

The Lighthouse Foundation
Unaudited Financial Statements
31 December 2021

MATTOCKS GRINDLEY

Chartered Accountants
18 Mulberry Avenue
Turnstone Business Park
Widnes
Cheshire
WA8 0WN

The Lighthouse Foundation

Financial Statements

Year ended 31 December 2021

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Year ended 31 December 2021

The Lighthouse Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2021

Objectives and activities

The Trustees must apply the income of the charity in furthering the following objects ("the objects"):

The objects of The Lighthouse Foundation are to offer rehabilitation and educational detached work in schools and the local community.

The Lighthouse Life Centre is a residential rehabilitation centre for recovering drug users. This offers a support structure to the clients and their families through mentoring and training in all aspects of an individual's life.

The educational aspect of the foundation is to raise the awareness of the many dangers surrounding a life of substance misuse and abuse. This is achieved through a positive and effective detached work within the local community ie schools, voluntary groups and other organisations with the use of many multi functional facilities.

INVESTMENT POLICY

The Trustees have the power to invest in such assets as they see fit subject nevertheless to such conditions and consents as may for the time being be imposed or required by law. Surplus funds are invested with various institutions.

RESERVES POLICY

The Charity carries out a variety of both long term and short term projects. The Trustees have examined the requirement for free reserves, which are those unrestricted funds not invested in fixed assets, designated for specific purposes or otherwise committed. The Trustees consider that currently, given the nature of our work, this should be approximately £60,000, which gives flexibility to cover short term timing differences for grant claims and adequate working capital for our core costs. However the Trustees keep this under regular review as circumstances change. The free cash reserves at 31 December 2021 include a general reserve of £22,667.

RISK MANAGEMENT

The Trustees actively review the major risks which the Charity faces on a regular basis and believe that maintaining our free reserves at the levels stated above, combined with our annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The Trustees have also examined other operational and business risks which we face and confirm that they have established systems to mitigate the significant risks.

The Lighthouse Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2021

Achievements and performance

The charity has enjoyed another good year due to the enthusiasm, commitment, hard work & motivation of our staff team, trustees & volunteers.

During 2021, we have supported 15 men residentially on our "apprenticeship for life" program & seven residents have moved on & are now living independently.

The most fulfilling part of our work is seeing men who are turning their lives around, are now free from addiction & are fulfilling their potential.

The charity finances have performed reasonably well. Our "friends of lighthouse" scheme has had a bit of a drop off this year, we believe this is because of covid, but we are hoping to promote this during 2022.

Residents and staff had two great residential weeks away in mid-wales in June and November, these are always great weeks of, fellowship, fishing, walking and group meetings. These were paid for from kind donations to the charity.

One of our staff team retired in February this year after 20 years faithful service to our charity, we marked his retirement with a surprise tea.

We upgraded all our policies & procedures to comply with current regulations this was done in partnership with a supported housing specialist. We also purchased a media package to support our residents as part of their recovery program.

Counselling provision from a certified counsellor continues to be a valuable asset for our residents & staff.

We would like to express thanks to all our partners for their prayers, goodwill, and financial support and special thanks to our volunteers who have generously given their time and skills. We would also like to thank the Foundry Church for their continued support and input throughout the year.

Financial review

The charity finances have performed reasonably well, but we have been affected by the coronavirus pandemic. Some of our staff have been on furlough for part of the year & with thanks to the Government job retention scheme we have managed to retain all of the staff team.

We plan to make several grant applications during 2022 to help us with the day to day running costs of the charity.

Plans for future periods

We plan to upgrade all communal areas, bathrooms & lounges during the next 12 months.

We have submitted several grant applications to cover salary costs & for refurbishment of communal leisure room, to include new pool table & Table tennis table & Computer equipment.

We have formed good relationships with several partner agencies & we are looking to expand & build on them during 2022.

The Lighthouse Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2021

Plans for future periods *(continued)*

BENEFITS TO THE PUBLIC

The charity offers a residential rehabilitation facility for recovering drug users offering a support structure to the clients and their families through mentoring and training in all aspects of an individual's life.

The charity also offers an educational aspect to raise the awareness of the many dangers surrounding a life of substance misuse and abuse. This is achieved through a positive and effective detached work within the local community ie schools, voluntary groups and other organisations with the use of many multi functional facilities.

The trustees' annual report was approved on21/7/22..... and signed on behalf of the board of trustees by:

Mr A Hewitt
Trustee



Mr I Aitken
Trustee



The Lighthouse Foundation

Independent Examiner's Report to the Trustees of The Lighthouse Foundation

Year ended 31 December 2021

I report to the trustees on my examination of the financial statements of The Lighthouse Foundation ('the charity') for the year ended 31 December 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Mr I Jennions BA (Hons) FFA FIPA FFTA
Independent Examiner
18 Mulberry Avenue
Turnstone Business Park
Widnes
Cheshire
WA8 0WN

The Lighthouse Foundation

Statement of Financial Activities

Year ended 31 December 2021

		2021		2020
		Unrestricted funds	Total funds	Total funds
	Note	£	£	£
Income and endowments				
Donations and legacies	4	149,525	149,525	135,203
Total income		<u>149,525</u>	<u>149,525</u>	<u>135,203</u>
Expenditure				
Expenditure on charitable activities	5,6	154,275	154,275	129,521
Total expenditure		<u>154,275</u>	<u>154,275</u>	<u>129,521</u>
Net (expenditure)/income and net movement in funds		<u>(4,750)</u>	<u>(4,750)</u>	<u>5,682</u>
Reconciliation of funds				
Total funds brought forward		310,388	310,388	304,706
Total funds carried forward		<u>305,638</u>	<u>305,638</u>	<u>310,388</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 8 to 13 form part of these financial statements.

The Lighthouse Foundation

Statement of Financial Position

31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	12	284,202	284,577
Current assets			
Debtors	13	3,444	2,763
Cash at bank and in hand		22,305	26,942
		<u>25,749</u>	<u>29,705</u>
Creditors: amounts falling due within one year	14	<u>4,313</u>	<u>3,894</u>
Net current assets		<u>21,436</u>	<u>25,811</u>
Total assets less current liabilities		<u>305,638</u>	<u>310,388</u>
Net assets		<u>305,638</u>	<u>310,388</u>
Funds of the charity			
Unrestricted funds		<u>305,638</u>	<u>310,388</u>
Total charity funds	16	<u>305,638</u>	<u>310,388</u>

These financial statements were approved by the board of trustees and authorised for issue on 21/1/22, and are signed on behalf of the board by:

Mr A Hewitt
Trustee



Mr I Aitken
Trustee



The notes on pages 8 to 13 form part of these financial statements.

The Lighthouse Foundation

Notes to the Financial Statements

Year ended 31 December 2021

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 71 Lugsdale Road, Widnes, Cheshire, WA8 6BP.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102: (a) No cash flow statement has been presented for the company.
(b) Disclosures in respect of financial instruments have not been presented.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

The Lighthouse Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

All fixed assets are initially recorded at cost.

The Lighthouse Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Building Improvements	-	25% reducing balance
Motor Vehicles	-	25% reducing balance
Equipment	-	25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The Lighthouse Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Housing Benefit	104,111	104,111	97,517	97,517
Grounds Maintenance Income	23,837	23,837	15,199	15,199
Miscellaneous Income	7,065	7,065	1,013	1,013
Rent Income	3,900	3,900	2,400	2,400
Donations	–	–	345	345
Grants				
Government grant income	10,612	10,612	18,729	18,729
	<u>149,525</u>	<u>149,525</u>	<u>135,203</u>	<u>135,203</u>

5. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Direct charitable activities	152,439	152,439	127,667	127,667
Support costs	1,836	1,836	1,854	1,854
	<u>154,275</u>	<u>154,275</u>	<u>129,521</u>	<u>129,521</u>

6. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Direct charitable activities	152,439	–	152,439	127,667
Governance costs	–	1,836	1,836	1,854
	<u>152,439</u>	<u>1,836</u>	<u>154,275</u>	<u>129,521</u>

7. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	<u>375</u>	<u>498</u>

8. Independent examination fees

	2021 £	2020 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,300</u>	<u>1,300</u>

9. Staff costs

The Lighthouse Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

9. Staff costs *(continued)*

The average head count of employees during the year was 4 (2020: 4).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

10. Trustee remuneration and expenses

During the year one of the trustees received remuneration in his capacity as an employee of the charity in the amount of £29,431.

11. Transfers between funds

The fund transfers represent the replacement of monies previously paid from unrestricted funds but relating to restricted expenditure.

12. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost					
At 1 January 2021 and 31 December 2021	<u>283,082</u>	<u>15,470</u>	<u>345</u>	<u>61,343</u>	<u>360,240</u>
Depreciation					
At 1 January 2021	—	15,180	86	60,397	75,663
Charge for the year	—	73	65	237	375
At 31 December 2021	<u>—</u>	<u>15,253</u>	<u>151</u>	<u>60,634</u>	<u>76,038</u>
Carrying amount					
At 31 December 2021	<u>283,082</u>	<u>217</u>	<u>194</u>	<u>709</u>	<u>284,202</u>
At 31 December 2020	<u>283,082</u>	<u>290</u>	<u>259</u>	<u>946</u>	<u>284,577</u>

13. Debtors

	2021 £	2020 £
Trade debtors	<u>3,444</u>	<u>2,763</u>

14. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	<u>2,791</u>	<u>2,469</u>
Social security and other taxes	<u>1,522</u>	<u>1,425</u>
	<u>4,313</u>	<u>3,894</u>

The Lighthouse Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

15. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021	2020
	£	£
Recognised in income from donations and legacies:		
Government grants income	<u>10,612</u>	<u>18,729</u>

16. Analysis of charitable funds

Unrestricted funds

	At 1 January 2021	Income	Expenditure	At 31 December 2021
	£	£	£	£
General funds	<u>310,388</u>	<u>149,525</u>	<u>(154,275)</u>	<u>305,638</u>

	At 1 January 2020	Income	Expenditure	At 31 December 2020
	£	£	£	£
General funds	<u>304,706</u>	<u>135,203</u>	<u>(129,521)</u>	<u>310,388</u>

17. Analysis of net assets between funds

	Unrestricted Funds	Total Funds
	£	£
Tangible fixed assets	284,202	284,202
Current assets	25,749	25,749
Creditors less than 1 year	(4,313)	(4,313)
Net assets	<u>305,638</u>	<u>305,638</u>

	Unrestricted Funds	Total Funds
	£	£
Tangible fixed assets	284,577	284,577
Current assets	29,705	29,705
Creditors less than 1 year	(3,894)	(3,894)
Net assets	<u>310,388</u>	<u>310,388</u>

18. Financial instruments

The charity currently holds no financial instruments.

19. Related parties

The Charity is effectively controlled by The Foundry Church (charity no. 1174210) which also controls Pentecostal Residences Charity (charity no. 1002396). Rental costs of £21,600 were paid to Pentecostal Residences Charity for the use of a bungalow and income of £23,837 was received from Pentecostal Residences Charity in respect of ground maintenance.

The Lighthouse Foundation

Management Information

Year ended 31 December 2021

The following pages do not form part of the financial statements.

The Lighthouse Foundation
Detailed Statement of Financial Activities
Year ended 31 December 2021

	2021 £	2020 £
Income and endowments		
Donations and legacies		
Housing Benefit	104,111	97,517
Grounds Maintenance Income	23,837	15,199
Miscellaneous Income	7,065	1,013
Rent Income	3,900	2,400
Donations	—	345
Government grant income	10,612	18,729
	<u>149,525</u>	<u>135,203</u>
 Total income	 <u>149,525</u>	 <u>135,203</u>
 Expenditure		
Expenditure on charitable activities		
Wages and salaries	77,451	68,068
Employer's NIC	5,873	5,340
Rent	21,600	21,600
Rates and water	7,630	5,805
Light and heat	6,750	6,613
Repairs and maintenance	4,709	3,491
Insurance	2,445	2,500
Other establishment	5,570	4,501
Motor vehicle expenses	2,267	—
Other motor/travel costs	7,673	2,207
Legal and professional fees	7,449	4,314
Telephone	1,249	1,391
Other office costs	1,389	1,955
Depreciation	375	498
Donations and Missionary	1,845	1,238
	<u>154,275</u>	<u>129,521</u>
 Total expenditure	 <u>154,275</u>	 <u>129,521</u>
 Net (expenditure)/income	 <u>(4,750)</u>	 <u>5,682</u>

The Lighthouse Foundation

Notes to the Detailed Statement of Financial Activities

Year ended 31 December 2021

	2021 £	2020 £
Expenditure on charitable activities		
Direct charitable activities		
<i>Activities undertaken directly</i>		
Wages and salaries	77,451	68,068
Employer's NIC	5,873	5,340
Rent	21,600	21,600
Rates and water	7,630	5,805
Light and heat	6,750	6,613
Repairs and maintenance	4,709	3,491
Insurance	2,445	2,500
Other establishment	5,570	4,501
Motor vehicle expenses	2,267	—
Other motor/travel costs	7,673	2,207
Legal and professional fees	5,613	2,460
Telephone	1,249	1,391
Other office costs	1,389	1,955
Depreciation	375	498
Donations and missionary	1,845	1,238
	<u>152,439</u>	<u>127,667</u>
Governance costs		
Accountancy fees	<u>1,836</u>	<u>1,854</u>
	<u>154,275</u>	<u>129,521</u>