

**REGISTERED COMPANY NUMBER: 03270679 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1059660**

**REPORT OF THE TRUSTEES AND**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**  
**FOR**  
**PILOTLIGHT**  
**(LIMITED BY GUARANTEE)**

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

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FOR THE YEAR ENDED 31 DECEMBER 2019**

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## **Introduction from the Chief Executive**

2019 proved to be a busy and exciting year for Pilotlight. We continued to successfully pursue the objectives laid out in our 2018 – 2020 strategic plan as well as developing a number of new initiatives. Key to our strategy, and our mission of helping charities reach more people, more effectively has been the success of our Partnerships Programmes. Together with the Pilotlight Programme, they will enable us to reach 1,000 charities supported to date in 2020. The number of service users our charity partners reached in 2019 alone was 1.4million.

As well as now reaching more people through supporting more charities, we are able to offer different support in different ways to enable our charity partners to better overcome the challenges they face in a difficult operating environment. The way we fulfil our mission is by harnessing the skills of the business community. Traditionally, we have worked with senior leaders; now we have expanded our programme suite to utilise Pilotlighter skills at different career levels within our corporate partners' businesses. This has increased diversity among our Pilotlighters as well as extending the benefits of Pilotlighting to a broader, younger pool of talent.

This is particularly significant in light of a big theme in 2019 - purpose-driven business. The Business Roundtable, which speaks for America's biggest companies, from Amazon to JP Morgan, amended its declaration that corporations exist principally to serve their shareholders, to enshrine a fundamental commitment to all stakeholders – customers, employees, suppliers, communities and last in the list, investors. Pilotlight has been helping companies deliver value for their staff and their charity partners for sixteen years and we are looking forward to doing more to support a purpose-led agenda.

Continuing to expand our focus outside of London, in 2019, in partnership with the National Lottery Community Fund, we embarked on a project to attract Pilotlighters in the Midlands and to develop a package of support for charities in the region. This is a 3 year pilot aimed at establishing a regional delivery model for Pilotlight.

I started the year with a declaration of intent to embrace digital. I believe our sector is at risk of getting left behind in this crucial area and missing out on opportunities. We decided to review our strategic objectives through the lens of digital and by year end had taken some steps e.g. a digital skills audit, delivering webinars & setting up a digital steering group. We also agreed to become a Digital Charity Code of Practice Champion so as to support the wider sector in getting on board with digital.

However, the biggest step has been the development of a specification for a Pilotlight Portal, which we are progressing. The aim in phase one is to enhance the journey of our charity partners and Pilotlighters as they engage with Pilotlight as well as bringing efficiencies for the organisation.

It's wonderful to be reporting the great results below and outlining how we are investing in piloting new initiatives to use our experience and expertise to better support both charity and business sectors.

## OBJECTIVES AND ACTIVITIES

Pilotlight's aim is to help charities and social enterprises become more resilient and deliver more effective and efficient services, resulting in better outcomes for disadvantaged people. We specifically support charities working to tackle disadvantage in the UK. However, we have also supported charities based in the UK whose beneficiaries are overseas. Our **Pilotlight Programme** matches directors from charities and social enterprises with teams of senior business people and our Project Managers facilitate a 10 month engagement to plan for sustainability, development and growth. The outputs of this programme support:

- Leadership outcomes: more effective leadership/improved strategic planning
- Organisational outcomes: more resilient organisations delivering more efficient and effective services
- Service user outcomes: improved outcomes for disadvantaged people)

In pursuit of our mission to help charities help more people more effectively, our activities have expanded beyond the Pilotlight Programme to a range of programmes aimed at supporting charities in different ways, at different stages of their development.

### Partnerships Programmes

Developed and run in collaboration with our corporate partners, these programmes utilise skills at early careers and emerging leaders as well as senior executive level. These Programmes have enabled us to develop a charity journey, acknowledging that charities have different needs and challenges which may be met prior to or following on from the Pilotlight Programme. Taking place over 2 – 6 months on average, the Programmes are managed and facilitated by Pilotlight Project Managers.

### Pilotlight One-to-One

We offer one to one mentoring support for charity leaders following on from the Pilotlight Programme, using experienced Pilotlighters, and in 2018 we expanded this offer to charities new to Pilotlight as part of a charity journey, before potentially progressing onto one or more other programmes.

### Pilotlight Connect

This Programme is aimed at bringing charity leaders together to share learning, support each other and seek opportunities for closer working relationships. It is a key feature of our work in supporting charities outside the London area.

### The Weston Charity Awards

We celebrated our sixth year of running the awards in partnership with the Garfield Weston Foundation. From a pilot of 6 charities in the North-East in 2014, in 2019 twenty charities were award winners. The winners came from the North, the Midlands, Yorkshire, and our newest region – Wales. To date, the Awards have supported 90 charities working in Youth, Welfare & Community across the country. An alumni group has been set up to share the learning and leverage the connections.

### The charity leaders' bursary scheme

We gathered in depth feedback on the 2018 – 2019 cohort of charity leaders who were funded to become Pilotlighters, joining teams of business leaders to support other charities. Having a bursary Pilotlighter on the team was highly valued by the business members. For the charity leaders themselves it was an opportunity for continued learning and development and the satisfaction of supporting another charity. A second cohort joined in 2019 and based on the results so far, we plan to embed this initiative in our way of working.

### Consortia projects

We are keen to support initiatives where collaboration or partnership working will bring more significant sector-wide benefits. In 2019, we partnered with London Plus (the regional partnership body for volunteering in London) to support consortia working. There is a growing move to tendering for big local authority contracts and this was a pilot with 2 consortia, one already in place and one potential, to understand how/if the Pilotlight programme could support them. The pilot ends in the first quarter of 2020 and the learnings and outcomes will be reported on subsequently.

## ACHIEVEMENTS AND PERFORMANCE

2019 results:

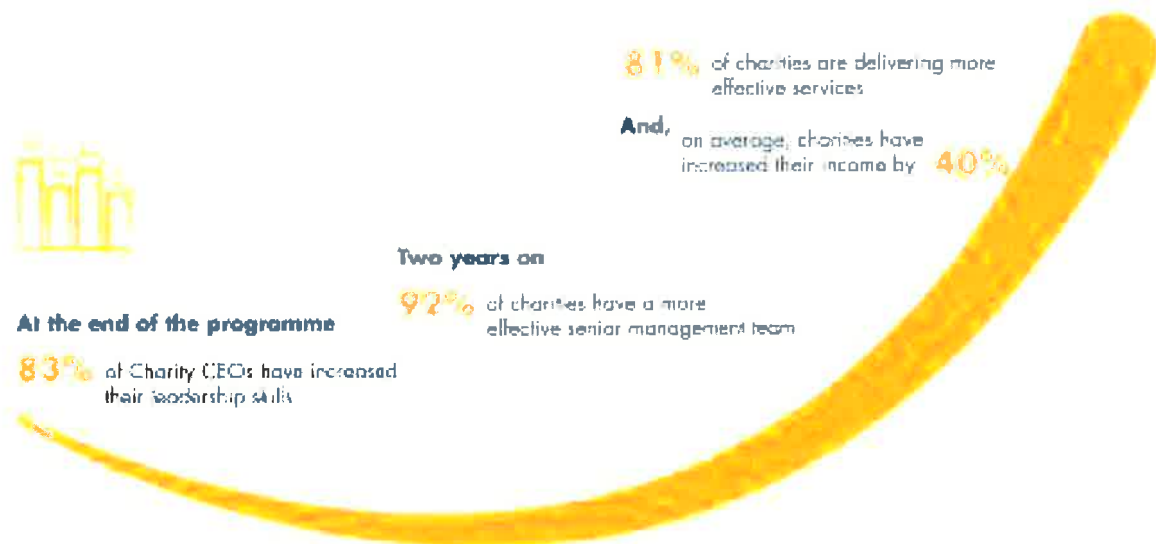


Improved understanding of Pilotlight's activity and the changes delivered to the charities we work with in the short and intermediate term enabled us to create an outcomes chain for how Pilotlight contributes to more charities working more efficiently and effectively.

This outcomes chain now forms the framework for articulating the change the Programme seeks to deliver and, since implementation, has helped us further monitor its success in delivering that change. We measure our success against a range of criteria such as:

- Average increase in income for our partner charities following the engagement
- Average increase in service user numbers for our partner charities following the engagement
- Increase in confidence and leadership skills for the charity CEOs following the engagement
- Increased effectiveness of the board and SMT following the engagement

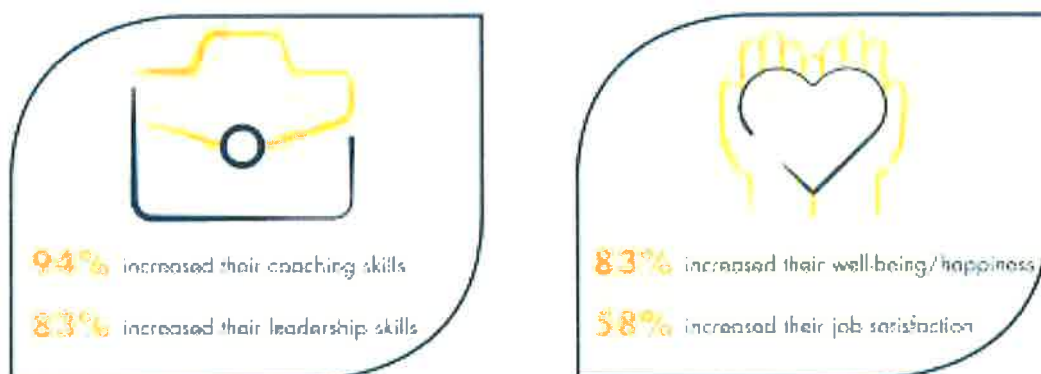
## Summary of outcomes for charities on the Pilotlight Programme in 2019:



## Performance indicators:

We use an evaluation framework to collect evidence of the impact on our partner charities in terms of leadership, organisational and service user outcomes. We collect data at the end of the engagement, one year on and two years on to understand the short, intermediate and long term impact. This is measured against the performance indicators stated above.

Creating change for charities is at the heart of everything we do, yet success in delivering this change is dependent on engaging skilled business leaders to support them so it is vital that Pilotlight considers the needs of - and the change it wishes to deliver - for Pilotlighters too.



Pilotlight's vision is of a world where charities and business work together to create positive social change.

The evidence we have collected to date suggests that Pilotlighters gain increased knowledge and understanding of the operating context for UK charities and social enterprises, the challenges faced by people in need, and organisational management in charities and social enterprises. They also feel it has increased both their confidence and their motivation to work with charities; by the end of their third engagement, there is evidence that Pilotlighters are volunteering more in the charity sector by, for example, becoming a trustee of a charity outside their work with Pilotlight. In keeping with previous research linking volunteering with positive mental health outcomes, Pilotlighters report that involvement with Pilotlight has increased their personal wellbeing and job satisfaction.

## **FINANCIAL REVIEW**

Pilotlight meets its objectives of supporting charities to increase their social impact by improving their efficiency and effectiveness. Our programmes are free to charities; we fund our activities principally through individual business member donations and corporate fees, the remainder through Trust & Foundation grants. In 2019 grants make up 30% of total income with 70% coming from membership income. Our positive financial performance allows us to plan to support more charities going forward and to invest in new initiatives for the benefit of the sector as a whole.

Our total income was £1,206,893. Our grant income (included in the aforementioned figure) was £396,677. Included in creditors is deferred income of £426,395. Our costs were £1,161,608. Cash at year end was £2,252,367.

No significant events have affected the financial performance of the charity during the year.

### **Covid-19**

At March 2020 we find ourselves in unprecedented circumstances due to the Coronavirus outbreak. Thanks to our strong financial performance in recent years Pilotlight is in a position to continue to pursue our plans and objectives to support charities. Therefore we are progressing our activities and seeking new ways to deliver them. We acknowledge however, that there will be some delays in project delivery which is likely to affect the overall number of projects undertaken in 2020.

### **Pilotlight Treasury & Investment Policy**

Pilotlight is a charitable company limited by guarantee.

The organisation is led by a Chief Executive Officer ("CEO"), supported by a Senior Management Team ("SMT").

The Trustee Board has delegated authority for matters relating to Pilotlight's financial assets to the CEO and a sub-committee of trustees ("Finance Committee").

## **Background**

Pilotlight uses its income to provide programmes designed to support charities seeking to increase their social impact. The programmes are provided to participating charities free of charge.

Pilotlight has varied sources of income including annual fees from individual members or from companies who sponsor their employees' membership costs. Members pay annually so income is received across the full calendar year. The organisation also receives occasional grants which typically involve one or more lump sum receipt. Finally, we have in the past received *ad hoc* donations from private or corporate donors.

Pilotlight's expenses consist mainly of monthly salary costs and the cost of our offices in London and Edinburgh.

Pilotlight typically generates a small annual surplus resulting in cash balances that exceed our annual operating needs.

The organisation typically holds its assets in cash balances but could receive donations in the form of property, land or other forms of investment product ("Pilotlight's Assets")

## **Policy Objectives**

The purpose of the Treasury Policy is to ensure Pilotlight manages its assets prudently with little or no risk of capital loss.

Further, this policy is intended to clarify the authority of the CEO or designated members of the SMT in relation to Pilotlight's Assets.

## **Risk**

Pilotlight will maintain a banking relationship with at least one UK banking institution ("Pilotlight's Bank").

In order to take advantage of beneficial interest rates or to diversify risk away from Pilotlight's Bank, the organisation may deposit cash with other UK banks ("Deposit Bank").

Pilotlight's Bank and any Deposit Bank must at all times be regulated by the UK PRA, be designated as a "ring-fenced" bank and maintain a credit rating of at least BBB / Baa3 by Standard & Poors and Moody's respectively ("Bank Eligibility Criteria").

The CEO or designated member of the SMT will appoint Pilotlight's Bank or any Deposit Bank subject to confirmation by the Finance Committee.

In the event that a bank used by Pilotlight fails to meet the Bank Eligibility Criteria then the CEO or designated member of the SMT will seek to find alternative arrangements within 10 business days.

No more than 25% of Pilotlight's Assets may be held with a single Deposit Bank or multiple Deposit Banks owned by the same parent group. For the avoidance of doubt, 100% of Pilotlight's Assets may be held at Pilotlight's Bank.

All bank balances will be maintained in GBP.

Deposits may never be subject to conditions that might impair the deposit's principal value.

### **Liquidity Requirements**

Pilotlight's Reserves Policy advocates that approximately 6 month's running costs should be held in immediately available cash at a bank approved by the Finance Committee.

Cash balances exceeding the Liquidity Minimum may be deposited in a term deposit or notice account with Pilotlight's Bank or other Approved Deposit Banks subject to a limit of 12 months.

### **Non-cash Investments**

In the event that Pilotlight has received grant funding or donations that create a substantial surplus then the Finance Committee may approve investment in a collective investment fund ("Fund Investment").

Any Fund Investment will be subject to the following criteria:

- Managed or advised by an FCA regulated manager;
- Subject to UK law;
- Performance reports provided at least quarterly;
- Invested according to principles that are not inconsistent with Pilotlight's social purpose.

Further, any Fund Investments, including the size of the proposed investment, will be approved by Pilotlight's Trustee Board before agreements are entered into.

### **Reporting and Monitoring**

The CEO will inform the Finance Committee of all cash balances and relevant banking organisations quarterly.

Any term deposits or similar arrangements will be reported quarterly including the relevant interest rates.

Reports received from any Fund Investment will be made available to the Finance Committee quarterly.

### **Policy Amendments**

The CEO may propose amendments to this policy subject to approval by the Finance Committee

In the event of an urgent threat to Pilotlight's assets amendments to this policy may be approved by the Chairman of the Board of Trustees and the head of the Finance Committee.

## **Approval and Review**

This Treasury Policy was prepared by the Finance Committee. It will be reviewed on an annual basis to ensure continuing appropriateness.

## **Reserves policy**

The Trustee Board has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should, in the medium term, be around 6 months of running costs, which equates to approximately £600,000. In addition to the significant deferred revenue balances, the Board feels that this would enable the funding of working capital, provide resources against unforeseen circumstances, and support new growth projects. In the event of a significant drop in funding, it would be necessary to consider how the funding would be replaced or activities changed. Unrestricted reserves in 2019 increased by £62,014.

## **FUTURE PLANS – OBJECTIVES FOR 2020**

- To proactively pursue opportunities for cross-sector and in-sector collaboration.
- To increase both the number of Partnerships Programmes undertaken and continue to drive the Pilotlighter pathway to include corporate employees at all levels of seniority.
- To improve our customer journey experience through a new digital portal and at the same time, increase internal operational efficiency.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

- The organisation is a charitable company limited by guarantee, incorporated on 29 October 1996 and registered as a charity on 6 December 1996. On 20 March 1997 the charitable company changed its name from Pilot Light to Pilotlight.
- The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.
- From 24 October 2007 the charity became a registered charity in Scotland (SC038844).

### **Appointment to the Trustee Board**

- Members of the Trustee Board, directors for the purposes of charity law, who served during the period, are set out in the Reference and Administrative Details section. Trustees are appointed for a period of two three-year terms.
- Recruitment to the Trustee Board is led by the Chairwoman based on a yearly review of skills and schedule of terms, and follows the nominations process outlined in our Trustee Handbook.
- The board of Trustees themselves has the power to appoint a Trustee at any time, either to fill a casual vacancy or as an additional Trustee.

## **Organisational structure**

- The Trustee Board oversees the charity and meets four times a year to discuss the current position and decide future strategy. The Board is currently made up of 8 members and has two principle components: contributing to the development of the strategy, and monitoring executive activity and outcomes; the focus is on strategy, governance, finance, performance and risk. A Finance sub-Committee, which meets 6 times a year, reports into the Trustee Board. A second sub-Committee, called the Strategy & Innovation Committee meets 3/4 times a year to review strategy and new opportunities.
- In 2017 a Vice Chair, Tina Alexandrou was appointed, in accordance with Charity Commission guidance on good governance.
- The Chief Executive is appointed by the Board to manage the day-to-day operations of the charity and supervise the 18 (as at 31/12/2019) full-time staff. There is a leadership team consisting of 4 senior members of staff including the Chief Executive. Direct reports to the CEO are: Head of Operations, Head of Programmes and Head of Partnerships.

To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, recruitment and programme development activity.

## **Trustee Board Induction and Training**

- New members of the Trustee Board are instructed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association and the decision-making process by other members of the Committee. They are strongly encouraged to seek further guidance on their role primarily through the advice given on the Charity Commission website. They are provided with a Trustee Handbook and as part of their induction and meet with the Chief Executive and members of the senior management team as appropriate.

## **Risk Management**

The Board of Trustees is responsible for the management of the risks faced by the charity. A Risk Register identifies the potential and actual risks, the nature of the risks, the likelihood and impact of the risks happening, and the measures taken to prevent or manage them.

Pilotlight recognises the importance of operating an effective risk management framework. It does so by having a clear understanding of risks and their categorisation and an effective process for assessing and prioritising risk. The risk register is maintained by the leadership team and reviewed and updated on a quarterly basis; the Board and the Finance Committee each assess the risk register twice a year. The Board has identified the principal risk to Pilotlight as a failure to attract and retain our business members. This would affect both our ability to fulfil our charitable objectives as well as impacting our financial performance. The uncertainty for individuals as well as businesses in the withdrawal of the UK from the European Union has also been considered. This risk is managed through pipeline and process management and an ongoing analysis of trends. There are a number of mitigating actions in place including a series of external events to promote the programmes and an investment in PR support.

### **Remuneration**

- The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. The Trustee Board benchmarks against pay levels in other voluntary sector organisations of a similar size and uses information from annual sector pay surveys to inform their decision-making.

### **Public benefit**

- The Trustee Board has had due regard to the Charity Commission guidance on public benefit and has complied with the duty in section 17 of the Charities Act 2011.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

### **Registered Company number**

- 03270679 (England and Wales)

### **Registered Charity number**

- 1059660

### **Registered office**

- Audrey House  
16-20 Ely Place  
London  
EC1N 6SN

### **Principal address**

- Valiant House  
4 – 10 Heneage Lane  
London  
EC3A 5DQ

### **Trustees**

Ms C Alexandrou – Vice Chair

Mr G Clempson -Chair – resigned 11/12/18

Ms S. Bailey – Chair – appointed 11/12/18

Mr C J Connelly

Mr G Hale

Ms A F M Sinclair

Mr J Salas

Ms T Naidu – resigned on 27/02/2019

Mr P D Moss - appointed on 27/02/2019

### **Company Secretary**

Mr I Patel

### **Auditors**

- Hartley Fowler LLP  
Statutory Auditors  
Chartered Accountants  
4th Floor Tuition House  
27/37 St George's Road  
Wimbledon  
London  
SW19 4EU

## **REFERENCE AND ADMINISTRATIVE DETAILS**

### **Bankers**

- HSBC  
Weybridge Commercial Centre  
Church Street  
Weybridge  
Surrey KT13 8DF

### **Chief Executive Officer**

Ms G Murray

## **STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also directors of the charitable company (Limited by guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charity SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the companies act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 9/4/20 and signed on its behalf by:

  
Mr CJ Connelly – Treasurer - Trustee

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF PILOTLIGHT (LIMITED BY GUARANTEE)**

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### **Opinion**

We have audited the financial statements of Pilotlight (Limited by guarantee) (the 'charitable company') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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 Report of the Independent Auditors 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF  
PILOTLIGHT  
(LIMITED BY GUARANTEE)**

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) 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 exemption in preparing the Report of the Trustees.

**Responsibilities of trustees**

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

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

**Our 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 a Report of the Independent Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**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, and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the trustees 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.

  
Jonathan Askew (Senior Statutory Auditor)

for and on behalf of Hartley Fowler LLP

Statutory Auditors

Chartered Accountants

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

4th Floor Tuition House

27-37 St George's Road

Wimbledon

London

SW19 4EU

Date: .....20/4/20.....

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	214,051	-	214,051	447,943
<b>Charitable activities</b>	5				
Providing business support to UK charities		626,525	363,612	990,137	963,822
Investment income	4	2,705	-	2,705	2,355
<b>Total</b>		843,281	363,612	1,206,893	1,414,120
<b>EXPENDITURE ON</b>					
Raising funds	6	58,568	-	58,568	53,388
<b>Charitable activities</b>	7				
Providing business support to UK charities		739,428	363,612	1,103,040	1,025,673
<b>Total</b>		797,996	363,612	1,161,608	1,079,061
Net gains on investments		16,729	-	16,729	-
<b>NET INCOME</b>		62,014	-	62,014	335,059
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		1,205,285	-	1,205,285	870,226
<b>TOTAL FUNDS CARRIED FORWARD</b>		1,267,299	-	1,267,299	1,205,285

The notes form part of these financial statements

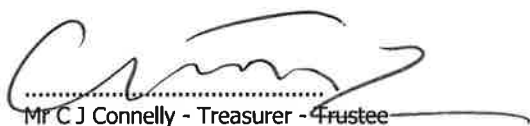
**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	14	21,281	34,035
Investments	15	235,008	207,161
		<u>256,289</u>	<u>241,196</u>
<b>CURRENT ASSETS</b>			
Debtors	16	87,310	205,877
Cash at bank		2,252,367	1,724,544
		<u>2,339,677</u>	<u>1,930,421</u>
<b>CREDITORS</b>			
Amounts falling due within one year	17	(578,667)	(726,127)
		<u>1,761,010</u>	<u>1,204,294</u>
<b>NET CURRENT ASSETS</b>			
		2,017,299	1,445,490
<b>CREDITORS</b>			
Amounts falling due after more than one year	18	(750,000)	(240,205)
		<u>1,267,299</u>	<u>1,205,285</u>
<b>NET ASSETS</b>			
<b>FUNDS</b>	21		
Unrestricted funds		1,267,299	1,205,285
<b>TOTAL FUNDS</b>		<u>1,267,299</u>	<u>1,205,285</u>

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

The financial statements were approved by the Board of Trustees on 9/4/20 and were signed on its behalf by:

  
Mr C J Connelly - Treasurer - Trustee

The notes form part of these financial statements

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	562,933	(116,334)
Net cash provided by/(used in) operating activities		562,933	(116,334)
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(251)	(1,115)
Purchase of fixed asset investments		(42,369)	-
Sale of fixed asset investments		25,547	4,063
Interest received		2,705	2,355
Net cash (used in)/provided by investing activities		(14,368)	5,303
<b>Cash flows from financing activities</b>			
New loans in year		-	143,983
Loan repayments in year		(20,742)	(31,780)
Net cash (used in)/provided by financing activities		(20,742)	112,203
<b>Change in cash and cash equivalents in the reporting period</b>		527,823	1,172
<b>Cash and cash equivalents at the beginning of the reporting period</b>		1,724,544	1,723,372
<b>Cash and cash equivalents at the end of the reporting period</b>		2,252,367	1,724,544

The notes form part of these financial statements

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2019 £	2018 £
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	62,014	335,059
<b>Adjustments for:</b>		
Depreciation charges	13,005	13,380
(Gain)/losses on investments	(11,025)	1,487
Interest received	(2,705)	(2,355)
Donation - Bridges Social Impact Bond	-	(212,711)
Decrease/(increase) in debtors	118,567	(84,762)
Increase/(decrease) in creditors	383,077	(166,432)
<b>Net cash provided by/(used in) operations</b>	<u>562,933</u>	<u>(116,334)</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/1/19 £	Cash flow £	At 31/12/19 £
<b>Net cash</b>			
Cash at bank	<u>1,724,544</u>	<u>527,823</u>	<u>2,252,367</u>
	<u>1,724,544</u>	<u>527,823</u>	<u>2,252,367</u>
<b>Total</b>	<u>1,724,544</u>	<u>527,823</u>	<u>2,252,367</u>

**3. MAJOR NON-CASH TRANSACTIONS**

During the previous year the Highwood Foundation transferred the whole of its interest in the Bridges Social Impact Bond Fund of £212,711 to Pilotlight.

# **PILOTLIGHT (LIMITED BY GUARANTEE)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **1. GENERAL INFORMATION**

The charitable company is incorporated and domiciled in England and Wales. The address of its registered office is Audrey House, 16-20 Ely House, London, EC1N 6SN. The registered number of the company is 03270679. The registered number of the charity is 1059660. The Scottish registered number of the charity is SCO38844.

The financial information presented is for the year ended 31 December 2019 and 31 December 2018. The financial information is presented in sterling.

### **2. ACCOUNTING POLICIES**

#### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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 2015), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006, The Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 (as amended). The financial statements have been prepared under the historical cost convention.

#### **a) Preparation of the accounts on a going concern basis**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

#### **b) Significant judgements and estimates.**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

(i) Deferred income. This represents corporate membership income and grant income that relates to future accounting periods.

(ii) Allocation of costs. The allocation of support and governance costs between charitable and expenditure categories.

#### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Corporate membership income is deferred and only released to the Statement of Financial Activities over the period to which the membership relates.

Voluntary income is received by way of grants, donations and gifts, including gift aid income where applicable, and is included in full in the statement of financial activities when receivable. Income from grants, where related to performance and specific deliverables, is accounted for when it is probable that the income will be received and amount can be measured reliably. Where conditions are imposed that must be met before the charity has unconditional entitlement, the income is deferred and not included in income until the pre-conditions for use have been met.

Gifts in kind are included at the estimated monetary value to the charity. Where services are provided to the charity as a donation that would normally be purchased, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity.

Donated assets are recognised at current fair value. The donated asset is recognised as donation income and debited to fixed asset investments.

## **PILOTLIGHT (LIMITED BY GUARANTEE)**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **2. ACCOUNTING POLICIES - continued**

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### **Raising funds**

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

##### **Governance costs**

Since there is no direct cost to holding Trustee Board meetings and no Trustee Board expenses are reimbursed, governance costs only include the statutory audit fee.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

All capital items are capitalised and a full year's depreciation is charged on a monthly basis from the date of purchase.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows;

Office Equipment - over 3 or 5 years.

##### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

##### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

##### **Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

##### **Fixed asset investments**

Fixed asset investments comprise two funds:

- (i) The Bridges Social Impact Bond Fund, and
- (ii) The Bridges Social Outcomes Fund II.

The Investments in the Funds are initially recognised at transaction value and subsequently measured at fair value as at the balance sheet date. The Funds are valued at the fair value of the net assets. Distributions from the Funds are a return of capital and disclosed as a disposal in the fixed asset investment note.

The statement of financial activities includes the net gains and losses on revaluation and disposals during the year.

##### **Cash at bank**

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**2. ACCOUNTING POLICIES - continued**

**Fixed asset investments**

Cash at bank includes bank deposit accounts 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.

**Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are recognised at the invoiced cost prepaid.

**Creditors**

Creditors are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at the settlement amount.

**Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

**3. DONATIONS AND LEGACIES**

	2019 £	2018 £
Donations - Individuals and Trusts	214,051	447,943

**4. INVESTMENT INCOME**

	2019 £	2018 £
Deposit account interest	2,705	2,355

**5. INCOME FROM CHARITABLE ACTIVITIES**

	Activity	2019 £	2018 £
Corporate Contract Income	Providing business support to UK charities	593,460	639,322
Grants	Providing business support to UK charities	396,677	324,500
		990,137	963,822

Grants received, included in the above, are as follows:

	2019 £	2018 £
Porticus	23,000	7,500
The Garfield Weston Foundation (three year grant awarded 2017)	292,000	288,000
Pro Bono Economics / Oak Foundation	33,065	29,000
Careers and Enterprise Company	13,400	-
The National Lottery Community	35,212	-
	396,677	324,500

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**6. RAISING FUNDS**

**Raising donations and legacies**

	2019 £	2018 £
Consultancy fees	<u>52,864</u>	<u>51,901</u>

**Investment management costs**

	2019 £	2018 £
Impairment losses	<u>5,704</u>	<u>1,487</u>
Aggregate amounts	<u>58,568</u>	<u>53,388</u>

**7. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Providing business support to UK charities	<u>763,735</u>	<u>339,305</u>	<u>1,103,040</u>

**8. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2019 £	2018 £
Staff costs	734,911	662,676
Travel	25,674	23,602
Bad debts	3,150	-
	<u>763,735</u>	<u>686,278</u>

**9. SUPPORT COSTS**

	Management £	Governance costs £	Totals £
Providing business support to UK charities	<u>333,455</u>	<u>5,850</u>	<u>339,305</u>

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**9. SUPPORT COSTS - continued**

Support costs, included in the above, are as follows:

**Management**

	2019 Providing business support to UK charities £	2018 Total activities £
Rent and office costs	168,275	170,367
Insurance	4,317	6,039
Telephone	18,223	20,497
Sundries	24,311	21,152
Recruitment costs	24,115	25,522
Legal and professional fees	63,751	59,104
Financial outsourcing	16,250	16,650
Bank charges	1,208	1,684
Depreciation of tangible and heritage assets	13,005	13,380
	<u>333,455</u>	<u>334,395</u>

**Governance costs**

	2019 Providing business support to UK charities £	2018 Total activities £
Auditors' remuneration	4,800	4,100
Auditors' remuneration for non audit work	1,050	900
	<u>5,850</u>	<u>5,000</u>

**10. NET INCOME/(EXPENDITURE)**

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

	2019 £	2018 £
Auditors' remuneration	4,800	4,100
Auditors' remuneration for non audit work	1,050	900
Depreciation - owned assets	13,005	13,380
Operating leases - land and buildings	<u>87,450</u>	<u>87,450</u>

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**11. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2019 nor for the year ended 31 December 2018.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 December 2019 nor for the year ended 31 December 2018.

**12. STAFF COSTS**

	2019 £	2018 £
Wages and salaries	656,994	596,271
Social security costs	65,051	58,806
Other pension costs	12,866	7,599
	<u>734,911</u>	<u>662,676</u>

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

	2019	2018
Charity Work	<u>21</u>	<u>17</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019	2018
£70,001 - £80,000	<u>1</u>	<u>1</u>

**13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	447,943	-	447,943
<b>Charitable activities</b>			
Providing business support to UK charities	639,322	324,500	963,822
Investment income	<u>2,355</u>	<u>-</u>	<u>2,355</u>
<b>Total</b>	<u>1,089,620</u>	<u>324,500</u>	<u>1,414,120</u>
<b>EXPENDITURE ON</b>			
Raising funds	53,388	-	53,388
<b>Charitable activities</b>			
Providing business support to UK charities	701,173	324,500	1,025,673
<b>Total</b>	<u>754,561</u>	<u>324,500</u>	<u>1,079,061</u>
<b>NET INCOME</b>	<u>335,059</u>	<u>-</u>	<u>335,059</u>

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted funds £	Restricted funds £	Total funds £
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	870,226	-	870,226
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>1,205,285</u>	<u>-</u>	<u>1,205,285</u>

**14. TANGIBLE FIXED ASSETS**

	Office equipment £
<b>COST</b>	
At 1 January 2019	100,759
Additions	251
At 31 December 2019	<u>101,010</u>
<b>DEPRECIATION</b>	
At 1 January 2019	66,724
Charge for year	13,005
At 31 December 2019	<u>79,729</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>21,281</u>
At 31 December 2018	<u>34,035</u>

**15. FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>MARKET VALUE</b>	
At 1 January 2019	207,161
Additions	42,369
Disposals	(25,547)
Revaluations	18,216
Impairments	(7,191)
At 31 December 2019	<u>235,008</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>235,008</u>
At 31 December 2018	<u>207,161</u>

There were no investment assets outside the UK.

Pilotlight have invested into 2 funds:

(I) Bridges Social Impact Bond Fund

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**15. FIXED ASSET INVESTMENTS - continued**

In March 2018 The Highwood Foundation transferred to Pilotlight by way of a donation (valued at £212,711) its limited partnership share in this Fund. The Highwood Foundation paid Pilotlight the remaining commitment of £143,983.

(ii) Bridges Social Outcomes Fund II

In March 2019 Pilotlight became a limited partner in this fund. During the year it made contributions of £42,368 into this fund and has an unfunded commitment of £207,631 at 31 December 2019.

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019	2018
	£	£
Other debtors	11,198	8,329
Membership debtors	29,734	153,013
VAT	6,639	-
Prepayments	39,739	44,535
	<u>87,310</u>	<u>205,877</u>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019	2018
	£	£
Trade creditors	3,438	4,780
Social security and other taxes	19,948	18,100
VAT	-	6,204
Other creditors	97,283	115,815
Deferred income	426,395	541,373
Accrued expenses	31,603	39,855
	<u>578,667</u>	<u>726,127</u>

	2019	2018
	£	£
<b>Deferred Income</b>		
Balance at 1 January 2019	541,373	556,544
Deferred income - amounts falling due after more than one year (transferred)	240,205	288,000
Amounts deferred in the year	981,803	282,203
Amounts released to income	(586,986)	(456,540)
Amounts deferred - amounts falling due after more than one year (transferred)	(750,000)	(128,834)
Balance at 31 December 2019	<u>426,395</u>	<u>541,373</u>

Deferred income at 31 December 2019 consists of £138,882 (2018 £190,138) corporate membership income and £287,513 (2018 £351,232) grant income which relates to the year ended 31 December 2020.

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2019 £	2018 £
Deferred income	750,000	240,205
	2019 £	2018 £
Deferred Income		
Balance at 1 January 2019	240,205	399,371
Amounts deferred in the year to periods beyond 31 December 2020	750,000	128,834
Deferred income - amounts falling due within one year (transferred)	(240,205)	(288,000)
Balance at 31 December 2019	750,000	240,205

In November 2019 Garfield Weston awarded Pilotlight a grant of £750,000 to be spread over three years towards the partnership between Garfield Weston and Pilotlight on the Weston Charity Awards.

**19. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019 £	2018 £
Within one year	102,324	102,324
Between one and five years	77,874	180,198
	180,198	282,522

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Fixed assets	21,281	-	21,281	34,035
Investments	235,008	-	235,008	207,161
Current assets	1,265,296	1,074,381	2,339,677	1,930,421
Current liabilities	(254,286)	(324,381)	(578,667)	(726,127)
Long term liabilities	-	(750,000)	(750,000)	(240,205)
	1,267,299	-	1,267,299	1,205,285

**21. MOVEMENT IN FUNDS**

	At 1/1/19 £	Net movement in funds £	At 31/12/19 £
<b>Unrestricted funds</b>			
General fund	1,205,285	62,014	1,267,299
<b>TOTAL FUNDS</b>	1,205,285	62,014	1,267,299

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**21. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	843,281	(797,996)	16,729	62,014
<b>Restricted funds</b>				
Porticus UK	23,000	(23,000)	-	-
The Garfield Weston Foundation (three year grant awarded 2017)	292,000	(292,000)	-	-
The National Lottery Community Fund	35,212	(35,212)	-	-
The Careers and Enterprise Fund	13,400	(13,400)	-	-
	<u>363,612</u>	<u>(363,612)</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>1,206,893</u>	<u>(1,161,608)</u>	<u>16,729</u>	<u>62,014</u>

**Comparatives for movement in funds**

	At 1/1/18 £	Net movement in funds £	At 31/12/18 £
<b>Unrestricted funds</b>			
General fund	870,226	335,059	1,205,285
	<u>870,226</u>	<u>335,059</u>	<u>1,205,285</u>
<b>TOTAL FUNDS</b>	<u>870,226</u>	<u>335,059</u>	<u>1,205,285</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,089,620	(754,561)	335,059
<b>Restricted funds</b>			
Porticus UK	7,500	(7,500)	-
The Garfield Weston Foundation (three year grant awarded 2017)	288,000	(288,000)	-
Pro Bono/Oak Foundation	29,000	(29,000)	-
	<u>324,500</u>	<u>(324,500)</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>1,414,120</u>	<u>(1,079,061)</u>	<u>335,059</u>

Restricted Funds

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**21. MOVEMENT IN FUNDS - continued**

(i) The Garfield Weston Foundation 3 year grant awarded 2017: Supporting Pilotlight and 20 charities in 2018 and 2019 and 22 charities in 2020 in the Midlands, North-East, North-West of England and Wales through the Weston Charity Awards.

(ii) Porticus UK: Supporting Pilotlight's work in the North West.

(iii) Pro Bono Economics / Oak Foundation: Providing specialist skills for 10 housing and homelessness charities in Oak Foundation's portfolio of grantees.

(iv) The National Lottery Community Fund. To establish a sustainable presence for Pilotlight in Birmingham, enabling charities in the area to access its highly managed capacity building programmes and to build sustainable local support networks between charities and businesses. The total grant is for £213,075 over three years.

(v) The Careers and Enterprise Company (CEC): Performing assessments and diagnostics of CEC's Community Plus grant recipients.

**22. RELATED PARTY DISCLOSURES**

During the previous year The Highwood Foundation transferred the Bridges Social Impact Bond of £212,711 to Pilotlight. The Highwood Foundation paid Pilotlight the remaining commitment of £143,983 which is to be drawn down. Graham Clempson who resigned as a trustee of Pilotlight during the previous year, was a trustee of The Highwood Foundation which was closed in April 2019.

**Key management compensation**

	2019 £	2018 £
Salaries and other short-term benefits	206,349	210,403
Post-employment benefits	3,831	2,647
	<u>210,180</u>	<u>213,050</u>

Key management includes certain senior employees who have authority and responsibility for planning and controlling the activities of the charity.

During the year trustees made donations of £7,852 (2018 £10,172).

**23. COMPANY LIMITED BY GUARANTEE**

The charity is limited by guarantee and has no share capital. The liability of each member is determined by the Articles of the charity and shall not exceed £1. There were 6 members as at 31st December 2019 (2018:7).