

Charity Registration No. 1100256

Company Registration No. 04488807 (England and Wales)

LIGHTHOUSE HOMES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

LIGHTHOUSE HOMES

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|--------------------------|--|
| Trustees | J Bradwell P Sherrington J Hampshire N Harland |
| Charity number | 1100256 |
| Company number | 04488807 |
| Registered office | The Lighthouse 71 Westgate Rotherham S60 1BQ |
| Auditor | Sutton McGrath Hartley 5 Westbrook Court Sharrow Vale Road Sheffield S11 8YZ |
| Bankers | Unity Trust Bank Four Brindleyplace Oozells Square Birmingham B1 2JB |
| Solicitors | Wake Smith Solicitors 2 Tenter Street Sheffield S1 4BY |

LIGHTHOUSE HOMES

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LIGHTHOUSE HOMES

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees (who are also the Directors) of Lighthouse Homes have pleasure in presenting their report and financial statements for the year ending 31 March 2021. The charity is registered with the Charity Commission under registration number 1100256. We are also a company limited by guarantee, registration number 04488807.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 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 (FRS 102) (effective 1 January 2019)".

Objectives and activities

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 activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set. We are very satisfied that all we do is for the public benefit.

Charitable Objects

Lighthouse Homes seeks to relieve poverty and advance the education of persons, particularly those who are homeless, with the provision of accommodation, facilities for preparing and eating meals, clothing, advice, support and educational courses, and other services calculated to relieve their needs, within a faith inspired framework.

Lighthouse Homes offers Christian inspired residential communities providing opportunities for change in both lifestyle and values and seeks to advance the Christian Faith.

Values

Our aims and objectives can be summarised as helping to create a safe place called home by providing stability, dignity, friendship, purpose and a plan. We are committed to providing a place of change and this requires our residents to demonstrate how they are making progress against agreed goals. We seek to provide a place of safety and respect, which is at the heart of the community and linked to local opportunities, including those provided by faith communities.

Lighthouse Homes strives to be an equal opportunities organisation in all aspects of our work. We do not tolerate fear, violence, abuse, bullying, discrimination or exploitation and adhere to a clear safeguarding policy guiding our practice. Our staff are trained in safeguarding practice and are all DBS checked. We welcome residents from all backgrounds regardless of race, religion, culture or sexual orientation.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Outputs of Lighthouse Homes

The coronavirus pandemic has continued to pose new and evolving challenges in all of our projects throughout the year. The trustees are immensely grateful for the continued flexibility and perseverance of our staff, residents and volunteers in keeping each other safe and Lighthouse Homes a place of transformation in the most difficult of circumstances.

LIGHTHOUSE HOMES

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

We have a total of four projects, two in the Rotherham area, accommodating both men and women, one in Shirebrook Derbyshire and one in Brimington Chesterfield.

This year, due to the Covid pandemic, we have seen a slight decrease in numbers of residents, with the length of stay increased at all Lighthouse projects.

Within the Lighthouse Rotherham main house for men, there are currently two single and five multiple occupancy rooms. Building works are currently being undertaken to convert some of the multiple occupancy rooms, into 5 single rooms. Our five follow-on properties (four of which are leased and one, a four bedroomed property, which Lighthouse purchased in December 2020, with the aid of a loan from Methodist Chapel Aid), offer the next stage towards more independent living. In our main Rotherham Lighthouse base, we have accommodated 45 men this year, with an average stay of 105 nights. Within our five follow-on properties, we have accommodated 29 men this year, with an average stay of 90 nights.

Within the main project at Lighthouse for Women, we have all single room accommodation. We have replaced our four bedroomed move-on house, for three one bedroomed flats, nearby in the community. During this year, the main project at Lighthouse for Women has provided accommodation for 48 women with an average stay of 113 nights. Within the follow-on properties, 9 women have been provided with accommodation with an average length of stay of 148 nights.

Our Shirebrook project in Derbyshire, is undergoing extensive refurbishment, (phase 1 to be completed this year) to convert a large room currently occupied by 7 men, into single rooms and where possible en-suites. This year we have provided accommodation for 37 men, the average length of stay being 151 nights.

All refurbishment at our Shirebrook, Lighthouse for Men and Lighthouse for Women projects, was made possible by a grant from Homeless Link.

At our Brimington project in Chesterfield, we have 33 single self-contained flats and 3 double flats. During the year we have accommodated 54 residents with an average stay of 230 nights.

Delivery of Public Benefit- Outcomes

Lighthouse Homes works with men and women who have experienced homelessness from a variety of backgrounds who need a safe place to call home. Many of our residents have lived lives of chaos and addiction.

At Lighthouse Homes we aim to address the root causes of these addictions and connect our residents with the provision they need to aid recovery. We have a zero-tolerance policy towards drugs and alcohol, where residents commit themselves to change and growth when they are with us. Our work makes a major contribution to homelessness, addiction and crime prevention in the areas in which we operate.

In the last five years we have almost doubled our accommodation capacity, seeking to address the problems of addiction and homelessness. We are working to improve the quality of our provision across the four projects, raising standards, moving to single room accommodation with en-suite facilities where possible (phase 1 of the extensive refurbishment, will be completed by the end of 2021).

All our projects are a place of stability, hope and change, a place in which those caught up in the storms of life can find acceptance, healing and restoration.

We provide in-house support groups, pastoral care sessions, recreational activities and other key areas of support that deal with the often complex and deep rooted issues at the heart of homelessness. Our aim is to see all residents engaged in purposeful daytime activity, through our 10 hours plus programme.

We have a structure in Lighthouse that enables residents to turn their lives around. The outcome is a positive impact on the local community with less crime, rough sleeping and hopelessness. Connections with a wide range of community services has resulted in the range of training/volunteering opportunities open to the residents increasing significantly. We have seen many engaging in the cooking sessions, computer skills, guitar lessons, creative writing classes, gardening and singing.

LIGHTHOUSE HOMES

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Many residents are now taking up roles as mentors, voluntary cooks, working at Food Banks as well as charity shop working. We have several people who were residents and have gained paid employment at the Lighthouse.

Fare-share, charitable food provision has proved to be an invaluable partner organisation and the food delivered each week has improved the nutrition of residents and the variety of meals prepared at our four sites. This helps with health outcomes and supports the recovery process. It is enhancing the knowledge and understanding of healthy food choices and greater options in eating a balanced nutritious diet.

We are open to those of all faiths and none. However, at the heart of all that Lighthouse Homes does is our Christian faith, with a commitment to show the love of God to every resident in a real and practical way. Many residents have found their own faith at the Lighthouse, contributing to their well-being and growth. Optional devotions are a part of daily life at Lighthouse and weekly services help to link with the local community, projects with similar purposes and appropriate church groups.

Our move-on resident outcomes have improved as resident length of stay has lengthened. Residents are more able to demonstrate the capacity to change and move on from homelessness into greater independence and stability. We see high numbers of residents move on to a range of positive housing options, some back to partners and family, others into independent living and employment. We work to maximise our positive outcomes through move-on partnerships with other housing providers, public and private and rehabilitation units.

Reserves Policy

The Trustees' policy on reserves is to ensure that the charity has sufficient funds to provide financial stability. The level that is deemed appropriate is £250,000 which represents 3 months committed unrestricted expenditure plus an estimate of termination costs.

The current level of unrestricted reserves available is £240,000, an increase on the position last year. Unrestricted reserves are considered to be unrestricted funds excluding unrestricted fixed assets. The trustees are committed to setting aside reserves each month to comply with our policy, subject to the need to maintain high standards of care and respond to short notice cost and income pressures still being caused by the coronavirus pandemic.

Financial review

Figures are rounded to the nearest £000.

Housing benefit of £987,000 (2020- £999,000) was receivable during the year, contributions from residents amounted to £102,000 (2020- £117,000), donations of £24,000 (2020- £28,000), sundry income of £38,000 (2020- £10,000), bank interest of £3,000 (2020- £2,000), Government COVID support grants totalling £61,000 (2020 - £nil), unrestricted grants totalling £9,000 (2020 - £nil) and other income of £nil (2020- £2,000), which gave a total unrestricted income of £1,224,000 (2020- £1,158,000). Restricted income totalled £154,000 (2020- £nil), giving total income of £1,378,000 (2020- £1,158,000).

Total expenditure was £1,158,000 (2020- £1,093,000), of which £1,090,000 (2020- £1,093,000) is unrestricted.

The net effect is a positive movement in funds of £220,000 (2020- £65,000) in the year with a closing fund balance of £423,000 (2020- £203,000). As at 31 March 2021, unrestricted funds totalled £337,000 and restricted funds totalled £86,000.

The restricted funds carried forward, relate to grants received for substantial improvements to accommodation facilities, where building work has not yet been completed by the year end.

A £13,000 investment continues on deposit with Green Pastures.

LIGHTHOUSE HOMES

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Risk and Internal Control

As required by the Charities SORP the Trustees confirm they have:

- Reviewed the major risks facing Lighthouse Homes
- Put in place procedures to mitigate these risks

The Trustees consider the following to be the key risks facing the Organisation:

- Lighthouse Homes is highly dependent on government funding via the benefits system in order to finance its operation and this is subject to the vagaries of the political and economic environment. We continue to monitor the funding changes in the external housing/benefits environment.
- Lighthouse Homes needs to recruit train and retain the staff and volunteers who can deliver high quality housing and support services in a context of high employment.
- Lighthouse Homes recognises the importance of safeguarding its residents in all areas of the work of the organisation. We have a safeguarding policy, supported by relevant training.
- Lighthouse Homes recognises that Covid-19 is likely to have an impact upon the service delivery of the Charity and its financial future.

Plans for future periods

The Trustees have set in place a three-year plan for future development of Lighthouse Homes. This plan is to continue to meet the objectives set under the heading 'Objectives and Achievements' above. The charity has been successful in securing grant funding and this approach will continue to be developed as part of its financial planning for the future.

Structure, governance and management

The charity is a charitable company limited by guarantee and was incorporated on 17 July 2002 as amended by a special resolution dated 24 September 2003. It is governed by a Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

J Bradwell

P Raison

(Resigned 3 September 2020)

Rev J Sharp

(Resigned 1 August 2021)

P Sherrington

J Hampshire

N Harland

Dr W Delaney

(Resigned 14 May 2020)

Lighthouse Homes Board governs the Charity. The Trustees/Directors are appointed by the Lighthouse Homes Board.

The Board considers the skills and abilities of Trustees/Directors and new Trustees/Directors are sought according to organisational needs.

Our new Trustees are selected through a process of identifying an ongoing skills balance and new Trustees are inducted through meeting attendance, project attendance and discussion with Managers. Ongoing training/development of Trustees needs to become more systematic and focused at Lighthouse Homes through a policy development and implementation process.

LIGHTHOUSE HOMES

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees/Directors provide leadership and direction for the Charity, setting the strategic direction, which is delivered by the CEO and her team.

In terms of the remuneration of senior staff in Lighthouse, we have a managers pay scale with 9 bands where the starting point is dependent upon skills and experience.

Managerial remuneration should be decided upon in relation to charity market comparisons and we are working towards that position, as finances allow.

The Trustees/Directors are legally responsible for ensuring that resources are used prudently and only in support of Lighthouse Homes charitable objects, for the stewardship of Lighthouse Homes assets and for ensuring that the Charity complies with all relevant legislation and regulation. The day to day running of Lighthouse Homes was delegated to the CEO, G Pearce, during the year.

Reference and administrative details

The principal office of Lighthouse Homes is The Lighthouse, 71 Westgate, Rotherham, S60 1BQ.

The company number is 04488807 and the charity registration number is 1100256.

Details of the trustees that served during the year and the delegation of day to day management of the charity are provided under the heading 'Structure, governance and management' above.

Statement of trustees responsibilities

The trustees, who are also the directors of Lighthouse Homes for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Sutton McGrath Hartley were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

LIGHTHOUSE HOMES

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees report was approved by the Board of Trustees.



N Harland

Trustee 21/12/2021

Dated:

LIGHTHOUSE HOMES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIGHTHOUSE HOMES

Opinion

We have audited the financial statements of Lighthouse Homes (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

LIGHTHOUSE HOMES

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LIGHTHOUSE HOMES

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 charitable company or to cease operations, or have no realistic alternative but to do so.

LIGHTHOUSE HOMES

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LIGHTHOUSE HOMES

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment of the susceptibility to material misstatement, whether by fraud or error, is made in a risk based approach.

In this approach, laws and regulations applicable to the entity, such as the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities, the relevant tax compliance regulations within the UK, employment law, and Health and Safety law is considered, and the policies and controls the entity has in place to comply with these laws are reviewed, by discussion, reviews of correspondence and registrations monitored by external bodies. The engagement team remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Policies and controls relating to the risk of material misstatement as a result of fraud are also considered. These are assessed by obtaining an understanding of the charity's operations and control environment. The policies and controls have been reviewed by discussion, review and sample testing of accounting entries, challenging assumptions and judgements, reviewing and evaluating related parties transactions, and wider background searches.

We have ensured that the engagement team have appropriate levels of competence and experience to effectively monitor these risks and carry out work relevant to our assessment of each risk, including consideration of the industry the charity operates in and its size and complexity.

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

Use of our report

This report is made solely to the charitable company's members, 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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Jonathon Dickens ACA Statutory Auditor
for and on behalf of Sutton McGrath Hartley**

**Chartered Accountants
Statutory Auditor**

22/12/2021

5 Westbrook Court
Sharrow Vale Road
Sheffield
S11 8YZ

LIGHTHOUSE HOMES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

| | | Unrestricted funds 2021 £000 | Restricted funds 2021 £000 | Total 2021 £000 | Total 2020 £000 |
|---|-------|---------------------------------------|-------------------------------------|-----------------------|-----------------------|
| | Notes | | | | |
| <u>Income and endowments from:</u> | | | | | |
| Donations and legacies | 3 | 25 | - | 25 | 28 |
| Charitable activities | 4 | 1,196 | 154 | 1,350 | 1,126 |
| Investments | 5 | 3 | - | 3 | 2 |
| Other income | 6 | - | - | - | 2 |
| Total income | | 1,224 | 154 | 1,378 | 1,158 |
| <u>Expenditure on:</u> | | | | | |
| Charitable activities | 7 | 1,090 | 68 | 1,158 | 1,093 |
| Net income for the year/ Net movement in funds | | 134 | 86 | 220 | 65 |
| Fund balances at 1 April 2020 | | 203 | - | 203 | 138 |
| Fund balances at 31 March 2021 | | 337 | 86 | 423 | 203 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

LIGHTHOUSE HOMES

BALANCE SHEET

AS AT 31 MARCH 2021

| | Notes | 2021 £000 | 2020 £000 |
|--|-------|-------------------|-------------------|
| Fixed assets | | | |
| Tangible assets | 11 | 107 | 3 |
| Investments | 12 | 13 | 13 |
| | | <u>120</u> | <u>16</u> |
| Current assets | | | |
| Debtors | 14 | 25 | 25 |
| Cash at bank and in hand | | 490 | 292 |
| | | <u>515</u> | <u>317</u> |
| Creditors: amounts falling due within one year | 16 | (84) | (55) |
| Net current assets | | <u>431</u> | <u>262</u> |
| Total assets less current liabilities | | <u>551</u> | <u>278</u> |
| Creditors: amounts falling due after more than one year | 17 | (128) | (75) |
| Net assets | | <u><u>423</u></u> | <u><u>203</u></u> |
| Income funds | | | |
| Restricted funds | 18 | 86 | - |
| Unrestricted funds | | 337 | 203 |
| | | <u>423</u> | <u>203</u> |

The financial statements were approved by the Trustees on 21/12/2021



N Harland
Trustee

Company Registration No. 04488807

LIGHTHOUSE HOMES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | 2021 £000 | 2020 £000 |
|---|-------|--------------|--------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 23 | 238 | 107 |
| Investing activities | | | |
| Purchase of tangible fixed assets | | (112) | (5) |
| Proceeds on disposal of tangible fixed assets | | - | 1 |
| Interest received | | 3 | 2 |
| Net cash used in investing activities | | (109) | (2) |
| Financing activities | | | |
| Proceeds from borrowings | | 69 | - |
| Net cash generated from/(used in) financing activities | | 69 | - |
| Net increase in cash and cash equivalents | | 198 | 105 |
| Cash and cash equivalents at beginning of year | | 292 | 187 |
| Cash and cash equivalents at end of year | | 490 | 292 |

LIGHTHOUSE HOMES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Lighthouse Homes is a private company limited by guarantee incorporated in England and Wales. The registered office is The Lighthouse, 71 Westgate, Rotherham, S60 1BQ.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £000.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. During the year, the UK economy was subject to the impact of the coronavirus pandemic. The expected future income and expenditure, together with current reserves allows the charity to continue as a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. No income is shown net of expenditure.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Goods, facilities and services donated to the charity are recognised as income when the charity is legally entitled to it, the amounts can be measured reliably, and it is probable that income will be received.

Grants are credited to revenue when receivable. They are considered receivable when the conditions for the receipt of the grant are deemed, by the trustees, to have been met.

Interest on funds held on deposit is included when receivable and this is normally upon notification of the interest paid or payable by the bank.

Rental income is recognised once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

LIGHTHOUSE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Resources expended

All expenditure is accounted for on an accruals basis.

Costs relating directly to the objects of the charity, or support costs, are treated as costs in the furtherance of the company's objects.

Governance costs include expenditure for compliance and management of the company.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------------------|---|
| Land and buildings | property 2% on cost and land 0% on cost |
| Fixtures, fittings & equipment | 33% on cost |
| Computers | 33% on cost |
| Motor vehicles | 33% on cost |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

The policy is not to capitalise items below a cost of £1,000.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

LIGHTHOUSE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

Lighthouse Homes is a registered charity and its primary activities are not subject to Corporation Tax. Value added tax is not recoverable by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

LIGHTHOUSE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

| | Unrestricted funds | Unrestricted funds |
|---------------------|-----------------------|-----------------------|
| | 2021 £000 | 2020 £000 |
| Donations and gifts | 25 | 28 |

LIGHTHOUSE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

| | 2021 £000 | 2020 £000 |
|-------------------------------------|--------------|--------------|
| Housing benefit and service charges | 1,089 | 1,116 |
| Government COVID grant income | 60 | - |
| Grant income | 163 | |
| Rental income | 38 | 10 |
| | <u>1,350</u> | <u>1,126</u> |
| Analysis by fund | | |
| Unrestricted funds | 1,196 | 1,126 |
| Restricted funds | 154 | - |
| | <u>1,350</u> | <u>1,126</u> |

During the year, £207,580 of income has been generated from properties of which the use has been donated to the charity.

5 Investments

| | Unrestricted funds 2021 £000 | Unrestricted funds 2020 £000 |
|---------------------|------------------------------------|------------------------------------|
| Interest receivable | <u>3</u> | <u>2</u> |

6 Other income

| | Total 2021 £000 | Total 2020 £000 |
|--------------|-----------------------|-----------------------|
| Other income | <u>-</u> | <u>2</u> |

LIGHTHOUSE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Charitable activities

| | 2021 £000 | 2020 £000 |
|--|--------------|--------------|
| Staff costs | 549 | 523 |
| Premises and service running costs | 160 | 167 |
| Repairs & Refurbishment of lighthouse properties | 151 | 80 |
| Depreciation | 9 | 10 |
| Telephone and utilities | 50 | 62 |
| Training | 3 | 5 |
| Lease payments | 217 | 228 |
| Profit/loss on tangible assets | - | (1) |
| Debt write off | - | 2 |
| | <u>1,139</u> | <u>1,076</u> |
| Share of governance costs (see note 8) | 19 | 17 |
| | <u>1,158</u> | <u>1,093</u> |
| Analysis by fund | | |
| Unrestricted funds | 1,090 | 1,093 |
| Restricted funds | 68 | - |
| | <u>1,158</u> | <u>1,093</u> |

8 Governance costs

| | 2021 £000 | 2020 £000 |
|---|--------------|--------------|
| Audit fees | 7 | 6 |
| Legal and professional | 2 | 2 |
| Insurance | 10 | 9 |
| | <u>19</u> | <u>17</u> |
| Analysed between Charitable activities | <u>19</u> | <u>17</u> |

Governance costs includes payments to the auditor of £7,105 (2020- £5,760).

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration, benefits or expenses from the charity during the year.

LIGHTHOUSE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2021 Number | 2020 Number |
|-----------------------|----------------|----------------|
| Charitable activities | 33 | 31 |

Employment costs

| | 2021 £000 | 2020 £000 |
|-----------------------|--------------|--------------|
| Wages and salaries | 505 | 480 |
| Social security costs | 32 | 30 |
| Other pension costs | 12 | 13 |
| | 549 | 523 |

During the year, there were 17 part-time staff (2020 - 10 part-time staff) and 16 full-time staff (2020 - 21 full-time staff).

The estimate of the equivalent number of full time staff is 23 employees (2020 - 26 employees).

There were no employees whose annual remuneration was £60,000 or more.

11 Tangible fixed assets

| | Land and buildings £000 | Fixtures, fittings & equipment £000 | Computers £000 | Motor vehicles £000 | Total £000 |
|------------------------------------|-------------------------------|--|-------------------|---------------------------|---------------|
| Cost | | | | | |
| At 1 April 2020 | - | 55 | 25 | 5 | 85 |
| Additions | 97 | 2 | 3 | 10 | 112 |
| At 31 March 2021 | 97 | 57 | 28 | 15 | 197 |
| Depreciation and impairment | | | | | |
| At 1 April 2020 | - | 54 | 25 | 2 | 81 |
| Depreciation charged in the year | 2 | 1 | 1 | 5 | 9 |
| At 31 March 2021 | 2 | 55 | 26 | 7 | 90 |
| Carrying amount | | | | | |
| At 31 March 2021 | 95 | 2 | 2 | 8 | 107 |
| At 31 March 2020 | - | - | - | 3 | 3 |

LIGHTHOUSE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

12 Fixed asset investments

| | Unlisted investments £000 |
|---------------------------------|---------------------------------|
| Cost or valuation | |
| At 1 April 2020 & 31 March 2021 | 13 |
| Carrying amount | |
| At 31 March 2021 | 13 |
| At 31 March 2020 | 13 |

13 Financial instruments

| | 2021 £000 | 2020 £000 |
|--|--------------|--------------|
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | 19 | 17 |
| Equity instruments measured at fair value through profit or loss | 13 | 13 |
| Carrying amount of financial liabilities | | |
| Measured at amortised cost | 203 | 121 |

14 Debtors

| | 2021 £000 | 2020 £000 |
|---|--------------|--------------|
| Amounts falling due within one year: | | |
| Accrued income - Housing benefit | 14 | 14 |
| Other debtors | 5 | 3 |
| Prepayments and accrued income | 6 | 8 |
| | <u>25</u> | <u>25</u> |

LIGHTHOUSE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Loans and overdrafts

| | 2021 £000 | 2020 £000 |
|---|--------------|--------------|
| Bank loans | 69 | - |
| Other loans | 75 | 84 |
| | <u>144</u> | <u>84</u> |
| Payable within one year | 16 | 9 |
| Payable after one year | 128 | 75 |
| | <u></u> | <u></u> |
| Amounts included above which fall due after five years: | | |
| Payable by instalments | 59 | 35 |
| | <u></u> | <u></u> |

The bank loan is secured by way of a legal charge over the property at 7 Falding Street, Rotherham.

The other loan is repayable over ten years from 30 November 2017 and interest is charged on the loan at 5%.

The bank loan is repayable over ten years from 1 January 2021 and interest is charged on the loan at 2.9%.

16 Creditors: amounts falling due within one year

| | Notes | 2021 £000 | 2020 £000 |
|------------------------------------|-------|--------------|--------------|
| Bank loans | 15 | 7 | - |
| Other borrowings | 15 | 9 | 9 |
| Other taxation and social security | | 8 | 9 |
| Trade creditors | | 50 | 29 |
| Other creditors | | 4 | 5 |
| Accruals and deferred income | | 6 | 3 |
| | | <u>84</u> | <u>55</u> |

17 Creditors: amounts falling due after more than one year

| | Notes | 2021 £000 | 2020 £000 |
|------------------|-------|--------------|--------------|
| Bank loans | 15 | 62 | - |
| Other borrowings | 15 | 66 | 75 |
| | | <u>128</u> | <u>75</u> |

LIGHTHOUSE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Movement in funds | | | | | |
|---|------------------------------------|-------------------------------|------------------------------------|-------------------------------|---|-------------------------------------|
| | Balance at 1 April 2019 £000 | Resources expended £000 | Balance at 1 April 2020 £000 | Incoming resources £000 | Resources expended 31 March 2021 £000 | Balance at 31 March 2021 £000 |
| Awards For All Grant- Minibus | - | - | - | 10 | (3) | 7 |
| Crisis UK | - | - | - | 5 | (5) | - |
| Derbyshire Community- Computer Equipment | - | - | - | 5 | (5) | - |
| South Yorkshire Community Foundation | - | - | - | 3 | (1) | 2 |
| Four Winds Energy | - | - | - | 6 | (6) | - |
| All Churches | - | - | - | 3 | (3) | - |
| MIND | - | - | - | 5 | (1) | 4 |
| Derbyshire Community - Counselling | - | - | - | 5 | - | 5 |
| Homeless Link | - | - | - | 100 | (35) | 65 |
| Anchor Foundation | - | - | - | 3 | (1) | 2 |
| Awards for All Grant | - | - | - | 9 | (8) | 1 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>154</u> | <u>(68)</u> | <u>86</u> |

Crisis UK - £5,000- For the purchase of gym equipment for the use of residents, especially during the pandemic, across all of the four projects.

Awards For All- £9,435 -To enable a garden area to be developed for the use of residents at the Shirebrook project, together with a cooking and eating project and a paid activity co-ordinator to run the project.

Four Winds Energy - £5,600 - To replace some of the draughty windows at the Shirebrook project.

All Churches - £2,500 -To replace some of the draughty windows at the Shirebrook project.

MIND - £5,200 - For the counselling of individual residents at the Shirebrook project by qualified counsellors.

Anchor Foundation - £3,000 - For the counselling of individual residents at the Rotherham Women's project by qualified counsellors.

Derbyshire County Council - £5,000 - For the counselling of individual residents at the Chesterfield project by qualified counsellors.

Awards for All -Minibus - £10,000- For the purchase of a minibus for the Rotherham Men's project.

Derbyshire County Council - Computer Equipment - £4,906 - For the purchase of computer equipment.

South Yorkshire Community Foundation - £3,500 - For the purchase of computer equipment.

LIGHTHOUSE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Restricted funds

(Continued)

Homeless Link - £100,000: -

Women's project at Wath: Conversion of a twin bedroom to a single by the repurposing of one of the staff offices into an additional bedroom and the refurbishment of a fully accessible shower room, previously only operating as an accessible toilet and wash basin.

Rotherham mens: At the Rotherham project 6 men share one large room. The grant has enabled the removal of the existing structure and replaced this with 5 single rooms. New UPVC double glazed windows have been installed, providing natural light for each bedroom. Sound proof walls and fire resistant doors, radiators, plugs sockets, lighting, new flooring, smoke detection to each room and the corridor with an upgrade to the fire detection system. Also, the installation of an additional shower room for the sole use of the new bedrooms.

Shirebrook – At The Shirebrook project, 7 men share one large room. The grant will allow the transformation of this space into single rooms with the installation of additional hot water storage capacity to supply the en-suite bathrooms.

19 Analysis of net assets between funds

| | Unrestricted fund £000 | Restricted fund £000 | Total £000 |
|--|------------------------------|----------------------------|---------------|
| Fund balances at 31 March 2021 are represented by: | | | |
| Tangible assets | 97 | 10 | 107 |
| Investments | 13 | - | 13 |
| Current assets/(liabilities) | 355 | 76 | 431 |
| Long term liabilities | (128) | - | (128) |
| | <u>337</u> | <u>86</u> | <u>423</u> |

Analysis of net assets between funds - previous year

| | Unrestricted fund £000 | Restricted fund £000 | Total £000 |
|--|------------------------------|----------------------------|---------------|
| Fund balances at 31 March 2020 are represented by: | | | |
| Tangible assets | 3 | - | 3 |
| Investments | 13 | - | 13 |
| Current assets/(liabilities) | 262 | - | 262 |
| Long term liabilities | (75) | - | (75) |
| | <u>203</u> | <u>-</u> | <u>203</u> |

LIGHTHOUSE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

20 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2021 £000 | 2020 £000 |
|----------------------------|--------------|--------------|
| Within one year | 54 | 45 |
| Between two and five years | 234 | 379 |
| In over five years | 608 | 646 |
| | <u>896</u> | <u>1,070</u> |

21 Events after the reporting date

The trustees have considered the global pandemic in producing these financial statements. Any impact of the pandemic on this charity is considered by the trustees to be a non-adjusting event for these financial statements. At the time of review, the impact on the charity and its results is considered to be limited.

22 Related party transactions

During the year the charity entered into the following transactions with related parties:

Lighthouse Social Enterprises C.I.C. was a community interest company and was regarded as a related party as it was under common control with the directors of Lighthouse Homes.

Lighthouse Homes contributed £nil (2020: £1,100) towards the overheads of Lighthouse Social Enterprises C.I.C during the year. During the year, the charity wrote off a loan totalling £nil (2020 - £1,641) owed from Lighthouse Social Enterprises C.I.C. Lighthouse Social Enterprises C.I.C was dissolved on 6th October 2020.

Donations totalling £585 (2020- £2,240) were received from the trustees and related companies during the year.

During the year the charity paid rent for a property to Rotherham and Dearne Valley Circuit totalling £6,750 (2020 - £9,000). J Hampshire is a trustee of Rotherham and Dearne Valley Circuit.

LIGHTHOUSE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

| | | | |
|-----------|---|------------------------|-----------------------------------|
| 23 | Cash generated from operations | 2021 | 2020 |
| | | £000 | £000 |
| | Surplus for the year | 220 | 65 |
| | Adjustments for: | | |
| | Investment income recognised in statement of financial activities | (3) | (2) |
| | (Profit)/loss on disposal of tangible fixed assets | - | (1) |
| | Depreciation and impairment of tangible fixed assets | 9 | 10 |
| | Loan repayments forgone as donations | (8) | (7) |
| | Movements in working capital: | | |
| | (Increase)/decrease in debtors | - | 38 |
| | Increase/(decrease) in creditors | 20 | 4 |
| | Cash generated from operations | 238 | 107 |
| 24 | Analysis of changes in net funds | | |
| | | At 1 April 2020 | Cash flowsAt 31 March 2021 |
| | | £000 | £000 |
| | Cash at bank and in hand | 292 | 198 |
| | Loans falling due within one year | (9) | (7) |
| | Loans falling due after more than one year | (75) | (53) |
| | | 208 | 138 |
| | | | 346 |