

**THE LIGHTHOUSE PROJECT SPALDING
(ALSO KNOWN AS "KARIS HOUSE")**

CHARITY COMMISSION REGISTERED NO. 1135706

FINANCIAL STATEMENTS

for the year ended

31 March 2020



THE LIGHTHOUSE PROJECT SPALDING

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for the year ended 31 March 2020

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THE LIGHTHOUSE PROJECT SPALDING
Summary of Trustees and Professional Advisers
for the year ended 31 March 2020

Trustees	Mrs J J Tedbury Mrs M Sandhu Mrs C Lovett
Registered Office	57 West Road Pointon Sleaford NG34 0NA
Independent Examiner	Mr K J Maggs B.A. F.C.A. Moore Thompson Chartered Accountants Bank House Broad Street Spalding Lincs. PE11 1TB

THE LIGHTHOUSE PROJECT SPALDING

Trustees' Annual Report

for the year ended 31 March 2020

The Lighthouse Project Spalding was established by Mrs J J Tedbury in July 2007 and governed by a trust deed dated 1 January 2009. It was registered with the Charity Commission on 28 April 2010. Its charity number is 1135706. The charity is also known under the names; "The Lighthouse Project" and "Karis House".

Objects

The object of the charity is to advance citizenship and community development by giving vulnerable people the opportunity to develop working skills and fit back into the community from where they have come. The projects arranged by the charity give the targeted beneficiaries a civic responsibility and enable them to provide a service to the local community, thus enabling their own return to that same community.

These aims are achieved by the charity providing the facilities and opportunity for the beneficiaries to participate in work experience opportunities such as providing lunches and running mother and toddler groups from the site of the Lighthouse Pentecostal Church.

The beneficiaries are encouraged to learn the processes and the management of projects thus developing working and communication skills. They also develop themselves as people and help integrate them back into the community.

In April 2015, the charity opened a charity shop and café which is run by the beneficiaries to, once again, help their integration back into the wider society. During February 2016, a second hand furniture charity shop was also opened to help raise further funds.

Trustees

The trustees who served the charity during the period were as detailed on Page 1.

New trustees are recruited from a group who have shown a keen interest in the work of the charity and have abilities required on the governing body. Training is provided to keep trustees up to date with new legislation etc. on a regular basis.

Public benefit

The trustees have given due regard to the guidance published by the Charity Commission on public benefit, with charity's objectives of enabling vulnerable people to integrate back into the community being beneficial to themselves and the community as a whole.

The trustees consider that the full details of the public benefit have been disclosed within the activities, achievements and performance sections below.

Activities, achievements and performance

The Lighthouse Project has grown since it started as one home for homeless young people. It has added five more activities, each of which is listed below. Every activity within the main project provides great public benefit to both the young people it supports, by providing more than just a home and to the wider community in several ways.

Firstly, the support and equipping of young people improves their self-esteem and helps them to understand why they have created negative coping strategies in the past, such as alcohol or drug abuse and gets them into stable volunteering.

THE LIGHTHOUSE PROJECT SPALDING

Trustees' Annual Report

for the year ended 31 March 2020

Activities, achievements and performance (continued)

Secondly, in helping the young people to acquire more daily living skills and offering work experience it enables them to reintegrate back into society, either through gaining employment or entering further education, thereby preventing them from being a drain on the benefit system. When the young people are reintegrated back into society they are no longer "hanging about on the street" forming gangs or committing crimes.

Finally, the cafe creates a safe community meeting space to relax in comfortable, welcoming surroundings for local people, where they can buy low cost drinks and snacks, whilst the furniture recycling store provides a free pick up service for the local community wishing to donate furniture and cheap second-hand furniture and other goods to those who cannot afford to pay a lot for their goods.

KARIS HOUSE - Karis House is a life changing home and programme that supports young women who have a serious desire to recover from issues that are controlling their lives such as self-harm, eating disorders, addictive behaviours, depression or the effects of abuse.

CAFÉ & SHOP - The Lighthouse Project Shop & Café provides a community hub in the market square. It sells donated items, handmade crafts as well as food and drinks. It gives unemployed young people opportunity to experience a work environment and is a favourite local spot in the area.

RECYCLE STORE - The Lighthouse Project Furniture Recycling Store upcycles donated furniture and resells it. It gives unemployed young people opportunity to experience a work environment and creates a unique community hub.

SHINING STARS - Shining Stars is our lively parent and child group run by our qualified nursery nurse, supported by volunteers providing experience for local young people. It brings together a diverse selection of families from across our local area.

LIME HOUSE - Lime House gives teenage mums with bumps or babies, who are homeless or at risk of homelessness, a home for them and their little ones. We provide a home with a family feel, support and teaching to help vulnerable women learn how to run their own life and become part of the community.

HOME HOUSE - Home House provides supported accommodation for young people who are homeless or at risk of becoming homeless. We provide a home rather than a house, along with helping residents learn critical life skills to help them integrate into society.

Volunteers

The Lighthouse Project has no funding and relies heavily on donations to function. Volunteers donate their valuable time in all areas of the charity and are an essential part of the project. With no funding, staffing is an expensive commodity but supporting young people and running several activities such as the shop, recycling store and toddler group requires many people to be involved. This is where the volunteers are so essential, as without them the project quite literally could not function.

Related parties

During the period the charity received a £50,000 donation (2019 - £70,000) from The Lighthouse Project Limited. The sole director and shareholder of this company is Mrs J J Tedbury, who is also a trustee of the charity.

Results

The results for the year and the charity's financial position at the end of the year are shown on pages 6 to 13.

THE LIGHTHOUSE PROJECT SPALDING

Trustees' Annual Report

for the year ended 31 March 2020

Reserves

The trustees believe that an annual income of £100,000 will be required in order to fund the charitable work they wish to do. This will mainly be funded by unrestricted donations, but specific grants will be applied for, if relevant, and thus shown as restricted funds. If sufficient excess cash is built up then the trustees will make a investment to help generate funds.

Going concern and Covid - 19

The Charity has been adversely affected by the mandatory closure of its shop and furniture store on 20th March 2020. Some staff have been furloughed, the remainder subject to reduced hours, as a result the income from these areas will be much lower in the next financial year, although government grants and rate relief have mitigated this to some extent.

The charitable activities relating to Karis house have continued with residents still being cared for and supported. However it is anticipated that rental income may be affected due to the financial impact on residents income caused by Covid -19.

The shop and store continue to remain closed, however the relaxation of the Covid - 19 distancing regulations and the work being undertaken by the charity should see them both re-open in the near future.

For and on behalf of the trustees.

Mrs J J Tedbury
Trustee

Date: **18 August 2020**

Independent Examiner's Report to the trustees of THE LIGHTHOUSE PROJECT SPALDING

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2020, which are set out on pages 5 to 13

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirement of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 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 accounts do not accord with those records.
3. the accounts 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.

K. J. Maggs F.C.A.,B.A.
Moore Thompson
Chartered Accountants
Spalding

Dated: **19 August 2020**

THE LIGHTHOUSE PROJECT SPALDING

Statement of Financial Activities

for the year ended 31 March 2020

	Note	2020 Total £	2019 Total £
Income from:			
Donations and legacies	3	67,609	89,677
Charitable activities	3	99,581	85,371
Total income		<u>167,190</u>	<u>175,048</u>
Expenditure from:			
Charitable activities	4	158,019	175,991
Total expenditure		<u>158,019</u>	<u>175,991</u>
Net income		9,171	
Fund balances brought forward		153,130	153,130
Fund balances carried forward		<u>162,301</u>	<u>153,130</u>

The charity has no recognised gains or losses other than the results for the year set out above.

All of the activities of the charity are classed as continuing activities.

All of the above income and expenditure is regarding unrestricted funds.

The notes on pages 8 to 13 form a part of these accounts.

THE LIGHTHOUSE PROJECT SPALDING

Statement of Assets

at 31 March 2020

	Note	2020 £	2,019 £
Fixed assets			
Tangible assets	5	18,530	21,869
Current assets			
Debtors	6	95,290	102,405
Cash at bank		55,325	30,365
Total current assets		<u>150,615</u>	<u>132,770</u>
Current liabilities			
Creditors	7	<u>7,787</u>	<u>2,452</u>
Total current liabilities		<u>7,787</u>	<u>2,452</u>
Net current assets		<u>161,358</u>	<u>152,187</u>
Accumulated Funds			
Unrestricted funds		<u>162,301</u>	<u>152,187</u>
		<u>162,301</u>	<u>152,187</u>
		(943)	

We approve these financial statements and confirm that we have made available all relevant records and information for their preparation.

For and on behalf of the trustees:-

Mrs J J Tedbury
Trustee

Date: **18 August 2020**

The notes on pages 8 to 13 form a part of these accounts.

THE LIGHTHOUSE PROJECT SPALDING

Notes to the Financial Statements

for the year ended 31 March 2020

1. Accounting policies

a) Basis of preparation of financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2017 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements are prepared on a going concern basis and are presented in sterling which is the functional currency of the charity.

b) Fixed Assets

Tangible fixed assets are state at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

c) Depreciation

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

Fixtures and fittings	- 10% reducing balance
Log cabin	- 5% on cost
Computer equipment	- 25% reducing balance
Motor vehicles	- 25% reducing balance

d) Debtors and creditors receivable / payable within one year

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

e) 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The useful economic life used to depreciate tangible fixed assets relates to the expected future performance of the assets acquired and management's estimate of the period over which economic benefit will be derived from the asset. The residual value of an asset is the estimated fair value of that asset at the end of its useful economic life and therefore is also dependent upon the estimation of that life span.

Cut-off is applied at the year end date. An estimation of income or expenditure applicable to the relevant period must be applied when the receipt or payment relates to a different period to the year end.

f) Taxation

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

THE LIGHTHOUSE PROJECT SPALDING
Notes to the Financial Statements (continued)
for the year ended 31 March 2020

1. Accounting policies (continued)

g) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

h) Income recognition

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

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

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

Rentals receivable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where it is impracticable to estimate fair value of the items due to the volume of low value items they are not recognised in the financial statements until they are sold.

i) Expenditure recognition

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

Charitable activities include the cost of the activities defined by the charity's aims for the benefit of the persons detailed in the charity's objectives.

Support costs include those costs which do not directly link to the charitable activities of the charity but are necessary running costs to enable the charity to generate funds and program delivery.

Governance costs include the costs that allow the charity to operate and to generate the information required for public accountability.

The charity rents the Karis House leasehold property free of charge from the related company The Lighthouse Project Limited. As such, no rental costs are shown in the accounts.

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

THE LIGHTHOUSE PROJECT SPALDING
Notes to the Financial Statements (continued)
for the year ended 31 March 2020

1. Accounting policies (continued)

j) Funds

Unrestricted funds:

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

Restricted funds:

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

k) Employee benefits

The wages cost represents wages for the hours worked for the charity by employees.

The pensions cost represents the employer payments in to a defined contribution pension scheme for employees of the charity.

2. Motor costs

The charity had full use of the following assets from the related company, The Lighthouse Project Limited, during the year, as well as its own vehicles.

- Citroen relay van
- Caravan

In light of this, the charity has incurred the running costs of the above two vehicles on behalf of The Lighthouse Project Limited.

3. Income

	2020	2019
	Total	Total
	£	£
Donations and legacies		
Donations	67,609	89,677
Total voluntary income	<u>67,609</u>	<u>89,677</u>
Charitable activities		
Rent receivable	64,812	48,307
Fundraising events	2,007	1,641
Shop sales	22,287	18,384
Furniture sales	10,475	17,039
Total charitable income	<u>99,581</u>	<u>85,371</u>

THE LIGHTHOUSE PROJECT SPALDING
Notes to the Financial Statements (continued)
for the year ended 31 March 2020

4. Cost of charitable activities

	2020	2019
	Total	Total
	£	£
Karis House		
Wages	48,645	69,734
Pensions	555	550
Staff training	193	2,331
Leasehold property rates	7,989	12,252
Food purchases	14,513	16,309
Property repairs and renewals	13,827	4,046
Entertaining	269	130
Travel costs	8	334
Motor costs	6,093	4,941
Depreciation	3,339	4,135
	<u>95,431</u>	<u>114,762</u>
Shop and related flats		
Properties rent	20,400	20,400
Properties rates	505	497
Property insurance	3,311	3,424
Flat light and heat	16,956	13,658
Shop light and heat	1,767	1,283
Shop insurance	1,039	1,047
Shop repairs and renewals	536	551
Shop purchases	28	43
	<u>44,542</u>	<u>40,903</u>
Furniture shop		
Properties rent	9,000	9,228
Shop light and heat	1,039	778
Shop insurance	235	225
Shop repairs and renewals	339	606
	<u>10,613</u>	<u>10,837</u>
Support costs		
Office costs	553	591
Computer costs	336	358
Telephone	2,951	2,808
Advertising	412	2,293
Payroll costs	807	825
Bank charges	76	88
Fundraising expense	995	973
Sundry costs	295	593
	<u>6,425</u>	<u>8,529</u>
Governance costs		
Independent examination fee	1,008	960
Total cost of charitable activities	<u><u>158,019</u></u>	<u><u>175,991</u></u>

THE LIGHTHOUSE PROJECT SPALDING
Notes to the Financial Statements (continued)
for the year ended 31 March 2020

5. Tangible Fixed Assets

	Fixtures and fittings £	Log Cabin £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 April 2019	14,593	7,150	1,817	19,910	43,470
At 31 March 2020	<u>14,593</u>	<u>7,150</u>	<u>1,817</u>	<u>19,910</u>	<u>43,470</u>
Depreciation					
At 1 April 2019	5,758	2,504	1,360	11,979	21,601
Charge for the year	884	358	114	1,983	3,339
At 31 March 2020	<u>6,642</u>	<u>2,862</u>	<u>1,474</u>	<u>13,962</u>	<u>24,940</u>
					-
Net book value					
At 31 March 2020	<u>7,951</u>	<u>4,288</u>	<u>343</u>	<u>5,948</u>	<u>18,530</u>
At 31 March 2019	<u>8,835</u>	<u>4,646</u>	<u>457</u>	<u>7,931</u>	<u>21,869</u>

6. Debtors

	Unrestricted £	2020 Restricted £	Total £	2019 Total £
Amounts due from related parties:				
The Lighthouse Project Limited	93,513	-	93,513	100,585
Prepayments and accrued Income	1,777	-	1,777	1,820
	<u>95,289</u>	<u>-</u>	<u>95,290</u>	<u>102,405</u>

7. Creditors

	Unrestricted £	2020 Restricted £	Total £	2,019 Total £
Trade creditors	5,387	-	5,387	-
Other creditors	625	-	625	582
Taxation and social security	416	-	416	433
Accruals	1,359	-	1,359	1,437
	<u>7,787</u>	<u>-</u>	<u>7,787</u>	<u>2,452</u>

8. Trustees' remuneration and expenses

No remuneration or expenses, directly or indirectly out of the funds of the charity, was paid or payable for the year to any trustee.

THE LIGHTHOUSE PROJECT SPALDING

Notes to the Financial Statements

for the year ended 31 March 2020

9. Related party transactions

The Lighthouse Project Limited works closely with this charity and the company makes donations out of profits each year amounting to £70,000 in the current year (2019 - £70,000). Being based on the annual results the donation is outstanding at the year end as shown in note 6. Mrs J J Tedbury, is the sole director of the company.

The company donates the cost of the charity's public liability insurance cover annually and thus the insurance cost regarding this is not shown in the accounts of the charity.

10. Control relationship

The charity is controlled by the trustees jointly and no individual can or does exert control over the others.