

LIGHTHOUSE FURNITURE PROJECT LIMITED
(A Company Limited by Guarantee)
UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

LIGHTHOUSE FURNITURE PROJECT LIMITED
(A Company Limited by Guarantee)

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LIGHTHOUSE FURNITURE PROJECT LIMITED
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JANUARY 2023

Trustees

M Briggs
S Farrow
J Gell
J Hartland

Company registered number

05249004

Charity registered number

1120398

Registered office

Unit 27
Tallon Road
Hutton
Essex
CM13 1TE

Company secretary

J Gell

Chief executive officer

P Everett

Accountants

Venthams
Chartered Accountants
Millhouse
32 - 38 East Street
Rochford
Essex
SS4 1DB

LIGHTHOUSE FURNITURE PROJECT LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JANUARY 2023

The Trustees present their annual report together with the financial statements of the company for the 1 February 2022 to 31 January 2023. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) 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 2019).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The objectives of the charity are:

The relief of poverty, particularly of homeless persons and those in other aspects of housing crisis through providing or assisting in the provision of practical support, regardless of faith, gender, age, race, lifestyle, disability or marital status, primarily in the South Essex area.

Advance public education about the circumstances of homeless people and others in housing crisis.

To bring awareness of the furniture project to all levels of the community throughout the whole of the districts served.

To encourage re-use as a way of life.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

Objectives and activities (continued)

b. Activities undertaken to achieve objectives

The activities adopted in furtherance of these objects are:

To collect useable second hand furniture, white goods and other items for free to be able to divert them from landfill.

Make saleable either through refurbishment, repair, cleaning and/or testing the collected second hand goods.

To sell at an affordable price the second hand goods to the general public, to be able to cover the majority of the operating costs to make the project self sustaining.

Pricing is designed to drive volume ahead of profitability to prioritize recycling.

To wherever possible donate directly or through referral from government agencies or other charities the second hand goods to those in need or being rehoused.

To employ staff who empathise with the charities objectives and are committed to the environmental and social objectives.

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

More information on the charity can be found on our website www.lighthousefurniture.org

c. Volunteers

LFP recognises and continues to massively appreciate the hours/day and hard work generously given throughout the last year. We have been privileged to see how staff and volunteers gave over and above to ensure we could continue to help as many people as we could. Last year volunteers gave LFP 5,643 hours of their time making a saving of nearly £55,000. This has increased slightly from 2021-2022 (5,314 hours). Volunteers still remain a vital aspect of our work both in the saving they provide and in the value they add in expertise, time and enthusiasm. Over the last year we have seen a number of individuals and groups of volunteers use their corporate volunteering days with LFP. Strategically for the sustainable future of the charity in the next year we will be looking at how we can develop significantly our volunteering, further providing others with the opportunity to gain experience within the different aspects of the charity and enable it to continue its success.

d. Main activities undertaken to further the company's purposes for the public benefit

The trustees are mindful of their duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The objectives and activities of the charity are undertaken to further our charitable purposes for the public benefit.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

Achievements and performance

a. Key performance indicators

A key measure of environmental performance is the diversion of goods from landfill and during the past year of operating LFP enabled the reuse of 338 tonnes (2022, 318 tonnes) of furniture and white goods. Other items such as crockery, glassware, ornaments, pictures, curtains and bedding are not included in this tonnage and would bring us to over 400 tonnes. This equates to a carbon saving of 376 tonnes (2021, 315 tonnes) using the most recent basis from Reuse.

Over the year we have made 2840 collections (2022: 2,706), 2390 deliveries (2022: 1,916) and collecting in total 14,789 items (2022: 18,251). With these items we have helped approximately 10,438 households (9,520 in 2022) saving them a total of £1,299,935 (£1,089,615 in 2022).

The membership of the Reuse Network allows us to take part in collecting manufacturer and retailer clearance lines, from hotels and other businesses and these continued during 2023. Partnerships with other reuse projects reduced with Epping Forest ReUse closing in May 2022 and work with Hopeworx in Rayleigh and Cambridge Community Outreach Resource Network (CCORN) have also evolved further to assist in the volume of goods recycled.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

Achievements and performance (continued)

b. Review of activities

LFP financial performance in the year has been unprecedentedly bad and unsustainably so. LFP future has only been achieved through the support of various organisations and individuals outside the charity coming to its assistance. Plans have already been put in place to achieve a sustainable future, which will involve adjusting the operating model which has worked successfully up until the pre-COVID era, but which is not working in the new environment LFP finds itself.

COVID-19 had a very limited impact for operating, although its effects continue to be felt by our customers, we did see the war in Ukraine and the “Cost-of-Living Crisis” challenge LFP’s ability to achieve our charitable purposes. This meant that despite improving on the previous year, we continued to see a small ongoing reduction in items we could divert from landfill dropping from 365 tonnes in 2020 to 338 tonnes in 2023. This drop correlates with the increased referrals through the Essential Living fund in the early part of the year reducing the opportunity to collect as many items as possible.

The CEO and staff continued to look at and develop practice to ensure LFP remained agile to respond to the growing needs that presented themselves through both the Essential Living Fund and those needing additional support. Referrals continued to increase significantly in 2023 from 694 in 2022 to 1,018 absorbing available resources. This presented challenges to meet the demand of referrals whilst ensuring we had enough essential items to support those coming to LFP directly. This increase of supported sales also impacted our revenue as we saw our general sales reduce and reduced the contribution from sales in general to support the operations.

Throughout the last year we have been privileged to see how staff and volunteers gave over and above to ensure we could continue to help as many people as we could. Volunteering hours increased slightly from 5,314 in 2022 to 5,643 in 2023 but remained significantly less at below half of what we were getting pre COVID (11,600 hours).

Coinciding with the end of our lease on our workshop 31 Tallon Road LFP took the opportunity to rent 6,000 sq ft in Chelmsford in line with the 5-year Growth Plan that had been developed the previous year; and to maximise the potential from June 2022 to increase recycling of the white goods from the Plan B Management Solutions contract with ECC. The new facility now allows the engineers to fix more items at a time, extending the workspaces for both small and large electrical appliances. The cost of taking the opportunity increased overheads more than was expected as inflation rose, and more cash was absorbed in the set up costs.

The partnership with Plan B Management Solutions and ECC to access reuse from the Recycle Centres and Household Waste Sites (RCHWs) started later in 2022 despite LFP being ready in the time required. Instead of going live on April 1st, it was not until October 2022 that LFP started collecting from RCHWs. This grew from 1 site in October to 3 sites in December and a 4th site joined in January 2023.

The partnership with Basildon Council involving the collection of small appliances from Barleylands Recycling Centre continued to enable LFP to access small electricals. In October 2022 we were able to help Basildon Council set up 10 Homeless units with the necessary electrical appliances and furniture.

Work with Chelmsford Housing Project, that was set up for their more vulnerable tenants, with LFP continued to grow and establish in the year.

The CEO has worked with staff to ensure LFP remains in a position to provide for those in our community. This has included finding external funding as well as limiting overheads to the essentials. The CEO has represented LFP throughout the year at Virtual Reuse Network meetings sharing learning, expertise, policy practice with other organisations where needed. We continued to support both Hopeworx in Rayleigh and Cambridge Community Outreach Resource Network (CCORRN) with white goods to support the local assistance funds in Cambridgeshire.

Our key challenges in 2023 were the need to grow to meet need, whilst having reserves depleted, through the

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

Achievements and performance (continued)

ongoing price increases due to inflationary pressures notably on staffing costs as mandated by law. It has certainly been a challenging and disappointing year and while these challenges continue LFP has developed additional revenue streams to ensure we can provide the same support for years to come.

c. Investment policy and performance

Reserves invested for one to twelve months will be placed in accounts or in a bond(s) yielding the market rate of return or better but also have sound ethical values.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The trustees consider that it is appropriate to maintain reserves at between three and six months of resources expended which equates to a range of between £200,000 and £400,000 in general funds.

At this level, the trustees feel that they would be able to continue the current activities of the charity in the event of a significant drop in funding, allowing a period of time for funding to be replaced. At the balance sheet date, the unrestricted funds total was £110,116 (2022: £181,702) which represents approximately 1.3 (2022: 2.8) months of unrestricted expenditure.

We aim to maintain:

- £20,000 in cash or immediate access accounts
- £60,000 in accounts accessible within 1 month
- The remainder accessible within a year

Lighthouse Furniture Project Limited also notes the need to hold an amount in reserve in line with legislation to enable the minimum required payment of redundancy money, should the charity need to close its operations.

c. Financial risk management objectives and policies

It is the policy of the charity to protect the organisation as far as possible as is reasonably practical from fraud by staff, service users and members of the general public.

In order to minimise its exposure to risk, the charity has specific risk policies in respect of the following areas:-

- Protection of credit card details
- Daily takings & petty cash
- Fraudulent use of internet banking
- Fraudulent use of company commercial cards
- Cash donations
- Theft of tools
- Client fraud

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

Structure, governance and management

a. Constitution

Lighthouse Furniture Project Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 4th October 2004, amended to allow for charitable status on 1st August 2007.

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. There is no limit on the composition of the board of directors who are invited to join the board by the recommendation of the existing board members through their extensive local church and business contacts.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

c. Organisational structure and decision-making policies

The board meets monthly with a break in the summer with a chair appointed by rotation. The chief executive attends all meetings to update the board on activities and help discuss challenges facing the operations. The directors delegate the majority of the day to day activities and management to the chief executive whilst retaining overall financial control and responsibility for setting policy and maintaining accounting records.

d. Financial risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The trustees have a risk management strategy which comprises:

- a regular review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks in the plan; and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The review keeps a close eye on health and safety as it applies to both employees and customers. The mix of skills and competencies amongst staff of the charity are a key resource that must be continually developed and are considered periodically in the process. The rapid growth in the charity's operations has meant that the financial resources are key to being able to support the growth. A quarterly review of the performance and financial position of the company helps the directors to manage the position.

Plans for future periods

Exploring new partnerships that create value and opportunities for both parties with both charitable and commercial partners are a focus for the foreseeable future.

LIGHTHOUSE FURNITURE PROJECT LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the company for the purposes 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. 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 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 then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:

J Gell

Date: 26 October 2023

LIGHTHOUSE FURNITURE PROJECT LIMITED
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 JANUARY 2023

Independent Examiner's Report to the Trustees of Lighthouse Furniture Project Limited ('the company')

I report to the charity Trustees on my examination of the accounts of the company for the year ended 31 January 2023.

Responsibilities and Basis of Report

As the Trustees of the company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants in England & Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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.

Dated: 26 October 2023

Stuart Harrison

FCA

Venthams

Chartered Accountants
Millhouse
32 - 38 East Street
Rochford
Essex
SS4 1DB

LIGHTHOUSE FURNITURE PROJECT LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JANUARY 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	3	68,278	-	68,278	50,579
Charitable activities	4	846,743	-	846,743	672,008
Investments	5	56	-	56	7
Other income	6	405	-	405	52,358
Total income		915,482	-	915,482	774,952
Expenditure on:					
Raising funds	7	11,886	-	11,886	11,426
Charitable activities	8	975,182	-	975,182	782,133
Total expenditure		987,068	-	987,068	793,559
Net movement in funds		(71,586)	-	(71,586)	(18,607)
Reconciliation of funds:					
Total funds brought forward		181,702	2,296	183,998	202,605
Net movement in funds		(71,586)	-	(71,586)	(18,607)
Total funds carried forward		110,116	2,296	112,412	183,998

LIGHTHOUSE FURNITURE PROJECT LIMITED
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BALANCE SHEET
FOR THE YEAR ENDED 31 JANUARY 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	341,019	333,578
		<u>341,019</u>	<u>333,578</u>
Current assets			
Stocks	14	5,423	13,068
Debtors	15	52,443	26,927
Cash at bank and in hand		30,663	62,463
		<u>88,529</u>	<u>102,458</u>
Creditors: amounts falling due within one year	16	(116,176)	(39,962)
Net current liabilities / assets		<u>(27,647)</u>	<u>62,496</u>
Total assets less current liabilities		<u>313,372</u>	<u>396,074</u>
Creditors: amounts falling due after more than one year	17	(200,960)	(212,076)
Total net assets		<u><u>112,412</u></u>	<u><u>183,998</u></u>
Charity funds			
Restricted funds	18	2,296	2,296
Unrestricted funds	18	110,116	181,702
Total funds		<u><u>112,412</u></u>	<u><u>183,998</u></u>

LIGHTHOUSE FURNITURE PROJECT LIMITED
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BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

The company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

J Gell

Date: 26 October 2023

LIGHTHOUSE FURNITURE PROJECT LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	(11,670)	(1,931)
Cash flows from investing activities		
Purchase of tangible fixed assets	(20,130)	(3,892)
Net cash used in investing activities	(20,130)	(3,892)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(31,800)	(5,823)
Cash and cash equivalents at the beginning of the year	62,463	68,286
Cash and cash equivalents at the end of the year	30,663	62,463

LIGHTHOUSE FURNITURE PROJECT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

1. General information

Lighthouse Furniture Project Limited is a company limited by guarantee and registered in England and Wales number 1120398. The principal activity of the company is the refurbishment and sale of secondhand goods.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Lighthouse Furniture Project Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The Directors are of the opinion that the company will not be significantly affected by the pandemic caused by the coronavirus (Covid-19) and believe that the company is a going concern. Accordingly, the Financial Statements have been prepared on that basis.

2.3 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

2. Accounting policies (continued)

2.4 Expenditure (continued)

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £200 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Freehold property	- No depreciation
Improvements to leasehold property	- Straight line over the term of lease
Plant and machinery	- 25% straight line
Motor vehicles	- 20% straight line
Fixtures and fittings	- 25% and 33% straight line

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

LIGHTHOUSE FURNITURE PROJECT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.11 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2.13 Fund accounting

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs 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.

Investment income, gains and losses are allocated to the appropriate fund.

LIGHTHOUSE FURNITURE PROJECT LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

3. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	32,028	32,028	15,226
Grants	36,250	36,250	35,353
Total 2023	<u>68,278</u>	<u>68,278</u>	<u>50,579</u>
<i>Total 2022</i>	<u>50,579</u>	<u>50,579</u>	

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Income from charitable activities - Sale of recycled items	846,743	846,743	672,508
Income from charitable activities - Provision of repair and refurbishment services	-	-	(500)
Total 2023	<u>846,743</u>	<u>846,743</u>	<u>672,008</u>
<i>Total 2022</i>	<u>672,008</u>	<u>672,008</u>	

5. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Investment income - local cash	<u>56</u>	<u>56</u>	<u>7</u>
<i>Total 2022</i>	<u>7</u>	<u>7</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

6. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Employee Retention Furlough Scheme	-	-	31,522
Local authority business COVID grants	405	405	20,836
	<u>405</u>	<u>405</u>	<u>52,358</u>
	<u><u>52,358</u></u>	<u><u>52,358</u></u>	
<i>Total 2022</i>			

7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Costs of raising voluntary income - wages and salaries	10,305	10,305	9,955
Costs of raising voluntary income - NI	1,169	1,169	1,072
Costs of raising voluntary income - pension costs	412	412	399
	<u>11,886</u>	<u>11,886</u>	<u>11,426</u>
Total 2023			
	<u><u>11,886</u></u>	<u><u>11,886</u></u>	<u><u>11,426</u></u>
<i>Total 2022</i>			

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8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Total 2023 £	<i>Total 2022 £</i>
Sale of recycled items	975,182	975,182	782,133
Total 2023	<u>975,182</u>	<u>975,182</u>	<u>782,133</u>
<i>Total 2022</i>	<u>782,133</u>	<u>782,133</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Sale of recycled items	898,130	77,052	975,182	782,133
<i>Total 2022</i>	<u>710,450</u>	<u>71,683</u>	<u>782,133</u>	

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FOR THE YEAR ENDED 31 JANUARY 2023

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Sale of recycled items 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	481,211	481,211	414,395
Cost of goods provided free of charge	15,789	15,789	14,821
Cost of goods sold	208,809	208,809	145,722
Premises expenses	17,286	17,286	17,481
Insurance	7,290	7,290	7,711
Light and heat	11,264	11,264	11,181
Office expenses	7,929	7,929	2,865
Marketing	1,701	1,701	1,241
Telephone	3,125	3,125	3,695
Rent	85,482	85,482	49,540
Motor running expenses	30,235	30,235	21,986
Travelling expenses	2,659	2,659	3,588
Clothing	405	405	2,023
Subscriptions	4,784	4,784	2,827
Training	1,353	1,353	1,689
Staff welfare	4,400	4,400	5,032
Sundry expenses	113	113	696
Legal and professional fees	14,295	14,295	3,530
Bad debts	-	-	427
Total 2023	<u>898,130</u>	<u>898,130</u>	<u>710,450</u>
<i>Total 2022</i>	<u>710,450</u>	<u>710,450</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Sale of recycled items 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	35,657	35,657	34,280
Depreciation	12,689	12,689	12,115
Bank charges	5,604	5,604	3,415
Loan interest paid	15,746	15,746	14,375
Governance costs	7,356	7,356	7,498
Total 2023	<u>77,052</u>	<u>77,052</u>	<u>71,683</u>
<i>Total 2022</i>	<u>71,683</u>	<u>71,683</u>	

10. Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examiner fee of £4,015 (2022 - £3,750).

11. Staff costs

	2023 £	<i>2022 £</i>
Wages and salaries	483,179	422,921
Social security costs	30,547	23,888
Contribution to defined contribution pension schemes	15,028	13,292
	<u>528,754</u>	<u>460,101</u>

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NOTES TO THE FINANCIAL STATEMENTS
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11. Staff costs (continued)

The average number of persons employed by the company during the year was as follows:

	2023	<i>2022</i>
	No.	<i>No.</i>
Management	1	<i>1</i>
Administration	12	<i>10</i>
Logistics	7	<i>7</i>
Refurbishment	7	<i>7</i>
	<hr/> 27 <hr/>	<hr/> <i>25</i> <hr/>

No employee received remuneration amounting to more than £60,000 in either year.

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (*2022 - £NIL*).

During the year ended 31 January 2023, no Trustee expenses have been incurred (*2022 - £NIL*).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

13. Tangible fixed assets

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation						
At 1 February 2022	308,212	25,599	13,237	84,722	26,582	458,352
Additions	-	18,023	1,432	-	675	20,130
At 31 January 2023	308,212	43,622	14,669	84,722	27,257	478,482
Depreciation						
At 1 February 2022	-	25,599	10,949	64,837	23,389	124,774
Charge for the year	-	2,672	1,679	6,628	1,710	12,689
At 31 January 2023	-	28,271	12,628	71,465	25,099	137,463
Net book value						
At 31 January 2023	308,212	15,351	2,041	13,257	2,158	341,019
At 31 January 2022	308,212	-	2,288	19,885	3,193	333,578

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14. Stocks

	2023	2022
	£	£
Finished goods and goods for resale	5,423	13,068

15. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	9,894	8,696
Other debtors	16,500	193
Prepayments and accrued income	26,049	18,038
	52,443	26,927

16. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Other loans	50,009	8,936
Trade creditors	13,665	2,360
Other taxation and social security	8,323	13,681
Other creditors	2,304	2,517
Accruals and deferred income	41,875	12,468
	116,176	39,962

17. Creditors: Amounts falling due after more than one year

	2023	2022
	£	£
Other loans	200,960	212,076

The company has fixed and floating charges covering the property of the company in favour of Big Issue Invest Limited and The Charity Bank Limited dated 23 June 2016.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

18. Statement of funds

Statement of funds - current year

	Balance at 1 February 2022 £	Income £	Expenditure £	Balance at 31 January 2023 £
Unrestricted funds				
General Fund	181,702	915,482	(987,068)	110,116
	<u>181,702</u>	<u>915,482</u>	<u>(987,068)</u>	<u>110,116</u>
Restricted funds				
New van funding	2,296	-	-	2,296
	<u>2,296</u>	<u>-</u>	<u>-</u>	<u>2,296</u>
Total of funds	<u>183,998</u>	<u>915,482</u>	<u>(987,068)</u>	<u>112,412</u>

Statement of funds - prior year

	Balance at 1 February 2021 £	Income £	Expenditure £	Balance at 31 January 2022 £
Unrestricted funds				
General Fund	200,309	774,952	(793,559)	181,702
	<u>200,309</u>	<u>774,952</u>	<u>(793,559)</u>	<u>181,702</u>
Restricted funds				
New van funding	2,296	-	-	2,296
	<u>2,296</u>	<u>-</u>	<u>-</u>	<u>2,296</u>
Total of funds	<u>202,605</u>	<u>774,952</u>	<u>(793,559)</u>	<u>183,998</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

19. Summary of funds

Summary of funds - current year

	Balance at 1 February 2022 £	Income £	Expenditure £	Balance at 31 January 2023 £
General funds	181,702	915,482	(987,068)	110,116
Restricted funds	2,296	-	-	2,296
	<u>183,998</u>	<u>915,482</u>	<u>(987,068)</u>	<u>112,412</u>

Summary of funds - prior year

	Balance at 1 February 2021 £	Income £	Expenditure £	Balance at 31 January 2022 £
General funds	200,309	774,952	(793,559)	181,702
Restricted funds	2,296	-	-	2,296
	<u>202,605</u>	<u>774,952</u>	<u>(793,559)</u>	<u>183,998</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	341,019	-	341,019
Current assets	86,233	2,296	88,529
Creditors due within one year	(116,176)	-	(116,176)
Creditors due in more than one year	(200,960)	-	(200,960)
Total	<u>110,116</u>	<u>2,296</u>	<u>112,412</u>

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	333,578	-	333,578
Current assets	100,162	2,296	102,458
Creditors due within one year	(39,962)	-	(39,962)
Creditors due in more than one year	(212,076)	-	(212,076)
Total	<u>181,702</u>	<u>2,296</u>	<u>183,998</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	<u>(71,586)</u>	<u>(18,607)</u>
Adjustments for:		
Depreciation charges	12,689	12,115
Decrease/(increase) in stocks	7,645	(766)
Decrease/(increase) in debtors	(25,516)	23,695
Increase/(decrease) in creditors	65,098	(18,368)
Net cash used in operating activities	<u>(11,670)</u>	<u>(1,931)</u>

22. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	30,663	62,463
Total cash and cash equivalents	<u>30,663</u>	<u>62,463</u>

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23. Analysis of changes in net debt

	At 1 February 2022 £	Cash flows £	At 31 January 2023 £
Cash at bank and in hand	62,463	(31,800)	30,663
Debt due within 1 year	(8,936)	(41,073)	(50,009)
Debt due after 1 year	(212,076)	11,116	(200,960)
	<u>(158,549)</u>	<u>(61,757)</u>	<u>(220,306)</u>

24. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £15,029 (2022 : £13,292). Contributions totalling £2,304 (2022: £2,517) were payable to the fund at the balance sheet date and are included in creditors.

25. Operating lease commitments

At 31 January 2023 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	84,500	44,200
Later than 1 year and not later than 5 years	220,000	-
Later than 5 years	20,625	-
	<u>325,125</u>	<u>44,200</u>

26. Related party transactions

During the year key management personnel received remuneration of £41,210 and pension contributions of £1,649 were made on their behalf.