

**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 2020  
FOR  
PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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).

#### **OUR OBJECTIVES**

Pilotlight is a charity that supports charities. Because we rely on earned income more than charity grants, we can also be described as a social enterprise. Our objective is to help charities and social enterprises become more resilient and deliver more effective and efficient services, resulting in better outcomes for disadvantaged people.

This is our report of our work and progress across an extraordinary year, with the onset of the COVID-19 pandemic. We want to thank all of our members, corporate partners and charity partners for their participation and support for what we have been able to achieve, at a time at which it has never been more needed.

#### **OUR PERFORMANCE AND IMPACT**

Across the charity and linked social enterprise sector in 2020, organisations have seen a trend of rising needs (in terms of demand from beneficiaries) and falling incomes – a phenomenon we have characterised as a ‘scissors effect’ because of the challenges that this brings to charity leaders and their teams. We have faced the same pressures, because despite the shift to remote working and remote delivery of all our programmes, the demand for our support has been strong.

Alongside this, we have managed a change in executive leadership, saying goodbye to Gillian Murray who has made such a brilliant contribution to our work, setting our model and operations on a firm, professional and sustainable footing. After a short period in which Bruce McCombie was Interim Chief Executive, we welcomed Ed Mayo as new Chief Executive half way through the year.

In retrospect, it is perhaps easy to gloss over the dramatic events of the year as we experienced them and to move to the summary conclusion, in which we can see that the outcomes and impacts we achieved over the year are extensive and in line with previous years. At the time, it felt far more uncertain than this and the Board played an active role in supporting the charity, both around the change in staff leadership but also in the context of the risks and uncertainties of the time. We did not know whether our corporate partners would continue their support for our work. We did not know whether charities would be in such pressing emergencies that longer-term support of the kind that we tend to offer might be less in need. We did not know whether our operations could be sustained through home working, whether we would face illness and staff shortages ourselves and we did not know whether our members and charity partners would take up the switch which we needed to plan at short notice, to move all our delivery online. Our budget contingencies reflected these uncertainties and the Board recognised early on that these were the ‘rainy days’ that our financial reserves were here to act as a buffer against.

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

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020**

The outcomes, both in terms of financial performance and social impact, demonstrate the way in which our hard-working and talented staff team and network of members ('Pilotlighters') overcame these uncertainties and made a significant difference. With the exception of one project, the Morgan Stanley Strategy Challenge which was put on hold for a year, all our programmes moved to virtual delivery.

In 2020, Pilotlight worked with 660 Pilotlighters on 141 projects, delivering support to 135 unique charities. Together, these 135 charities were supporting over 2 million people across the UK over the year. While the number of charities that we work with fell compared to the previous year (152 in 2019), we are reporting a higher reach in terms of indirect beneficiaries (1.4m in 2019). This reflects a more systematic accounting for these numbers, including all charities working with us on our partnership programmes. The numbers, even so, are conservative, as they cover only those served in the twelve month period of our contact.

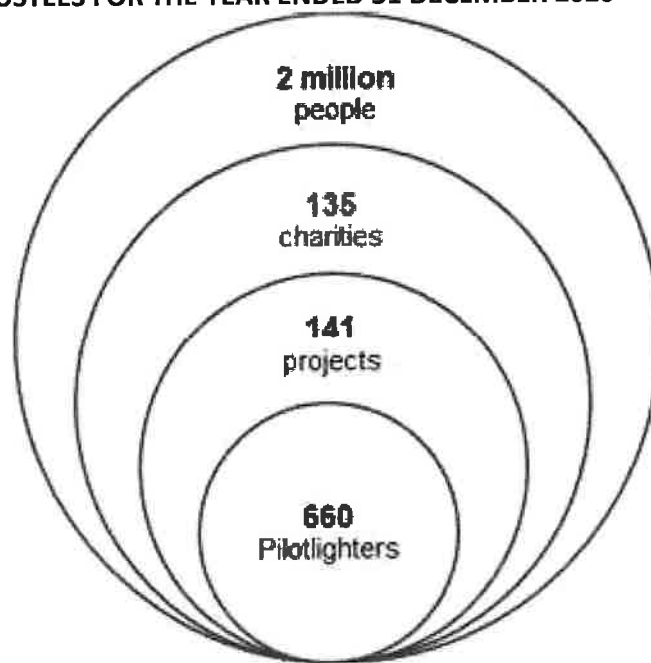
Over time, Pilotlight has worked with an estimated 2,835 Pilotlighters on 970 projects to support 769 charities. This means that we expect that by the end of 2021, Pilotlight will have worked with over 3,000 Pilotlighters and delivered over 1,000 projects in the 25 years since we were founded.

Our impact evaluation framework demonstrates that satisfaction with the move to on-line delivery was high amongst charity leaders and Pilotlighters, and stakeholder satisfaction with the overall experience of projects was on a par with previous years. Charity satisfaction with project outcomes remained high across all our programmes. The feedback suggested that these charity leaders were particularly appreciative of the value of the strategic planning work with Pilotlight in the light of Covid-19.

Using this framework, we also look at the performance of charities that we have worked with before, in order to gauge some of the longer-term benefits of our form of organisation development support. Charity leaders supported on the Pilotlight Programme in 2018 reported positive longer term impact for their organisations against a number of key outcomes - particularly on strategic vision, the effectiveness of the senior management team, and the clarity of marketing and communications.

## PILOTLIGHT (LIMITED BY GUARANTEE)

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020



Compared to 2019, impact on job satisfaction was up for charity leaders but down for corporate Pilotlighters. Impact on Pilotlighter engagement with the charity sector remained strong. There was a significant fall in the level of charity leaders and Pilotlighters that report that their involvement had had an impact on their career development and professional networks – not surprising perhaps given the external environment and limitations of virtual working.

Encouragingly, particularly in the context of difficult circumstances, the percentage of CEOs saying that their involvement had increased their job satisfaction was up from 59% in 2019 to 70% in 2020. Some leaders commented that they had particularly appreciated the support in a role that could ‘be a very lonely one’ at the best of times.

*“It was good to have ‘critical friends’ who I could share information with and get support. It was a good chance to share my thoughts, feelings and ideas with peers and be able to get honest feedback.”*

*“The sympathetic response from the project managers and Pilotlighters was very useful and created space to reflect on the crisis.”*

Close to all Pilotlighters (96%) report that their involvement with Pilotlight increases their understanding of other perspectives, including different leadership styles.

*“Really reinforced my belief in the power of team work and diversity of thought, we worked together well as a team benefitting from each other’s perspectives.”*

*“I have always wanted to find a way to use my professional skills in a charitable context. This programme has really given me insight in to the way that charities operate, the common challenges they face and how I might usefully contribute.”*

## PILOTLIGHT (LIMITED BY GUARANTEE)

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

#### OUR ACTIVITIES

The activities that lie behind this are all based on a core model which matches leaders from charities and social enterprises with teams of people with business and organization skills to support what they do. These programmes are free to charities and social enterprise and we attract funding, typically from individual Pilotlighters and corporate partners to cover the costs of delivering these.

In our longstanding Pilotlight Programme for example, our skilled project management staff facilitate a 10 month engagement to help the charity leader plan for sustainability, development and growth. With our corporate partners, we have developed a range of shorter programmes, typically between 2 and 6 months, also aimed at supporting charities but in different ways and at different stages of their development.

A partnership with the Garfield Weston Foundation has helped to open access to our support for a wider range of charities through the Weston Charity Awards. These were run in partnership in 2020 for the seventh year. From a pilot of 6 charities in the North-East in 2014, in 2020 nineteen charities were award winners.

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. In addition, we have run a Bursary Pilotlighter programme, in which we offer places for free to selected charity leaders who join as Pilotlighters in order to benefit other charities and to learn themselves in the process.

In June 2020, the Board agreed to the formation of a working group comprised of staff and trustees to develop our organisational understanding and performance on Diversity, Equity and Inclusion, with the goal of developing an Action Plan on this for approval in early 2021.

The breakdown by income of the charities and social enterprises that we work with through the input of our Pilotlighters is set out below.

Size		Charities worked with in 2020		Charities on Pilotlight Programme (Including Weston Charity Awards)		Charities on partnership programmes	
Income Band	Name	No.	%	No.	%	No.	%
<£10,000	Micro	0	0	0	0	0	0
£10,000 to £100,000	Small	11	8	2	2	9	19
£100,000 to £1m	Medium	82	61	59	69	22	47
£1m to £10m	Large	37	27	22	26	14	30
£10m to £100m	Major	0	0	0	0	0	0
> £100m	Super-major	1	1	1	1	0	0
Missing		4	3	2	2	2	4
All		135	100	86	100	47	100

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

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **OUR FINANCES**

Pilotlight meets its objectives of supporting charities to increase their social impact through a business model that we have developed over time. We fund our activities principally through individual business member donations and corporate fees, the remainder through Trust & Foundation grants. Pilotlight uses its income to provide programmes designed to support charities seeking to increase their social impact by improving their efficiency and effectiveness. The programmes are provided to participating charities free of charge.

In 2020 grants make up around 33% of our total income with membership income being our primary source of income. Our total income was £1,165,841. Our grant income includes support from the Garfield Weston Foundation, the National Lottery Community Fund and the Oak Foundation. In addition, we received support from Central Government for furloughed staff of £11,538.

Included in creditors is deferred income of £876,037, of which £423,837 is deferred income due in less than one year. Our costs were £1,185,222. Cash at year end was £1,916,673.

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 receipts. Finally, we have in the past received ad hoc donations from private or corporate donors. We do not typically engage in open public fundraising.

Pilotlight's expenditure consist mainly of monthly salary costs and the cost of our offices in London and Edinburgh. The charity typically holds its assets in cash balances but could receive donations in the form of property, land or other forms of investment product.

Financial risks are managed as part of an overall system of risk governance. The primary financial risks over 2020 were on the income rather than the expenditure side, but with early action and close contact with our primary sources of funding, the charity continued to attract and use financial support throughout the year. So, despite the unprecedented impact of the COVID-19 pandemic and thanks to very significant efforts by our team of staff and Pilotlighters, our financial performance has been relatively stable and no other significant events have affected the finances of the charity during the year.

#### **OUR STRUCTURE AND GOVERNANCE**

Pilotlight is a charitable company limited by guarantee, incorporated on 29 October 1996 and registered as a charity on 6 December 1996. The organisation is led by a Chief Executive Officer ("CEO"), supported by a Leadership Team.

The company was established under a Memorandum of Association which set the objects and powers of the charitable company and is governed under its Articles of Association. A review of the legal instruments of the charity has led to work on proposed changes to our constitution, to bring these into line with current good practice, and the intention is for these to be approved in 2021.

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

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020**

Following a review of governance policies and process, coupled with a Board Effectiveness Review, a new set of policies and associated Trustee Handbook were agreed in December 2020. This took account of the recommendations of the Charity Governance Code. The policies set out reserved and delegated matters, including around Pilotlight's financial assets and expanded the Finance Committee to become a Finance and Risk Committee.

Trustees of Pilotlight's Board are required to disclose all relevant interests and register them with the Chief Executive and withdraw from decisions where a conflict of interest arises. A policy on conflicts of interest governs the handling of decisions, including where a trustee is also involved with another relevant organization with whom we may co-operate with, setting out that trustees may, under appropriate circumstances, be involved in discussions about it but not in any decision-making process. All related party transactions are disclosed in note 23 to the accounts.

The Handbook forms a key element of our system of trustee induction, alongside a structured programme of engagement in our work and for meeting people within the staff team. 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. A refresher session on the duties of the trustee was held with input from our newly appointed charity law partner, Anthony Collins Solicitors. Towards the end of the year, a recruitment programme was launched with the agency BAME Recruitment, to attract new trustees with the skills and experience identified by the Board as needed for its work and good governance going forward.

The Treasury and Investment Policy sets out the charity's approach to the management of its funds and its liquidity requirements in this context. In line with this, the charity is active in the context of social investment, participating in two social venture capital funds operated by Bridges – the Bridges Social Impact Bond Fund and the Bridges Social Outcomes Fund II. We monitor the financial performance of these, aware of the heightened risk that social investment has faced over the year.

These are considered to be a way of generating both financial and social returns, in line with our charitable objects. These two funds have a net book value of £242,162. The charity has no funds in the form of investment assets overseas.

The Reserves Policy sets out that 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 2020 decreased by £19,829 to to £1,247,470.

The Trustee Board oversees the charity and meets around four times a year, with additional committee and working group meetings where required. The Chair of the Board is Sally Bailey and the Vice Chair is Tina Alexandrou. Chris Connelly is Chair of the Finance and Risk Committee.



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

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020**

The Chief Executive (Ed Mayo, at year end) is appointed by the Board to manage the day-to-day operations of the charity. A Leadership Team consists of 4 senior members of staff including the Chief Executive, Deputy Chief Executive (Bruce McCombie), Head of Operations (Mel Whitney-Long) and Head of Programmes (Charlie Medcalf). We also acknowledge the work of Alisa Hall, who worked as interim over the year and was a member of the Leadership Team.

The Board oversees a framework for the appropriate governance of risk, including a Risk Register, risk controls and mitigation and regular management and Board scrutiny of relevant risks, including a consideration of our risk appetite. 2020 was a high-risk year in many ways and the highest risk for the charity was seen to be a loss of income, so that it would not be able to carry out its charitable activities. Some of the key risks, such as around the shift to remote working have reduced over time, while others if anything have increased, such as cyber security. Looking forward, given the continued economic uncertainty, we expect to continue to be operating in a relatively high-risk environment, compared to previous years.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings, although this did not prove possible in 2020. 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.

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.

For completeness, we would add that there are no exemptions from disclosure or funds held as a custodian trustee on behalf of others that are applicable to the charity.

### **OUR FUTURE PLANS**

With the appointment of a new Chief Executive, Pilotlight has started a programme of strategy development in July 2020, designed to explore how the charity can best achieve its mission over time. The framework for this has been set as a ten year agenda, allowing the team to be ambitious in how we make progress on our charitable objectives. This strategy work has benefited from our learning and the tools in use with our charity partners and included extensive stakeholder insight, a mapping of our core markets, potential collaborators and competitors, analysis of key trends in the external environment and an identification of strengths, weaknesses, opportunities, and threats.

By the end of 2020, the Board had decided on two key themes for our future work: how we innovate our offer around skills sharing to grow our impact; and how we collaborate with others in the field to allow for a genuine step change in the impact of skills sharing for charities and social enterprises. In support of this, the charity ran a Roundtable on Third Sector Support in November 2020, bringing together a wide range of key potential partners, to explore how better to work together.

As a bridge to this, the Board approved in December 2020 an Operational Plan for Pilotlight for our work in 2021. One key theme set out in this was a focus on supporting learning and development across the staff, in recognition of the skills and the potential that they bring as a high performing team. In addition, we will review our approach to our office use, in London and Edinburgh, along with one team member in the Midlands.

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

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020**

The 2021 Operating Plan includes a set of Key Performance Indicators, listed below.

#### ***Key Performance Indicators for 2021***

1. Number of charity partners recruited
2. Number of charity projects delivered
3. Increase in social media followers 25%
4. Maintain Pilotlighter satisfaction rates: 4 out of 5
5. Increase membership renewal rate by 5%
6. Partnerships proposal pipeline value
7. Maintain rolling average of staff survey results
8. Financial performance: <5% variance on budget

#### **OUR REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company number**

03270679 (England and Wales)

##### **Registered Charity number**

1059660

##### **Scottish Charity Registration Reference**

SC038844

##### **Registered office**

Audrey House 16-20 Ely Place London EC1N 6SN

##### **Principal address**

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

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

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **Trustees**

Ms C Alexandrou

Mr C J Connelly - Treasurer

Mr O S W Lloyd (appointed 17/3/20)

F M Rodford (appointed 17/3/20)

Ms A F M Sinclair (resigned 14/12/20)

Mr G J Hale

Mr J Salas (resigned 14/12/20)

Ms S F Bailey

Mr P D Moss

#### **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

#### **Bankers**

HSBC Weybridge Commercial Centre Church Street Weybridge Surrey KT13 8DF

#### **Solicitors**

Anthony Collins Solicitors, 134 Edmund Street, Birmingham, B3 2ES

#### **Chief Executive Officer**

Mr E Mayo (appointed 29/6/20) Mr B McCombie (interim CEO from 10/4/20 - 28/6/20) Ms G Murray (resigned (9/4/20)

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

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **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.

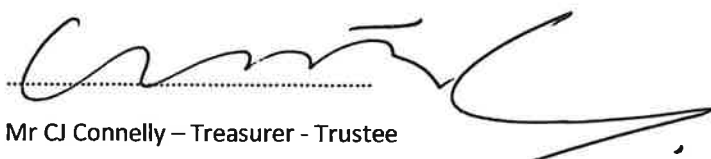
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the companies act 2006, the Charities and Trustee Investment (Scotland) 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 2 June 2021 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 2020 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 2020 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **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 this gives rise to a material misstatement in the financial statements themselves. 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  
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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.

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

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### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and the charities activities;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
  - the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in. The key laws and regulations we considered in this context included the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006, UK Companies Act and tax legislation.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

As a result of performing the above, we did not identify any key matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provision of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

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-reviewing minutes of meetings of those charged with governance, reviewing internal reports, and


-in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale for any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

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 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 Hatley 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: .....22/6/21.....



**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	210,655	-	210,655	214,051
<b>Charitable activities</b>	5				
Providing business support to UK charities		576,908	364,000	940,908	990,137
Investment income	4	2,740	-	2,740	2,705
Other income	6	11,538	-	11,538	-
<b>Total</b>		<u>801,841</u>	<u>364,000</u>	<u>1,165,841</u>	<u>1,206,893</u>
<b>EXPENDITURE ON</b>					
Raising funds	7	45,574	-	45,574	58,568
<b>Charitable activities</b>	8				
Providing business support to UK charities		775,648	364,000	1,139,648	1,103,040
<b>Total</b>		<u>821,222</u>	<u>364,000</u>	<u>1,185,222</u>	<u>1,161,608</u>
Net gains/(losses) on investments		<u>(5,849)</u>	<u>-</u>	<u>(5,849)</u>	<u>16,729</u>
<b>NET INCOME/(EXPENDITURE)</b>		<u>(25,230)</u>	<u>-</u>	<u>(25,230)</u>	<u>62,014</u>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<u>1,267,299</u>	<u>-</u>	<u>1,267,299</u>	<u>1,205,285</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>1,242,069</u></u>	<u><u>-</u></u>	<u><u>1,242,069</u></u>	<u><u>1,267,299</u></u>

The notes form part of these financial statements

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2020**

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	15	12,786	21,281
Investments	16	242,162	235,008
		<u>254,948</u>	<u>256,289</u>
<b>CURRENT ASSETS</b>			
Debtors	17	93,100	87,310
Cash at bank		1,916,673	2,252,367
		<u>2,009,773</u>	<u>2,339,677</u>
<b>CREDITORS</b>			
Amounts falling due within one year	18	(570,452)	(578,667)
<b>NET CURRENT ASSETS</b>		<u>1,439,321</u>	<u>1,761,010</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,694,269	2,017,299
<b>CREDITORS</b>			
Amounts falling due after more than one year	19	(452,200)	(750,000)
<b>NET ASSETS</b>		<u>1,242,069</u>	<u>1,267,299</u>
<b>FUNDS</b>	22		
Unrestricted funds		1,242,069	1,267,299
<b>TOTAL FUNDS</b>		<u>1,242,069</u>	<u>1,267,299</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 and authorised for issue on 2 June 2021 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 2020**

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(314,014)	562,933
Net cash (used in)/provided by operating activities		(314,014)	562,933
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(5,017)	(251)
Purchase of fixed asset investments		(49,361)	(42,369)
Sale of fixed asset investments		36,358	25,547
Interest received		2,740	2,705
Net cash used in investing activities		(15,280)	(14,368)
<b>Cash flows from financing activities</b>			
Loan repayments in year		(6,400)	(20,742)
Net cash used in financing activities		(6,400)	(20,742)
<b>Change in cash and cash equivalents in the reporting period</b>		(335,694)	527,823
<b>Cash and cash equivalents at the beginning of the reporting period</b>		2,252,367	1,724,544
<b>Cash and cash equivalents at the end of the reporting period</b>		1,916,673	2,252,367

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 2020**

**1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2020 £	2019 £
<b>Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)</b>	(25,230)	62,014
<b>Adjustments for:</b>		
Depreciation charges	13,512	13,005
Losses/(gain) on investments	5,849	(11,025)
Interest received	(2,740)	(2,705)
(Increase)/decrease in debtors	(5,790)	118,567
(Decrease)/increase in creditors	(299,615)	383,077
<b>Net cash (used in)/provided by operations</b>	<u>(314,014)</u>	<u>562,933</u>

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

	At 1/1/20 £	Cash flow £	At 31/12/20 £
<b>Net cash</b>			
Cash at bank	<u>2,252,367</u>	<u>(335,694)</u>	<u>1,916,673</u>
	<u>2,252,367</u>	<u>(335,694)</u>	<u>1,916,673</u>
<b>Total</b>	<u>2,252,367</u>	<u>(335,694)</u>	<u>1,916,673</u>

The notes form part of these financial statements

# **PILOTLIGHT (LIMITED BY GUARANTEE)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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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 2020 and 31 December 2019. 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 2019)', 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 financial statements have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves, the financial position, future plans and the expected level of income and expenditure for 12 months from authorising these financial statements. 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.

#### **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 2020**

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

##### **Income**

##### **Government Grants**

Government grants are recognised when the entity has reasonable assurance that conditions attached to the grant will be complied with and that the grant will be received.

Revenue grants are recognised using the accrual model and are therefore recognised as income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. Revenue grants are measured at fair value, being the amount of cash receivable.

##### **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

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. ACCOUNTING POLICIES - continued**

(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**

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**

	2020	2019
	£	£
Donations - Individuals and Trusts	<u>210,655</u>	<u>214,051</u>

**4. INVESTMENT INCOME**

	2020	2019
	£	£
Deposit account interest	<u>2,740</u>	<u>2,705</u>

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**5. INCOME FROM CHARITABLE ACTIVITIES**

		2020	2019
	Activity	£	£
Corporate Contract Income	Providing business support to UK charities	557,283	593,460
Grants	Providing business support to UK charities	383,625	396,677
		<u>940,908</u>	<u>990,137</u>

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

	2020	2019
	£	£
Porticus	3,000	23,000
The Garfield Weston Foundation	288,000	292,000
Pro Bono Economics / Oak Foundation	19,625	33,065
Careers and Enterprise Company	9,100	13,400
The National Lottery Community	63,900	35,212
	<u>383,625</u>	<u>396,677</u>

**6. OTHER INCOME**

	2020	2019
	£	£
Government grants	<u>11,538</u>	<u>-</u>

Other income includes a government grant for furlough of £11,538.

**7. RAISING FUNDS**

**Raising donations and legacies**

	2020	2019
	£	£
Consultancy fees	<u>45,574</u>	<u>52,864</u>

**Investment management costs**

	2020	2019
	£	£
Impairment losses	<u>-</u>	<u>5,704</u>
Aggregate amounts	<u>45,574</u>	<u>58,568</u>



**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**8. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 9) £	Support costs (see note 10) £	Totals £
Providing business support to UK charities	<u>827,100</u>	<u>312,548</u>	<u>1,139,648</u>

**9. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2020 £	2019 £
Staff costs	812,745	734,911
Travel	10,355	25,674
Bad debts	<u>4,000</u>	<u>3,150</u>
	<u>827,100</u>	<u>763,735</u>

**10. SUPPORT COSTS**

	Management £	Governance costs £	Totals £
Providing business support to UK charities	<u>307,148</u>	<u>5,400</u>	<u>312,548</u>

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

**Management**

	2020 Providing business support to UK charities £	2019 Total activities £
Rent and office costs	161,686	168,275
Insurance	3,272	4,317
Telephone	11,530	18,223
Sundries	17,874	24,311
Recruitment costs	28,125	24,115
Legal and professional fees	52,982	63,751
Financial outsourcing	16,250	16,250
Bank charges	1,917	1,208
Depreciation of tangible and heritage assets	<u>13,512</u>	<u>13,005</u>
	<u>307,148</u>	<u>333,455</u>

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**10. SUPPORT COSTS - continued  
Governance costs**

	2020 Providing business support to UK charities £	2019  Total activities £
Auditors' remuneration	4,350	4,800
Auditors' remuneration for non audit work	1,050	1,050
	<u>5,400</u>	<u>5,850</u>

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

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

	2020 £	2019 £
Auditors' remuneration	4,350	4,800
Auditors' remuneration for non audit work	1,050	1,050
Depreciation - owned assets	13,512	13,005
Operating leases	92,286	92,400
Government grants	<u>(11,538)</u>	<u>-</u>

**12. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

**13. STAFF COSTS**

	2020 £	2019 £
Wages and salaries	724,001	656,994
Social security costs	71,489	65,051
Other pension costs	17,255	12,866
	<u>812,745</u>	<u>734,911</u>

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

	2020	2019
Charity Work	<u>20</u>	<u>21</u>

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**13. STAFF COSTS - continued**

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

	2020	2019
£70,001 - £80,000	<u>1</u>	<u>1</u>

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

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	214,051	-	214,051
<b>Charitable activities</b>			
Providing business support to UK charities	626,525	363,612	990,137
Investment income	<u>2,705</u>	<u>-</u>	<u>2,705</u>
<b>Total</b>	<u>843,281</u>	<u>363,612</u>	<u>1,206,893</u>
<b>EXPENDITURE ON</b>			
Raising funds	58,568	-	58,568
<b>Charitable activities</b>			
Providing business support to UK charities	739,428	363,612	1,103,040
<b>Total</b>	<u>797,996</u>	<u>363,612</u>	<u>1,161,608</u>
Net gains on investments	<u>16,729</u>	<u>-</u>	<u>16,729</u>
<b>NET INCOME</b>	<u>62,014</u>	<u>-</u>	<u>62,014</u>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	1,205,285	-	1,205,285
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>1,267,299</u>	<u>-</u>	<u>1,267,299</u>

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**15. TANGIBLE FIXED ASSETS**

	Office equipment £
<b>COST</b>	
At 1 January 2020	101,010
Additions	5,017
	<u>106,027</u>
At 31 December 2020	
<b>DEPRECIATION</b>	
At 1 January 2020	79,729
Charge for year	13,512
	<u>93,241</u>
At 31 December 2020	
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>12,786</u>
At 31 December 2019	<u>21,281</u>

**16. FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>MARKET VALUE</b>	
At 1 January 2020	235,008
Additions	49,361
Disposals	(36,358)
Revaluations	(5,849)
	<u>242,162</u>
At 31 December 2020	
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>242,162</u>
At 31 December 2019	<u>235,008</u>

There were no investment assets outside the UK.

Pilotlight have invested into 2 funds:

(I) Bridges Social Impact Bond Fund

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 £49,361 (2019 £42,368) into this fund and at the year end had an unfunded commitment of £158,382 (2019 £207,631).

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

	2020	2019
	£	£
Other debtors	12,312	11,198
Membership debtors	39,236	29,734
VAT	2,303	6,639
Prepayments	39,249	39,739
	<u>93,100</u>	<u>87,310</u>

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

	2020	2019
	£	£
Trade creditors	2,613	3,438
Social security and other taxes	20,256	19,948
Other creditors	90,510	97,283
Deferred income	423,837	426,395
Accrued expenses	33,236	31,603
	<u>570,452</u>	<u>578,667</u>

	2020	2019
	£	£
<u>Deferred Income</u>		
Balance at 1 January 2020	426,395	541,373
Deferred income - amounts falling due after more than one year (transferred)	297,800	240,205
Amounts deferred in the year	222,149	981,803
Amounts released to income	(522,507)	(586,986)
Amounts deferred - amounts falling due after more than one year (transferred)	-	(750,000)
	<u>423,837</u>	<u>426,395</u>

Deferred income at 31 December 2020 consists of £133,399 (2019 £138,882) corporate membership income and £290,438 (2019 £287,513) grant income which relates to the year ended 31 December 2021.

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

	2020	2019
	£	£
Deferred income	<u>452,200</u>	<u>750,000</u>

	2020	2019
	£	£
<u>Deferred Income</u>		
Balance at 1 January 2020	750,000	240,205
Amounts deferred in the year to periods beyond 31 December 2021	-	750,000
Deferred income - amounts falling due within one year (transferred)	(297,800)	(240,205)
	<u>452,200</u>	<u>750,000</u>

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.

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**20. LEASING AGREEMENTS**

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

	2020 £	2019 £
Within one year	73,533	102,324
Between one and five years	9,372	77,874
	<u>82,905</u>	<u>180,198</u>

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

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Fixed assets	12,786	-	12,786	21,281
Investments	242,162	-	242,162	235,008
Current assets	1,719,338	290,435	2,009,773	2,339,677
Current liabilities	(732,217)	161,765	(570,452)	(578,667)
Long term liabilities	-	(452,200)	(452,200)	(750,000)
	<u>1,242,069</u>	<u>-</u>	<u>1,242,069</u>	<u>1,267,299</u>

Comparatives for net assets between funds

	Unrestricted funds £	Restricted funds £	2019 Total funds £
Fixed assets	21,281	-	21,281
Investments	235,008	-	235,008
Current assets	1,265,296	1,074,381	2,339,677
Current liabilities	(254,286)	(324,381)	(578,667)
Long term liabilities	-	(750,000)	(750,000)
	<u>1,267,299</u>	<u>-</u>	<u>1,267,299</u>

**22. MOVEMENT IN FUNDS**

	At 1/1/20 £	Net movement in funds £	At 31/12/20 £
<b>Unrestricted funds</b>			
General fund	1,267,299	(25,230)	1,242,069
<b>TOTAL FUNDS</b>	<u>1,267,299</u>	<u>(25,230)</u>	<u>1,242,069</u>

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**22. 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	801,841	(821,222)	(5,849)	(25,230)
<b>Restricted funds</b>				
Porticus UK	3,000	(3,000)	-	-
The Garfield Weston Foundation	288,000	(288,000)	-	-
The National Lottery Community Fund	63,900	(63,900)	-	-
The Careers and Enterprise Fund	9,100	(9,100)	-	-
	<u>364,000</u>	<u>(364,000)</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>1,165,841</u>	<u>(1,185,222)</u>	<u>(5,849)</u>	<u>(25,230)</u>

**Comparatives for 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>	<u>1,205,285</u>	<u>62,014</u>	<u>1,267,299</u>

Comparative 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	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>

**Restricted Funds**

(i) The Garfield Weston Foundation. Supporting Pilotlight and charities in the Midlands, North-East, North-West of England and Wales through the Weston Charity Awards.

**PILOTLIGHT  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**22. MOVEMENT IN FUNDS - continued**

(ii) Porticus UK: this grant is to support charity leader bursary spots on the Pilotlight Programme.

(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.

**23. RELATED PARTY DISCLOSURES**

**Key management compensation**

	2020	2019
	£	£
Salaries and other short-term benefits	220,773	206,349
Post-employment benefits	6,190	3,831
	<u>226,963</u>	<u>210,180</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 £11,784 (2019 £7,852).

**24. 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 7 members as at 31st December 2020 (2019:6).