
	<u>76,740</u>	<u>125,997</u>
Total bank loans	<u>126,066</u>	<u>173,764</u>

15 RESTRICTED FUNDS

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

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

15 RESTRICTED FUNDS cont'd

Woodwork Workshop

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

YC Chan Craft Centre (formerly Lantern Hall)

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

Support with gym running costs

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

Hillcrest activities

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

In memory of Jose Palau

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

New Pergolas

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

Ukraine war

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

For a new vehicle

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

Fundraising by a companion

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

For a sensory garden

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

Ukraine war

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

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025
16 UNRESTRICTED FUNDS

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

Purposes of designated funds

Co-worker retirement fund

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

Co-worker social fund

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

Bakery project fund

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

YC Chan Craft Centre

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

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025
16 UNRESTRICTED FUNDS cont'd

Long term maintenance

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

Future Projects fund

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

Property capital fund

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

Motor Vehicle Sinking Fund

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

17 REVALUATION RESERVE

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

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

THE LANTERN COMMUNITY (Company limited by guarantee and not having a share capital)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025
18 ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

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

19 RELATED PARTIES

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

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

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

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

20 DONATED SERVICES AND ASSETS

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

21 DEFINED CONTRIBUTION PENSION SCHEME

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

THE LANTERN COMMUNITY

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

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

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

23 OPERATING LEASES

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

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