

# THE FIVE LAMPS ORGANISATION

England & Wales · Charity number 702314

## Details

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Other names	THE FIVE LAMPS -THORNABY COMMUNITY RESOURCE CENTRE, THORNABY IMPASSE
Status	Registered
Legal form	Charitable company
Company number	<a href="#">02441319</a>
Registered	1989-12-15
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Website	<a href="http://www.fivelamps.org.uk">www.fivelamps.org.uk</a>

## Activities

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**Objects:** THE PROMOTION FOR THE BENEFIT OF THE PUBLIC OF URBAN OR RURAL REGENERATION IN AREAS OF SOCIAL AND ECONOMIC DEPRIVATION, WITHIN ENGLAND AND SCOTLAND, BY ALL OR ANY OF THE FOLLOWING MEANS: A) THE RELIEF OF FINANCIAL HARDSHIP AMONG PEOPLE LIVING OR WORKING WITHIN ENGLAND BY PROVIDING SUCH PERSONS WITH GOODS AND/OR SERVICES WHICH THEY COULD NOT OTHERWISE AFFORD THROUGH LACK OF MEANS; B) THE PREVENTION AND RELIEF OF POVERTY BY PROVIDING EDUCATION, GOODS AND SERVICES TO INDIVIDUALS IN NEED; C) THE RELIEF OF UNEMPLOYMENT FOR THE BENEFIT OF THE PUBLIC IN SUCH WAYS AS MAY BE THOUGHT FIT, INCLUDING ASSISTANCE TO FIND EMPLOYMENT; D) THE ADVANCEMENT OF EDUCATION, TRAINING OR RETRAINING PARTICULARLY AMONG SOCIALLY, ECONOMICALLY AND FINANCIALLY EXCLUDED PEOPLE AND THE PROVISION OF WORK EXPERIENCE FOR UNEMPLOYED PEOPLE; E) THE PROVISION OF FINANCIAL ASSISTANCE , TECHNICAL ASSISTANCE, BUSINESS ADVICE OR CONSULTANCY IN ORDER TO PROVIDE TRAINING AND EMPLOYABILITY FOR UNEMPLOYED PEOPLE IN CASES OF FINANCIAL OR OTHER CHARITABLE NEED THROUGH HELP IN SETTING UP THEIR OWN BUSINESS OR TO EXISTING BUSINESSES; F) THE CREATION OF TRAINING AND EMPLOYMENT OPPORTUNITIES BY THE PROVISION OF WORKSPACE, BUILDINGS OR LAND FOR USE ON FAVOURABLE TERMS; G) THE PROVISION OF HOUSING FOR THOSE WHO ARE IN CONDITIONS OF NEED AND/OR THE REFURBISHMENT OF SUCH HOUSING; H) THE PROVISION OF PUBLIC HEALTH FACILITIES AND CHILDCARE; I) THE PROVISION OF RECREATIONAL FACILITIES FOR THE PUBLIC OR THOSE WHO BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABILITY, FINANCIAL HARDSHIP OR SOCIAL AND ECONOMIC CIRCUMSTANCES, HAVE NEED OF SUCH FACILITIES; J) THE DEVELOPMENT OF SKILLS AND CAPACITY IN THOSE LIVING IN SOCIALLY AND ECONOMICALLY DISADVANTAGED COMMUNITIES TO ENABLE THEM TO BETTER IDENTIFY AND HELP MEET THEIR NEEDS AND TO PARTICIPATE MORE FULLY IN SOCIETY; AND K) ANY OTHER PURPOSES CURRENTLY RECOGNISED AS CHARITABLE AND ANY NEW CHARITABLE PURPOSES WHICH ARE SIMILAR TO ANOTHER CHARITABLE PURPOSE.

**Activities:** The Five Lamps Organisation delivers Community Based Projects throughout Stockton, The Tees Valley, and now delivers Financial Inclusion work regionally. These projects are primarily involved in the following: Employment. Enterprise Education Home Care Health Young People Community Finance

## Classification

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- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty, Accommodation/housing, Economic/community Development/employment, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, The General Public/mankind

## Geography

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- **Area of benefit:** THORNABY AND SURROUNDING AREAS
- Scotland
- Throughout England

## Finances

Period end	Income	Expenditure	Assets	Employees
2024-09-30	£3,807,483	£3,559,368	£249,135	129
2023-09-30	£5,820,146	£5,986,073	£1,020	122
2022-03-31	£3,129,589	£3,909,488	£75,229	130
2021-03-31	£4,225,694	£4,682,588	£615,127	130
2020-03-31	£2,899,857	£3,759,274	£1,072,022	128

## Trustees

Name	Role	Appointed
PATRICIA CHAMBERS		2012-06-06
Trevor Watson		2013-01-16
Vivienne Holmes		2010-01-01

**THE FIVE LAMPS ORGANISATION**

England & Wales - Charity number 702314

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# Accounts

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**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2024**

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

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**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

<b>Trustees</b>	Patricia Chambers, Chair Vivienne Holmes, Vice Chair Trevor Watson
<b>Company registered number</b>	02441319
<b>Charity registered number</b>	702314
<b>Registered office</b>	Eldon Street Thornaby Stockton on Tees TS17 7DJ
<b>Chief executive officer</b>	Lisa Pickard
<b>Independent auditors</b>	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors York House Northallerton North Yorkshire DL6 2XQ
<b>Bankers</b>	Unity Trust Bank 4 Brindley Place Birmingham B1 2JB

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

## **1. TRUSTEES RESPONSIBILITIES STATEMENT**

The Trustees are pleased to present their Annual Report providing an overview of the period ending 30th September 2024.

This report and financial statements as for the period from 1st October 2023 to 30th September 2024. Due to the short-time span (5 months) since the filing of the 2022/23 report, the Trustees are presenting a streamlined Annual Report.

The Trustees are fully aware of their responsibilities and the importance of making strategic decisions that protect the Charity and support it to continue to deliver its Charitable aims and objectives. The 2022/23 report filed in January 2025, for period ending 30th September 2023, detailed the planned changes for the Charity and specifically the orderly wind down of our subsidiary company, Five Lamps Trading Limited (FLT). As this was not legally formalized, the Trustees filed the 2022/23 accounts with Material uncertainty.

The legal agreements required to divest Five Lamps Trading were concluded in June 2025. This undertakes the secured creditors (loan note holders) to release any security held against the assets of the Charity and to not seek further repayment other than the disinvestment gains. A contingent liability undertakes that if the Charity ceases trading before 31st March 2026, the loan note holders can access its asset value. This contingent liability does not affect the net worth of the Charity and will be removed after 31st March 2026.

The Trustees are delighted to file these 2023/24 Accounts and Statements as a Going Concern with a significantly improved reserve. This is a notable milestone and one which now enables the Charity to develop a new Five Year strategy focused on delivering charitable services that make a positive difference to people's lives in local communities. The Trustees formally thank the secured creditors for their support in achieving this result.

Until the formal wind down is concluded, the Trustees continue to report for the consolidated group including both The Five Lamps Organisation (FLO) (02441319) and Five Lamps Trading Limited (08029251) (FLT).

The Trustees report that its financial strategy remains on track and the concern forecasts do not include or depend on any cash inflows or growth arising from the sale of unutilised tangible fixed assets, sale of aged loan books, new or additional care contracts, new or additional income or grants, or any other new opportunities.

## **2.0 FINANCIAL STATEMENTS.**

The Trustees are delighted to report the significant improvement in the consolidated net worth increasing from £1,020 at 30th September 2023 to £249,135 at 30th September 2024.

At £249,135, this is the best consolidated position since pre-covid demonstrating continued resilience and recovery. The secured creditor liabilities remained as at 30th September 2024 and are included within this net worth. These liabilities will be removed and changes to contingent liabilities which will improve the net worth and significantly simplify the financial statements.

The reported net worth of £249,135 is the consolidation of the balance sheet outcomes for the individual entities:

- £6,986,921 Five Lamps Organisation
- (£6,737,786) Five Lamps Trading Limited. The Five Lamps Trading Directors' report is included in this report.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**2.1 Financial Statements: preparing for an orderly wind down of Five Lamps Trading**

In 2023/24 the Trustees resolved a number of significant adjustments to prepare for the disinvestment of Five Lamps Trading. These are reflected in these Financial Statements. The positive movement of £248,115 was achieved through £946,609 improved movement in FLO less than £698,496 negative movement in FLT. There is nothing extraordinary or significant to report within these movements. Outturns were in line with forecasts.

	Year ending 30 <sup>th</sup> Sept. 2023	Year ending 30 <sup>th</sup> Sept 2024	Movement
<b>Consolidated, of which</b>	£1,020	£249,135	£248,115
<b>Five Lamps Trading</b>	(£6,039,290)	(£6,737,786)	(£698,496)
<b>Five Lamps Organisation</b>	£6,040,312	£6,986,921	£946,609

**3.0 FINANCIAL REVIEW**

The Statement of Financial Activities for the year, the Balance Sheet as of 30th September 2024 and associated notes are set out on pages 24 to 56. These financial statements are for 12 month operating period compared to an 18 month period for 2022/23 therefore caution should be exercised in comparing 2022/23 to 2023/24. Where material a note is included. The 23/24 accounts will include a movement summary from 2020 to 2024.

Total income for the period to 30th September 2024 was £3,807,482. Total expenditure was £3,549k. Compared to a 12 month pro rata average of the 18 month period in 2022/23, income has successfully reduced by 11.07% equivalent to c£442k. The performance improvements leading to the almost four fold difference between the reduction in income to the reduction in expenditure is the key reason for the improved outturns and demonstrates the Trustees plans for recovery and going concern are proving successful.

	2022/23 report	2022/23 12 month pro rata	2023/24 report	Movement
<b>Income</b>	£5,884k	£3,923k	<b>£3,807k</b>	£116k reduction 2.96% reduction
<b>Expenditure</b>	£5,986k	£3,991	<b>£3,549k</b>	£442k reduction 11.07% reduction
<b>Income to expenditure differential</b>	(£102k)	(£68k)	<b>£258k</b>	£326k

A 2.96% reduction in income over 12 months against the backdrop of reduced lending and reducing interest income, plus the increasing scarcity of resources for charitable organisations, notably reduction in grants and donations, reflects positive sustainability.

The Trustees report total expenditure at less than total income for the first time in five years. A 11.07% reduction in 12 months equivalent to £442k is even more impressive given the inclusion of higher than average professional fees incurred to secure agreement with secured creditors and to progress the orderly wind down of FLT. The significant improvement and reduction in management and administration costs achieved through a diligent restricting and efficiency programme has reversed the trend of year on year reduction in net worth and placed the Charity on the right trajectory for future growth and continued delivery of services and products for its beneficiaries.

The Trustees (and Directors) comprehensively reviewed the consolidated and individual entity bad debt position

**THE FIVE LAMPS ORGANISATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

in January 2025 resulting in significant adjustments being made to ensure the provision sat within the correct entity. The Trustees and Directors are satisfied that the bad debt provisioning strategy updated in January 2025 remains robust and adequate and note that once the legal agreement with secured creditors concludes, the provisioning approach in the trading company will change resulting in a reduction in the provision as this is offset again any planned debt sale.

As reported above, Group net assets improved from £1,002 to £249,135. Prior to the 2022/23 post year end audit adjustments, the Group net asset position was £75,229. Actual 12 month operational improvement for period 1st October 2023 to 30th September 2024 was 231% or c£174k.

The Trustees' intention is to hold not less than £100,000 at any point in time in accessible and unrestricted cash balances to ensure the Charity can manage its activities and discharge its operating liabilities in the event of a significant drop in funding. Cash balances throughout 2023/24 and in the intervening period between filing these accounts remained above £100,000. This policy is monitored by the Trustees and has been considered as part of the Charity's 12 month cash flow forecast for going concern.

#### **4.0 ACHIEVEMENTS & PERFORMANCE**

The key achievement has been the successful stabilisation of the Charity, securing resolution with secured creditors and improving its net worth through significant reductions in expenditure to manage the risk of reducing income.

In accordance with our Charitable Articles, our achievements are split across our three main activities for the benefit of local people.

##### **Health & Social Care**

The provision of health and social care for local people has been a priority since 2017. Our primary focus has been the efficient delivery of care at home services provided under a contract with Stockton Borough Council extended until October 2024.

Throughout 2023/24 we supported more than 140 local families by enabling individuals to remain living independent in their own home and remain within their local community. Delivering more than 2000 care hours each week including a growing private home care service; we maintained a 98% overall satisfaction with our service, rated Good through the Provider Assessment and Market solution inspection regime including 'excellent' for being 'well led'.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**4.0 ACHIEVEMENTS & PERFORMANCE (continued)**

In October 2024, after the financial year end, the Council changed their procurement for care providers and Five Lamps Homecare is no longer delivering commissioned care packages. Whilst initially this was a significant risk for the Charity, the Trustees agreed that health and social care remained a key part of our charitable activities and was increasingly required by local people, who due to pressure on the adult social care budgets and ongoing cost of living issues are finding it harder and or more expensive to access the care they need. Listening to our service users, their families, and our homecare colleagues, 94% of whom live and / or were born and bred in the area, we have developed a new model for care, providing local people with a different choice in care provider outside the commissioned contracts. The new strategy focuses on empowering local people and giving them choices. Five Lamps homecare continues to provide domiciliary home care services and have launched a new direct payment service that enables individuals to opt out of council determined care provision and to choose for their allowance to be paid to Five Lamps. At the time of filing this report, the Trustees are pleased to report that more than 750 hours of care per week are being delivered with this on track to exceed 1000 care hours per week. Care continues to be charged at the same rate as the commissioning bodies so that local people do not have to pay more for their choices. Almost 70% of our customers are individual who have received care from us in the past, and who chose to stay or return to Five Lamps after the Council contracts changed.

The majority of the homecare colleagues had to TUPE in November 2024 however 92% of those now working with us stayed or returned to work with Five Lamps, and for the first time since inception in 2017, there are no staffing vacancies and turnover has reduced to below 2p0% having been more than 55%.

The Trustees remain concerned about the state of adult social care and the impact under investment and increasing demand is having on the care at home services. We wish to support local communities as well as local health providers and the NHS to enable people to live independently at home for longer as well as reduce hospital admissions and hospital stay durations. With our financial inclusion and anti-poverty work, the Trustee are more committed than ever of ensuring local people are not financially disadvantaged by continued cuts or by choosing Five Lamps to deliver their care.

**Youth & Community**

The Youthy, our bespoke facility owned by the Charity, has continued to go from strength to strength in 2023/24 improving its viability and increasing its offer and accessibility for local people. During the year it has increasingly been referred to as the Youthy and Community hub. The 'Hub' focuses primarily on younger people and those with special education needs and disabilities (SEND) but is now providing support to the wider community affected by food and fuel poverty, social and financial exclusion, and loneliness and isolation.

As well as offering 4 evenings of activities each week with record number of attendees, the hub is now open during all school holidays providing food, education, health, and activity support for children under age of 15. The hub offers communal facilities for the community to drop into as well as hosting Warm Welcomes each week, events for people in receipt of homecare services from us and others, a food and clothing bank. Now the Youthy has stabilised and recovered, the plan is for the hub to fully open and for all charitable services to be accessible and available from this Charity owned building in the heart of the local community.

**Financial Inclusion.**

Despite initially planning to cease providing affordable loans across the UK from 30th September 2023, when we expected the legal to be entered into for the orderly wind down of FLT, the Trustees extended the service ensuring people were not disadvantaged and still able to access financial support when they needed it most. This decision enables a further 3271 individuals and families to access an affordable loan. A total of £2,152,008 cash was disbursed with a loan value of £2.4m creating an estimated additional social value impact of c£700k.

Included within this was 144 loans funded direct from the charity using c£81k cash increasing the loan book value by c£86k and increasing interest income for the charity.

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**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**4.0 ACHIEVEMENTS & PERFORMANCE (continued)**

As part of the exit strategy for FLT and the orderly wind down of the secured creditor (loan notes), the Trustees agreed that lending and financial inclusion should remain a key part of the charitable objectives for Five Lamps and should return to being a locality based CDFI focusing on supporting local communities rather than continuing to operate on a national scale and increase risks and exposure to the Charity.

To realise this strategy, the Trustees need to source new capital funding, however this has not yet been possible due to the delays entering into the orderly wind down agreement with the secured creditors. To security over the Charities assets need to be released or confirmed as being released to commence refinancing. The legal agreement was entered into in June 2025, and this will become a priority in the latter stages of 2024/25.

In the meantime, with tight controls on its treasury and cash management policies, the Trustees have approved the use of cash in excess of the minimum £100k threshold to provide repeat loans for existing customers. Since September 2024, 323 loans, with a capital value of £265,466 have been disbursed using £237,535 of the charities cash. Feedback from these customers, where we estimate c£70k social impact has been created, is being combined with wider research being undertaken with our existing customers to put together an impact driven briefly for funding.

**5.0 GOVERNANCE & SUPPORT**

Throughout 2023/24 The Trustees again focused on the survival, continued recovery and future resilience of the Charity and following the independent opinion, advice and support to strengthen governance and decision making, the governance strategy has been to focus on securing the agreement with secured creditors and the disinvestment of FLT and at the same time ensuring the readiness of the charity to continue to deliver as a one entity business.

Due to the previous year filing of 'uncertain going concern' it has not been ethical or appropriate to recruit new Trustees. The Trustees recognise the board numbers are too low and this has increased some risks throughout the year in terms of decision making. However, controls were put in place to mitigate this and with the 2023/24 reports and statements filed and agreement entered into with secured creditors; a recruitment programme will commence to ensure new trustees are recruited before the start of the 2025/26 financial year.

Key partnership has been pivotal to ensuring excellence in governance during a period with lower numbers of Trustees including:

- RSM UK Limited continue to provide accounting and management accounts practice support to the Trustees.
- FRP have continued to support whilst waiting for the secured creditor negotiation's to conclude and will be supporting the Trustees and Directors with the orderly wind down of FLT.
- Third Sector Solutions completed their comprehensive review of the Charity in June 2024 and following receipt, the Trustees notified the Charity Commission of its findings. TSS continues to support the Trustee with updates and information for Charity Commission and other statutory agencies in relation to pre 2019 activities. as well as providing coaching and mentoring support for the Executive.
- Retained the invaluable support, expertise and independent financial modelling services provided by Ellison Ray. Experts in affordable lending solutions as well as actual and scenario based modelling; they have provided continued independent assurance and triangulation for data to the Trustees.

All of these partnerships as well as others has enabled the Trustees to maintain oversight and good governance and overcome the challenges of not being able to recruit new Trustees. Having independent oversight has been a real benefit and built assurance and enabled effective decision making with clear evidence to support this and demonstrate the Trustees have discharged their responsibilities.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

## **6.0 STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Organisational structure and decision making**

In presenting the Trustee report and financial statements of the charitable company (the Charity) for the year ended 30th September 2024, the Trustees hereby confirm that they comply with current statutory requirements, the Company's governing documents, and the provisions of the latest Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005. The legal and administrative information on page 1 forms part of this report.

### **Structure, Governance and Management**

The Five Lamps Organisation (FLO) is a Registered Charity (702314) and Company Limited by Guarantee (2441319) The company was registered under a Memorandum of Association which established the objects and powers of the charitable company and Its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Five Lamps Trading Limited (FLT) (08029251) is a wholly owned trading subsidiary of The Five Lamps Organisation. FLT is a Limited Company by Shares.

The Directors of the FLT company are also charity trustees for the purposes of charity law and under the company's articles are known as members of the Management Committee.

The Trustees continuously review governing documents. The most recent formal amendment approved by the Charity Commission was In December 2013 which provided for the extension of operations to the whole of England. Since October 2017, The Five Lamps Organisation has also been registered with the Office of the Scottish Charity Regulator, under reference SC047839.

## **7.0 CHARITABLE OBJECTS**

Our charitable objects provide for operations and charitable activities 'within England and Scotland' to reflect the geographic growth and diversity of the organisation and its services. Our Objects promote for 'the benefit of the public of urban or rural regeneration in areas of social and economic deprivation, within England and Scotland' by all or any of the following means:

- a. The relief of financial hardship among people living or working within England and Scotland by providing such people with goods and/or services which they could not otherwise afford through lack of means.
- b. The prevention and relief of poverty by providing education, goods, and services to individuals in need.
- c. The relief of unemployment for the benefit of the public in such ways may be thought fit, including assistance to find employment.
- d. The advancement of education, training or retraining particularly among socially, economically, and financially excluded people and the provision of work experience for unemployed people.
- e. The provision of financial assistance, technical assistance, business advice or consultancy in order to provide training and employability for unemployed people in cases of financial or other charitable need through help in setting up their own business or to existing businesses.
- f. The creation of training and employment opportunities by the provision of workspace, buildings, or land for use on favourable terms.
- g. The provision of housing for those who are in conditions of need and/or the refurbishment of such housing.
- h. The provision of public health facilities and childcare.
- i. The provision of recreational facilities for the public or those who by reason of their youth, age, infirmity or disability, financial hardship, or social and economic circumstances, have need of such facilities.
- j. The development of skills and capacity in those living in socially and economically disadvantaged communities to enable them to better identify and help meet their needs and to participate more fully in society; and
- k. Any other purposes currently recognised as charitable and any new charitable purposes which are similar to another charitable purpose.

**THE FIVE LAMPS ORGANISATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**7.0 CHARITABLE OBJECTS (continued)**

The Powers of the charity now state:

- The charity has the power to do anything which is calculated to further its Object(s) or is conducive or incidental to doing so. In particular, the charity has the power to raise funds. In doing so, the charity must not undertake any taxable permanent trading activity and must comply with any relevant statutory regulations.
- to buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use.
- to sell, lease or otherwise dispose of all or any part of the property belonging to the charity. In exercising this power, the charity must comply as appropriate with sections 36 and 37 of the Charities Act 1993, as amended by the Charities Act 2006.
- to borrow money and to charge the whole or any part of the property belonging to the charity as security for repayment of the money borrowed or as security for a grant or the discharge of an obligation. The charity must comply as appropriate with sections 38 and 39 of the Charities Act 1993, as amended by the Charities Act 2006, if it wishes to mortgage land.
- to cooperate with other charities, voluntary bodies, and statutory authorities and to exchange information and advice with them.
- to establish or support any charitable trusts, associations or institutions formed for any of the charitable purposes included in the Objects.
- to acquire, merge with or enter into any partnership or joint venture arrangement with any other charity.
- to set aside income as a reserve against future expenditure but only in accordance with the written policy about reserves.
- to employ and remunerate such staff as are necessary for carrying out the work of the charity. The charity may employ or remunerate a director only to the extent it is permitted to do so by article 7 and provided it complies with the conditions in that article.
- to deposit or invest funds; employ a professional fund manager and arrange for the investments or other property of the charity to be held in the name of a nominee in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000; and
- to provide indemnity insurance for the directors in accordance with, and subject to the conditions in, section 73F of the Charities Act 1993.

**8.0 GOVERNANCE**

The Trustees of the Five Lamps Organisation retain overall oversight of the strategy and operations across the whole organisation. Whilst FLT has its own Board of Directors, the Trustees retain an oversight of its activities and outturn. During 2022/23, the Trustees approved the appointment of FRP to undertake an independent option.

Five Lamps Trading (FLT) has its own Board of Directors and presents a director's report to accompany the financial statements. The report is included within the Trustees Statement.

The Governance structure no longer includes an Audit & Risk Committee due to the resignation of its Chair and inability to recruit new Trustees. With the filing of these Financial Statements and entering into the final stages of the orderly wind down of FLT, a review of the governance structure will be undertaken with the skills matrix refreshed ahead of new Trustee recruitment.

The Trustees are also commissioning a review into alternative options for the governance and delivery of home care services primarily because the income levels, which do not correlate to surplus, are negatively impacting on the Charities ability to access grants and other funds specifically where the grant maker imposes maximum income threshold of £1 million. In 2023/24, £2.1m of the charitable activities income derived from homecare and health activities with. Anecdotally, if 100% of the 2023/24 surplus resulted from homecare activities, this would be a c11% yield. Actual yield is less than 5%, however the income is reducing opportunities for much needed funding. In 2023/24, donations including grants dropped by 68% to c£32k. The Trustees have identified this as a major risk and a key priority for 24/25 and for the next five years ensuring Five Lamps can maximise access to and secure new income streams.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**8.0 GOVERNANCE (continued)**

The charities' governance structure enables effective decision making, scrutiny and risk management at the right level in the business. The Trustees have highlighted concerns about the low level of Trustees and inability to recruit, however they are satisfied, following its internal self-assessment, that the structure throughout 2023/24 has been fit for purpose to deliver against the Charity Commissions Trustees Responsibilities as well as to discharge Companies House expectations. The Trustees are confident the plans for later 2024/25 will ensure even more robust compliance.

**8.1 Board Purpose**

The Board of Trustees of the Five Lamps Organisation and the Five Lamps Trading Board of Directors' purpose is to ensure the delivery of its aims and objectives and business plans by providing leadership, strategic direction, and challenge, and at the same time ensuring effective control and oversight of the business and its operations whilst acting responsibly towards employees, stakeholders, and society.

**8.2 Board Key Responsibilities**

**Managing organisational performance and risk.**

To develop and review continually. the organisation's strategy, objectives, performance, statutory compliance, and risk, ensuring the measurement of impact on our customers and communities.

**Leadership and strategy**

To lead the development of the Five Lamps' Vision, Values and Strategic Direction.

**Strategic planning and implementation**

To create coherent, strategic plans and timetables, monitor performance and review outcomes and impact.

**Leading and delivering change.**

To plan for strategic, transformational change and continuous service improvement proactively and positively in The Five Lamps Organisation's service delivery.

**Business Finance Opportunity**

To assess and evaluate the key strategic, financial, and commercial opportunities and investment issues facing The Five Lamps Organisation, in the context of the complex political, economic, sociological, technical, and legal context in which it operates.

**Communication**

To promote the work of The Five Lamps Organisation to a variety of external partners, stakeholders, and other parties and raise awareness of its Charitable purpose and impact.

**8.3 Operations**

Day to day responsibility for the provision of services and operation of the business rests with the Group Chief Executive who leads the Executive function and team. During the course of 2023/24 the Executive team comprised of the Group Chief Executive, and the Director of Charity Operations. The financial executive support is provided through an outsourcing agreement with RSM UK Ltd. The Board employs the services of a minute taker to ensure a segregation of duty from the Executive Officers and Board.

The Trustees note the risk associated with this structure in terms of capacity, contingency and opportunity costs however, it has been necessary to run operations with a smaller overhead to bring about the reductions in expenditure and at the same time to fund the 3rd party support needed to ensure robust governance.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

#### **8.4 Related party relationships**

The Trustees and Directors have all filed nil returns confirming that there were no related party transactions in the Charity.

Two non-executive Board Directors can be appointed to the Five Lamps Trading Board from the Social Investment Funders in line with the loan instrument. One is in place and has a related party transaction in terms of the social investment loan and relevant loan note their Company, Big Issue Invest has in the Trading Company. During 23/24 it was agreed that a representative from the Tranche A social investment funders could observe the Trading Board with this having the ability to rotate. Since the signing of these accounts, the Directors have agreed that this observer role can continue to oversee but not assume director responsibility of the wind down process and collect out of the remaining loan book.

#### **9.0 RISK MANAGEMENT**

The Trustees ensure risk identification and risk management are a key priority. The external events of the last few years have highlighted the exposure of significant risks outside the Trustees' direct control. To ensure the Charity is best placed to mitigate ongoing and future such risks, the Trustees have strengthened risk management to ensure tighter control and reporting on risks we can influence to provide confidence and a cushion to deal with unexpected risks materialising. The improvement in the consolidated net worth to a quarter of a million pounds has increased the Charities resilience to cope with an unexpected or worse than forecast event without impacting on the Charity.

The Board of Trustees and the Directors of the Trading Company maintain a continuous review of the major risks which each company, each service area and cost centre and the charity is exposed to. Identified risks are included in a Risk Register and a Risk Management Matrix that, where appropriate, includes details of systems, policies, procedures, or new management actions to control and mitigate the impact of risk if it materialises.

The Scheme of Delegations and Internal Financial Controls were subject to an annual review during 2023/24 and periodic testing.

The Charity seeks to manage some risks through a range of Insurance cover. This cover spans public and employer's liability, professional indemnity, directors and officer's liability, buildings and contents and specialist cover such as lift Installations and a climbing wall. These are all subjects to review and market testing on a regular basis with the latest review taking place in January 2025. Our insurance cover includes the following: -

<b>Cover</b>	<b>Amount Insured</b>
Public/Products Liability	£10m
Professional liability	£2m
Management Liability	£1m
Entity Defence	£250K
Employers Liability	£10m
Employment Law Protection	£500,000

Our insurance policies include cover for Directors' responsibility, crime, and cybercrime.

The annual insurance premium is £37,987 with excesses of £22,350.

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**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

## **9.0 RISK MANAGEMENT (continued)**

Each Board identifies and approves its own risk management matrix that since January 2023 has been reported to each Board. Governance plans for 2025 will see a new Audit & Risk Committee being formed that will have delegated responsibility for the matrix with the Trustees maintaining oversight across the whole charity.

Currently there are 43 specific risks being monitored. These all have management actions in place to mitigate the risks. The Executive Team reviews these monthly and cascade into operational risk plans to achieve three lines of defence approach to risk management and governance.

Due to the specialist risks associated with Health and Social Care, a standalone risk map is in place for the oversight and assurance of our Home Care service ensuring excellent compliance both regulatory (CQC) and individual commissioning organisations expectations and reporting requirements. Continued delays in reforming Adult Social Care and how this is funded remains a significant risk to the Charity. Whilst we continue to prioritise meeting need and supporting local people, the Trustees recognise that against a backdrop of increasing demand, increasingly complex care needs, rising costs and absorbing the increased national insurance premiums, the margins remain under pressure.

An internal Health & Safety Committee meets quarterly, or as and when a specific issue affecting compliance or safety arises. All Five Lamps sub-contractors must satisfy a health and safety check as part of a 12-month due diligence check and updating of all of their relevant policies and insurance schedules.

The nature of our services, which often work with the most disadvantaged and marginalised groups, or with young and older people, necessitate either of the two levels of disclosure. All our staff appointments are subject to satisfactory enhanced disclosure.

## **10.0 EMERGING RISK**

The key risk in the last few years has been the uncertainty with Five Lamps secured creditors. These risks have now been mitigated with management controls in place.

The emerging risks being monitored by Trustees were reported in detail in the 2022/23 report filed in January 2025. These remain. The Trustees have highlighted the following as new or increased risks:

### **Income reductions**

- Reducing access and availability to grants and support for voluntary sector organisations.
- Market and yield from individual charitable donations and fundraising are diminishing. The Trustees plan to revamp its charitable fundraising strategy.

### **Adult Social Care**

- Lack of policy and investment focus into adult social care with the new government investing into NHS believing this will benefit adult social care. This exacerbates the cost pressures on homecare and the drive to deliver high quality care with increasing medical support at a below average hourly rate of income c£21.
- Inability to recruit overseas workers into home care roles. Whilst homecare currently doesn't have vacancies, when vacancies do arise, these are proving challenging to recruit into. Delivering directly to self-paying or opt out direct payers means package's cannot simply be handed back leaving the risk and responsibility with Five Lamps as the care provider.
- Lack of capacity to identify and bring in new opportunities.

### **Access to Capital funds**

- Delays to the orderly wind down legal agreement have delayed opportunity to go out to market resulting in charity funded lending being paused and delaying recommencing. This activity is required to generate interest income for the Charity.

### **Profile and Reach**

- Lack of reach and impact. Inability to invest in marketing and promotions results in missed and unsuccessful opportunities.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

- Increasing competition for reducing source of revenue.

**Employment.**

- The rising cost of National Insurance has been significant for Five Lamps and is the main factor affecting operational accounting and cash flow in 2025.
- Competition in the employment market is reducing talent pool and increasing average wage costs to attract the right employees.
- Reduction in headcount and move to more generic roles are proving harder to recruit and retain.

**Overheads.**

- Cost of living, energy costs, pursuance of carbon neutral etc. are increasing the cost of running two buildings.
- Ratio of staff to build space is a potential health and safety risk.

The Director of Charity Operations oversees compliance audits. Continuous improvement audits of our HR policies and procedures throughout the organisation are routinely completed with specialist support from Croner Assist, ensuring we remain compliant and working according to good practice. Due to rising employment risks, a specialist employment lawyer has been secured on a retainer basis to review all HR policies and support the Head of HR & People with complex employment and people matters.

**11.0 QUALITY ASSURANCE & STATUTORY REGULATORS**

Five Lamps has a strong focus on service quality and compliance and has invested significantly as part of our risk management strategy and commitment to customer experience and social impact.

The Director of Charity Operations retains the lead for ensuring a robust focus on regulatory and statutory compliance embedded with a focus on quality. We are regulated by the:

- Care Quality Commission (CQC) - Five Lamps is regulated by the Care Quality Commission for its domiciliary home care services with registrations for Five Lamps Home Care (Eldon Street).
- Financial Conduct Authority (FCA) - Both FLO (FCA Reference 656112) and FLT (FCA Reference 791848) are authorised and regulated by the FCA.

During the 2023/24 accounting year there have been no regulatory breaches or adverse regulatory issues to report with either body, or none have been raised in the period from 30th September 2024 to signing these accounts. The Domiciliary home care service is currently recorded as 'Good' following a CQC inspection in June 2021. The FCA are working closely with the Trustees and Executive Team to review and ensure the discharge of our Consumer Duty and responsibilities to customers during the orderly wind down of the secured creditors and FLT as an entity. FLO will continue to retain its FCA registration to enable financial inclusion product, services and support to be provided to people in need

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

## **12. PARTNERSHIPS**

Five Lamps does not and cannot work in isolation. The ongoing viability of the charity and our ability to deliver our charitable objectives is best achieved through partnerships and innovation.

Our thanks go to our eight social investment lenders who have been supportive in reaching agreement and ensuring the Charity is viable and protected.

Without the invaluable expertise and commitment of partners included within the governance section, Five Lamps we would not be able to achieve the quality and outputs reported. We recognize the importance of strong local partnerships. Despite no longer delivering homecare services for Stockton Council, the partnership remains a priority and a strengthened partnership with social workers has been achieved improving services to beneficiaries. Partnerships with other voluntary sector organisations are vital and needed to reduce competition and ensure shared aims and maximum outcomes. Our thanks go specifically to Catalyst and with other voluntary sector or charity groups such as Little Sprouts, Cornerhouse, and Cultivate Tees Valley who work with us to deliver Youth Services across the Borough. We were involved and committed to the embryonic development of the Youth United Stockton Alliance partnership, an alliance of key partners to support the sustainability of high-quality open access youth provision across Stockton-on-Tees.

Our re-energised commitment to the local community has involved us creating new partnerships with Tesco, Coop, Sainsbury and Asda Community Champions and recently supporting the Junction and the Multibank service. This has made a significant difference to our ability to deliver our charitable objects for the benefit of local people.

Our supplier partnerships have included outsourced IT provision to High Tide and various new contracts to reduce costs and save on efficiencies such as internet supplier and utilities. Throughout the year we have developed our partnership and received invaluable HR, Contractual and company law support from Endeavour Law. Ellison Ray consultancy have continued to play a pivotal role in our viability and success, providing specialist financial modelling and affordable lending advice.

In yet another challenging year, partnerships have been pivotal and there are too many to specifically mention but the Trustees recognise the added value of each individual and organisation that has contributed and supported the Charity to strengthen. The Trustees wish to express thanks to Armstrong Watson for supporting us in delivering a further set of Financial Statements less than 5 months since the 2022/23 accounts and providing a new audit team to ensure a new opinion on our accounting systems and forecasts.

The Trustee Report is signed jointly by Patricia Chambers (Chair of Five Lamps Trustees) and Vivienne Holmes (Vice Chair).

## **13. Five Lamps Trading: Directors Report to the Trustees and to accompany the standalone accounts for filing.**

The directors present their report and the financial statements for the year ended 30th September 2024 [23/24]. The comparative figures notes in the financial statements compare the 12 month period of these 2023/24 accounts with the previous 18 month period of the 2022/23 accounts.

### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently.
- make judgments and accounting estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Directors**

The directors who served during the period 1st October 2023 to 30th September 2024 were:

T Watson

L Hagelmann

L J Pickard (resignation reported in the 2022/23 statements. Resigned 5 December 2023 remains Chief Executive)

The principal activities of Five Lamps Trading Company (FLT) is affordable personal loans for those unable to access mainstream funding and to alleviate the impact of financial hardship (charitable object).

This directors' report complements the report produced by the Trustees of The Five Lamps Organisation and is embedded in the Five Lamps' Group (Consolidated Company) Financial Statements. The directors' report provides an overview of business activity and accompanies the financial statements related to FLT registered with Companies House number 08029251.

During 2023/24, the Directors agreed to pursue an orderly wind down of the Trading Company. It was expected this would be concluded by 30th September 2024 but extenuating circumstances outside the control of the Directors and Company led to this being delayed into the 2024/25 financial year. Detailed information regarding this decision and the future plans for FLT was set out in the 2022/23 directors' report filed in January 2025. The legal agreement with the secured creditors has been entered into since the financial year end however the directors continue to report and sign off these Financial Statements in full knowledge the company is not a going concern and will be subject to an orderly wind down. This winddown is expected to be resolved before 30th September 2025.

The Directors have observed and acted in accordance with their Director Responsibilities to in line with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), Five Lamps Trading is a separate company that sits as a subsidiary within The Five Lamps Organisation (Charity). Whilst it is a separate Limited Company with Shares, it is 100% owned by the charity as the sole shareholder. Its activities are therefore included in the Charities consolidated Financial Statements and Trustees report alongside more detailed explanation and narrative relating to the Financial Statements and losses. The Trustees remain fully supportive of the decision to wind down the Five Lamps Trading Company.

This Directors report serves both purposes. For those accessing the FLT accounts via Companies House please refer to the full Trustees report at [www.fivelamps.org.uk](http://www.fivelamps.org.uk) or the Charities Commission.

**Business Activity 2023/24 Summary**

The primary activity within the Five Lamps Trading Company is the provision of low cost affordable loans underpinned through a c£4.8m social investment fund, included as secured creditors in the company's balance sheet.

In 2021, the Directors' approved that all affordable loans would be disbursed through the parent company utilising an upstream loan from FLT to FLO. In 2023/24 the Directors' and the Trustees of FLO agreed that the upstream loan would be written down. This is reflected in these statements.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

Business activity within FLT remains limited with no material income reported for the 23/24 period as loan interest income is primarily received into the Charity.

The reported loss of c£698k is due to:

- administrative costs of c£937k remaining in FLT with and undertaking from the Trustees to ensure the trading company had sufficient liquidity to meet its obligations and ongoing liabilities. These expenses were £2,112k less than a comparable 12 month average in 2022/23 and reflects the Director's decision to move to an orderly wind down and reduce overall losses.
- A write off of investor interest that is no longer payable.

The Directors' report a negative balance sheet position of £6,737,786 as at 30th September 2024 however this continues to include £5,312,500 of creditors falling due after more than one year. During 2023/24 and since the financial year end, resolutions have been reached with the creditors to remove these liabilities.

The Trustees also approved the write down of the £850k share following a robust evaluation and in full knowledge FLT would not be able to repay this.

During 2023/24, personal loans continued to be delivered and collected within FLO generating £1,533,665 interest income that is reflected in the charity accounts but will be used to offset liabilities within FLT, as this income is yield from the upstream loan from FLT to FLO. During 2023/24, the key responsibilities for the delivery and management of the personal loan book was:

Five Lamps Trading:

- Collects and manages the existing loan book up to 31.3.21.
- Holds the liability for the repayment of the creditors
- Accounts for the Conduit staffing costs.
- Accounts for the delivery and contract costs of managing and increasing the loan book.
- Report to the Social Investment Funders on the combined value and operating performance of both entities: FLT and the ringfenced activity in FLO.

The Five Lamps Organisation:

- Disburses and collects principal and interest from all new loans
- Provides a ringfenced bank account for all transactions and the management of the £2m upstream loan that is securitised to the Social Investment Funders.
- Is obligated to ensure that FLT has sufficient liquid funds to discharge its liabilities. FLO transfers cash to FLT to maintain positive cash balances.
- Produces the hybrid management accounts to enable the FLT Directors to report against the delivery of the Loan Note Instrument and against the new approved lending (recovery model).
- Trustees monitor progress against the model and set maximum tolerances for risk appetite and loss.

All lending activity using FLT funds ceased on 30th September 2024. During 2024/25, the Directors are overseeing the collect out of the loan book held both in FLT and ringfenced in FLO including debt sales. At the time of signing this Directors' report, collect out progress is exceeding target with cash balances now exceeding £1.1m held within FLT.

In presenting these statements, the Directors are aware that the Trading Company in isolation is reporting a negative net asset of £6,737,786 however due to accounting policies and for the purpose of the entity Financial Statements, the assets held in the parent including loan book and ringfenced cash once transferred to FLT will materially impact on the negative net worth.

The Directors are pleased to report that the consolidated net value of the combined balance sheets of FLO and FLT has materially improved from £1,020 at 30th September 2023 to £249,135 as at 30th September 2024.

Other points to report:

- The Chair of the Board of Directors ceased being a remunerated Director in 2023 but retains the same responsibilities.
- The Board is operating and compliant with two Directors. Due to the pending orderly wind down of the trading company, a decision was taken not to recruit new Directors. The Directors' continue to discharge

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

their governance responsibilities with independent professional support from both Ellison Ray and FRP UK Ltd.

- An operational restructure was concluded in the year including redundancies and with support from the Trustees a significant reduction in staffing to reduce costs and reduce the liability. FLT staff in post at 30th September 2023 was equivalent to 4.7 full time equivalent colleagues.
- FLT continues to receive Corporate Support and Executive service from FLO.
- To reduce impact on existing customers, FLO agreed to provide repeat loans for customers in need after 30th September 2025. As well as delivering social impact, this also ensures the repayment of outstanding capital thereby improving cash balances for FLT.
- RSM UK Limited continue to prepare and report on the management accounts for the Trading Company and provide Directors with the 'hybrid' accounts that show the combined activity of FLT with the ringfenced activity within the Charity.

The Directors wish to record their continued thanks to the Trustees of the Five Lamps Organisation for their support in securing negotiations with secured creditors and entering into a wind down agreement (June 2025) enabling directors' to now move forward with the orderly wind down of FLT once the Agreement is concluded.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**14. PLANS FOR THE FUTURE**

The plans for the future were set out in the reports filed in January 2025. The priorities and plans for the next 12-36 month include:

- Securing longer term grants, corporate sponsorship and other income streams.
- Continuing the expansion of service delivery from the Youthy and Community hub enabling it to open on weekday and weekends not just evening.
- Complete a comprehensive review of assets and decide the future of both owned assets, The Youthy and Eldon Street.
- Scaling up and becoming the lead care provider across Stockton and Teesside
- Business review of CDFI activities depending on inward capital investment.

To achieve these, the Trustees have committed to the following:

- Recruiting and retaining people who share our passion and values and who want to deliver multi-faceted charitable services.
- Ensuring Five Lamps is a great place to work with excellent terms and conditions.
- Strengthening our Board of Trustees and bringing in additional complementary skills to support future strategy and enhance the financial resilience and governance of the Charity.

**Our Mission:** To Transform Lives, Raise Aspirations and Remove Barriers to Social, Economic & Financial Inclusion

**Our Business:** A nationally recognised charitable business working with excluded individuals and families in the most disadvantaged communities.

**Our values are:**

- To make **people matter**, by releasing their potential and encouraging self-worth.
- **Performance matters**, by achieving targets and meeting quality standards.
- **Quality matters**, by assuring quality and achieving contemporary quality standards.
- To make **communities matter**, by understanding neighbourhoods and their needs including everyone
- **Measuring impact matters**, by collecting social and economic data across the full range of our business and producing an annual Social Impact Report

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**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

**AUDITORS**

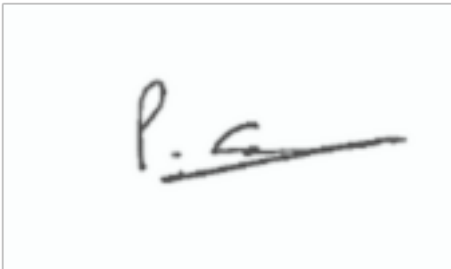
The auditors, Armstrong Watson Audit Limited have indicated their willingness to continue in office. The Designated Trustees will propose a motion re appointing the auditors at a meeting of the Trustees.

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

**Patricia Chambers**  
Trustee

**Vivienne Holmes**  
Trustee

Date: 30 June 2025

A rectangular box containing a handwritten signature in black ink. The signature appears to be 'P. Chambers' written in a cursive style.A rectangular box containing a handwritten signature in black ink. The signature appears to be 'V. Holmes' written in a cursive style.

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**

**Opinion**

We have audited the financial statements of The Five Lamps Organisation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 30 September 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 30 September 2024 and of the Group's 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.

**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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**  
**(CONTINUED)**

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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.

**Opinion 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

In the light of our 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 Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**  
**(CONTINUED)**

**Auditors' 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 an Auditors' Report 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- . the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- . we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector the company operates in;
- . we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- . identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- . making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- . considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- . performed analytical procedures to identify any unusual or unexpected relationships;
- . tested journal entries to identify unusual transactions; and
- . assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- . agreeing financial statement disclosures to underlying supporting documentation; and
- . enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**  
**(CONTINUED)**

**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. Our audit work has been undertaken so that we might state to the charitable company's members 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Simon Turner (Senior Statutory Auditor)**

for and on behalf of

**Armstrong Watson Audit Limited**

Chartered Accountants & Statutory Auditors

Northallerton

30 June 2025

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

	Note	Unrestricted funds for the 12 months ended 30 September 2024 £	Restricted funds for the 12 months ended 30 September 2024 £	Total funds for the 12 months ended 30 September 2024 £	<i>Total funds for the 18 months ended 30 September 2023 £</i>
<b>Income from:</b>					
Donations and legacies	4	31,241	-	31,241	99,953
Charitable activities	5	2,152,670	-	2,152,670	3,134,652
Other trading activities		61,172	-	61,172	64,219
Investments	6	6,518	-	6,518	19,293
Other income	7	1,467,151	88,731	1,555,882	2,566,248
<b>Total income</b>		<b>3,718,752</b>	<b>88,731</b>	<b>3,807,483</b>	<b>5,884,365</b>
<b>Expenditure on:</b>					
Raising funds		153,382	-	153,382	366,227
Charitable activities	8	3,106,643	299,343	3,405,986	5,619,846
<b>Total expenditure</b>		<b>3,260,025</b>	<b>299,343</b>	<b>3,559,368</b>	<b>5,986,073</b>
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>458,727</b>	<b>(210,612)</b>	<b>248,115</b>	<b>(101,708)</b>
<b>Other recognised gains/(losses):</b>					
Gains on revaluation of fixed assets		-	-	-	27,500
<b>Net movement in funds</b>		<b>458,727</b>	<b>(210,612)</b>	<b>248,115</b>	<b>(74,208)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		(509,891)	510,911	1,020	75,228
Net movement in funds		458,727	(210,612)	248,115	(74,208)
<b>Total funds carried forward</b>		<b>(51,164)</b>	<b>300,299</b>	<b>249,135</b>	<b>1,020</b>

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 02441319**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2024**

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Tangible assets	12	760,007	786,759
Investments	14	4,429,379	4,624,686
Investment property	13	60,000	60,000
		5,249,386	5,471,445
<b>Current assets</b>			
Debtors	15	725,345	685,867
Investments	16	80	80
Cash at bank and in hand		675,133	372,469
		1,400,558	1,058,416
Creditors: amounts falling due within one year	17	(1,088,309)	(962,133)
		312,249	96,283
<b>Net current assets / liabilities</b>			
		5,561,635	5,567,728
<b>Total assets less current liabilities</b>			
Creditors: amounts falling due after more than one year	18	(5,312,500)	(5,566,708)
		249,135	1,020
<b>Total net assets</b>			
		249,135	1,020
<b>Charity funds</b>			
Restricted funds	19	300,299	510,911
Unrestricted funds	19	(51,164)	(509,891)
		249,135	1,020
<b>Total funds</b>			
		249,135	1,020

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

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

  
 .....  
**Patricia Chambers**  
 Trustee  
 Date: 30 June 2025

  
 .....  
**Vivienne Holmes**  
 Trustee

The notes on pages 28 to 56 form part of these financial statements.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 02441319**

**COMPANY BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2024**


	Note	2024 £	2023 £
<b>Fixed assets</b>			
Tangible assets	12	760,007	786,759
Investments	14	4,251,776	4,429,820
		5,011,783	5,216,579
<b>Current assets</b>			
Debtors	15	1,813,099	660,842
Investments	16	80	80
Cash at bank and in hand		409,397	335,041
		2,222,576	995,963
Creditors: amounts falling due within one year	17	(247,438)	(172,230)
		1,975,138	823,733
<b>Total assets less current liabilities</b>		6,986,921	6,040,312
<b>Total net assets</b>		6,986,921	6,040,312
<b>Charity funds</b>			
Restricted funds	19	385,986	510,911
Unrestricted funds	19	6,600,935	5,529,401
<b>Total funds</b>		6,986,921	6,040,312

The Company's net movement in funds for the year was £946,609 (2023 - £3,010,325).

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

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

  
 .....  
**P Chambers**  
 Trustee  
 Date: 30 June 2025

  
 .....  
**V Holmes**  
 Trustee

The notes on pages 28 to 56 form part of these financial statements.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>109,170</b>	<b>(679,582)</b>
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	<b>(1,813)</b>	<b>(8,516)</b>
Net movement in loan book	<b>195,307</b>	<b>(899,357)</b>
	<hr/>	<hr/>
<b>Net cash provided by/(used in) investing activities</b>	<b>193,494</b>	<b>(907,873)</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
	<hr/>	<hr/>
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>	<b>302,664</b>	<b>(1,587,455)</b>
Cash and cash equivalents at the beginning of the year	<b>372,469</b>	<b>1,959,924</b>
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>675,133</b>	<b>372,469</b>
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 28 to 56 form part of these financial statements

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**1. General information**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Five Lamps Organisation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

**2.2 Company status**

The company is a registered charity and company limited by guarantee. The members of the company are the Trustees named on page . In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The company is a charitable company domiciled in England and Wales, registration number 02441319 and charity number 702314.

The registered office is Eldon Street, Thornaby, Stockton-on-Tees, TS17 7DJ.

**2.3 Going concern**

At the time of approving the accounts, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for at least the next 12 months and have not identified any material uncertainties regarding the ability of the charity to continue. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

**2.4 Taxation**

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**2. Accounting policies (continued)**

**2.5 Incoming resources**

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

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

(i) Grants and Donations:

Income from grants and donations, including capital grants, is included in incoming resources when receivable, except as follows:

(a) When donors specify that donations and grants given to the Charity must be used in future accounting periods, the income is deferred until those periods.

(b) When donors impose conditions which have to be fulfilled before the Charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre conditions for use have been met.

When donors specify that grants and donations, including capital grants are for particular restricted purposes, which do not amount to pre conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

(ii) Investment Income

Investment income is included when receivable by the Charity.

(iii) Fees and Similar Income

Fees receivable and charges for services provided and for the use of premises are accounted for in the period in which the service is provided.

(iv) Commercial Trading Operations

Income from commercial trading operations is included in the period in which the group is entitled to receipt, and comprises the turnover of the trading subsidiary including rental income from external sources.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**2. Accounting policies (continued)**

**2.6 Resources expended**

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Resources expended are accounted for on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure on grants is recorded once there is an unconditional commitment to pay the grant or the grant has been paid, whichever is the earlier.

Certain expenditure is directly attributable to specific activities and has been apportioned to the costs of those activities as follows:

- Management and administration costs – by reference to the total income generated by each project.
- Staff costs – by reference to the estimated time spent by staff on each project.
- Premises costs and office costs – by reference to the estimate floor space (and related room rental value) occupied by each project.

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

**2.7 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements

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

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**2. Accounting policies (continued)**

**2.8 Tangible fixed assets and depreciation**

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

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

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

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- Straight line over term of lease or 2% straight line
Plant and machinery	- 25% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line
Office equipment	- 25% straight line

**2.9 Other investments**

Fixed asset programme related investments (loan book) are accounted for on the basis of estimated net realisable values (i.e. capital amounts recoverable) at each balance sheet date. Interest receivable on these investments is recognised within the Statement of Financial Activities when earned.

Programme related investments are reviewed at least annually for impairment, an adjustment is made to provide for amounts considered to be irrecoverable, but only once normal recovery procedures have been followed and no further repayments have been made.

Other fixed asset investments are stated at cost.

Current asset investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses on revaluations and disposals throughout the year

(i) Associated undertakings

Investments in unlisted investments are stated at cost less impairment.

**2.10 Investment properties**

Investment properties whose fair value can be measured reliably without undue cost or effort shall be measured at fair value recognised in profit and loss

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**2. Accounting policies (continued)**

**2.11 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term

**2.12 Interest receivable**

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

**2.13 Debtors**

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

**2.14 Cash at bank and in hand**

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

**2.15 Liabilities and provisions**

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

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

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

**2.16 Financial instruments**

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

**2.17 Significant judgements**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The loan book is reviewed on an annual basis for impairment based on an expectation of recoverability of the outstanding balance.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**2. Accounting policies (continued)**

**2.18 Pensions**

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

**2.19 Fund accounting**

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

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

**3. Critical accounting estimates and areas of judgment**

Management consider there to be an element of judgement and uncertainty in determining the carrying value of the loan debtor book. Accordingly management has assessed the performance of each debtor based on available financial and management information. Where that information shows a net realisable value less than carrying management recognise an impairment against said asset accordingly.

Critical accounting estimates and assumptions:

The management team routinely monitor and review loan debtors and investments on a monthly basis and present to the directors on a quarterly basis for consideration. Provision for identified recovery issues are made on a case by case basis with additional provision to reflect historic loss rate experience.

The Trustees have undertaken sensitivity analysis on Groups net assets and its ability to withstand further macro-economic impacts. An increase in the provision equivalent to 5% of the gross loan book (c£353k) would not prevent the Charity from retaining its going concern and continued viability.

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**4. Income from donations and legacies**

	<b>Unrestricted funds for the 12 months ended 30 September 2024 £</b>	<b>Total funds for the 12 months ended 30 September 2024 £</b>
Donations and other voluntary income	31,241	<b>31,241</b>
	31,241	<b>31,241</b>

	<i>Unrestricted funds for the 18 months ended 30 September 2023 £</i>	<i>Total funds for the 18 months ended 30 September 2023 £</i>
Donations and other voluntary income	99,953	99,953
	99,953	99,953

**5. Income from charitable activities**

	<b>Unrestricted funds for the 12 months ended 30 September 2024 £</b>	<b>Total funds for the 12 months ended 30 September 2024 £</b>
Health and communities	2,107,230	<b>2,107,230</b>
Finance and enterprise	45,440	<b>45,440</b>
<b>Total 2024</b>	<b>2,152,670</b>	<b>2,152,670</b>

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**5. Income from charitable activities (continued)**

	<i>Unrestricted funds for the 18 months ended 30 September 2023 £</i>	<i>Total funds for the 18 months ended 30 September 2023 £</i>
Health and communities	3,049,522	3,049,522
Finance and enterprise	85,130	85,130
<i>Total 2023</i>	<i>3,134,652</i>	<i>3,134,652</i>

**6. Investment income**

	<b>Unrestricted funds for the 12 months ended 30 September 2024 £</b>	<b>Total funds for the 12 months ended 30 September 2024 £</b>
Garage rental income	6,300	<b>6,300</b>
Other sundry income	(997)	<b>(997)</b>
Interest income	1,215	<b>1,215</b>
	6,518	<b>6,518</b>

	<i>Unrestricted funds for the 18 months ended 30 September 2023 £</i>	<i>Total funds for the 18 months ended 30 September 2023 £</i>
Garage rental income	9,225	9,225
Cafe rental income	10,065	10,065
Investment income - other foreign investments	3	3
	19,293	19,293

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**6. Investment income (continued)**

**7. Other incoming resources**

	<b>Unrestricted funds for the 12 months ended 30 September 2024 £</b>	<b>Restricted funds for the 12 months ended 30 September 2024 £</b>	<b>Total funds for the 12 months ended 30 September 2024 £</b>
Interest generated by programme related investment (loan debtor book)	1,467,151	66,514	<b>1,533,665</b>
Grant income	-	22,217	<b>22,217</b>
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	<b>1,467,151</b>	<b>88,731</b>	<b>1,555,882</b>
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
	<i>Unrestricted funds for the 18 months ended 30 September 2023 £</i>	<i>Restricted funds for the 18 months ended 30 September 2023 £</i>	<i>Total funds for the 18 months ended 30 September 2023 £</i>
Interest generated by programme related investment (loan debtor book)	2,277,174	161,455	2,438,629
Grant income	55,327	72,292	127,619
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	<b>2,332,501</b>	<b>233,747</b>	<b>2,566,248</b>
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds for the 12 months ended 30 September 2024 £</b>	<b>Restricted funds for the 12 months ended 30 September 2024 £</b>	<b>Total for the 12 months ended 30 September 2024 £</b>
Management and administration	3,078,079	-	<b>3,078,079</b>
Finance and enterprise	-	299,343	<b>299,343</b>
Depreciation re properties	28,564	-	<b>28,564</b>
	<u>3,106,643</u>	<u>299,343</u>	<u><b>3,405,986</b></u>
	<u><i>Unrestricted funds for the 18 months ended 30 September 2023 £</i></u>	<u><i>Restricted funds for the 18 months ended 30 September 2023 £</i></u>	<u><i>Total for the 18 months ended 30 September 2023 £</i></u>
Management and administration	5,429,317	-	5,429,317
Finance and enterprise	-	59,664	59,664
Depreciation re properties	130,865	-	130,865
	<u>5,560,182</u>	<u>59,664</u>	<u>5,619,846</u>

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**9. Analysis of expenditure by activities**

	<b>Activities undertaken directly for the 12 months ended 30 September 2024 £</b>	<b>Support costs for the 12 months ended 30 September 2024 £</b>	<b>Total funds for the 12 months ended 30 September 2024 £</b>
Management and administration	2,834,176	243,903	<b>3,078,079</b>
Finance and enterprises	299,343	-	<b>299,343</b>
Depreciation re properties	28,564	-	<b>28,564</b>
	<u>3,162,083</u>	<u>243,903</u>	<u><b>3,405,986</b></u>

	<i>Activities undertaken directly for the 18 months ended 30 September 2023 £</i>	<i>Support costs for the 18 months ended 30 September 2023 £</i>	<i>Total funds for the 18 months ended 30 September 2023 £</i>
Management and administration	4,947,074	482,243	5,429,317
Young people	59,664	-	59,664
Depreciation re properties	130,865	-	130,865
	<u>5,137,603</u>	<u>482,243</u>	<u>5,619,846</u>

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**9. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Mgmt and admin for the 12 months ended 30 September 2024 £</b>	<b>Finance for the 12 months ended 30 September 2024 £</b>	<b>Dep'n for the 12 months ended 30 September 2024 £</b>	<b>Total funds for the 12 months ended 30 September 2024 £</b>
Staff costs	2,222,935	-	-	2,222,935
Premises costs	1,612	-	-	1,612
General office costs	34,662	-	-	34,662
Trading company expenses	483,107	-	-	483,107
Bad debts write off	-	299,343	-	299,343
Publicity and advertising	462	-	-	462
Depreciation	-	-	28,564	28,564
Training and activities	2,241	-	-	2,241
Activities costs	21,708	-	-	21,708
Subscriptions/affiliations	15,295	-	-	15,295
Motor expenses	7,946	-	-	7,946
Mobile phones	9,866	-	-	9,866
Consultancy/facilitators fees	34,342	-	-	34,342
	<u>2,834,176</u>	<u>299,343</u>	<u>28,564</u>	<u>3,162,083</u>

**THE FIVE LAMPS ORGANISATION**  
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**9. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

	<i>Mgmt and admin for the 18 months ended 30 September 2023</i>	<i>Finance for the 18 months ended 30 September 2023</i>	<i>Dep'n for the 18 months ended 30 September 2023</i>	<i>Total funds for the 18 months ended 30 September 2023</i>
	£	£	£	£
Staff costs	3,442,656	-	-	3,442,656
Premises costs	78,307	-	-	78,307
General office costs	128,417	-	-	128,417
Trading company expenses	1,178,925	-	-	1,178,925
Bad and doubtful debts	-	59,664	-	59,664
Publicity and advertising	5,097	-	-	5,097
Depreciation	-	-	130,865	130,865
Training and accreditation costs	(3,552)	-	-	(3,552)
Activities costs	27,549	-	-	27,549
Subscriptions/affiliations	12,553	-	-	12,553
Motor expenses	13,434	-	-	13,434
Mobile phones	24,116	-	-	24,116
Consultancy/facilitators fees	39,572	-	-	39,572
	<u>4,947,074</u>	<u>59,664</u>	<u>130,865</u>	<u>5,137,603</u>

**Analysis of support costs**

	<b>Mgmt and admin for the 12 months ended 30 September 2024</b>	<b>Total funds for the 12 months ended 30 September 2024</b>
	£	£
Staff costs	76,746	<b>76,746</b>
Premises costs	1,159	<b>1,159</b>
General office costs	28,067	<b>28,067</b>
Publicity and advertising	3,779	<b>3,779</b>
Bank charges re loan funds	23,687	<b>23,687</b>
Professional fees	110,465	<b>110,465</b>
	<u>243,903</u>	<u><b>243,903</b></u>

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**9. Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

	<i>Mgmt and admin 2023 £</i>	<i>Total funds 2023 £</i>
Staff Costs	76,336	76,336
General costs	42,681	42,681
Publicity and advertising	158	158
Bank charges	47,553	47,553
Professional fees	315,515	315,515
	<u>482,243</u>	<u>482,243</u>

**10. Auditors' remuneration**

	<b>12 months ended 30 September 2024 £</b>	<i>18 months ended 30 September 2023 £</i>
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<b>25,000</b>	25,000

**11. Staff Costs**

	<b>Group 12 months ended 30 September 2024 £</b>	<i>Group 18 months ended 30 September 2023 £</i>	<b>Company 12 months ended 30 September 2024 £</b>	<i>Company 18 months ended 30 September 2023 £</i>
Wages and salaries	<b>2,231,508</b>	3,523,700	<b>1,957,259</b>	3,080,727
Employer NI	<b>154,754</b>	255,420	<b>136,173</b>	217,626
Contribution to defined benefit contribution pension scheme	<b>37,096</b>	63,183	<b>31,469</b>	54,300
	<u><b>2,423,358</b></u>	<u>3,842,303</u>	<u><b>2,124,901</b></u>	<u>3,352,653</u>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**Staff costs (continued)**

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

	<b>Group 2024 No.</b>	<i>Group 2023 No.</i>	<b>Company 2024 No.</b>	<i>Company 2023 No.</i>
Direct charitable work	<b>131.00</b>	<i>129.00</i>	<b>120.00</b>	<i>129.00</i>
Administration	-	<i>15.00</i>	-	-
	<b>131.00</b>	<i>144.00</i>	<b>120.00</b>	<i>129.00</i>

As part of the main insurance taken out by this company, insurance is taken out to protect the trustees against any loss arising from neglect or default of its trustees and officers.

One of the trustees was paid remuneration of £Nil (2023: £7,818 in 18 month period ended 30 September 2023) in the year ended 30 September 2024 and this was paid by the subsidiary company. The remuneration paid was due to a trustee being a director of the subsidiary company, Five Lamps Trading Limited.

Costs incurred in relation to key management personnel were £153,404 in total for the year ended 30 September 2024 (2023: £375,722 for 18 months ended 30 September 2023) and £46,038 (2023: £29,070) of the total related to the Five Lamps Trading Limited.

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

	<b>Group 2024 No.</b>	<i>Group 2023 No.</i>
In the band £70,001 - £80,000	<b>1</b>	<i>1</i>
In the band £90,001 - £100,000	-	<i>1</i>
In the band £130,001 - £140,000	<b>1</b>	<i>1</i>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**12. Tangible fixed assets**

**Group**

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>							
At 1 October 2023	1,142,853	262,841	208,109	14,428	134,647	82,705	1,845,583
Additions	-	-	-	-	-	1,813	1,813
At 30 September 2024	<u>1,142,853</u>	<u>262,841</u>	<u>208,109</u>	<u>14,428</u>	<u>134,647</u>	<u>84,518</u>	<u>1,847,396</u>
<b>Depreciation</b>							
At 1 October 2023	363,167	262,841	207,939	14,428	131,865	78,584	1,058,824
Charge for the year	22,920	-	170	-	1,406	4,069	28,565
At 30 September 2024	<u>386,087</u>	<u>262,841</u>	<u>208,109</u>	<u>14,428</u>	<u>133,271</u>	<u>82,653</u>	<u>1,087,389</u>
<b>Net book value</b>							
At 30 September 2024	<u><u>756,766</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,376</u></u>	<u><u>1,865</u></u>	<u><u>760,007</u></u>
At 30 September 2023	<u><u>779,686</u></u>	<u><u>-</u></u>	<u><u>170</u></u>	<u><u>-</u></u>	<u><u>2,782</u></u>	<u><u>4,121</u></u>	<u><u>786,759</u></u>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**12. Tangible fixed assets (continued)**

**Company**

	Freehold property £	Short-term leasehold property £	Equipment and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>							
At 1 October 2023	1,142,853	262,841	208,109	14,428	134,647	82,705	1,845,583
Additions	-	-	-	-	-	1,813	1,813
At 30 September 2024	<u>1,142,853</u>	<u>262,841</u>	<u>208,109</u>	<u>14,428</u>	<u>134,647</u>	<u>84,518</u>	<u>1,847,396</u>
<b>Depreciation</b>							
At 1 October 2023	363,167	262,841	207,939	14,428	131,865	78,584	1,058,824
Charge for the year	22,920	-	170	-	1,406	4,069	28,565
At 30 September 2024	<u>386,087</u>	<u>262,841</u>	<u>208,109</u>	<u>14,428</u>	<u>133,271</u>	<u>82,653</u>	<u>1,087,389</u>
<b>Net book value</b>							
At 30 September 2024	<u>756,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,376</u>	<u>1,865</u>	<u>760,007</u>
At 30 September 2023	<u>779,686</u>	<u>-</u>	<u>170</u>	<u>-</u>	<u>2,782</u>	<u>4,121</u>	<u>786,759</u>

**THE FIVE LAMPS ORGANISATION**  
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**12. Tangible fixed assets (continued)**

Freehold Land and Buildings

This comprises the building known as The Youthy which was built primarily for the young people of Thornaby. Due to the unique design of The Youthy and the purpose for which it was built, there is no readily available method of arriving at a realistic market value. The unique nature of the building means that it is difficult to value it on a normal commercial basis. The Youthy was valued in November 2011 at £500,000 for the purposes of securing bank facilities but this figure is not considered to be appropriate to use as the carrying value in the financial statements. An alternative method is to measure its 'value in use' at an amount based upon expected future cash flows, but this alternative method is also considered not to be appropriate. One further alternative, which is more relevant to this property, is to use replacement cost which exceeds the carrying value at 30 September 2024 of £497,761 (2023: £524,383). All in all, it is considered unlikely that The Youthy will have suffered material permanent impairment in value since it was originally built and, in the opinion of the trustees, a carrying value based on original cost less depreciation continues to be appropriate for accounting purposes.

At the end of the 31 March 2022 financial year the charity purchased the property known as The Five Lamps Centre which had been leased from Stockton Borough Council for a total cost of £14,089. The property was revalued on purchase giving rise to a revaluation surplus of £240,000. This property will continue to be use for it management and administration and the operation of various projects.

Investment property

Included in freehold land and buildings is an investment property valued at £60,000. In the opinion of the directors this is a reasonable estimate of the market value at 30 September 2024.

If investment properties had not been revalued they would have been included at the historical cost of £21,014 (2023: £21,014).

Leasehold Land and Buildings

These comprise two a buildings from which the Charity runs part of its management/ administration and various projects. The terms of the leases on these properties, over which the expenditure is written off, are as follows:

South Thornaby Community Resource Centre (Carrying value - £Nil)

The current lease with Stockton Borough Council is for a period of 25 years from February 2000 and any expenditure is being written off over the remainder of that period.

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**13. Investment property**

**Group and Company**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 October 2023	60,000
At 30 September 2024	60,000

The investment property has been valued in the 2023 accounting period by Allied Surveyors & Valuers at £60,000 and the directors have reviewed these valuations and concur that it is based upon the key assumptions that relate to the investment portfolio and their experience of the property market at the current balance sheet date.

**14. Fixed asset investments**

	<b>Loan book £</b>	<b>Unlisted investments £</b>	<b>Total £</b>
<b>Group</b>			
<b>Cost or valuation</b>			
At 1 October 2023	7,068,211	14,000	7,082,211
Additions	121,299	-	121,299
Disposals	(178,890)	-	(178,890)
At 30 September 2024	7,010,620	14,000	7,024,620
<b>Impairment</b>			
At 1 October 2023	2,443,525	14,000	2,457,523
Charge for the year	299,343	-	299,343
Reversal of impairments	(161,625)	-	(161,625)
At 30 September 2024	2,581,243	14,000	2,595,241
<b>Net book value</b>			
At 30 September 2024	4,429,377	-	4,429,379
At 30 September 2023	4,624,686	-	4,624,688

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**14. Fixed asset investments (continued)**

<b>Company</b>	<b>Investments in subsidiary companies £</b>	<b>Loan book £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 October 2023	850,002	5,113,291	5,963,293
Additions	-	121,299	121,299
	<u>850,002</u>	<u>5,234,590</u>	<u>6,084,592</u>
At 30 September 2024	<u>850,002</u>	<u>5,234,590</u>	<u>6,084,592</u>
<b>Impairment</b>			
At 1 October 2023	850,000	683,473	1,533,473
Charge for the year	-	299,343	299,343
	<u>850,000</u>	<u>982,816</u>	<u>1,832,816</u>
At 30 September 2024	<u>850,000</u>	<u>982,816</u>	<u>1,832,816</u>
<b>Net book value</b>			
At 30 September 2024	2	4,251,774	4,251,776
	<u>2</u>	<u>4,429,818</u>	<u>4,429,820</u>
At 30 September 2023	<u>2</u>	<u>4,429,818</u>	<u>4,429,820</u>

Following the commencement of processes to restructure the trade and related activities of Five Lamps Trading Limited there was no residual value in subsidiary undertakings. As such management have recognised an impairment against this asset. However, in line with the upstream inter company arrangements any losses incurred in Five Lamps Organisation due to activities with Five Lamps Trading Limited these losses have been recharged in full to the subsidiary undertaking. This means that there has been no movement in net assets in either the Charity only or consolidated financial statement.

**Principal subsidiaries**

The following was a subsidiary undertaking of the Company:

<b>Name</b>	<b>Company number</b>	<b>Registered office or principal place of business</b>	<b>Principal activity</b>
Five Lamps Trading Limited	08029251	Same as the The Five Lamps Organisation	Lending and property management
<b>Class of shares</b>	<b>Holding</b>	<b>Included in consolidation</b>	
Ordinary	100%	Yes	

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**14. Fixed asset investments (continued)**

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £
Five Lamps Trading Limited	269,671	(968,167)	(698,496)
<b>Net assets</b> £			
			<b>(6,737,786)</b>

**15. Debtors**

	<b>Group 2024</b> £	<i>Group 2023</i> £	<b>Company 2024</b> £	<i>Company 2023</i> £
<b>Due within one year</b>				
Trade debtors	497,742	480,058	1,637,918	458,050
Amounts owed by group undertakings	50,000	-	-	-
Other debtors	49,496	35,341	49,482	35,341
Prepayments and accrued income	128,107	161,404	125,699	158,387
Grants receivable	-	9,064	-	9,064
	<u>725,345</u>	<u>685,867</u>	<u>1,813,099</u>	<u>660,842</u>

**16. Current asset investments**

	<b>Group 2024</b> £	<i>Group 2023</i> £	<b>Company 2024</b> £	<i>Company 2023</i> £
Listed investments	<u>80</u>	<u>80</u>	<u>80</u>	<u>80</u>

Group listed investments

The market value of the listed investments at 30 September 2024 was £80 (2023 :£80).

Company listed investments

The market value of the listed investments at 30 September 2024 was £80 (2023 :£80).

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**17. Creditors: Amounts falling due within one year**

	<b>Group 2024</b>	<i>Group 2023</i>	<b>Company 2024</b>	<i>Company 2023</i>
	£	£	£	£
Trade creditors	488,991	409,250	80,748	43,711
Other taxation and social security	33,576	57,209	30,202	50,848
Pension fund loan payable	780	5,063	-	-
Other creditors	436,069	400,000	36,069	-
Accruals and deferred income	128,893	90,611	100,419	77,671
	<u>1,088,309</u>	<u>962,133</u>	<u>247,438</u>	<u>172,230</u>

The following liabilities disclosed under creditors due within one year are secured by the company:

The loans are secured by various fixed and floating charges including a first legal charge over 'The Youthy', Thornaby Road, Thornaby and the client loan portfolio.

Following the restructuring of activity in subsidiary undertakings the Trustees of the Charity and the Directors of the subsidiary undertaking reached an agreement to waive inter company balances. The impact of this is eliminated on consolidation.

**18. Creditors: Amounts falling due after more than one year**

	<b>Group 2024</b>	<i>Group 2023</i>
	£	£
Bank loans	500,000	500,000
Other loans	4,812,500	4,812,500
Accruals and deferred income	-	254,208
	<u>5,312,500</u>	<u>5,566,708</u>

The following liabilities disclosed under creditors due after more than one year are secured by the company:

Other loans £4,812,500 (2023: £4,812,500) and are split between Tranche A Noteholders = £1,937,500 (capital) and Tranche B Noteholders = £2,875,000 (capital).

The bank loans and other loans are secured by various fixed and floating charges including a first legal charge over 'The Youthy', Thornaby Road, Thornaby and the client loan portfolio.

None of the other loans outstanding are repayable over five years.

Loan notes with a capital value of £171,849 agreed to the waiving of related interest at 30 September 2023. Negotiations are in place for further interest to be waived. This had not been fully approved at the date of approval of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. Statement of funds**

**Statement of funds - current year**

	Balance at 1 October 2023 £	Income £	Expenditure £	Balance at 30 September 2024 £
<b>Unrestricted funds</b>				
General Funds	(509,891)	3,718,752	(3,260,025)	(51,164)
<b>Restricted funds</b>				
Finance and enterprise	510,911	88,731	(299,343)	300,299
<b>Total of funds</b>	<b>1,020</b>	<b>3,807,483</b>	<b>(3,559,368)</b>	<b>249,135</b>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 April 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 30 September 2023 £</i>
<b>Unrestricted funds</b>					
General Funds	(261,600)	5,650,618	(5,926,409)	27,500	(509,891)
<b>Restricted funds</b>					
Finance and enterprise	336,828	233,747	(59,664)	-	510,911
<b>Total of funds</b>	<b>75,228</b>	<b>5,884,365</b>	<b>(5,986,073)</b>	<b>27,500</b>	<b>1,020</b>

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**19. Statement of funds (continued)**

**Designated funds**

In prior years, the Trustees designated funds for the following purposes:

1. Youth Empowerment Scheme
2. Growth Fund

The Trustees have decided to release the designated funds back to the general funds to enable maximum flexibility for the Charity to direct its resources to where the need is greatest. The Trustees will review this policy every year and designate funds when they see fit.

**Restricted Funds**

**Health and Communities**

The charity operates a Homecare service, the Parkside Court Extra Care Scheme and several other related care services with private clients, NHS and local authorities. During the year to 31 March 2021 the Charity has benefitted from a number of grants to enhance this service and provide greater support during the COVID pandemic.

**Employability and Training**

In prior years the charity has operated Employability and Training activities. These activities are now complete and the transfer on the fund from unrestricted funds is to clear a negative balance from an overspend on this activity in prior years.

**Finance and Enterprise**

The charity operates several Financial Inclusion and Enterprise Activities. The balance on the fund at 31 March 2021 includes £500k received from Social Investment Scotland.

**Young People**

The charity operates a variety of Youth Services from its youth club "The Youthy" and by outreach and community programmes. The transfer from general funds is to clear the negative balance brought forward on the fund which is due to overspends in prior years.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. Summary of funds**

**Summary of funds - current year**

	Balance at 1 October 2023 £	Income £	Expenditure £	Balance at 30 September 2024 £
General funds	(509,891)	3,718,752	(3,260,025)	(51,164)
Restricted funds	510,911	88,731	(299,343)	300,299
	<u>1,020</u>	<u>3,807,483</u>	<u>(3,559,368)</u>	<u>249,135</u>

**Summary of funds - prior year**

	<i>Balance at</i> <i>1 April 2022</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at</i> <i>30</i> <i>September</i> <i>2023</i> £
General funds	(261,600)	5,650,618	(5,926,409)	27,500	(509,891)
Restricted funds	336,828	233,747	(59,664)	-	510,911
	<u>75,228</u>	<u>5,884,365</u>	<u>(5,986,073)</u>	<u>27,500</u>	<u>1,020</u>

**21. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	760,007	-	760,007
Fixed asset investments	4,429,379	-	4,429,379
Investment property	60,000	-	60,000
Current assets	1,100,259	300,299	1,400,558
Creditors due within one year	(1,088,309)	-	(1,088,309)
Creditors due in more than one year	(5,312,500)	-	(5,312,500)
<b>Total</b>	<u>(51,164)</u>	<u>300,299</u>	<u>249,135</u>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**21. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior period**

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Tangible fixed assets	786,759	-	786,759
Fixed asset investments	4,624,686	-	4,624,686
Investment property	60,000	-	60,000
Current assets	547,505	510,911	1,058,416
Creditors due within one year	(962,133)	-	(962,133)
Creditors due in more than one year	(5,566,708)	-	(5,566,708)
<b>Total</b>	<u>(509,891)</u>	<u>510,911</u>	<u>1,020</u>

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

	<b>Group 2024 £</b>	<i>Group 2023 £</i>
Net income/expenditure for the period (as per Statement of Financial Activities)	<b>248,115</b>	<i>(101,708)</i>
<b>Adjustments for:</b>		
Depreciation charges	<b>28,565</b>	<i>131,197</i>
Loss/(profit) on the sale of fixed assets	-	<i>(8,774)</i>
Write off of investment	-	<i>14,000</i>
Increase in debtors	<b>(39,478)</b>	<i>(456,572)</i>
Decrease in creditors	<b>(128,032)</b>	<i>(257,725)</i>
<b>Net cash provided by/(used in) operating activities</b>	<b>109,170</b>	<i>(679,582)</i>

**23. Analysis of cash and cash equivalents**

	<b>Group 2024 £</b>	<i>Group 2023 £</i>
Cash in hand	<b>675,133</b>	<i>372,469</i>
<b>Total cash and cash equivalents</b>	<b>675,133</b>	<i>372,469</i>

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**24. Analysis of changes in net debt**

	At 1 October 2023	Cash flows £	At 30 September 2024 £
Cash at bank and in hand	372,469	302,664	675,133
Debt due within 1 year	(5,063)	4,283	(780)
Debt due after 1 year	(5,312,500)	-	(5,312,500)
Liquid investments	80	-	80
	<u>(4,945,014)</u>	<u>306,947</u>	<u>(4,638,067)</u>

**25. Operating lease commitments**

At 30 September 2024 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2024 £</b>	<i>Group 2023 £</i>	<b>Company 2024 £</b>	<i>Company 2023 £</i>
Not later than 1 year	<b>3,320</b>	3,320	<b>3,320</b>	3,320
Later than 1 year and not later than 5 years	<b>4,905</b>	8,225	<b>4,905</b>	8,225
	<u><b>8,225</b></u>	<u>11,545</u>	<u><b>8,225</b></u>	<u>11,545</u>

**26. Controlling party**

Throughout the year the Charity was under the control of the board.

**27. Related party transactions**

The charity owns 100% of the share capital of Five Lamps Trading Limited, company number 08029251.

Transactions between Five Lamps and Five Lamps Trading Ltd during the year were as follows:

During the period Five Lamps Trading gifted £NIL (2023: £Nil) as a donation to The Five Lamps Organisation.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

**28. Assets and Liabilities held as an intermediary agent - group and charity**

The Private Housing Financial Assistance Programme was created to help local authorities in the north east of England to provide loans to needy homeowners for the purpose of helping them to improve their housing conditions.

Five Lamps was appointed to manage the above Programme on behalf of 12 local authorities, using Sunderland City Council as the contracting authority.

Five Lamps holds the relevant funds on behalf of the local authorities in a designated client bank account. This asset and the associated liability to the local authorities are excluded from Five Lamps' Balance Sheet. There is a debenture agreement dated 12 October 2010 in favour of Sunderland City Council solely in respect of these funds. This debenture does not apply to any other Five Lamps assets.

At 30 September 2024, the funds held on the above client bank account totalled £1,391,969 (2023: £1,391,969) and this is returnable to the local authorities.

The accounting for these assets and liabilities are presented in notes 15,18 and 19 within these financial statements.

**THE FIVE LAMPS ORGANISATION**

England & Wales - Charity number 702314

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# Accounts

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**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE 18 MONTH PERIOD ENDED 30 SEPTEMBER 2023**

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

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**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

<b>Trustees</b>	Patricia Chambers, Chair Vivienne Holmes, Vice Chair Jamie Houlders (resigned 31 July 2023) Trevor Watson
<b>Company registered number</b>	02441319
<b>Charity registered number</b>	702314
<b>Registered office</b>	Eldon Street Thornaby Stockton on Tees TS17 7DJ
<b>Chief executive officer</b>	Lisa Pickard
<b>Independent auditors</b>	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors York House Northallerton North Yorkshire DL6 2XQ
<b>Bankers</b>	Unity Trust Bank 4 Brindley Place Birmingham B1 2JB

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

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## **1. TRUSTEES RESPONSIBILITIES STATEMENT**

The Trustees are pleased to present their Annual Report providing an overview of the period ending 30th September 2023.

This report and financial statements cover an 18 month operating period from 1st April 2022 to 30th September 2023 (approved by Companies House) that amended our financial year end from 31st March to 30th September. This strategic decision was made to allow our subsidiary company, Five Lamps Trading Limited, to complete an options appraisal and for its directors to reach decisions on the future of the Limited Company by Shares and make recommendations to the Trustees, given The Five Lamps Organisation is the sole shareholder.

The Trustees are fully aware of their responsibilities and the importance of making strategic decisions that protect the Charity and support it to continue to deliver its Charitable aims and objectives.

FRP UK were appointed by the Trustees and Directors in June 2023. Following their independent specialist review, the decision was taken in September 2023, to pursue an orderly wind down of the Limited Company, Five Lamps Trading, through a negotiated agreement with its Creditors.

Until the wind down is concluded the Trustees continue to report for the consolidated group including both The Five Lamps Organisation (02441319) and Five Lamps Trading Limited (08029251).

Whilst the Trustees have concluded negotiations and are delivering against an agreement to divest itself of Five Lamps Trading and its non-profitable loan books; the legal documentation, agreed in principle by all parties, has not, at the time of signing these accounts, been formally entered into. This legal contract undertakes the secured creditors (loan note holders) will release any security held against the assets of the Charity and will not seek further repayment than any gains on divestment. Whilst the probability of the agreement not being formally entered into is exceptionally low, until it is, the Group technically holds material liabilities where the means of future settlement is materially uncertain. To this end, the Trustees must file accounts with material uncertainty.

The Trustee's focus has been to protect the Charity, its beneficiaries, demonstrate a continued going concern into the future, simplify the company structure and launch a new standalone five year strategic plan.

As part of this the Trustees have approved budgets and cash forecasts to 31 December 2025 which illustrate a small but realistic operating cash surplus. This forecast does not include any cash inflows or growth arising from the sale of unutilised tangible fixed assets; new or additional care contracts that are in the process of being bid for in 2025; (the Trustees are confident that growth in one or more of these areas will be successful but do not wish to include this for purposes of going concern; any upside on collection of the (FLO owned) loan book or any other new opportunities. The Trustees resolved to ensure an operational going concern that did not rely on any factors other than those guaranteed so as to reduce the possibility of material uncertainty and keep this dependent only on the orderly wind down of FLT.

The Trustees also wish to recognise that these Financial Statements have been filed late. Whilst recognising this causes concerns for stakeholders the Trustees could not file accurate accounts without the future of its subsidiary being resolved. It had been anticipated that the secured creditor negotiations would be concluded, and the orderly wind down progressed before 30th September 2024. This was delayed.

The Trustees commenced the delivery of the wind down process and expected the legal contracts to be resolved by 31st December 2024. Whilst in their final form, the legal contracts were not formally signed by this date. The Trustees are therefore filing these Financial Statements late and with material uncertainty. There has been full transparency with our stakeholders, bankers, Companies House and the Charities Commission with statements issued on our website.

In making the decision to file the 2022/23 accounts with material uncertainty, the Trustees are committed to ensuring the next suite of Financial Statements for the period ending 30th September 2024 are concluded and filed in advance of the filing note to ensure the most up to date information is in the public domain. It is expected that the legal framework for the orderly wind down will be formally entered into in February 2025 therefore the 2023/24 reporting will be able to reflect this.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

## **2.1 ACHIEVEMENTS AND PERFORMANCE**

Due to the complexities of the intercompany arrangements and the presentation of the consolidated Financial Statements, the Trustees have set out a summary position to reassure stakeholders on the reported position on 30th September 2023 and the expected future position.

The consolidated position opened with a positive net asset of £75,230 at 1st April 2022 which reduced to £1,020 at 30th September 2023. The Trustees note marginal positive net worth is not ideal however this is due to negative value of Five Lamps Trading, which remains included in the consolidated accounts. To achieve a positive balance sheet, albeit marginal, reflects the viability of the charity as well as evidences the appropriateness of the Trustees (and Directors') decision to enter into an orderly wind down in advance of these Statements.

The reported net worth of £1,020 is the sum of the consolidation of the Five Lamps Organisation reported at £6,040,312 and Five Lamps Trading Limited at (£6,039,290). These are the balance sheet outcomes for the individual entities. This report, including the Five Lamps Trading Directors' report, sets out the accounting treatments and adjustments.

The Trustees particularly highlight that at the point the 2021/22 were last filed in December 2022, these were on a Going Concern basis with a viable 12 month forward plan (to December 2023). These financial statements evidence that the 2021/22 forecast was not only successful but continued for an additional 13 months. With positive cash flow and going concern validated until at least 31st December 2025, the Five Lamps Organisation has demonstrated its resilience and viability.

### **2.1.1 Overview**

In readiness for the disinvestment of Five Lamps Trading, the Trustees with support from our appointed auditors have approved adjustments to the Statements to reflect the reality of the consolidated position. This results in a significantly increased positive net asset for the Charity (£6,040,312) and a significantly increased negative net asset for Five Lamps Trading (£6,039,390). The consolidated position remains £1,020.

The Trustees wish to clarify that the Charity as a standalone entity does not have a net worth of £6,040,312. This sum includes the material value of a loan book securitised to the secured creditors. It is expected that its net value, after a collect out period and any subsequent debt sale, will be offset against the negative net asset in Five Lamps Trading, where the secured creditors' liability is held and reported.

In 2021, an upstream loan was agreed to transfer funds from Five Lamps Trading to Five Lamps Organisation to deliver personal loans through the Conduit product. Both the Trustees and Directors approved the write off of this intercompany loan to reflect the strategy to wind the trading company up. The value of the intercompany loan was less than the netbook value ringfenced for Five Lamps Trading and its secured creditors.

The Trustees report that excluding the value of ringfenced net assets, the restated split of the £1,020 would be approximately:

- £2,945k      Five Lamps Organisation
- (£2,944k)    Five Lamps Trading

This cannot be included in the Financial Statements until the legal documentation is entered into. The table below summarises the actual movement from 2021/22 to 2022/23 and illustrates what the approximate net worth of each entity would be with the ringfenced assets in FLO included in the FLT reports.

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

	<b>Net worth 31.3.2022</b>	<b>Net worth 30.9.23</b>	<b>Approx adjusted net worth at 30.9.23 post</b>
<b>FLO</b>	£3,029,988	£6,040,312	£2,945k
<b>FLO excluding share investment in FLT.</b>	£2,179,988	n/a	£2,945k
<b>FLT</b>	(£2,104,758)	(£6,039,290)	(£2,944k)
<b>Consolidated</b>	£75,230	£1,020	£1,020

It should also be noted that the reported net worth of the Five Lamps Trading company (£6,039,290) includes £383,357 of accrued investor interest. This interest has been waived however the decision was made after the end of the reporting period and cannot be reflected in the Statements. Had this been adjusted, the trading company's net worth would be c (£5,655,933) and the consolidated position approximately £384k.

Highlighted below are key decisions that have been reflected in these consolidated accounts.

- The Trustees approved the impairment of the £850k historic share value held by Five Lamps Organisation and included on the Five Lamps Trading balance sheet. This transaction was considered in the FRP report due to the lack of funds post settlement with secured creditors. This decision was also taken to prepare the accounts for the future deconsolidation. Note this transaction is illustrated as a reduction in the Charity assets. In the Trading accounts it is included as a deduction from the intercompany loan (see below) which has also been impaired in both organisations. This has the net impact of increasing the loss in Five Lamps Trading by £1,184,213 (£2,034,213 owed from FLO minus £850k owed to FLO).
- The Directors decision to write off the intercompany loan totalling £2,034,213 in the Charity accounts was made due to the pending wind down arrangements. The combined value of ringfenced assets exceeded the creditor / debtor totals in the respective balance sheets. This decision improved the Charity's profit for 22/23 and further increased the Trading company's loss. The two movements resulted in no change to the consolidated outcome.
- Recognising the Charity' total bad debt provision was overstated once the provisions for the ringfence loans was removed and included in the Trading Company's provision, the Trustees approved an entity reduction of £625,756 in Five Lamps Organisation and a £292,151 increase in the Five Lamps Trading company provision, resulting in a consolidated reduction of group provision of c£334k. These decisions were made following a detailed review of the performance of both company's loan books against independent recommendations.
- The starting position presented the Charity as a 25.6% provision and the Trading Company with a 66.3% provision for bad debts. The combined position of the Trading Company with the loan book ringfenced in the Charity was equivalent to 41.63%.

The Trustees resolved that:

- o The provision for the charity funded loan book would be sufficient at 28%, reflecting the two different types of loan books. The Trustees approved a £126k increase to achieve this.
- o The combined FLT and ringfenced loans should equate to 36% provision based on the FRP report given lending continued for 12 months post this report. This required a reduction in the provision.
- o The provision for the ringfenced loan book held in the Charity should be 'transferred' to the

**THE FIVE LAMPS ORGANISATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

Trading Company, effectively reducing the provision in charity (and increasing its net worth) and increasing the provision in the trading company (and increasing its negative net value).

- Added to this and to conform with accounting practices, the Directors resolved that the Trading Company provision should as a standalone entity, equate to 90% reflecting the aged loan book and the pending debt sale. The Trustees (and Directors) are satisfied that the bad debt provisioning strategy is robust and adequate and note that once the orderly wind down is entered into, the provisioning approach in the trading company will change.
- Post year end, the Five Lamps Trading Directors also report the impairment of a £14k historic share held with Ask that is no longer trading.

### **3.0 FINANCIAL REVIEW**

The Statement of Financial Activities for the period, the Balance Sheet as of 30th September 2023 and associated notes are set out on pages 27 to 57. These financial statements are for an 18 month operating period therefore caution should be exercised in comparing 22/23 to 21/22. Where the movement is material, a note is included. The 23/24 accounts will include a movement summary from 2020 to 2024.

The total income for the 18 month period year ending 30th September was £5,884,365 (21/22 £3,129,545). A 12 month average is £3,922,910 is £793k greater than the previous reporting period, equivalent to 25.3% growth since 2021/22.

Expenditure totalled £5,986,073 compared to £3,909,488 in 2021/22. Similarly, 12 months comparable would be £3,990,715, reflecting a 2.08% increase (c£81k.) since the last filed accounts. A 2.08% increase in expenditure to deliver a 25.3% increase in income, during a period of economic uncertainty and widely reported high inflation rates is a notable success.

As reported above, Group net assets dropped from £75,229 to £1,002.

The Trustees report that an accrual of investor interest remains on the Five Lamps Trading account totalling £384,377, due to confirmation of the decisions being received outside of the accounting period, once removed this will reduce the negative net asset value of the Trading Company and improve its consolidated position. The Trustees and Directors thank our social investment funders for their support in delivering applicable changes in the financial statements.

The Trustees' intention is to hold cash balances not less than £100,000 at any point in time in accessible and unrestricted cash to ensure the Charity can manage its activities and discharge its operating liabilities in the event of a significant drop in funding. Cash balances throughout 2022/23 and in the intervening period between filing these accounts have remained above £100,000. This policy is monitored by the Trustees and has been considered as part of the Charity's 12 month cash flow forecast for going concern.

The Trustees have approved a 2025 budget (for the Charity entity) that forecasts a c£67k surplus in the 2024/25 operating period and ensures the cash balances remain above £100k throughout. Overseeing the wind down of its subsidiary, Five Lamps Trading, the Trustees' priority is to ensure a positive consolidated net worth and in parallel ensure the improved net worth of the Charity to be resilient to future risks and also secure new opportunities.

### **4.0 ACHIEVEMENTS & PERFORMANCE.**

The Trustees decided that, given the 2023/24 Financial Statements will be filed by June 2025, this section of our 22/23 report should include only a high level summary of key achievements between April 2022 and September 2023. A comprehensive report will accompany our 23/24 report and statements along with a Social Impact statement and an updated strategy and five year plan. In accordance with our Charitable Articles, our achievements are split across our 3 main activities for the benefit of local people.

#### **4.1 Health & Social Care**

**THE FIVE LAMPS ORGANISATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

Since 2017, the provision of health and social care for local people has been a priority. Our primary focus has been the efficient delivery of care at home services provided under a contract with Stockton Borough Council. This was originally a 5 year contract extended for several years including a final extension through to 2024.

In July 2022, the Council independently inspected our services and awarded a 'Good' through their Provider Assessment and Market Management Solution (PAMMS) inspection regime. The improvement action plans for this inspection were all signed off within 6 months further demonstrating the quality service to our service users.

Throughout 22/23 we supported more than 130 local people with care at home to enable them to stay independent as well as delivering end of life support meeting the wishes of local people to remain at home. On average we delivered 2000 hours of care each week including home care delivered in an extra care scheme based in Thornaby. The Trustees are keen that we employ local people and as a result of bespoke recruitment strategies, 96% of all of our care staff lived and / or were born and bred in the area. Our service users told us this was important to them, and this influenced the 98% overall satisfaction with the quality of service being provided.

In November 2022, our Home Care team won the NE Care Awards for 'Team of the Year' following a rigorous assessment. They selected Five Lamps homecare due to our commitment to social care and local people. This award also reflected our decision to rescue a small private care company that had chosen to exit the sector. Five Lamps stepped in, employed the care colleagues, and provided continuity of care to its service users.

The Trustees remain very concerned about the state of adult social care and the impact under investment and increasing demand is having on the care at home services. We wish to support local communities as well as local health providers and the NHS to enable people to live independently at home for longer as well as stay in hospital for the shortest amount of time. In 2022/23 we continued to deliver our Home from Hospital scheme with funding from Stockton Borough Council. This supported 116 individuals to return to their own homes from hospital with an 88% success rate of no readmissions. The funding for this ceased, however the Trustees are committed to Five Lamps sourcing new funds and campaigning for greater integration and partnership working between Health and social care providers.

## **4.2 Youth & Community**

We remain exceptionally proud that The Youthy, our bespoke facility owned by the Charity, remained viable and able to continue its recovery and rebuild following the Covid 19 pandemic. This is a focal point of the local community and has been rebranded as The Youthy and Community hub. This recognises the importance our service and building has not just for local young people, but their families, our locally based colleagues and wider community. Throughout the year we have continued to grow our Youth Inclusion services, with an increased focus on tackling child poverty, specifically holiday hunger. Supporting local people and making the building more accessible has been a priority including developing a new service specifically for young people and young adults with disabilities.

We also have:

- Launched our HAF (Holidays are Fun) and HEP (Holiday Enrichment Programme) with funding received from Stockton Borough Council (SBC) and Catalyst from July 2022. This enabled the Youthy to be opened during the day and has seen the service grow from an average of 30 attendees all aged between 5 and 16 years and eligible for school meals through to 50 in 2024.
- Reestablished and grown all four evening sessions held at the Youthy (VIBE, All Stars, seniors and Club VIBE and including new bespoke sessions for children and Introduced community events including 'pop-ups' to support local people to access clothing, food, toys and childrens supplies as well as to connect with each other and the team.
- We continued the successful delivery of the Youth Employment Initiative (YEI) which also included supporting young people to set up their own business. The European Social Fund ceased in August 2023 however we retain the skills and commitment to this service area and regularly review funding opportunities as this is such an impactful work stream,

**THE FIVE LAMPS ORGANISATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

#### **4.3 Financial Inclusion.**

From April 2022 to 30th September 2023, we supported 8,865 individuals and families disbursing affordable personal loans totalling £5,661,071. At an average of £639 per loan over an average loan period of 10 months, our personal loans help individuals who cannot access mainstream credit. This scale returned us to and exceeded pre-covid lending levels.

With more than 400 customers helped every month, we estimate social impact throughout the reporting period of c£1.7million (based on the interest savings made obtaining a Conduit Loan rather than a high cost short term or an illegal money lender loan). Aside from the financial savings we know that our loans help people when they need them the most and with 45% of our customers in receipt of some form of benefit; and more than 60% supporting households with children, we know that these products change lives.

In 2025, we will be publishing a social impact report specifically focused on our Conduit products and our financial inclusion activities. This will serve two main purposes a) to provide our social investment funders with a summary as to how their investment has delivered social impact and change and b) to support a business case to secure new financial support to continue lending within the Charity but with a revised focus of becoming a locality based CDFI (Community development finance institution.)

Since 2017 Five Lamps has offered loans on a UK wide basis; however, with increasing risks, the Trustees have decided to refocus and return to our roots of supporting communities within the Northeast and specifically Teesside. In addition, the Trustees have pledged to continue to support Scottish communities should this be required.

During 2022/23, 48% of all loan applications were made direct to Five Lamps. With almost £2.8m disbursed through this pathway, we are mindful of the impact our strategy will have on people living outside our primary area of operation. The Trustees are delighted to report that a) personal lending continued throughout 2023/24 and in 2024/25 a ground breaking partnership backed by innovative technology will automatically protect these customers interest and divert them to a similar reputable provider of their choice; with the aim to ensure these customers do not fall out of the system and fall back into the markets we have been successful disrupting.

We also:

- Secured £85k business development grant from Nat West bank to research why loans applications are declined and to explore how to bring out financial inclusion ladder to life. With the decisions made in 22/23, we agreed to hand back this project, but we thank Nat West for agreeing to let us transfer the balance of this grant into helping us scope and shape our new locality based lending model.
- Delivered hardship grants of £100 each to 400 families, who were in need of short term support and were not able to access affordable credit. The Trustees thank Nat West bank for providing us with £41,160 in 2023.
- Secured £30k grant from Fair 4 all Finance to contribute to the cost of an independent options appraisal of Five Lamps Trading and its secured creditors undertaken by FRP.
- Completed a comprehensive review of the Groups bad debt provision, securing a second independent validation that the levels were more than sufficient and the methodology robust. These statements reflect this opinion.

#### **4.4 Governance & Support**

Throughout 2022/23 The Trustees focused on the survival, continued recovery and future resilience of the Charity and procured independent opinion, advice, and support to strengthen governance and decision making. This mitigated governance risks whilst we remain below the number of Trustees we aspire to achieve.

No new Trustees have been appointed since Jamie Houlders resigned in July 2023. Several adverts and recruitment campaigns delivered no suitable candidates to complement the skills gap identified by the Boards. Whilst this situation is not ideal, we recognise that it is unfair to bring Trustees onto the Board whilst there

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

remains uncertainty with the Limited Company and the consolidated accounts present a chronological worsening position. Once the 2023/24 accounts are signed off, plans are in place to reinvigorate and strengthen the Charity Board as it moves into a new era of being a standalone Charity organisation with no limited company subsidiaries. During this operating period, we have:

- Appointed RSM UK limited in March 2023 who supported the extension to the year end and 18 month operating period and have been overseeing and independently producing the management accounts information since.
- It was proposed that RSM UK would complete the financial statement aspect of the 2022/23 audited accounts. However, in August 2024, this reverted to Armstrong Watson who retained the full oversight and processing of our Audit and Financial Statement.
- Appointed and secured partner level support from FRP to evaluate the position with our secured creditors and the options to close down or exit Five Lamps Trading and / or the national lending model with minimal risk or impact to the Charity.
- Appointed Third Sector Solutions to review the Charity's operations and future viability to help us prepare our new structure and focus. The Trustees valued the assurance that the organisation was being well run and took TSS's advice and recommendations including making a Board referral to the Charities Commission about historic and legacy transactions. The referral was made in June 2024, and dialogue remains open with the Charities Commission. The Trustees are pleased that the Charity can demonstrate its ongoing viability and going concern going forward.
- Retained the invaluable support, expertise and independent financial modelling services provided by Ellison Ray. Experts in affordable lending solutions as well as actual and scenario based modelling; they have provided continued independent assurance and triangulation for data to the Trustees.

All of these partnerships as well as others has enabled the Trustees to maintain oversight and good governance and overcome the challenges of not being able to recruit new Trustees. Having independent oversight has been a real benefit and built assurance and enabled effective decision making with clear evidence to support this and demonstrate the Trustees have discharged their responsibilities.

## **5.0 STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Organisational structure and decision making**

In presenting the Trustee report and financial statements of the charitable company (the Charity) for the year ended 30th September 2023, the Trustees hereby confirm that they comply with current statutory requirements, the Company's governing documents, and the provisions of the latest Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005. The legal and administrative information on page 1 forms part of this report.

### **Structure, Governance and Management**

The Five Lamps Organisation (FLO) is a Registered Charity (702314) and Company Limited by Guarantee (2441319) The company was registered under a Memorandum of Association which established the objects and powers of the charitable company and Its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Five Lamps Trading Limited (FLT) (08029251) is a wholly owned trading subsidiary of The Five Lamps Organisation. FLT is a Limited Company by Guarantee. The Directors of the FLT company are also charity trustees for the purposes of charity law and under the company's articles are known as members of the Management Committee.

The Trustees continuously review governing documents. The most recent formal amendment approved by the Charity Commission was In December 2013 which provided for the extension of operations to the whole of England. Since October 2017, The Five Lamps Organisation has also been registered with the Office of the

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

Scottish Charity Regulator, under reference SC047839.

## **6.0 CHARITABLE OBJECTS**

Our charitable objects provide for operations and charitable activities 'within England and Scotland' to reflect the geographic growth and diversity of the organisation and its services. Our Objects promote for 'the benefit of the public of urban or rural regeneration in areas of social and economic deprivation, within England and Scotland' by all or any of the following means:

- a. The relief of financial hardship among people living or working within England and Scotland by providing such people with goods and/or services which they could not otherwise afford through lack of means.
- b. The prevention and relief of poverty by providing education, goods, and services to individuals in need.
- c. The relief of unemployment for the benefit of the public in such ways may be thought fit, including assistance to find employment.
- d. The advancement of education, training or retraining particularly among socially, economically, and financially excluded people and the provision of work experience for unemployed people.
- e. The provision of financial assistance, technical assistance, business advice or consultancy in order to provide training and employability for unemployed people in cases of financial or other charitable need through help in setting up their own business or to existing businesses.
- f. The creation of training and employment opportunities by the provision of workspace, buildings, or land for use on favourable terms.
- g. The provision of housing for those who are in conditions of need and/or the refurbishment of such housing.
- h. The provision of public health facilities and childcare.
- i. The provision of recreational facilities for the public or those who by reason of their youth, age, infirmity or disability, financial hardship, or social and economic circumstances, have need of such facilities.
- j. The development of skills and capacity in those living in socially and economically disadvantaged communities to enable them to better identify and help meet their needs and to participate more fully in society; and
- k. Any other purposes currently recognised as charitable and any new charitable purposes which are similar to another charitable purpose.

The Powers of the charity also state:

- The charity has the power to do anything which is calculated to further its Object(s) or is conducive or incidental to doing so. In particular, the charity has the power to raise funds. In doing so, the charity must not undertake any taxable permanent trading activity and must comply with any relevant statutory regulations.
- To buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use.
- To sell, lease or otherwise dispose of all or any part of the property belonging to the charity. In exercising this power, the charity must comply as appropriate with sections 36 and 37 of the Charities Act 1993, as amended by the Charities Act 2006.
- To borrow money and to charge the whole or any part of the property belonging to the charity as security for repayment of the money borrowed or as security for a grant or the discharge of an obligation. The charity must comply as appropriate with sections 38 and 39 of the Charities Act 1993, as amended by the Charities Act 2006, if it wishes to mortgage land.
- To cooperate with other charities, voluntary bodies, and statutory authorities and to exchange information and advice with them.
- To establish or support any charitable trusts, associations or institutions formed for any of the charitable purposes included in the Objects.
- To acquire, merge with or enter into any partnership or joint venture arrangement with any other charity.
- To set aside income as a reserve against future expenditure but only in accordance with the written policy about reserves.
- To employ and remunerate such staff as are necessary for carrying out the work of the charity. The charity may employ or remunerate a director only to the extent it is permitted to do so by article 7 and provided it complies with the conditions in that article.

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- To deposit or invest funds; employ a professional fund manager and arrange for the investments or other property of the charity to be held in the name of a nominee in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000; and
- To provide indemnity insurance for the directors in accordance with, and subject to the conditions in, section 73F of the Charities Act 1993.

## **7.0 GOVERNANCE**

The Trustees of the Five Lamps Organisation retain overall oversight of the strategy and operations across the whole organisation. Whilst FLT has its own Board of Directors, the Trustees retain an oversight of its activities and outturn. During 2022/23, the Trustees approved the appointment of FRP to undertake an independent options appraisal for the future of Five Lamps Trading and the management of its secured creditors. Following this report, the Trustees and Directors resolved that FLT should be subject to an orderly wind down. Five Lamps Trading (FLT) has its own Board of Directors and presents a director's report to accompany the financial statements. The report is included within the Trustees Statement.

The Governance structure no longer includes an Audit & Risk Committee due to the resignation of its Chair, reported in the FLT statement. As new Trustees have not been recruited, the responsibility for the Charities Risk Register and matrix; as well as ensuring the delivery of the Organisation's audited accounts and financial statements has returned to the respective Boards, with the Trustees receiving and signing off the consolidated group statements. The Trustees will review the Governance structure once FLT is resolved, and Five Lamps organisation returns to a single entity. .

As part of the post audit review and ensuring both entities reflect the current position and adequately manage the risks, adjustments were made to the upstream (intercompany) loan, £850k share investment and bad debts with the provision in FLT increasing by c£292,151 playing a material part in its increased operating loss. The Charity reduced its bad debt provision by £625,746 to reflect the loan book owned by the Charity. Both provisions continue to fulfil the bad debt provision assumptions independently verified by FRP and previously Johnson Carmichael in 2021.

The Trustees would have preferred to have included the orderly wind down outcomes in these Statements. As the legal contracts were not in place 15 months post the year end of 30th September 2023, taking into account the increasing risk associated with late filing, including financial penalties, partnership and reputational risk, both the Trustees and Directors concluded to present the best case financial statements moving towards to deconsolidation whilst only including decisions within the governance remit, or entered into during the reporting period and / or satisfying the audit guidelines and accounting practices. As reported, this has resulted in low consolidated net asset (£1,020) but robust governance and oversight has assured the Trustees, and our auditors, that Five Lamps remains a going concern. As a standalone charity, we are satisfied we have a positive cash flow for a minimum of 12 months, and we have assets and opportunities which risk mitigation and opportunities. Whilst we recognise that the probability of the orderly wind down not proceeding is low, given we are informally entered into this, our Trustees' obligations and responsibilities require us to demonstrate this risk. This is why the financial statements are presented as a Going Concern with a material risk. The Trustees are aware that two in ten businesses are filing with this status and recognise that many third sector and voluntary sector organisations face similar challenges we face particularly with changes to the employer's national insurance contributions.

The Charity's governance structure enables effective decision making, scrutiny and risk management at the right level in the business. The Trustees have highlighted concerns about the low number of Trustees and inability to recruit whilst there is a period of material uncertainty; however the Trustees are satisfied, following its internal self-assessment, that the structure is fit for purpose to deliver against the Charity Commissions Trustees Responsibilities as well as to discharge Companies House expectations. The plans to deliver the 2023/24 financial statements then recruit new Trustees will ensure more robust compliance.

### **7.1 Board Purpose**

The Board of Trustees of the Five Lamps Organisation and the Five Lamps Trading Board of Directors' purpose is to ensure the delivery of its aims and objectives and business plans by providing leadership, strategic direction, and challenge, and at the same time ensuring effective control and oversight of the business and its

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operations whilst acting responsibly towards employees, stakeholders, and society.

## **7.2 Board Key Responsibilities**

- **Managing organisational performance and risk.**

To develop and review continually. the organisation's strategy, objectives, performance, statutory compliance, and risk, ensuring the measurement of impact on our customers and communities.

- **Leadership and strategy**

To lead the development of the Five Lamps' Vision, Values and Strategic Direction.

- **Strategic planning and implementation**

To create coherent, strategic plans and timetables, monitor performance and review outcomes and impact.

- **Leading and delivering change.**

To plan for strategic, transformational change and continuous service improvement proactively and positively in The Five Lamps Organisation's service delivery.

- **Business Finance Opportunity**

To assess and evaluate the key strategic, financial, and commercial opportunities and investment issues facing The Five Lamps Organisation, in the context of the complex political, economic, sociological, technical, and legal context in which it operates.

- **Communication**

To promote the work of The Five Lamps Organisation to a variety of external partners, stakeholders, and other parties and raise awareness of its Charitable purpose and impact.

## **7.3 Operations**

Day to day responsibility for the provision of services and operation of the business rests with the Group Chief Executive who leads the Executive function and team. During the course of 2022/23 the Executive team comprised of the Group Chief Executive, a Director of Strategic Finance, and the Director of Charity Operations. Following the resignation of the Director of Conduit Operations, the role was not replaced due to uncertainty relating to FLT and future lending.

Throughout 2022/23, the Trustees have reviewed their approach to financial management and have, as many charities have, struggled to appoint and retain a high calibre of finance director. For more than 12 months, this role was outsourced to a consultant Finance Director. In May 2023, the Trustees appointed RSM UK to oversee the production and delivery of the Management Accounts. The Charity no longer employs a Finance Director and retains a small in house Accounts and Payroll function.

The Board employs the services of a minute taker to ensure a segregation of duty from the Executive Officers and Board.

## **7.4 Related party relationships**

The Trustees and Directors have all filed nil returns confirming that there were no related party transactions in the Charity.

Two non-executive Directors can be appointed to the Five Lamps Trading Board from the Social Investment Funders in line with the loan instrument. One is in place and has a related party transaction in terms of the social investment loan and relevant loan note their Company, Big Issue Invest has in the Trading Company.

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During 22/23 it was agreed that a representative from the Tranche A social investment funders could observe the Trading Board with this having the ability to rotate. Since the signing of these accounts, the Directors have agreed that this observer role can continue to oversee but not assume director responsibility of the wind down process and collect out of the remaining loan book.

## **8. RISK MANAGEMENT**

The Trustees ensure risk identification and risk management are a key priority. External events of the last few years have highlighted the exposure to significant risks outside the Trustees' direct control. To ensure the Charity is best placed to mitigate ongoing and future such risks, the Trustees have strengthened risk management to ensure tighter control and reporting on risks we can influence to provide confidence and a cushion to deal with unexpected risks materialising.

The Board of Trustees and the Directors of the Trading Company maintain a continuous review of the major risks which each company, each service area and cost centre and the charity is exposed to. Identified risks are included in a Risk Register and a Risk Management Matrix that, where appropriate, includes details of systems, policies, procedures, or new management actions to control and mitigate the impact of risk if it materialises.

During 2022/23 the Scheme of Delegations and Internal Financial Controls were reviewed and updated and are now subject to annual reviews as well as spot checks and internal testing.

The Charity seeks to manage some of these risks through a range of Insurance cover. Our insurance cover spans public and employer's liability, professional indemnity, directors and officer's liability, buildings and contents and specialist cover such as lift Installations and a climbing wall. These are all subjects to review and market testing on a regular basis with the latest review taking place in January 2025. Our insurance cover includes the following: -

<b>Cover</b>	<b>Amount Insured</b>
Public/Products Liability	£10m
Professional liability	£2m
Management Liability	£1m
Entity Defence	£250K
Employers Liability	£10m
Employment Law Protection	£500,000

Our insurance policies include cover for Directors' responsibility, crime, and cybercrime. The 2025 annual insurance premium is £32,289 and includes combined excesses across all of the policies of £18k.

Each Board identifies and approves its own risk management matrix that, until December 2022, was delegated to the group's Audit & Risk Committee. This committee ceased when the Chair, a Director of the Trading board, resigned and the review and monitoring reverted back to the respective Board, with the Trustees maintaining oversight across the whole charity and its subsidiary.

Currently there 43 specific risks being monitored with management actions in place to mitigate. The Executive Team reviews these monthly and cascade them into operational risk management plans to ensure three lines of defence approach to risk management and governance. Risks identified across the business are reported to the Boards via the risk register.

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Due to the specialist risks associated with Health and Care, a specific risk map is in place for our Home Care service. As well as PPE and other infection control challenges, this service is exposed to greater risks due to the beneficiaries 'clients' we provide services to and care for and bespoke issues such as safeguarding and CQC and commissioning bodies regulatory and local requirements. Continued delays to reform Adult Social Care is a significant risk to Five Lamps Organisation. Whilst we continue to prioritise meeting need and supporting local people, the Trustees recognise that the threats to the direct payment and local authority care entitlement are a major risk.

An internal staff led by the Health & Safety Committee meets quarterly, or when there is a specific issue to ensure statutory compliance across all of our buildings. All Five Lamps sub-contractors must satisfy a health and safety check as part of a 12-month due diligence check and updating of all of their relevant policies and insurance schedules.

The nature of our services, which often work with the most disadvantaged and marginalised groups, or with young and older people, necessitate either of the two levels of disclosure. All our staff appointments are subject to satisfactory enhanced disclosure.

### **8.1 Emerging Risks**

The Trustees file this Financial Statement with material uncertainty. Until the orderly wind down is formally entered into with Five Lamps Trading's' secured creditors, the Trustees recognise that there remains a risk, albeit low, that the liability for Five Lamps Trading could be pursued through the Charity. Whilst all parties agree that protecting the charity is a primary outcome, until this is ratified through a legal agreement, the Trustees need to highlight and manage this risk. As identified in our Statements, the Five Lamps Organisation does not have the financial ability to meet the Trading Company's liabilities as set out in the debenture held over the Charity.

Other new risks being monitored by the Trustees include:

- Ongoing impact of cost of living but also removal of winter fuel allowances and changes to benefit threshold. Given the nature of our charitable objectives, our customer demographic is significantly impacted. This is changing how our customers access and pay for all of our services.
- Income & Fundraising: Similar to other charities and VCSE's, donations, fundraising and access to charitable grants is become more challenging as people have less to give. Threats to the charity income streams have increased on the risk register.
- Employment: the cost of increasing pay and providing terms and conditions to reflect external market pressures. Recruitment into financial roles has become more challenging with the relocation of key Government Departments to Darlington. Less than 10 miles away, this has placed pressure on the jobs market and pushed up salary expectations. The Trustees are particularly concerned about the impact of the new Employer National Insurance Contributions and have reduced overheads in order to ensure these additional costs can be afforded.
- Adult Social Care and Reform. The continued delays in resolving this increasing crisis are a risk for Five Lamps. With increasing demand, increasing care needs and adult social care budgets struggling to cover costs, the hourly rate paid for those receiving direct payment services from Five Lamps homecare remains precariously low. The Trustees allocate c68% of all income to the actual salary for our home care front line colleagues however, the risk is this is not sufficiently competitive and with rising financial pressures, individuals are likely to source other higher paid jobs.
- With reducing workforce availability, it is becoming higher risk and more challenging to recruit and retain the right level of workforce.
- Regulatory pressures continue to change. Notable to a smaller charity function with reductions in overheads to manage finances, both the FCA and CQC regulatory regimes are a pressure on resources. No and short notice inspections are a real risk for operational delivery. The impact of the FCA's Consumer Duty is being closely considered. As the Charity moves to become a locally based CDFI providing loans for local people rather than the national remit we have previously held, there is a

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risk that the regulatory requirements are not cost effective, and the future of lending will need reviewed.

- Access to capital and new funding. To achieve growth and to secure the continued recovery of the Charity, the Trustees need to source secured funding streams. The delay in the orderly wind down of FLT and release of the general debenture across the whole Charity is restricting this objective. It is a risk that the publication of late accounts with material concern could affect stakeholders' confidence in the Charity, albeit in the short term.
- Audits on compliance with external legislation are completed each year and we have strengthened the role of our Business Development and Assurance Manager, adding more emphasis on Risk and Assurance across the business. Continuous improvement audits of our HR policies and procedures throughout the organisation are routinely completed with specialist support from Croner Assist, ensuring we remain compliant and working according to good practice. Whilst our HR activities are underwritten by employment indemnity, we also ensure we minimise the risk of any claims through regular updates, training, and briefings.

## **8.2 Quality Assurance & Statutory Regulators**

Five Lamps has a strong focus on service quality and compliance and has invested significantly as part of our risk management strategy and commitment to customer experience and social impact.

In 2022/23 the role of Head of Business Development and Assurance was uplifted to Director of Charity operations and retained the lead ensuring a robust focus on regulatory and statutory compliance embedded with a focus on quality. We are regulated by the:

- Care Quality Commission (CQC) - Five Lamps is regulated by the Care Quality Commission for its domiciliary home care services with registrations for Five Lamps Home Care (Eldon Street). During the 2022/23 financial year we continued to have a CQC registration for Parkside Court Extra Care Scheme. This ceased in October 2024 as the management of the scheme was transferred to a different provider.
- Financial Conduct Authority (FCA) - Both FLO (FCA Reference 656112) and FLT (FCA Reference 791848) are authorised and regulated by the FCA.

During the 22/23 accounting year there have been no regulatory breaches or adverse regulatory issues to report with either body, and none have been raised in the period from 30th September 2023 to signing these accounts. The Domiciliary home care service is currently recorded as 'Good' following a CQC inspection in June 2021.

## **9.0 PARTNERSHIPS**

Five Lamps does not and cannot work in isolation. The ongoing viability of the charity and our ability to deliver our charitable objectives is best achieved through partnerships and innovation.

Our thanks go to our eight social investment lenders who have been supportive in reaching an in principle agreement relating to Five Lamps Trading and the secured creditors.

The decisions around our future strategy could not have been achieved without the enormous support of Third Sector Solutions and FRP UK. We also note our thanks to Fair 4 all Finance for their grant support towards the appointment of FRP UK and we thank Nat West plc for their grant support to explore how we better support loan applicants that are declined and also to explore the future options of a locality based CDFI. We express our thanks to Responsible Finance who supported access to this funding and have continued to act on behalf of all CDFI's with negotiations with the FCA, the Financial Ombudsman and raising awareness of the need for affordable credit.

As well as our financial and national partnerships, our local partnerships are essential. We particularly express our thanks and appreciation to Stockton Borough Council, Catalyst and with other voluntary sector or charity groups such as Little Sprouts, Cornerhouse, and Cultivate Tees Valley who work with us to deliver Youth Services across the Borough. We were involved and committed to the embryonic development of the Youth

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United Stockton Alliance partnership, which is a collective of key partners who have come together to form an alliance to support the sustainability of high-quality open access youth provision across Stockton-on-Tees.

Our strong partnership with Catalyst enabled us to access Holiday Activity Programmes to deliver first class activities to our young people attending both HAF and HEP in the schools holidays, including healthy food options, dance and climbing wall to name but a few.

Our commitment to grow our Home Care service has included the development of partnership working with Middlesbrough Council and Continuing Health Care (CHC).

Our reinvigorated commitment to the local community has involved us creating new partnerships with Tesco, Coop and utilising our previous connections with the Asda Community Champion. This has made a significant difference to our ability to deliver our charitable objects for the benefit of local people.

Our supplier partnerships have included outsourced IT provision to High Tide and various new contracts to reduce costs and save on efficiencies such as internet supplier and utilities. Throughout the year we have developed our partnership and received invaluable HR, Contractual and company law support from Endeavour Law. Ellison Ray consultancy have continued to play a pivotal role in our viability and success, providing specialist financial modelling and affordable lending advice.

In yet another challenging year, partnerships have been pivotal and there are too many to specifically mention but the Trustees recognise the added value of each individual and organisation.

The Trustees do, however, wish to express thanks to Armstrong Watson for supporting us in delivering our most complex and challenging financial statements and to position ourselves for the future.

The Trustee Report is signed jointly by Patricia Chambers (Chair of Five Lamps Trustees) and Vivienne Holmes (Vice Chair).

**10. FIVE LAMPS TRADING: DIRECTORS REPORT TO THE TRUSTEES AND TO ACCOMPANY THE STANDLAONE ACCOUNTS.**

The principal activities of Five Lamps Trading Company (FLT) is affordable personal loans for those unable to access mainstream funding and to alleviate the impact of financial hardship (charitable object).

Our 2022/23 Directors report complements the report produced by the Trustees of The Five Lamps Organisation and is included in the Five Lamps' Group (Consolidated Company) Financial Statements. The Directors report provides an overview of business activity and accompanies the financial statements related to FLT registered with Companies House number 08029251.

The 2022/23 Financial Statements and this accompanying report relate to an extraordinary 18 month trading period from 1st April 2022 to 30th September 2023. This one off period was to allow the completion of a viability review into the trading company and options for secured creditors.

The Directors appointed FRP UK Limited to provide an independent review which was undertaken from June to August 2023 and reported on before the end of the 22/23 financial year. The Directors approved the 18 month accounting period and change to the financial year end to enable strategic decisions to be made and to accurately reflect on these with an overriding priority to protect the parent company, The Five Lamps Organisation, a registered charity.

The Directors are aware these Financial Statements and Director reports are filed late. This was due to a number of factors including unfortunate delays in reaching agreement from secured creditors to implement the independent report findings. With the support of the parent charity Trustees, the Directors further delayed the filing in anticipation that the legal agreement underpinning the agreement reached in principle with the secured creditors for the orderly wind down would be signed in 2024. This is now expected after the end of January 2025. To this end, the Directors concluded to file the accounts noting the intention but accepting the legal contracts have not been entered into. This has resulted in increased losses in FLT and the consolidated accounts has resulted in a material uncertainty due to the residual risk that plans are not agreed in the parent Charity financial

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statements.

The Directors have agreed to pursue an orderly wind down of the Trading Company. It was expected this would be concluded by 30th September 2024 but extenuating circumstances outside the control of the Directors and Company have led to a minimum 6 month delay.

The Directors report and sign off these Financial Statements in full knowledge the company is not a going concern and will be subject to an orderly wind down. This winddown is expected to be completed before 30th September 2025. A further set of Financial Statements will be produced for the 2023/24 accounting period ending 30th September 2024 which will also confirm the company as not being a going concern. The Directors have observed and acted in accordance with their Director Responsibilities to in line with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice),

Five Lamps Trading is a separate company that sits as a subsidiary within The Five Lamps Organisation (Charity). Whilst it is a separate Limited Company with Shares, it is owned 100% by the charity as the sole shareholder. Its activities are therefore included in the Charities consolidated Financial Statements and Trustees report alongside more detailed explanation and narrative relating to the Financial Statements and losses. The Trustees are fully supportive of the decision to wind down the Five Lamps Trading Company.

This Directors report serves both purposes. For those accessing the FLT accounts via Companies House please refer to the full Trustees report at [www.fivelamps.org.uk](http://www.fivelamps.org.uk) or the Charities Commission.

#### **Business Activity 2022/23 (18 months) Summary**

As reported in our 2021/22 Financial Statements, the primary activity within the Five Lamps Trading Company is the provision of low cost affordable loans underpinned through a c£4.8m social investment fund, included as secured creditors in the company's balance sheet.

Business activity within FLT is limited with no material income reported for the 22/23 period because from August 2021, all affordable loans were disbursed through the parent company utilising an upstream loan of funds held in FLT to the parent, FLO. The administrative costs remained in FLT with the Trustees undertaking to ensure the trading company had sufficient liquidity to meet its obligations and ongoing liabilities.

This has the net impact of worsening the losses in FLT from £1,049,500 in 21/22 to £3,934,533. Noting this is an 18 month loss, the comparable annual figure of £2,623,022 is an increase of c150%. The loss is greater due to the significantly reduced income of £64,219 compared to £480,554 in the previous year. This is as reported due to the new activity being held in Five Lamps Organisation.

The activity generated from the upstream intercompany loan is ringfenced and securitised to the Trading Companies' creditors (social investment funders) and cannot be used for any other activity. This includes the cash held in a ringfenced bank account, which receives income from loan disbursements, capital repayments and also recycles capital for continued lending as well as transferring cash to the trading company to meet its liabilities. The secured creditors hold a charge over this bank account. In addition, the gross value of the loan book generated using the upstream funds totalled £3,186,233 at 30th September. This is also held on charge to the secured creditors and the collect out from these loans will be transferred into FLT towards the repayment of secured creditors.

A summary of the key responsibilities and split resulting from the upstream loan is below.

Five Lamps Trading:

- o Collects and manages the existing loan book up to 31.3.21.
- o Accrues the liability and is responsible for the payment of investor interest.
- o Accounts for the Conduit staffing costs.
- o Accounts for the delivery and contract costs of managing and increasing the loan book.
- o Report to the Social Investment Funders on the combined value and operating performance of both entities: FLT and the ringfenced activity in FLO.

The Five Lamps Organisation:

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- o Disburses and collects principal and interest from all new loans.
- o Provides a designated ringfenced bank account for all transactions and the management of the £2m upstream loan that is securitised to the Social Investment Funders.
- o Is obligated to ensure that FLT has sufficient liquid funds to discharge its liabilities. FLO transfers cash to FLO to maintain positive cash balances.
- o Produces the hybrid accounts to enable the FLT Directors to report against the delivery of the Loan Note Instrument and against the new approved lending (recovery model).
- o Trustees monitor progress against the model and set maximum tolerances for risk appetite and loss.

Given that part of the assets (required to repay the secured creditors) sit within the charity and forms part of the orderly wind down calculations that all parties have agreed in principle, the Directors resolved to write off the upstream loan. This has no bearing on the consolidated accounts and was taken to simplify the accounts and prepare both companies for the orderly wind down. This decision presents no risk to the trading company or the secured creditors as the assets are secured and ringfenced from all other charity activities. It should be noted that the value of the secured loan book held in FLO is greater than the upstream loan.

In presenting these statements, the Directors are aware that the Trading Company in isolation is reporting a negative net asset of £ 6,039,290 however due to Accounting policies and for the purpose of the entity Financial Statements, the assets held in the parent (£3,095k after provision) will effectively be offset against the negative net asset improving the position as at 30.9.23 to £2,944k .

It would reduce the net assets in FLO as an entity to c£2,945k and deliver the consolidated net value of £1,020.

For the 18 month period ending 30th September 2023, the FLT Board of Directors report a loss of £ 3,934,533 compared to £1,049,590 for the period ending 31.3.22. This is an 18 month loss, so it is not comparable to the previously reported 12 month losses. This loss is materially affected by the Directors' decision to write off the upstream loan into the Five Lamps Organisation and increase the bad debt provision to £292,151.

The Directors also report that the Tranche B Social Investment funders have waived all of their interest owing since 31.3.22 although noted one minority B note holder did not confirm within the audit period however a reasonable assumption was made to exclude this as it would be subject to a majority B noteholder vote, as previously achieved in 2021/22. Following the conclusion of the independent FRP UK report, Tranche A investors have also agreed to a similar treatment to the accrued and pending interest.

At the year end, there was investor interest owing of £254,208 which is in accruals in creditors over one year.

At the year end, the net liability position of FLT was £6,039,290 compared to the previously reported £2,104,758. In reality this is a negative net asset of c£2,944k when the secured loan book held in FLO is taken into consideration.

The Board of Trustees (Charity) and 100% shareholders have approved these decisions, and accounting treatments, to ensure the continued delivery of its charitable objects and to mitigate potential risk of the Social Investment funders' debenture or security being enacted in the future. At the time of signing these accounts, it is anticipated that all trading using investor funds will cease after 31st March 2025 at a date to be agreed, with the orderly wind down and release of all security being concluded before 30th September 2025.

Other points to report:

- The Chair of the Board of Directors ceased being a remunerated Director in 2023 but retains the same responsibilities.
- The Board is operating and compliant with two Directors. Due to the pending orderly wind down of the trading company, a decision was taken not to recruit new Directors recognizing that this would be a moot exercise.
- Staff in post at 30th September 2023 was equivalent to 12 full time equivalents. The Director of Conduit Loans left in September 2022 and the Directors resolved not to replace the role given the need to control costs and move to an orderly wind down. A Head of Lending role was created and is included in the Key Management Personnel.
- Since the end of this reporting period, to mitigate losses, and continue to meet need and deliver social

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impact, lending activity continued until 30th September 2024. In this period the business has implemented a redundancy programme and is now operating with the number of staff required to effectively deliver correct out of the loan book ahead of an orderly wind down.

- To minimise risk to the Trading Company and to ensure ongoing provision and support for its customers (current and future), the Charity are where appropriate providing loans for repeat customers as this mitigates the risk of existing borrowers not repaying their debt.
- The Charity has on our behalf, brokered a deal to signpost new applicants who fall outside the geographical lending boundaries, to other responsible providers. This was delivered using Five Lamps Organisations FCA broker status. This partnership ensures greater protection for our customer base.
- During 2023, RSM UK Limited were appointed to prepare and report on the management accounts for the Trading Company (and the Charity) and also to provide Directors with the 'hybrid' accounts that show the combined activity of FLT with the ringfenced activity within the Charity. This enabled the Directors as well as the Trustees to track performance and ensure the consolidated position was not threatened.
- The Directors wish to record their thanks to the Trustees of the Five Lamps Organisation for their support in achieving a decision for an orderly wind down and eventual cessation of the Trading Company.

## **11. PLANS FOR THE FUTURE**

Due to the timeliness of these statements and recognising that the plans for the future are already being delivered in the 16 months since the accounting period end, the Trustees agreed that it would not add value to our beneficiaries, partners, stakeholders, funders or anyone reading this report, to include retrospective and in many cases, already ongoing and delivered plans.

The Trustees have already commenced work on the 2023/24 financial statements to the period ending 30th September 2024 and as reported, we plan to publish these in Spring 2025 and at the same time, publish a two to three year social impact report and present the five year strategy from 2025 to 2030. The future plans depend on the delivery of an effective orderly wind down of Five Lamps Trading. With the legal agreements entered into, the material uncertainty will be satisfied, and the Trustees will be able to present their plans for the future.

The Trustees have already resolved that the future plans include:

- Continued youth services and support aligned with an increased and responsive community presence within the Teesside region and specifically Stockton on Tees.
- Preservation and enhancement of assets including investment into our Youthy & Community hub and an options appraisal for head office, which is also owned outright by the Charity.
- Delivery of quality care services through the local authority commissioning and investing in our direct payment model of domiciliary home care services. Our vision is to showcase how charity led services provide choices and confidence to service users when delivered by local people for local people.
- Launch and scale up of a locality based CDFI, offering our Conduit loan products to local people (who qualify) and to provide financial inclusion support to aid improvements in financial health for those who not only secure a personal loan but those who are declined.

To deliver these and our emerging five year strategy our plans must include:

- Recruiting and retaining people who share our passion and values and who want to deliver multi-faceted charitable services.
- Ensuring Five Lamps is a great place to work with excellent terms and conditions.
- Strengthening our Board of Trustees and bringing in additional complementary skills to support future strategy and enhance the financial resilience and governance of the Charity.

**Our Mission:** To Transform Lives, Raise Aspirations and Remove Barriers to Social, Economic & Financial Inclusion

**Our Business:** A nationally recognised charitable business working with excluded individuals and families in the most disadvantaged communities.

**THE FIVE LAMPS ORGANISATION  
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

Our values are:

- To make people matter, by releasing their potential and encouraging self-worth.
- Performance matters, by achieving targets and meeting quality standards.
- Quality matters, by assuring quality and achieving contemporary quality standards.
- To make communities matter, by understanding neighbourhoods and their needs including everyone
- Measuring impact matters, by collecting social and economic data across the full range of our business and producing an annual Social Impact Report

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

**AUDITORS**

The auditors, Armstrong Watson Audit Limited have indicated their willingness to continue in office. The Designated Trustees will propose a motion re appointing the auditors at a meeting of the Trustees.

This report was approved by the Trustees, and signed on their behalf by:



**P Chambers  
Trustee**

30/01/2025



**V Holmes  
Trustee**

30/01/2025

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**

**Opinion**

We have audited the financial statements of The Five Lamps Organisation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 30 September 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 30 September 2023 and of the Group's 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.

**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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

**Material uncertainty related to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

We draw attention to note 2.3 in the financial statements. The note details key assumptions adopted by management including the on-going renegotiation of debt and uncertainty in the receipt of capital repayments from service users. These assumptions indicate a material uncertainty over the ability of the Group to remain a going concern. Our opinion is not modified in respect of this matter.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**  
**(CONTINUED)**

**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 Auditors' Report 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.

**Opinion 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

In the light of our 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 Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**  
**(CONTINUED)**

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**  
**(CONTINUED)**

**Auditors' 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 an Auditors' Report 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector the company operates in;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**  
**(CONTINUED)**

Auditors' Report.

**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. Our audit work has been undertaken so that we might state to the charitable company's members 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Simon Turner (Senior Statutory Auditor)**

for and on behalf of

**Armstrong Watson Audit Limited**

Chartered Accountants & Statutory Auditors

Northallerton

Date: 30/01/2025

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>Income from:</b>					
Donations and legacies	4	99,953	-	99,953	258,942
Charitable activities	5	3,134,652	-	3,134,652	1,587,877
Other trading activities		64,219	-	64,219	480,564
Investments	6	19,293	-	19,293	25,736
Other income	7	2,332,501	233,747	2,566,248	776,470
		<u>5,650,618</u>	<u>233,747</u>	<u>5,884,365</u>	<u>3,129,589</u>
<b>Total income</b>					
<b>Expenditure on:</b>					
Raising funds		366,227	-	366,227	77,282
Charitable activities	8	5,560,182	59,664	5,619,846	3,832,206
		<u>5,926,409</u>	<u>59,664</u>	<u>5,986,073</u>	<u>3,909,488</u>
<b>Total expenditure</b>					
<b>Net movement in funds before other recognised gains</b>					
		<u>(275,791)</u>	<u>174,083</u>	<u>(101,708)</u>	<u>(779,899)</u>
<b>Other recognised gains:</b>					
Gains on revaluation of fixed assets		27,500	-	27,500	240,000
		<u>(248,291)</u>	<u>174,083</u>	<u>(74,208)</u>	<u>(539,899)</u>
<b>Net movement in funds</b>					
<b>Reconciliation of funds:</b>					
Total funds brought forward		(261,600)	336,828	75,228	615,127
Net movement in funds		(248,291)	174,083	(74,208)	(539,899)
		<u>(509,891)</u>	<u>510,911</u>	<u>1,020</u>	<u>75,228</u>
<b>Total funds carried forward</b>					

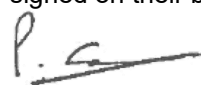
**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 02441319**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2023**

	Note	30 September 2023 £	31 March 2022 £
<b>Fixed assets</b>			
Tangible assets	12	786,759	900,665
Investments	14	4,624,686	3,739,329
Investment property	13	60,000	32,500
		5,471,445	4,672,494
<b>Current assets</b>			
Debtors	15	685,867	229,295
Investments	16	80	80
Cash at bank and in hand		372,469	1,959,925
		1,058,416	2,189,300
Creditors: amounts falling due within one year	17	(962,133)	(845,511)
		96,283	1,343,789
<b>Net current assets / liabilities</b>			
		5,567,728	6,016,283
<b>Total assets less current liabilities</b>			
Creditors: amounts falling due after more than one year	18	(5,566,708)	(5,941,055)
		1,020	75,228
<b>Total net assets</b>		1,020	75,228
<b>Charity funds</b>			
Restricted funds	19	510,911	336,828
Unrestricted funds	19	(509,891)	(261,600)
		1,020	75,228
<b>Total funds</b>		1,020	75,228

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

The financial statements were approved and authorised for issue by the Trustees on 30 January 2025 and signed on their behalf by:



P Chambers



V Holmes

The notes on pages 30 to 59 form part of these financial statements.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 02441319**

**COMPANY BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2023**

	Note		30 September 2023 £	31 March 2022 £
<b>Fixed assets</b>				
Tangible assets	12		786,759	900,665
Investments	14		4,429,820	3,731,459
			5,216,579	4,632,124
<b>Current assets</b>				
Debtors	15	660,842	212,356	
Investments	16	80	80	
Cash at bank and in hand		335,041	1,708,313	
		995,963	1,920,749	
Creditors: amounts falling due within one year	17	(172,230)	(3,522,885)	
<b>Net current assets / liabilities</b>			<b>823,733</b>	<b>(1,602,136)</b>
<b>Total assets less current liabilities</b>			<b>6,040,312</b>	<b>3,029,988</b>
<b>Total net assets</b>			<b>6,040,312</b>	<b>3,029,988</b>
<b>Charity funds</b>				
Restricted funds	19		510,911	336,829
Unrestricted funds	19		5,529,401	2,693,159
<b>Total funds</b>			<b>6,040,312</b>	<b>3,029,988</b>

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

The financial statements were approved and authorised for issue by the Trustees on 30 January 2025 and signed on their behalf by:



P Chambers



V Holmes

The notes on pages 30 to 59 form part of these financial statements.

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>(679,582)</b>	<b>(382,128)</b>
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	<b>(8,516)</b>	<b>(22,484)</b>
Net movement in loan book	<b>(899,357)</b>	<b>446,621</b>
	<hr/>	<hr/>
<b>Net cash (used in)/provided by investing activities</b>	<b>(907,873)</b>	<b>424,137</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
	<hr/>	<hr/>
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
<b>Change in cash and cash equivalents in the period</b>	<b>(1,587,455)</b>	<b>42,009</b>
Cash and cash equivalents at the beginning of the period	<b>1,959,924</b>	<b>1,917,915</b>
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>	<b>372,469</b>	<b>1,959,924</b>
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 30 to 59 form part of these financial statements

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**1. General information**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Five Lamps Organisation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

**2.2 Company status**

The company is a registered charity and company limited by guarantee. The members of the company are the Trustees named on page . In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The company is a charitable company domiciled in England and Wales, registration number 02441319 and charity number 702314.

The registered office is Eldon Street, Thornaby, Stockton-on-Tees, TS17 7DJ.

**2.3 Going concern**

Trustees have prepared budgets and cash forecasts to 31 December 2025 which show a small operating cash surplus. This model does not include any cash inflows from the sale of unutilised tangible fixed assets, additional care contracts that are being bid for in 2025; the Trustees are confident that these tenders will be successful; nor any upside on collection of the loan book.

However, the trading of legacy loan books and contracts has not been as anticipated. Accordingly the Trustees have commenced negotiations to divest itself of certain non profitable loan books through orderly wind up. This negotiations have not yet been fully approved by loan note holders. In doing so it is anticipated that at that event, current loan note holders will release any security held against the assets of the Charity and will not seek further repayment than any gains on divestment. If this were not to occur then the Group holds material liabilities where the means of future settlement is materially uncertain.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**2. Accounting policies (continued)**

**2.4 Taxation**

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**2.5 Incoming resources**

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

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

(i) Grants and Donations:

Income from grants and donations, including capital grants, is included in incoming resources when receivable, except as follows:

(a) When donors specify that donations and grants given to the Charity must be used in future accounting periods, the income is deferred until those periods.

(b) When donors impose conditions which have to be fulfilled before the Charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre conditions for use have been met.

When donors specify that grants and donations, including capital grants are for particular restricted purposes, which do not amount to pre conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

(ii) Investment Income

Investment income is included when receivable by the Charity.

(iii) Fees and Similar Income

Fees receivable and charges for services provided and for the use of premises are accounted for in the period in which the service is provided.

(iv) Commercial Trading Operations

Income from commercial trading operations is included in the period in which the group is entitled to receipt, and comprises the turnover of the trading subsidiary including rental income from external sources.

**2.6 Resources expended**

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred on the company's educational

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**2. Accounting policies (continued)**

**2.6 Resources expended (continued)**

operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Resources expended are accounted for on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure on grants is recorded once there is an unconditional commitment to pay the grant or the grant has been paid, whichever is the earlier.

Certain expenditure is directly attributable to specific activities and has been apportioned to the costs of those activities as follows:

- Management and administration costs – by reference to the total income generated by each project.
- Staff costs – by reference to the estimated time spent by staff on each project.
- Premises costs and office costs – by reference to the estimate floor space (and related room rental value) occupied by each project.

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

**2.7 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements

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

**2.8 Tangible fixed assets and depreciation**

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**2. Accounting policies (continued)**

**2.8 Tangible fixed assets and depreciation (continued)**

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

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- Straight line over term of lease or 2% straight line
Plant and machinery	- 25% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line
Office equipment	- 25% straight line

**2.9 Other investments**

Fixed asset programme related investments (loan book) are accounted for on the basis of estimated net realisable values (i.e. capital amounts recoverable) at each balance sheet date. Interest receivable on these investments is recognised within the Statement of Financial Activities when earned.

Programme related investments are reviewed at least annually for impairment, an adjustment is made to provide for amounts considered to be irrecoverable, but only once normal recovery procedures have been followed and no further repayments have been made.

Other fixed asset investments are stated at cost.

Current asset investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses on revaluations and disposals throughout the year

(i) Associated undertakings

Investments in unlisted investments are stated at cost less impairment.

**2.10 Investment properties**

Investment properties whose fair value can be measured reliably without undue cost or effort shall be measured at fair value recognised in profit and loss

**2.11 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term

**2.12 Interest receivable**

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

**2.13 Debtors**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**2. Accounting policies (continued)**

**2.14 Cash at bank and in hand**

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

**2.15 Liabilities and provisions**

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

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

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

**2.16 Financial instruments**

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

**2.17 Significant judgements**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The loan book is reviewed on an annual basis for impairment based on an expectation of recoverability of the outstanding balance.

**2.18 Pensions**

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

**2.19 Fund accounting**

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

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

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**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**3. Critical accounting estimates and areas of judgment**

Management consider there to be an element of judgement and uncertainty in determining the carrying value of the loan debtor book. Accordingly management has assessed the performance of each debtor based on available financial and management information. Where that information shows a net realisable value less than carrying management recognise an impairment against said asset accordingly.

The management team routinely monitor and review loan debtors and investments on a monthly basis and present to the directors on a quarterly basis for consideration. Provision for identified recovery issues are made on a case by case basis with additional provision to reflect historic loss rate experience.

The Trustees have undertaken sensitivity analysis on Groups net assets and its ability to withstand further macro-economic impacts. An increase in the provision equivalent to 5% of the gross loan book (c£353k) would not prevent the Charity from retaining its going concern and continued viability.

**4. Income from donations and legacies**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Donations and other voluntary income	99,953	<b>99,953</b>
	<hr/> <hr/>	<hr/> <hr/>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Donations and other voluntary income	258,942	258,942
	<hr/> <hr/>	<hr/> <hr/>

**5. Income from charitable activities**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Health and communities	3,049,522	<b>3,049,522</b>
Finance and enterprise	85,130	<b>85,130</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Total 2023</b>	<b>3,134,652</b>	<b>3,134,652</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**5. Income from charitable activities (continued)**

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Health and communities	1,460,339	-	1,460,339
Finance and enterprise	100,310	27,228	127,538
<i>Total 2022</i>	<u>1,560,649</u>	<u>27,228</u>	<u>1,587,877</u>

**6. Investment income**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Garage rental income	9,225	<b>9,225</b>
Other sundry income	10,065	<b>10,065</b>
Interest income	3	<b>3</b>
	<u>19,293</u>	<u><b>19,293</b></u>

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Garage rental income	5,225	-	5,225
Cafe rental income	13,533	-	13,533
Investment income - subsidiaries, associates and connected companies	6,934	-	6,934
Investment income - other foreign investments	4	40	44
	<u>25,696</u>	<u>40</u>	<u>25,736</u>

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**7. Other incoming resources**

	<b>Unrestricted funds 2023 £</b>	<b>Restricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Interest generated by programme related investment (loan debtor book)	2,277,174	161,455	<b>2,438,629</b>
Grant income	55,327	72,292	<b>127,619</b>
	<u>2,332,501</u>	<u>233,747</u>	<u><b>2,566,248</b></u>

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Other operating income	79,536	-	79,536
Interest generated by programme related investment (loan debtor book)	430,484	13,176	443,660
Grant income	207,296	43,706	251,002
Furlough income	2,272	-	2,272
	<u>719,588</u>	<u>56,882</u>	<u>776,470</u>

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2023 £</b>	<b>Restricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Management and administration	5,429,317	-	<b>5,429,317</b>
Finance and enterprise	-	59,664	<b>59,664</b>
Depreciation re properties	130,865	-	<b>130,865</b>
	<u>5,560,182</u>	<u>59,664</u>	<u><b>5,619,846</b></u>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**8. Analysis of expenditure on charitable activities (continued)**

**Summary by fund type (continued)**

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Management and administration	3,522,355	5,160	3,527,515
Finance and enterprise	222	255,828	256,050
Depreciation re properties	48,641	-	48,641
	<u>3,571,218</u>	<u>260,988</u>	<u>3,832,206</u>

**9. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2023 £</b>	<b>Support costs 2023 £</b>	<b>Total funds 2023 £</b>
Management and administration	4,947,074	482,243	<b>5,429,317</b>
Finance and enterprises	59,664	-	<b>59,664</b>
Depreciation re properties	130,865	-	<b>130,865</b>
	<u>5,137,603</u>	<u>482,243</u>	<u><b>5,619,846</b></u>

	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Management and administration	2,977,936	549,579	3,527,515
Finance and enterprises	256,049	-	256,049
Depreciation re properties	48,641	-	48,641
	<u>3,282,626</u>	<u>549,579</u>	<u>3,832,206</u>

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

**Analysis of direct costs**

	Mgmt and admin 2023 £	Employabili ty 2023 £	Finance 2023 £
Staff costs	3,442,656	-	-
Premises costs	78,307	-	-
General office costs	128,417	-	-
Trading company expenses	1,178,925	-	-
Bad debts write off	-	-	59,664
Publicity and advertising	5,097	-	-
Training and activities	(3,552)	-	-
Activities costs	27,549	-	-
Subscriptions/affiliations	12,553	-	-
Motor expenses	13,434	-	-
Mobile phones	24,116	-	-
Consultancy/facilitators fees	39,572	-	-
	4,947,074	-	59,664

	Dep'n 2023 £	Total funds 2023 £
Staff costs	-	3,442,656
Premises costs	-	78,307
General office costs	-	128,417
Trading company expenses	-	1,178,925
Bad debts write off	-	59,664
Publicity and advertising	-	5,097
Depreciation	130,865	130,865
Training and activities	-	(3,552)
Activities costs	-	27,549
Subscriptions/affiliations	-	12,553
Motor expenses	-	13,434
Mobile phones	-	24,116
Consultancy/facilitators fees	-	39,572
	130,865	5,137,603

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**9. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

	<i>Mgmt and admin 2022 £</i>	<i>Employability 2022 £</i>	<i>Finance 2022 £</i>
Staff costs	2,015,771	252,854	-
Premises costs	70,900	222	-
General office costs	59,401	-	-
Trading company expenses	769,223	-	-
Grants payable to individuals to assist with individuals	878	2,519	-
Publicity and advertising	6,417	48	-
Activities costs	9,746	-	-
Subscriptions/affiliations	13,559	-	-
Motor expenses	558	-	-
Mobile phones	15,944	407	-
Consultancy/facilitators fees	15,539	-	-
	<u>2,977,936</u>	<u>256,050</u>	<u>-</u>
		<i>Dep'n 2022 £</i>	<i>Total funds 2022 £</i>
Staff costs		-	2,268,625
Premises costs		-	71,122
General office costs		-	59,401
Trading company expenses		-	769,223
Grant payable to individuals to assist with employment		-	3,397
Publicity and advertising		-	6,465
Depreciation		48,641	48,641
Activities costs		-	9,746
Subscriptions/affiliations		-	13,559
Motor expenses		-	558
Mobile phones		-	16,351
Consultancy/facilitators fees		-	15,539
		<u>48,641</u>	<u>3,282,627</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**9. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Mgmt and admin 2023 £</b>	<b>Total funds 2023 £</b>
Staff costs	76,336	<b>76,336</b>
General office costs	42,681	<b>42,681</b>
Publicity and advertising	158	<b>158</b>
Bank charges re loan funds	47,553	<b>47,553</b>
Professional fees	315,515	<b>315,515</b>
	<u>482,243</u>	<u><b>482,243</b></u>

	<i>Mgmt and admin 2022 £</i>	<i>Total funds 2022 £</i>
Staff Costs	406,416	406,416
Premises costs	5,295	5,295
General costs	1,588	1,588
Publicity and advertising	85	85
Bank charges	12,621	12,621
Professional fees	123,574	123,574
	<u>549,579</u>	<u>549,579</u>

**10. Auditors' remuneration**

	<b>2023 £</b>	<b>2022 £</b>
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u><b>25,000</b></u>	<u>16,000</u>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**11. Staff costs**

	<b>Group 30 September 2023 £</b>	<i>Group 31 March 2022 £</i>	<b>Company 30 September 2023 £</b>	<i>Company 31 March 2022 £</i>
Wages and salaries	3,523,700	1,856,170	3,080,727	1,509,220
Employer NI	255,420	150,309	217,626	121,306
Contribution to defined contribution pension schemes	63,183	44,718	54,300	37,597
	<b>3,842,303</b>	<i>2,051,197</i>	<b>3,352,653</b>	<i>1,668,123</i>

The average number of persons employed by the Company during the period was as follows:

	<b>Group 2023 No.</b>	<i>Group 2022 No.</i>	<b>Company 2023 No.</b>	<i>Company 2022 No.</i>
Direct charitable work	129	112	129	112
Administration	15	18	-	-
	<b>144</b>	<i>130</i>	<b>129</b>	<i>112</i>

As part of the main insurance taken out by this company, insurance is taken out to protect the trustees against any loss arising from neglect or default of its trustees and officers.

One of the trustees was paid remuneration of £7,818 (2022: £6,000 in year ended 31 March 2022) in the eighteen months ended 30 September 2023 and this was paid by the subsidiary company. The remuneration paid was due to a trustee being a director of the subsidiary company, Five Lamps Trading Limited.

Costs incurred in relation to key management personnel were £375,722 in total for the 18 month period ended 30 September 2023 (2022: £228,900 for 12 months ended 31 March 2022) and £29,070 (2022: £64,417) of the total related to the Five Lamps Trading Limited.

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

	<b>Group 2023 No.</b>	<i>Group 2022 No.</i>
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-
In the band £90,001 - £100,000	-	1
In the band £130,001 - £140,000	1	-

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. Tangible fixed assets**

**Group**

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>							
At 1 April 2022	1,138,366	687,157	208,109	14,428	133,947	74,889	2,256,896
Additions	-	-	-	-	700	7,816	8,516
Disposals	4,487	(424,316)	-	-	-	-	(419,829)
At 30 September 2023	<u>1,142,853</u>	<u>262,841</u>	<u>208,109</u>	<u>14,428</u>	<u>134,647</u>	<u>82,705</u>	<u>1,845,583</u>
<b>Depreciation</b>							
At 1 April 2022	333,273	600,639	205,311	14,428	129,565	73,015	1,356,231
Charge for the period	34,182	86,518	2,628	-	2,300	5,569	131,197
On disposals	(4,288)	(424,316)	-	-	-	-	(428,604)
At 30 September 2023	<u>363,167</u>	<u>262,841</u>	<u>207,939</u>	<u>14,428</u>	<u>131,865</u>	<u>78,584</u>	<u>1,058,824</u>
<b>Net book value</b>							
At 30 September 2023	<u><u>779,686</u></u>	<u><u>-</u></u>	<u><u>170</u></u>	<u><u>-</u></u>	<u><u>2,782</u></u>	<u><u>4,121</u></u>	<u><u>786,759</u></u>
At 31 March 2022	<u><u>805,093</u></u>	<u><u>86,518</u></u>	<u><u>2,798</u></u>	<u><u>-</u></u>	<u><u>4,382</u></u>	<u><u>1,874</u></u>	<u><u>900,665</u></u>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**12. Tangible fixed assets (continued)**

**Company**

	Freehold property £	Long-term leasehold property £	Equipment and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>							
At 1 April 2022	1,138,366	687,157	208,109	14,428	133,947	74,889	2,256,896
Additions	-	-	-	-	700	7,816	8,516
Disposals	4,487	(424,316)	-	-	-	-	(419,829)
At 30 September 2023	<u>1,142,853</u>	<u>262,841</u>	<u>208,109</u>	<u>14,428</u>	<u>134,647</u>	<u>82,705</u>	<u>1,845,583</u>
<b>Depreciation</b>							
At 1 April 2022	333,273	600,639	205,311	14,428	129,565	73,015	1,356,231
Charge for the period	34,182	86,518	2,628	-	2,300	5,569	131,197
On disposals	(4,288)	(424,316)	-	-	-	-	(428,604)
At 30 September 2023	<u>363,167</u>	<u>262,841</u>	<u>207,939</u>	<u>14,428</u>	<u>131,865</u>	<u>78,584</u>	<u>1,058,824</u>
<b>Net book value</b>							
At 30 September 2023	<u>779,686</u>	<u>-</u>	<u>170</u>	<u>-</u>	<u>2,782</u>	<u>4,121</u>	<u>786,759</u>
At 31 March 2022	<u>805,093</u>	<u>86,518</u>	<u>2,798</u>	<u>-</u>	<u>4,382</u>	<u>1,874</u>	<u>900,665</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**12. Tangible fixed assets (continued)**

Freehold Land and Buildings

This comprises the building known as The Youthy which was built primarily for the young people of Thornaby. Due to the unique design of The Youthy and the purpose for which it was built, there is no readily available method of arriving at a realistic market value. The unique nature of the building means that it is difficult to value it on a normal commercial basis. The Youthy was valued in November 2011 at £500,000 for the purposes of securing bank facilities but this figure is not considered to be appropriate to use as the carrying value in the financial statements. An alternative method is to measure its 'value in use' at an amount based upon expected future cash flows, but this alternative method is also considered not to be appropriate. One further alternative, which is more relevant to this property, is to use replacement cost which exceeds the carrying value at 30 September 2023 of £524,383 (2022: £551,005). All in all, it is considered unlikely that The Youthy will have suffered material permanent impairment in value since it was originally built and, in the opinion of the trustees, a carrying value based on original cost less depreciation continues to be appropriate for accounting purposes.

At the end of the previous financial year the charity purchased the property known as The Five Lamps Centre which had been leased from Stockton Borough Council for a total cost of £14,089. The property was revalued on purchase giving rise to a revaluation surplus of £240,000. This property will continue to be used for its management and administration and the operation of various projects.

Investment property

Included in freehold land and buildings is an investment property valued at £60,000. In the opinion of the directors this is a reasonable estimate of the market value at 30 September 2023.

If investment properties had not been revalued they would have been included at the historical cost of £21,014 (2022: £21,014).

Leasehold Land and Buildings

These comprise two buildings from which the Charity runs part of its management/ administration and various projects. The terms of the leases on these properties, over which the expenditure is written off, are as follows:

South Thornaby Community Resource Centre (Carrying value - £Nil)

The current lease with Stockton Borough Council is for a period of 25 years from February 2000 and any expenditure is being written off over the remainder of that period.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**13. Investment property**

**Group**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 April 2022	<b>32,500</b>
Revaluation	<b>27,500</b>
At 30 September 2023	<b>60,000</b>

The investment property has been valued in the 2023 accounting period by Allied Surveyors & Valuers at £60,000 and the directors have reviewed these valuations and concur that it is based upon the key assumptions that relate to the investment portfolio and their experience of the property market at the current balance sheet date.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**14. Fixed asset investments**

<b>Group</b>	<b>Loan book £</b>	<b>Unlisted investments £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2022	5,867,475	14,000	5,881,475
Additions	8,521,721	-	8,521,721
Settlements	(7,111,445)	-	(7,111,445)
Transfers	(209,540)	-	(209,540)
<b>At 30 September 2023</b>	<b>7,068,211</b>	<b>14,000</b>	<b>7,082,211</b>
<b>Impairment</b>			
At 1 April 2022	2,142,146	-	2,142,146
Charge for the year	510,919	14,000	524,919
Transfers	(209,540)	-	(209,540)
<b>At 30 September 2023</b>	<b>2,443,525</b>	<b>14,000</b>	<b>2,457,525</b>
<b>Net book value</b>			
<b>At 30 September 2023</b>	<b>4,624,686</b>	<b>-</b>	<b>4,624,686</b>
<i>At 31 March 2022</i>	<i>3,725,329</i>	<i>14,000</i>	<i>3,739,329</i>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**14. Fixed asset investments (continued)**

<b>Company</b>	<b>Investments in subsidiary companies £</b>	<b>Loan book £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2022	850,002	3,607,100	4,457,102
Additions	-	8,521,721	8,521,721
Settlements	-	(6,926,440)	(6,926,440)
Transfers	-	(89,090)	(89,090)
<b>At 30 September 2023</b>	<b>850,002</b>	<b>5,113,291</b>	<b>5,963,293</b>
<b>Impairment</b>			
At 1 April 2022	-	725,644	725,644
Charge for the period	850,000	46,919	896,919
Transfers	-	(89,090)	(89,090)
<b>At 30 September 2023</b>	<b>850,000</b>	<b>683,473</b>	<b>1,533,473</b>
<b>Net book value</b>			
<b>At 30 September 2023</b>	<b>2</b>	<b>4,429,818</b>	<b>4,429,820</b>
<i>At 31 March 2022</i>	<i>850,002</i>	<i>2,881,456</i>	<i>3,731,458</i>

Following the commencement of processes to restructure the trade and related activities of Five Lamps Trading Limited there was no residual value in subsidiary undertakings. As such management have recognised an impairment against this asset. However, in line with the upstream inter company arrangements any losses incurred in Five Lamps Organisation due to activities with Five Lamps Trading Limited these losses have been recharged in full to the subsidiary undertaking. This means that there has been no movement in net assets in either the Charity only or consolidated financial statement.

**Principal subsidiaries**

The following was a subsidiary undertaking of the Company:

<b>Name</b>	<b>Company number</b>	<b>Registered office or principal place of business</b>	<b>Principal activity</b>
Five Lamps Trading Limited	08029251	Same as the The Five Lamps Organisation	Lending and property management

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**14. Fixed asset investments (continued)**

<b>Class of shares</b>	<b>Holding</b>	<b>Included in consolidation</b>
Ordinary	100%	Yes

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**14. Fixed asset investments (continued)**

The financial results of the subsidiary for the period were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the period £	Net assets £
Five Lamps Trading Limited	64,219	(3,998,752)	(3,934,533)	(6,039,290)

**15. Debtors**

	Group 30 September 2023 £	<i>Group</i> 31 March 2022 £	Company 30 September 2023 £	<i>Company</i> 31 March 2022 £
<b>Due within one year</b>				
Trade debtors	480,058	67,695	458,050	67,695
Other debtors	35,341	120,126	35,341	104,867
Prepayments and accrued income	161,404	16,920	158,387	15,240
Grants receivable	9,064	24,554	9,064	24,554
	<u>685,867</u>	<u>229,295</u>	<u>660,842</u>	<u>212,356</u>

**16. Current asset investments**

	Group 30 September 2023 £	<i>Group</i> 31 March 2022 £	Company 30 September 2023 £	<i>Company</i> 31 March 2022 £
Listed investments	80	80	80	80

Group listed investments

The market value of the listed investments at 30 September 2023 was £80 (2022 :£80).

Company listed investments

The market value of the listed investments at 30 September 2023 was £80 (2022 :£80).

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**17. Creditors: Amounts falling due within one year**

	<b>Group 30 September 2023 £</b>	<i>Group 31 March 2022 £</i>	<b>Company 30 September 2023 £</b>	<i>Company 31 March 2022 £</i>
Trade creditors	<b>409,250</b>	224,338	<b>43,711</b>	96,159
Amounts owed to group undertakings	-	-	-	3,050,000
Other taxation and social security	<b>57,209</b>	62,123	<b>50,848</b>	53,464
Pension fund loan payable	<b>5,063</b>	1,517	-	-
Other creditors	<b>400,000</b>	488,368	-	263,871
Accruals and deferred income	<b>90,611</b>	69,165	<b>77,671</b>	59,391
	<b>962,133</b>	845,511	<b>172,230</b>	3,522,885

The following liabilities disclosed under creditors due within one year are secured by the company:

The loans are secured by various fixed and floating charges including a first legal charge over 'The Youthy', Thornaby Road, Thornaby and the client loan portfolio.

Following the restructuring of activity in subsidiary undertakings the Trustees of the Charity and the Directors of the subsidiary undertaking reached an agreement to waive inter company balances. The impact of this is eliminated on consolidation.

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**18. Creditors: Amounts falling due after more than one year**

	<b>Group 30 September 2023 £</b>	<i>Group 31 March 2022 £</i>
Bank loans	<b>500,000</b>	<i>500,000</i>
Other loans	<b>4,812,500</b>	<i>4,812,500</i>
Accruals and deferred income	<b>254,208</b>	<i>628,555</i>
	<b><u>5,566,708</u></b>	<i><u>5,941,055</u></i>

The following liabilities disclosed under creditors due after more than one year are secured by the company:

Other loans £4,812,500 (2022: £4,812,500) and are split between Tranche A Noteholders = £1,937,500 (capital) and Tranche B Noteholders = £2,875,000 (capital).

The bank loans and other loans are secured by various fixed and floating charges including a first legal charge over 'The Youthy', Thornaby Road, Thornaby and the client loan portfolio.

None of the other loans outstanding are repayable over five years.

Loan notes with a capital value of £171,849 agreed to the waiving of related interest at 30 September 2023. Negotiations are in place for further interest to be waived. This had not been fully approved at the date of approval of these financial statements.

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**19. Statement of funds**

**Statement of funds - current period**

	Balance at 1 April 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 September 2023 £
<b>Unrestricted funds</b>					
General Funds	(261,600)	5,650,618	(5,926,409)	27,500	(509,891)
<b>Restricted funds</b>					
Finance and enterprise	336,828	233,747	(59,664)	-	510,911
<b>Total of funds</b>	<b>75,228</b>	<b>5,884,365</b>	<b>(5,986,073)</b>	<b>27,500</b>	<b>1,020</b>

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**19. Statement of funds (continued)**

**Statement of funds - prior period**

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2022 £</i>
<b>Unrestricted funds</b>					
General Funds	<u>101,460</u>	<u>3,045,436</u>	<u>(3,648,500)</u>	<u>240,004</u>	<u>(261,600)</u>
<b>Restricted funds</b>					
Finance and enterprise	<u>513,667</u>	<u>84,109</u>	<u>(260,988)</u>	<u>40</u>	<u>336,828</u>
<b>Total of funds</b>	<u><u>615,127</u></u>	<u><u>3,129,545</u></u>	<u><u>(3,909,488)</u></u>	<u><u>240,044</u></u>	<u><u>75,228</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**19. Statement of funds (continued)**

**Designated funds**

In prior years, the Trustees designated funds for the following purposes:

1. Youth Empowerment Scheme
2. Growth Fund

The Trustees have decided to release the designated funds back to the general funds to enable maximum flexibility for the Charity to direct its resources to where the need is greatest. The Trustees will review this policy every year and designate funds when they see fit.

**Restricted Funds**

**Health and Communities**

The charity operates a Homecare service, the Parkside Court Extra Care Scheme and several other related care services with private clients, NHS and local authorities. During the year to 31 March 2021 the Charity has benefitted from a number of grants to enhance this service and provide greater support during the COVID pandemic.

**Employability and Training**

In prior years the charity has operated Employability and Training activities. These activities are now complete and the transfer on the fund from unrestricted funds is to clear a negative balance from an overspend on this activity in prior years.

**Finance and Enterprise**

The charity operates several Financial Inclusion and Enterprise Activities. The balance on the fund at 31 March 2021 includes £500k received from Social Investment Scotland.

**Young People**

The charity operates a variety of Youth Services from its youth club "The Youthy" and by outreach and community programmes. The transfer from general funds is to clear the negative balance brought forward on the fund which is due to overspends in prior years.

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**20. Summary of funds**

**Summary of funds - current period**

	Balance at 1 April 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 September 2023 £
General funds	(261,600)	5,650,618	(5,926,409)	27,500	(509,891)
Restricted funds	336,828	233,747	(59,664)	-	510,911
	<u>75,228</u>	<u>5,884,365</u>	<u>(5,986,073)</u>	<u>27,500</u>	<u>1,020</u>

**Summary of funds - prior period**

	<i>Balance at</i> <i>1 April 2021</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at</i> <i>31 March</i> <i>2022</i> £
General funds	101,460	3,045,436	(3,648,500)	240,004	(261,600)
Restricted funds	513,667	84,109	(260,988)	40	336,828
	<u>615,127</u>	<u>3,129,545</u>	<u>(3,909,488)</u>	<u>240,044</u>	<u>75,228</u>

**21. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Unrestricted funds 30 September 2023 £	Restricted funds 30 September 2023 £	Total funds 30 September 2023 £
Tangible fixed assets	786,759	-	786,759
Fixed asset investments	4,624,686	-	4,624,686
Investment property	60,000	-	60,000
Current assets	547,507	510,911	1,058,418
Creditors due within one year	(962,135)	-	(962,135)
Creditors due in more than one year	(5,566,708)	-	(5,566,708)
<b>Total</b>	<u>(509,891)</u>	<u>510,911</u>	<u>1,020</u>

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**21. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior period**

	<i>Unrestricted funds 31 March 2022 £</i>	<i>Restricted funds 31 March 2022 £</i>	<i>Total funds 31 March 2022 £</i>
Tangible fixed assets	900,665	-	900,665
Fixed asset investments	3,739,329	-	3,739,329
Investment property	32,500	-	32,500
Current assets	1,852,471	336,829	2,189,300
Creditors due within one year	(845,510)	-	(845,510)
Creditors due in more than one year	(5,941,055)	-	(5,941,055)
<b>Total</b>	<u>(261,600)</u>	<u>336,829</u>	<u>75,229</u>

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

	<b>Group 30 September 2023 £</b>	<i>Group 31 March 2022 £</i>
Net expenditure for the period (as per Statement of Financial Activities)	<b>(101,708)</b>	(779,899)
<b>Adjustments for:</b>		
Depreciation charges	<b>131,197</b>	48,696
Loss/(profit) on the sale of fixed assets	<b>(8,774)</b>	-
Write off of investment	<b>14,000</b>	-
Increase in debtors	<b>(456,572)</b>	(35,117)
Increase/(decrease) in creditors	<b>(257,725)</b>	384,192
<b>Net cash used in operating activities</b>	<b><u>(679,582)</u></b>	<u>(382,128)</u>

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**23. Analysis of cash and cash equivalents**

	<b>Group 30 September 2023 £</b>	<i>Group 31 March 2022 £</i>
Cash in hand	<b>372,469</b>	1,959,924
<b>Total cash and cash equivalents</b>	<b>372,469</b>	1,959,924

**24. Analysis of changes in net debt**

	<b>At 1 April 2022 £</b>	<b>Cash flows £</b>	<b>At 30 September 2023 £</b>
Cash at bank and in hand	1,959,925	(1,587,456)	372,469
Debt due within 1 year	(1,517)	(3,546)	(5,063)
Debt due after 1 year	(5,312,500)	-	(5,312,500)
Liquid investments	80	-	80
	<b>(3,354,012)</b>	<b>(1,591,002)</b>	<b>(4,945,014)</b>

**25. Operating lease commitments**

At 30 September 2023 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 30 September 2023 £</b>	<i>Group 31 March 2022 £</i>	<b>Company 30 September 2023 £</b>	<i>Company 31 March 2022 £</i>
Not later than 1 year	3,320	9,793	3,320	9,793
Later than 1 year and not later than 5 years	8,225	13,088	8,225	13,088
	<b>11,545</b>	<b>22,881</b>	<b>11,545</b>	<b>22,881</b>

**26. Controlling party**

Throughout the year the Charity was under the control of the board.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**27. Related party transactions**

The charity owns 100% of the share capital of Five Lamps Trading Limited, company number 08029251.

Transactions between Five Lamps and Five Lamps Trading Ltd during the year were as follows:

During the period Five Lamps Trading gifted £NIL (2022: £Nil) as a donation to The Five Lamps Organisation.

**28. Assets and Liabilities held as an intermediary agent - group and charity**

The Private Housing Financial Assistance Programme was created to help local authorities in the north east of England to provide loans to needy homeowners for the purpose of helping them to improve their housing conditions.

Five Lamps was appointed to manage the above Programme on behalf of 12 local authorities, using Sunderland City Council as the contracting authority.

Five Lamps holds the relevant funds on behalf of the local authorities in a designated client bank account. This asset and the associated liability to the local authorities are excluded from Five Lamps' Balance Sheet. There is a debenture agreement dated 12 October 2010 in favour of Sunderland City Council solely in respect of these funds. This debenture does not apply to any other Five Lamps assets.

At 30 September 2023, the funds held on the above client bank account totalled £1,391,969 (2022: £1,391,969) and this is returnable to the local authorities.

The accounting for these assets and liabilities are presented in notes 15,18 and 19 within these financial statements.

**THE FIVE LAMPS ORGANISATION**

England & Wales - Charity number 702314

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# Accounts

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Registered number: 02441319  
Charity number: 702314

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**ArmstrongWatson<sup>®</sup>**  
Accountants, Business & Financial Advisers

**THE FIVE LAMPS ORGANISATION  
(A Company Limited by Guarantee)**

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**THE FIVE LAMPS ORGANISATION**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

<b>Trustees</b>	Patricia Chambers, Chair Vivienne Holmes, Vice Chair Jamie Houlders Trevor Watson
<b>Company registered number</b>	02441319
<b>Charity registered number</b>	702314
<b>Registered office</b>	Eldon Street Thornaby Stockton on Tees TS17 7DJ
<b>Chief executive officer</b>	Lisa Pickard
<b>Independent auditors</b>	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors York House Northallerton North Yorkshire DL6 2XQ
<b>Bankers</b>	Unity Trust Bank 4 Brindley Place Birmingham B1 2JB

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

## 1. TRUSTEES RESPONSIBILITIES STATEMENT

The Trustees are pleased to present their Annual Report providing an overview of the period ending 31st March 2022 (2021/22) and setting out plans for the future.

### 2.1 ACHIEVEMENTS AND PERFORMANCE

#### 2.1.1 Overview

Five Lamps continued to experience the ongoing impacts of the Covid-19 pandemic during 2021/22 as well as sought to ensure the Charity could recover and be sustainable for the future. In addition, the global economic pressures added to the challenging national economic landscape have placed many of our services under more strain than ever before.

These Statements report a consolidated loss of £539,899 reducing the net asset value of the Charity to £75,229.

During the last quarter of the financial year to March 2022, the Directors of Five Lamps Trading Ltd (FLT) and the Trustees entered into discussions with the Social Investment Lenders to address the financial impact resulting in the delays incurred in 2021/22 which it was accepted had a negative impact on the performance of FLT in 2021/22 as well as the charity. These discussions continued into the new financial year and were finally concluded in December 2022. As a result, the holders of the Tranche B Loan Notes have agreed to waive the interest charged for the financial years ending March 2021 and March 2022, totalling £416,219. This interest liability has been recorded in both the Five Lamps Trading financial statements and the consolidated Group accounts in both 2021/22 (£185,795) and the prior year (£230,425).

Had the agreements been reached prior to the end of the financial year the Trustees would be reporting a consolidated loss of £488,962 as shown below, and positive net assets of £491,508.

FLT Accounts	2021/22 £	2020/21 £
Reported Loss for the financial year	(1,049,590)	(1,112,604)
Interest waived	185,795	230,425
<b>Restated Loss for the financial year</b>	<b>(863,795)</b>	<b>(882,179)</b>

Group Accounts (Charity)	2021/22 £	2020/21 £
Reported Loss for the financial year	(539,899)	(456,894)
Interest waived	185,795	230,425
<b>Restated Loss for the financial year</b>	<b>(354,104)</b>	<b>(226,169)</b>

During 2021/22, the Trustees changed the Corporate structure and delivery model to better manage these risks and ensure continuity of services for our customers and their changing needs.

The most significant change relates to our wholly owned Limited Company with Shares, Five Lamps Trading (FLT) Limited company number 08029251. This company files its own Financial Statements but sits within the Five Lamps Organisation; its trading activity is consolidated and included within these Financial Statements and Trustees report. Separate Directors' report and Financial Statements are filed for FLT. The negative net asset position within FLT has worsened in the year to £2,104,798 as a result of a pre-tax loss of £1,049,590. This is due to three primary factors: -

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

- In November 2021, the Trustees with support from our Social Investment Funders 'Investors', agreed to transfer all new personal lending activity into the Charity to operate under the Financial Conduct Authority (FCA) registration number 65611. New income into FLT ceased.
- Cash balances were moved from FLT into Five Lamps Organisation by means of an Upstreaming Loan to enable personal lending to be delivered by the Charity.
- Investor Interest and staff costs remained within the Trading Company.

As a result of these changes the Social Investment Funder Loan Notes activity combines FLT and a ringfenced activity within charity. The aggregate of like for like comparison to operating periods reported 2021/22 income at £882,600 and a loss before taxation of £896,600. This activity increased its provision for bad debts by £249,000 against a net loan book of £2,000,494 and a negative net asset position of £2,104,000.

Upstreaming was critical to the future delivery of affordable lending as a CDFI (Community Development Finance Institution) and to ensure Five Lamps remain viable into the future and is able to repay the loan notes at a future date. It does however make the presentation and year on year comparison of the Charities standalone performance more complex. However, the Trustees present this as a Statement to the consolidated accounts. Whilst the FLT accounts will be filed with a worsening outlook, the consolidated accounts reflect the sum of all activity and therefore present a like for like comparison.

### **2.1.2 Financial Review**

The Statement of Financial Activities for the year, the Balance Sheet as of 31 March 2022 and associated notes are set out on pages 27 to 57.

The total income for the year to 31st March 2022 was £3,129,545 (2020/21- £4,225,694). Group net assets reduced from £615,127 to £75,229 due to a reported loss of £896,000 in our Investor funded activity as reported above. The impact of post-year end Investor interest changes is also reported above. Excluding the aforementioned loss, the charity made a surplus of £96,101 compared to £344,290 in 2020/21.

The Trustees' intention is to hold not less than £100,000 at any point in time in accessible and unrestricted cash balances to ensure the Charity can manage its activities and discharge its operating liabilities in the event of a significant drop in funding. Cash balances throughout 2021/22 and in the intervening period between filing these accounts have remained above £100,000. This policy is monitored quarterly by the Trustees with the threshold increased to £200,000 to mitigate the risks associated with continued economic uncertainty.

## **2.2 STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **2.2.1 Organisational structure and decision making**

In presenting the Trustee report and financial statements of the charitable company (the Charity) for the year ended 31 March 2022, the Trustees hereby confirm that they comply with current statutory requirements, the Company's governing documents, and the provisions of the latest Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005. The legal and administrative information on page 1 forms part of this report.

### **2.2.2 Structure, Governance and Management**

The Five Lamps Organisation (FLO) is a Registered Charity (702314) and Company Limited by Guarantee (2441319) The company was registered under a Memorandum of Association which established the objects and powers of the charitable company and Its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Five Lamps Trading Limited (FLT) (08029251) is a wholly owned trading subsidiary of The Five Lamps Organisation. FLT is a Limited Company by Shares.

The Directors of the FLT company are also charity trustees for the purposes of charity law and under the company's articles are known as members of the Management Committee.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

The Trustees continuously review governing documents. The most recent formal amendment approved by the Charity Commission was In December 2013 which provided for the extension of operations to the whole of England. Since October 2017, The Five Lamps Organisation has also been registered with the Office of the Scottish Charity Regulator, under reference SC047839.

### **2.2.3 Charitable Objects**

Our charitable objects provide for operations and charitable activities 'within England and Scotland' to reflect the geographic growth and diversity of the organisation and its services. Our Objects promote for 'the benefit of the public of urban or rural regeneration in areas of social and economic deprivation, within England and Scotland' by all or any of the following means:

- a) The relief of financial hardship among people living or working within England and Scotland by providing such persons with goods and/or services which they could not otherwise afford through lack of means.
- b) The prevention and relief of poverty by providing education, goods, and services to individuals in need.
- c) The relief of unemployment for the benefit of the public in such ways as may be thought fit, including assistance to find employment.
- d) The advancement of education, training or retraining particularly among socially, economically, and financially excluded people and the provision of work experience for unemployed people.
- e) The provision of financial assistance, technical assistance, business advice or consultancy in order to provide training and employability for unemployed people in cases of financial or other charitable need through help in setting up their own business or to existing businesses.
- f) The creation of training and employment opportunities by the provision of workspace, buildings, or land for use on favourable terms.
- g) The provision of housing for those who are in conditions of need and/or the refurbishment of such housing.
- h) The provision of public health facilities and childcare.
- i) The provision of recreational facilities for the public or those who by reason of their youth, age, infirmity or disability, financial hardship, or social and economic circumstances, have need of such facilities.
- j) The development of skills and capacity in those living in socially and economically disadvantaged communities to enable them to better identify and help meet their needs and to participate more fully in society; and
- k) Any other purposes currently recognised as charitable and any new charitable purposes which are similar to another charitable purpose.

#### **The Powers of the charity now state:**

The charity has the power to do anything which is calculated to further its Object(s) or is conducive or incidental to doing so. In particular, the charity has the power to raise funds. In doing so, the charity must not undertake any taxable permanent trading activity and must comply with any relevant statutory regulations.

- a. to buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use.
- b. to sell, lease or otherwise dispose of all or any part of the property belonging to the charity. In exercising this power, the charity must comply as appropriate with sections 36 and 37 of the Charities Act 1993, as amended by the Charities Act 2006.
- c. to borrow money and to charge the whole or any part of the property belonging to the charity as security for repayment of the money borrowed or as security for a grant or the discharge of an obligation. The charity must comply as appropriate with sections 38 and 39 of the Charities Act 1993, as amended by the Charities Act 2006, if it wishes to mortgage land.
- d. to cooperate with other charities, voluntary bodies, and statutory authorities and to exchange information and advice with them.

**THE FIVE LAMPS ORGANISATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

- e. to establish or support any charitable trusts, associations or institutions formed for any of the charitable purposes included in the Objects
- f. to acquire, merge with or enter into any partnership or joint venture arrangement with any other charity
- g. to set aside income as a reserve against future expenditure but only in accordance with written policy about reserves.
- h. to employ and remunerate such staff as are necessary for carrying out the work of the charity. The charity may employ or remunerate a director only to the extent it is permitted to do so by article 7 and provided it complies with the conditions in that article.
- i. to deposit or invest funds; employ a professional fund manager and arrange for the investments or other property of the charity to be held in the name of a nominee in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000; and
- j. to provide indemnity insurance for the directors in accordance with, and subject to the conditions in, section 73F of the Charities Act 1993.

#### **2.2.4 Governance**

The Trustees of Five Lamps Organisation retain overall oversight of the strategy and operations across the whole organisation. Whilst FLT has its own Board of Directors, the Trustees retain oversight of its activities and outturns. During 2021/22, the Trustees entered into an Upstream Loan agreement with FLT and subsequently agreed to ringfence former FLT activity into a specific Charity account held with Unity Bank. This account has been securitized to the Social Investment Funders. This ensures a like for like arrangement to that entered into since 2018. At the same time, it protects the Charitable activities and liquidity.

Five Lamps Trading (FLT) has its own Board of Directors and presents a Directors report to accompany the financial statements. The report is included within the Trustees Statement. The Board of FLT also includes a non-executive Director appointment for both Tranche A and Tranche B Social Investment Funders. Due to the A noteholders not nominating a Director to the Board, since 31st March 2022, the Trustees and Directors agreed to an additional Observer arrangement rotating between the relevant A noteholders. This strengthens governance and builds effective partnerships and transparent management of risk and opportunity.

The Governance structure also includes an Audit & Risk Committee with delegated responsibility for the Charities Risk Register and matrix; as well as ensuring the delivery of the Organisation's audited accounts and financial statements. Due to Covid19 and current economic uncertainty, this Committee is delegated to scrutinize and ensure the robustness of the organisation's bad debt provision to ensure it is sufficient to mitigate risk and cover exposure. The Trustees are pleased to confirm that following the one-off adjustment to the 2020/21 accounts and subsequent effective management, more than 36% of the loan book is provided for. Trustees have confidence that the charity could in the event of another major economic event, withstand a further 5% of the loan book being provided for.

During 2021, the Trustees with financial support from the Social Investment Funders, commissioned an independent review of its affordable lending activities and specifically the delivery and future viability of the loan note instrument and financial model underpinning the lending operations. This independent review gave assurance that the charities approach to bad debt provisioning and management of bad debts was robust and fit for purpose, with no recommendations for change.

The review was commissioned to inform strategic decisions around the future of lending, Five Lamps Trading and the relationship with the Social Investment Funders. In April 2021, FLT suspended its new lending activity pending the review outcome. The preferred route was to reconfigure FLT to be able to deliver at cost lending however Company Law did not support a move from a Limited Company with Shares structure to either a Limited Company by Guarantee or a CiC (Community Interest Company). The risk and likelihood of delays in obtaining the required FCA permissions to lend in a new entity, the Trustees varied the Governance structure and inter-company relations to deliver lending within the charity, with its relevant permissions.

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In July 2021, an interim upstream loan was put in place between FLT and FLO to enable lending to recommence. The full upstream and new lending structure took effect from November 2021.

In December 2021, the Trustees amended the governance structure to include a new Lending Committee. Standing independent to the FLT Board and reporting to the Trustees, this Committee has oversight of all lending activity, lending risk and is delegated to ensure compliance with and delivery of the upstream loan agreement.

The charities governance structure enables effective decision making, scrutiny and risk management at the right level in the business. The Trustees are satisfied, following its internal self-assessment, that the structure is more than fit for purpose to deliver against the Charity Commissions Trustees Responsibilities as well as to discharge Companies House expectations. The addition of the new Lending Committee further strengthens this.

Whilst all new lending activity currently sits within FLO, FLT remains able to lend and deliver financial inclusion, within our structure. The established asset lock principal in FLT that ensures 100% of profit is reinvested back into the business, either through increased personal lending and/or gift aid direct to the Charity (for delivery of our charitable objectives and specifically financial inclusion) remains in place. Any forecast profit from the personal lending activities remains within the charity.

#### **2.2.5 Board Purpose**

The Board of Trustees of the Five Lamps Organisation and the Five Lamps Trading Board of Directors' purpose is to ensure the delivery of its aims and objectives and business plans by providing leadership, strategic direction, and challenge, and at the same time ensuring effective control and oversight of the business and its operations whilst acting responsibly towards employees, stakeholders, and society.

#### **2.2.6 Board Key Responsibilities**

##### **Managing organisational performance and risk.**

To develop and review continually. the organisation's strategy, objectives, performance, statutory compliance, and risk, ensuring the measurement of impact on our customers and communities.

##### **Leadership and strategy**

To lead the development of the Five Lamps' Vision, Values and Strategic Direction.

##### **Strategic planning and implementation**

To create coherent, strategic plans and timetables, monitor performance and review outcomes and impact.

##### **Leading and delivering change**

To plan for strategic, transformational change and continuous service improvement proactively and positively in The Five Lamps Organisation's service delivery.

##### **Business Finance Opportunity**

To assess and evaluate the key strategic, financial, and commercial opportunities and investment issues facing The Five Lamps Organisation, in the context of the complex political, economic, sociological, technical, and legal context in which it operates.

##### **Communication**

To promote the work of The Five Lamps Organisation to a variety of external partners, stakeholders, and other parties.

The Board employs the services of a minute taker.

Day to day responsibility for the provision of services and operation of the business rests with the Group Chief Executive.

During the course of 2021/22 the Executive team comprised of the Group Chief Executive, Director of Strategic Finance and the Director of Corporate Services. In August 2021, the Director of Corporate Services left the

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Charity. Two new roles were created and appointed to the Executive Team: a) Director of Conduit Operations and b) Head of Business Development and Assurance.

### **2.2.6 Related party relationships**

The Trustees and Directors have all filed nil returns confirming that there no related party transactions in the Charity.

Two non-executive Board Directors can be appointed to the FLT Board from the Social Investment Funders in line with the loan instrument. One is in place and have a related party transaction in terms of the social investment loan and relevant loan note their Company, Big Issue Invest has in the Trading Company. [The Security Trustee of the executed loan note instrument is also a non-executive director.]

### **3.0 Risk Management**

The Trustees ensure risk identification and risk management are a key priority. The external events of the last few years have highlighted the exposure of significant risks outside the Trustees direct control. To ensure the Charity is best placed to mitigate ongoing and future such risks, the Trustees have strengthened risk management to ensure tighter control and reporting on risks we can influence to provide confidence and a cushion to deal with unexpected risks materialising.

The Board of Trustees and the Directors of the Trading Company maintain a continuous review of the major risks to which each company, each service area and cost centre and the charity is exposed to. Identified risks are included in a Risk Register and a Risk Management Matrix that, where appropriate, includes details of systems, policies, procedures, or new management actions to control and mitigate the impact of risk if it materialises. The governance structure includes an Audit & Risk Committee that has delegated responsibility for monitoring and ensuring management of the risk register and matrix as well as identifying and reporting new risks to the Boards.

During 2021/22 the Scheme of Delegations and Internal Financial Controls were reviewed and updated and are now subject to annual reviews as well as spot checks and internal testing.

The Charity seeks to manage some of these risks through a range of Insurance cover. Our insurance cover spans public and employer's liability, professional indemnity, directors and officer's liability, buildings and contents and specialist cover such as lift Installations and a climbing wall. These are all subject to review and market testing on a regular basis with the latest review taking place in January 2022. Our insurance cover includes the following: -

<b>Cover</b>	<b>Amount Insured</b>
Public/Products Liability	£10m
Professional liability	£2m
Management Liability	£1m
Entity Defence	£250K
Employers Liability	£10m

Our Insurance policies includes cover for Directors' responsibility, crime and cybercrime.

Each Board identifies and agrees its own risk management matrix that is then delegated to and updated and reviewed at each Audit & Risk Committee, which meets at least four times per annum. Currently there a 54 specific risks across the organisation, which are being monitored and management actions taken to mitigate. The Executive Team review these monthly and a number are cascaded into operational risk management plans to ensure a three lines of defence approach to risk management and governance. Risks identified across the business are reported to the Audit & Risk Committee via the risk register.

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A specific risk map is in place for our Home Care service. As well as PPE and other infection control challenges, this service is exposed to greater risks due to the clients we provide care to, safeguarding issues as well as CQC regulatory and commissioning body requirements. The delay in the reform of Adult Social Care and the conclusion of the fair cost of care review has increased the financial and reputational risk to the charity. The bespoke risk map and regular risk reviews has ensured that no major risk has materialised.

An internal staff led Health & Safety Committee meets regularly to ensure statutory compliance across all of our buildings. All Five Lamps sub-contractors must satisfy a health and safety check as part of a 12-month due diligence check and update of all of their relevant policies and insurance schedules.

The nature of our services, which often work with the most disadvantaged and marginalised groups, or with young and older people, necessitate either of the two levels of disclosure. All our staff appointments are subject to satisfactory enhanced disclosure.

### **3.1 Covid 19 Pandemic**

In 2020/21 a new risk for both the Charity and Trading Company was added 'Failure to deal with the impact of COVID. Covid-19 has and continues to significantly impact on Five Lamps and our customers. At the start of the pandemic all of our services, excepting Homecare were temporarily moved to home working and amended risk registers were implemented for this. During 2022 the organisation has returned to office-based working but implemented a hybrid working philosophy to support colleagues and to minimise the risk of spread of infection which disproportionately impacts on the business. Our home care service was exposed to the greatest risk during Covid. As reported above, a standalone risk map was successfully implemented and managed during this time.

Conduit Loans, our personal lending product was significantly impacted. Revenue income was drastically reduced, and consumer market fell during periods of lockdown. The risk has been mitigated through the new lending model which includes an interest deferral and interest repayment schedule agreed with the Social Investment Lenders. All of this has been independently verified through the independent review concluded in August 2021. Subsequent to the year end, 31st March 2022 further agreement has been reached to waive interest to expedite the recovery of the lending model and to reduce the risk to refinancing due in 2024/25.

The Trustees maintained a high level of governance and oversight during the Pandemic, with Board and committee meeting held virtually with increased communication between meetings and routine risk updates produced for Trustees and Directors. During the Pandemic, the Trustees ensured a comprehensive review of all major financial risks to the charity including the independent review of lending, a growth strategy for homecare and a value for money review of all cost centres and service areas. The Trustees are pleased to report that as a result, all service areas excepting lending are now self-sufficient or contributing to a charitable service.

### **3.2 Emerging Risks**

Whilst in the recovery phase of the risk management plan, further new risks have emerged:

#### **Cost of living crisis**

- o Customers: given the nature of the charitable objectives, our customer demographic is significantly impacted by high inflation and cost of living pressures. This is changing how our customers access and pay for all of our services.
- o Income & Fundraising: Similar to other charities and VCSE's, donations, fundraising and access to charitable grants is become more challenging as people have less to give. Threats to the charity income streams has increased on the risk register
- o Employment: the cost of increasing pay, terms and conditions to reflect external market pressures.

#### **Energy Crisis**

As well as impacting on our customers and directly impacting on increasing financial exclusion, the instability and cost of the energy market is directly impacting on the operating costs of the charity.

#### **Employment Risks**

As well as the risk of maintaining salaries commensurate with inflation, the current employment market is

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destabilising the organisation's workforce, with talented colleagues being recruited by other organisations able to pay premium rates and offer conditions of employment Five Lamps cannot match. As a small organisation, higher than expected staff turnover has a disproportionate impact on the day-to-day operations and strategic progress of the charity.

**Bad Debt Risk**

All three of these new risks can, if not managed, negatively impact on the charities bad debt policy and provision. Following the one-off adjustment to reflect the Covid-19 risk in 2020/21, the routine monitoring, review and stress testing of the bad debt provision has been comprehensively embedded across the business. Due to the financial impact of Covid and other factors on the Charity's balance sheet and net worth, the Trustees recognise that prudent and timely provisioning is essential as the cushion to make retrospective amends becomes less. The approach to bad debts that provides at the point of loan disbursement, has been independently evaluated and confirmed as fit for purpose and robust. During 2021/22 the provisioning approach has been further developed and strengthened. With £2,087,779 provided at 31st March 2022 equivalent to 35.4% of the loan book, the Trustees are satisfied that this is sufficient to mitigate the risk of current exposure and the policy is sufficient to mitigate the risk of increased exposure to bad debts. At the time of signing the Financial Statements and Accounts, Trustees revisited the current position; 37% of the group's loan book (£2,439,000) is provided for and the balance of the loan book that was in place at 31st March 2022 is now provided for at 43.2%

In addition, the following risks have been uplifted in the risk register:

**Adult Social Care:** the lack of funding to cover the actual cost of care including paying a fair wage to home care assistants is a major risk for the charity as staff turnover remains high as we lose colleagues to non-care employers who can pay more than the charity and offer guaranteed contracts.

**Regulation:** increased burden of regulation:

- Pressures on CQC are widely reported however the increased expectation on care providers is a financial and regulatory risk
- FCA: increased regulatory reporting plus requests for information and the new Consumer Duty; all of which place pressure on resource within the charity.

Audits on compliance with external legislation are completed each year and we have strengthened the role of our Business Development and Assurance Manager, adding more emphasis on Risk and Assurance across the business. Continuous improvement audits of our HR policies and procedures throughout the organisation are routinely completed with specialist support from Croner Assist ensuring we remain compliant and working according to good practice. Whilst our HR activities are underwritten by an employment indemnity, we also ensure we minimise the risk of any claims through regularly updates, training and briefings.

**3.3 Quality Assurance & Statutory Regulators**

Five Lamps has a strong focus on service quality and compliance and has invested significantly as part of our risk management strategy and commitment to customer experience and social impact.

In 2021/22 a new role of Head of Business Development and Assurance was created and appointed to the Executive Team along with a Director of Conduit Operations. Both of these new roles have regulatory and statutory compliance embedded with a focus on quality.

We are regulated by the:

- Care Quality Commission (CQC) - Five Lamps is regulated by the Care Quality Commission for its domiciliary home care services with registrations for a) Five Lamps Home Care (Eldon Street) and b) Parkside Court Extra Care Scheme
- Financial Conduct Authority (FCA) - Both FLO (FCA Reference 656112) and FLT (FCA Reference 791848) are authorised and regulated by the FCA.

During the year there have been no regulatory breaches or adverse regulatory issues to report with either body.

The Domiciliary home care service is currently recorded as 'Good' following a CQC inspection in June 2021.

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Since the year end a separate CQC inspection was held at our Parkside Court Extra Care scheme. The initial assessment identified some areas 'Requires Improvement', but this outcome remains under review.

Five Lamps participated in an FCA Forbearance survey including some on site assessment and verification of our processes and no areas of non or partial compliance were identified.

#### **4.0 PRINCIPAL ACTIVITIES**

During the financial year, 2021/22, the Charity continued to be disproportionately affected by continuing and longer than anticipated Covid-19 pandemic. This continued to be a challenge for management and staff and delayed the planned financial recovery. We are proud to have survived the pandemic. We are proud to have sustained the significant financial and social impact and be able to continue to deliver against all of our charitable objectives and strategic aims.

Whilst the financial implications have been greater than initially forecast, the Trustees have ensured the Charity is in the best possible position to rebuild its financial strength and retain and build on its reputation both as a local charity invested in its local communities, and as a national charity playing a lead role in tackling financial exclusion and poverty premium challenges.

Since our last Trustees Statement and Principal Activities, we have continued to punch above our weight and find new and innovative ways to complement what we already do to continue to deliver charitable services and products. A few highlights are included below and will be accompanied by a 2020 – 2022 Charity report including our next social impact report.

#### **4.1 Five Lamps Organisation the charity**

We are exceptionally proud of the resilience and strength of the charity during these unprecedented times achieved through the determination our highly skilled and committed workforce. Five Lamps has been in existence for 35 years. We know the threat to viability many charities are facing. Despite the reduced net asset value in our group accounts (£75,299) this has been carefully managed throughout the year to ensure maximum use of our assets to deliver during the year and to plan for continued recovery and growth in future years. Since the year end, the balance sheet position has changed due to the agreement noted above. Had that agreement been in place at Balance Sheet date the net assets would have been £491,508. Whilst it is disappointing this could not be included within the actual accounts as the decision was made post 31st March 2022, it does significantly improve our financial viability which will be evidenced in the 2022/23 accounts.

During 2021/22 we received donations and grants of £381,520 which went direct into the delivery of services. The Trustees record their formal appreciation to all our partners, organisations and supporters who share our vision and determination to continue to be able to deliver charitable services and support in the future.

#### **4.2 Youth Services**

Covid-19 resulted in the temporary closure of our bespoke youth services facility, The Youthy, as we could not deliver the much-needed face to face engagement and support. The Trustees are pleased that with the support of furlough funding, we were able to sustain all of the youth worker posts who returned to work in September 2021 and have been instrumental in rebuilding the service. During lockdown we adapted and delivered services to local young people in their communities with a particular focus on ICT support, food poverty and loneliness and isolation. Since re-opening, we have begun the implementation of our strategic objective to revitalise The Youthy and as it moves into its 21st year to refocus it as a community hub.

#### **4.3 Home Care & Health and Social Care**

Despite working in the most unique and unprecedented operating environment, against the backdrop of the risks associated with Covid-19, we are delighted that our commitment to providing domiciliary home care to support local people to live independently within their own homes and to alleviate the pressure on both the NHS and social care services has been and continues to be realised. Delivering more than 3000 hours of care and support is a significant achievement. Our Domiciliary Care team have put our service users central at even at the most challenging times, we have pulled the stops out to ensure personal care plans were maintained. As a charity, we went the extra mile to ensure isolated and vulnerable service users had the support they needed.

During the year, we were delighted to maintain the Primary Care Provider status with Stockton on Tees Borough

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Council and now provide home care services across the South of Stockton including Thornaby, Ingleby Barwick, Yarm and Eaglescliffe as well as spot contracts where we know we can provide the service under the secondary provider status which was also retained. Similarly, we retained primary care provider for an Extra Care scheme at Parkside Court.

We recognise the invaluable importance of training to ensure we have a skilled and professional home care workforce. In 2021, we invested into our in-house training service, which with the help of bespoke training rooms and role play service user environments, we have ensured all new colleagues complete an in-house training and induction programme and all existing home care colleagues have regular refresher training. This team also deliver bespoke Emergency First Aid at Work training to the wider Charity team.

The original vision for this service was to provide it for other organisations to generate income but also to ensure a high standard of care provision across the area. Due to Covid, this did not materialise, but it forms parts of our plans for 2022/23.

As a Charity, we commit to 'Make People Matter'. This includes our colleagues as well as our service users. The Trustees are exceptionally concerned at the delays in tackling the health and social care crisis and specifically resolved the actual cost of care exercise to ensure care is paid for at the right price. Our partnership with Stockton Borough Council has ensured we can put our care staff central, and we are grateful for their continued support & investment. In the meantime, the Trustees and Executive will continue to lobby, and use lived experiences to build a strong case for change and investment into social care and to tackle health inequality.

In November 2021 we expanded and now have a spot contract with Middlesbrough Council. In addition to the home care services we provide, under our Health & Social Care remit, we also deliver:

- A Hospital Discharge and Home from Hospital Service. This is a rapid care service supporting people on their discharge from hospital for up to 14 days while their primary provider package is being established.
- End of Life Continuing Health Care. We provide end of life care to service users within their homes, working with a team of professionals to meet the care needs and wishes of service users and their families
- Private home care packages for families who are not eligible for adult social care funded support but still need support to live independently and safely.

#### **4.4 Employability & Enterprise**

Our Employability and Enterprise Team deliver the Youth Employability Initiative which support 15–29-year old's who are not in employment, education or training. Our experienced Advisors work with them to remove the barriers to employment to prepare them for the world of work or business enterprise.

During the pandemic we adapted our service to continue to deliver and supported 153 people into employment or self-employment making a positive impact to the Teesside economy.

During the year our longstanding contracts with the Northeast Enterprise Agency Limited and Hartlepool Borough Council came to an end. We are delighted that in total 380 people received our support, with 148 going on to employment or self-employment.

#### **4.5 Helping Hands.**

We have been delivering the 'Helping Hand' scheme on behalf of Northeast local authorities for more than 12 years. During that time, we have assisted more than 860 households with a loan, mainly to bring owner occupied properties up to a decent living standard as well as to renovate empty homes, undertake disabled facilities adaptations and to support relocations due to compulsory purchase. In 2021/22 we provided this service in Northumberland, North Tyneside, Gateshead, Sunderland, Hartlepool, Redcar & Cleveland, Stockton and Darlington

#### **4.6 Empty Homes**

The funding for this Empty Homes Community Grants Programme concluded in 2015 bringing 48 long term empty homes back into use across Durham and Darlington councils.

Our balance sheet reflects that we own two former purchase and repair properties, and our Statement of

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Consolidated Financial Activities reflect the income.

#### **4.7 Conduit Loans**

Conduit Loans is the brand name for our affordable personal loans. Both the charity and the trading company can operate under this brand.

Since inception in 2018, the lending delivered utilising the social investment loan notes of c£4.8m has been undertaken within Five Lamps Trading as a separate entity albeit owned by the 100% shareholder, the Five Lamps Organisation, the charity.

During 2021/22 and following the independent review of our investor lending model and associated activity, it was agreed that FLT would no longer issues new loans although it would continue to manage its existing loan book. A total of £2million was upstreamed from FLT to FLO via an Upstream Loan Agreement into a securitised and ring-fenced Unity Bank account where lending activity is now trading. Whilst the upstream agreement was between FLT and FLO, the social investment lenders security trustee was party to the Agreement. Five Lamps also agreed to a variation to the Debenture held over the Charity to include a replication of the arrangements held in FLT for the new ringfenced account. The social investment lenders interest in the ringfenced account along with the loan book value of all loans disbursed from and collected into this account is secured through an identical charge over the asset.

Historically, the Social Investment Funders required all lending went through the trading company; this included historical lending and new opportunities delivered by the charity, including for example our Conduit Scotland activity. The standalone accounts for FLT no longer include any activity funded by the charity or other sources. Where FLO is delivering Conduit Loans in its own right and using funds other than investor loan notes, these transactions all sit within the charity and outside the ringfence arrangements.

During the year, the Trustees are delighted that, with support from the Scottish Government and £500,000 grant funding, the charity has been able to deliver lending to tackle financial exclusion and to help alleviate the financial pressures on the charity. Whilst this has been slow to take off, it provided an invaluable lifeline to continue lending and to utilise overheads when the FLT lending was paused.

We are delighted to report that unlike many others, we have managed to sustain the unprecedented pressures associated with delivering unsecured personal loans during a period of significant economic instability and reduced consumer confidence. Whilst these accounts evidence an operating loss on our lending activity that has depleted our net asset value, we recognise that lending is a cash intensive business and relies on cash being disbursed to generate the income and to recycle cash for on lending. The Trustees planned and budgeted for a further operating loss in lending in 2022/23 confident in the knowledge the file our statements in a stronger position for the future that will enable us to manage the loss in advance of the profitability commencing in 2023/24. This has been achieved as a result of our resilience, risk management and support from our Social Investment Lenders. The Trustees remain resolute in our charitable aim to continue to grow our affordable lending and financial inclusion activities.

This will be central to our future activity, investment and plans for diversification as we respond to the worsening financial exclusion with millions of people unable to access mainstream credit and experience financial inequality 'poverty premium' and are vulnerable to high cost or unregulated lending. Added to this the impact of rising cost of living, more people are becoming financially excluded. Access to ethical finance is even more important during periods of national and personal economic uncertainty. Five Lamps is determined to prove that our affordable lending activities are commercially viable and attractive for future investment and support alongside showcasing the invaluable social impact and positive difference a Conduit Loan makes.

Key successes include:

- £2,077,341 of loans were disbursed to 2,928 households in 2021/22 generating a social impact of c£682k (calculate based on £225 per loan)
- Maintained and marginally improved loan collection and bad debt performance ensuring it does not exceed the maximum 16% threshold at any given time.
- Ensuring Sign off of a new lending and financial model agreed with Social Investment Lenders to better reflect customer demand and to support scale up and future growth.

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- Made the Conduit Loan available on cost comparison sites, securing two new partnerships for growth.
- Invested £50k to update our systems and processes and to develop our first and new Conduit Lending App that will give our customers increased control of their loan and enable us to support customers to repay their loan. It will also be used to enable different loan product applications to be made, assessed, disbursed and evaluated.

#### **4.8 Partnerships & Social Investment Lenders**

Five Lamps does not and cannot work in isolation. The ongoing viability of the charity and our ability to deliver our charitable objectives is best achieved through partnerships and innovation.

Our thanks go to our eight social investment lenders who have been supportive, patient and flexible as we have navigated the risks faced over the last few years. Similarly, our appreciation goes to Big Society Capital for the Covid Business Interruption Loan Scheme (CBILS) which enabled us to recover from the pause in lending and unexpected impact of an extended pandemic.

As well as our financial partnerships, the Trustees recognise that everything we do in the charity is made better through partnerships ranging from partnerships with the local authority, with membership organisations including Responsible Finance and Catalyst, with other voluntary sector or charity groups such as Little Sprouts and consortia of charities including Cornerhouse, and Cultivate Tees Valley that work together with us to deliver Youth Services across the Borough. In yet another challenging and unprecedented year, partnerships have been pivotal and there are too many to specifically mention but the Trustees recognise the added value of each individual and organisation.

The Trustee Report is signed jointly by Patricia Chambers (Chair of Five Lamps Trustees) and Vivienne Holmes (Vice Chair).

#### **5. Five Lamps Trading: Directors Report to the Trustees and to accompany the standalone accounts for filing**

The principal activities of Five Lamps Trading Company (FLT) is affordable personal loans for those unable to access mainstream funding and to alleviate the impact of financial hardship (charitable object).

We are pleased to present our 2021/22 Directors report to complement the Trustees report and to be included in the Five Lamps' Group Financial Statements. The Directors report provides an overview of business activity and accompanies the financial statements related to FLT registered with Companies House number 08029251.

Five Lamps Trading is a separate company that sits as a subsidiary within the Five Lamps Organisation and whilst a separate Limited Company with Shares, it is owned by the charity as the 100% shareholder. Its activities are included in the Charities consolidated accounts and Trustees report. To comply with Company House requirements, the Directors also have to file the FLT accounts excluding the charitable activities.

This Directors report serves both purposes. For those accessing the FLT accounts via Companies House please refer to the full Trustees report at [www.fivelamps.org.uk](http://www.fivelamps.org.uk) or the Charities Commission.

#### **5.1 Business Activity 2021-22 Summary**

2020/21 has been an extraordinary year for Five Lamps Trading Limited. Significant structural and trading changes have been made to:

- Reduce the future losses from the lending activity
- Protect the charity against higher than expected reduction in its net worth
- Improve the potential of future refinancing in two years' time
- Adapt our lending product to meet the changing needs of customers including a higher APR rate to increase eligibility and access.
- Agree a new strategic recovery and growth plan for Conduit Loans.

By 31st March 2022, FLT had been reconfigured to only focus on affordable lending utilising the Social

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Investment Lenders loan notes of c£4.9m. Given the whole of FLT is held in security against the loan notes, all non-related activity is now managed within the Five Lamps Organisation charity.

During 2020/21 the Directors identified that the corporate structure of FLT as a Company Limited by Shares prohibited us from delivering true purpose of a Community Development Finance Institution and affordable loans as an alternative to high cost short term lenders. The 2020/21 review clearly identified that the current product was not covering the on costs to deliver the loan.

Other CDFI's are able to offer loans with a representative APR higher than 100% with exemptions from the Financial Conduct Authority (FCA). The FCA would not grant FLT an exemption as it is not a charity or CiC (Community Interest Company) even though it is solely owned by Five Lamps Organisation, a charity and is subject to a 100% asset lock.

The Directors along with the Trustees explored a range of options including setting up a new CiC or charity within the Five Lamps Organisation to ringfence the social investment lenders activity. This remains the preferred route but was not achievable within the timescale needed to protect the viability of the Charity and to stem losses.

In April 2021, the Directors paused all lending within FLT to mitigate the risk. Together with the Trustees and the support plus some funding from the Social Investment Lenders, an independent review of FLT and specifically the lending model was commissioned. This concluded in July with the final report received in August 2021 which confirmed that the lending model and business strategy, with all its relevant assumptions was fit for purpose. Subsequently a decision was taken to Upstream funds from FLT into FLO to replicate the investor relationship within the Charity and for all loans to be disbursed by Five Lamps Organisation.

An Upstreaming Agreement for the sum of £2m loaned money from FLT to FLT was enacted in November 2021. This is a no interest bearing loan.

From August 2021 with an initial upstream of £500k, lending activity previous managed in FLT was undertaken in FLO.

*Five Lamps Trading :*

- o Collects and manages the existing loan book up to 31.3.21.
- o Accrues the liability and is responsible for the payment of investor interest
- o Accounts for the Conduit staffing costs.
- o Report to the Social Investment Funders on the combined value and operating performance of both entities: FLT and the ringfenced activity in FLO.

*Five Lamps Organisation:*

- o Disburses and collects principal and interest from all new loans.
- o Covers the majority of the delivery costs
- o Provides a designated ringfenced bank account for all transactions and the management of the £2m upstream loan that is securitized to the Social Investment Funders.
- o Is obligated to ensure that FLT has sufficient liquid funds to discharge its liabilities. FLO transfers cash to FLO to maintain positive cash balances.
- o Produces the hybrid accounts to enable the FLT Directors to report against the delivery of the Loan Note Instrument and against the new approved lending (recovery model).
- o Trustees monitor progress against the model and set maximum tolerances for risk appetite and loss.

From a Social Investment lender perspective, they receive the same information. For the purpose of filing Statutory Accounts and Financial Statements, the accounts only include the activity contained within. The loss in FLT is presentationally worse than the sum of both ringfenced activities and disproportionately worse than 2020/21.

At 31st March 2022, the FLT Board of Directors report a year end loss of £1,049,590 compared to £1,112,604.

Had FLT been able to continue to deliver lending, the loss for 2021/22 would have been reduced to £896,590. However, the surplus of £153,000 sits within the Five Lamps Organisation as a result of the changes resulting from negotiations with our Social investment Funders.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

- £2,077,341 of loans were disbursed to 2,928 households in 2021/22 generating a social impact of c£682k
- Maintained and marginally improved loan collection and bad debt performance ensuring it does not exceed the maximum 16% threshold at any given time.
- Ensuring Sign off of a new lending and financial model agreed with Social Investment Lenders to Lenders to better reflect customer demand and to support scale up and future growth.
- Made the Conduit Loan available on cost comparison sites, securing two new partnerships for growth
- Invested £50k to update our systems and processes and to develop our first and new Conduit Lending App that will give our customers increased control of their loan and enable us to support customers to repay their loan. It will also be used to enable different loan product applications to be made, assessed, disbursed and evaluated.

The Directors also report that subsequent to the 2021/22, the Tranche B Social Investment Funders have agreed to waive their interest owing up to 31.3.22. Had this been agreed in the reporting year, the loss in FLT would have been £863,795 and on all of Social Investment Funder activity would have been £710,795

At the year end, the net liability position of FLT was £2,104,758.

These losses have been supported by the Board of Trustees (Charity) in pursuance of its longer term charitable objectives and to mitigate the risk of the Social Investment Lender Debenture being evoked in the future.

## **5.2 Leadership Team**

During the year, the Executive team included the Group Chief Executive who is a Director of the company, a Director of Corporate Services and an Interim Strategic Finance Director. In August 2021 following the departure of the Director of Corporate Services, two new roles were created a) Head of Business Development and Assurance and b) Director of Conduit Operations. To complement the increased focus on strategic financial planning, these roles increased the focus on quality, risk management and delivery of a growth agenda for lending.

The Directors continued to utilise outsourced support from Ellison Ray for their affordable lending and financial modelling expertise.

## **5.3 Future**

The Directors continue to oversee the financial performance of the FLT company whilst noting it will continue to deteriorate until such time as the loan notes are refinanced as the income and profit sits outside of the trading entity.

In addition, the Directors will continue to oversee delivery against the Loan Note Instrument and the financial lending model as well as discharge its responsibility to report on covenant compliance.

Since the year end, the Directors as well as the Trustees have continued to engage with the Social Investment Lenders to secure more efficient ways to expedite recovery and to generate profit in the last few years of the Loan Notes. The Directors would like to thank all eight lenders for their flexibility and agreement reached to deferral and reschedule interest payments from 2022 to 2025.

Furthermore, the Directors expressly wish to thank the majority B note lenders who have agreed to waive the interest accrued to 31st March 2022 totalling £416,220 to improve the financial health and resilience of both FLT and lending.

Finally, the Directors wish to thank the Board of Trustees who remain committed to personal lending and its pivotal role in addressing financial exclusion and the poverty premium impacts having an inability to access mainstream credit has on the people and communities we support. The charity has invested significantly in FLT and lending and absorbed losses within the consolidated balance sheet. Covid-19 and the cost-of-living crisis has directly impacted and pushed back the forecast lending profit by two years. With the support of Trustees and Social Investment Lenders, the lending business is now back on track to realise a profit in 2023/24.

## **6. Social Impact Reporting**

Five Lamps is passionate about its ability to deliver and evidence social impact. The planned 18-month social

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

impact report due in 2022 was delayed. A new communications strategy has been agreed along with investment into two new roles a) Performance and Data analyst who will extract the data and evidence to showcase social impacts and b) Executive Support and Marketing Officer who will work with the Chief Executive and Executive team to produce and publish a social impact report early in 2023.

Whilst a formal document has not been published in the reporting year, social impact reports are provided to our lenders on a monthly basis, and we publish good news stories and real examples of the difference our services and products have made to people's lives when supporting financial, economic or social inclusion.

## **7. PLANS FOR THE FUTURE**

### **7.1 Strategic direction and future plans**

Five Lamps has a 35-year history of delivering and forging partnerships to promote and deliver social, financial; and economic inclusion and to invest in the local communities particularly across Stockton on Tees and across Teesside. Nationally we are committed to being a leading CDFI supporting financial inclusion high-cost short term credit and / or the lack of access of affordable credit.

We are committed to retaining and building on our heritage and using this experience to grow where our services and products can help change people's lives.

We have a proven track record of being versatile and able to respond to new initiatives and opportunities and have become well placed at influencing and helping to bring about change.

Surviving the unprecedented challenges of the last few years and seeing the impact this has also had on individuals, families, businesses and communities we know that our charitable activities and services and needed now more than ever. With a clear and strengthened financial footing, the Executive Team, Trustees and Directors share a renewed passion to build on our successes and innovate to improve social, economic and financial inclusion.

In 2022/23 we will be publishing our new 5-year Corporate plan which will revisit and expand on the priorities agreed for 2022 as follows:

#### **1. Recognised brand and purpose for our charity.**

- We know the services and products we provide are needed more now than ever. We plan to ensure our brand and activities are better marketed and well known. We will be creating a new Community Events position.
- Moving from charitable activities that are reliant on grant and other funding, we plan to build on and make our fundraising activities an integral part of what we do.

#### **2. Ensure our assets and value**

- We will be consolidating our premises and assets to build on the Eldon Street head office being the hub of the charity with the Youthy being the hub for youth engagement and inclusion.
- We have secured the purchase of Eldon Street and will be investing to strengthen its value.

#### **3. Our people: we want to be an employer who people enjoy working with and want to work for**

- A new cultural strategy is to be implemented with the values of the organisation being updated and future proofed.
- We are reviewing our terms and conditions to ensure where we are able to, we support our colleagues to cope with increasing inflation, rising cost of living and increased tax and NI contributions.
- Mental health and a healthy workforce are a priority for us to ensure that our staff are supported and happy in their work.
- Continue to develop our agile working policy and support colleagues, where they can, to work flexibly and remotely, being trusted and accountable for their delivery and performance.

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**4. Governance**

- Recruit new Trustees with specific skills and experiences to help us deliver our vision, ensure the oversight and achievement of the future targets and to complement the existing Trustees, including a new Audit and Risk Chair.
- A review of the FLT Governance structure and Board of Directors as their terms of office come to an end.
- A review of the governance structure across the Group to ensure the right balance of focus and challenge is centred in the areas to best manage risk and support new opportunities.

**5. Financial Health & Resilience.**

We have survived some of the biggest challenges Five Lamps has ever experienced. We want to build on this to ensure we have reserves in the tank for the future and as well as being able to survive future risks and challenges, we are best placed to pursue new opportunities.

- Complete a financial health check and independent support on future refinancing and funding opportunities
- Ensure regular market and funding potential assessment to ensure Five Lamps accesses and benefits from relevant funds and grants that complement our priorities.
- Undertake a value-added assessment of all of our functions and activities.

**6. Carbon Neutral**

We recognise the pressure and necessity to protect our planet and ensure its viable for future generations. As part of this, in 21/22 we embark on our first assessment of our carbon footprint and impact we have on the environment and publish our plans for reducing our impact. We have started this through electric bikes for our care staff but will be looking to take this further and at the same time explore initiatives that can support the customers and communities we serve with improved affordability as result of carbon neutral activities.

**7. Digital Transformation.**

We plan to ensure our services and contracts are accessible via evolving digital channels and technology. We plan to develop a digital shift strategy to outline how we can become more effective through digital innovation and technology as well as improve the social, financial, and economic impact we make.

**8. Social Impact**

Everything we do is about delivering a positive social, financial, or economic impact and Making People Matter. This year we plan to showcase some of the brilliant work we have done and plan to do and use this as a foundation and catalyst to refocus and grow the Five Lamps Charity.

**STRATEGIC DIRECTION AND FUTURE PLANS**

**Our Mission:** To Transform Lives, Raise Aspirations and Remove Barriers to Social, Economic & Financial Inclusion

**Our Business:** A nationally recognised charitable business working with excluded individuals and families in the most disadvantaged communities.

**Delivered Through:**

- Trusted Brand
- Quality Assured Services Making People Matter
- Superior Contract Performance Measured Social Impact
- Social Investment
- Skilled & Motivated Workforce Expanding Geographic Reach
- Revenue Generated via Stronger Balance Sheet Making People Matter
- Treating people with respect Releasing potential

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

- Keeping confidentiality
- Enabling and empowering people to help themselves Challenging self-perceptions and encouraging self-self-worth

**Our values are:**

- To make **people matter**, by releasing their potential and encouraging self-worth
- **Performance matters**, by achieving targets and meeting quality standards
- **Quality matters**, by assuring quality and achieving contemporary quality standards
- To make **communities matter**, by understanding neighbourhoods and their needs including everyone
- **Measuring impact matters**, by collecting social and economic data across the full range of our business and producing an annual Social Impact Report

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

**AUDITORS**

The auditors, Armstrong Watson Audit Limited have indicated their willingness to continue in office. The Designated Trustees will propose a motion re appointing the auditors at a meeting of the Trustees.

This report was approved by the Trustees, and signed on their behalf by:



**P Chambers**  
**Trustee**

20/12/22



**V Holmes**  
**Trustee**

20/12/22

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 MARCH 2022**

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**

**Opinion**

We have audited the financial statements of The Five Lamps Organisation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2022 and of the Group's 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.

**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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**  
**(CONTINUED)**

**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 Auditors' Report 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.

**Opinion 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

In the light of our 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 Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**  
**(CONTINUED)**

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**  
**(CONTINUED)**

**Auditors' 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 an Auditors' Report 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector the company operates in;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

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 Auditors' Report.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**  
**(CONTINUED)**

**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. Our audit work has been undertaken so that we might state to the charitable company's members 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Simon Turner (Senior Statutory Auditor)**

for and on behalf of

**Armstrong Watson Audit Limited**

Chartered Accountants & Statutory Auditors

Northallerton

Date: 21/12/2022

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
<b>Income from:</b>					
Donations and legacies	4	258,942	-	258,942	610,227
Charitable activities	5	1,560,649	27,228	1,587,877	1,460,405
Other trading activities		480,564	-	480,564	1,520,874
Investments	6	25,696	40	25,736	19,700
Other income	7	719,588	56,882	776,470	614,488
		<u>3,045,439</u>	<u>84,150</u>	<u>3,129,589</u>	<u>4,225,694</u>
<b>Total income</b>					
<b>Expenditure on:</b>					
Raising funds		77,282	-	77,282	97,610
Charitable activities	8	3,571,218	260,988	3,832,206	3,870,182
Exceptional expenses	9	-	-	-	714,796
		<u>3,648,500</u>	<u>260,988</u>	<u>3,909,488</u>	<u>4,682,588</u>
<b>Total expenditure</b>					
<b>Net movement in funds before other recognised gains</b>					
		<u>(603,061)</u>	<u>(176,838)</u>	<u>(779,899)</u>	<u>(456,894)</u>
<b>Other recognised gains:</b>					
Gains on revaluation of fixed assets		240,000	-	240,000	-
		<u>(363,061)</u>	<u>(176,838)</u>	<u>(539,899)</u>	<u>(456,894)</u>
<b>Net movement in funds</b>					
<b>Reconciliation of funds:</b>					
Total funds brought forward		101,460	513,667	615,127	1,072,021
Net movement in funds		(363,061)	(176,838)	(539,899)	(456,894)
		<u>(261,601)</u>	<u>336,829</u>	<u>75,228</u>	<u>615,127</u>
<b>Total funds carried forward</b>					

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 02441319**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	900,665	686,877
Investments	15	3,739,329	4,185,950
Investment property	14	32,500	32,500
		4,672,494	4,905,327
<b>Current assets</b>			
Debtors	16	229,296	178,383
Investments	17	80	80
Cash at bank and in hand		1,959,925	1,917,916
		2,189,301	2,096,379
Creditors: amounts falling due within one year	18	(845,511)	(1,242,272)
		1,343,790	854,107
<b>Net current assets / liabilities</b>			
		6,016,284	5,759,434
<b>Total assets less current liabilities</b>			
Creditors: amounts falling due after more than one year	19	(5,941,055)	(5,144,307)
		75,229	615,127
<b>Total net assets</b>			
		75,229	615,127
<b>Charity funds</b>			
Restricted funds	20	336,829	513,667
Unrestricted funds	20	(261,600)	101,460
		75,229	615,127
<b>Total funds</b>			
		75,229	615,127

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

The financial statements were approved and authorised for issue by the Trustees on 20/12/2022 and signed on their behalf by: Pat Chambers (Chair) and Vivienne Holmes (Vice Chair)





20/12/2022

The notes on pages 29 to 57 form part of these financial statements.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 02441319**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2022**

	Note		2022 £	2021 £
<b>Fixed assets</b>				
Tangible assets	13		900,665	686,877
Investments	15		3,731,459	2,580,737
			4,632,124	3,267,614
<b>Current assets</b>				
Debtors	16	212,357	160,971	
Investments	17	80	80	
Cash at bank and in hand		1,708,314	607,370	
		1,920,751	768,421	
Creditors: amounts falling due within one year	18	(3,522,886)	(1,515,738)	
<b>Net current liabilities</b>			(1,602,135)	(747,317)
<b>Total assets less current liabilities</b>			3,029,989	2,520,297
<b>Total net assets</b>			3,029,989	2,520,297
<b>Charity funds</b>				
Restricted funds	20		241,971	513,667
Unrestricted funds	20		2,788,018	2,006,630
<b>Total funds</b>			3,029,989	2,520,297

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

The financial statements were approved and authorised for issue by the Trustees on 20/12/2022 and signed on their behalf by: Pat Chambers (Chair) and Vivienne Holmes (Vice Chair)



 20/12/22

The notes on pages 29 to 57 form part of these financial statements.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>(382,128)</b>	48,450
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Proceeds from the sale of tangible fixed assets	-	330
Purchase of tangible fixed assets	<b>(22,484)</b>	(7,676)
Net movement in loan book	<b>446,621</b>	600,361
	<hr/>	<hr/>
<b>Net cash provided by investing activities</b>	<b>424,137</b>	<b>593,015</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Cash inflows from new borrowing	-	751,280
	<hr/>	<hr/>
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>751,280</b>
	<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>	<b>42,009</b>	<b>1,392,745</b>
Cash and cash equivalents at the beginning of the year	<b>1,917,915</b>	525,170
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,959,924</b>	1,917,915
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 29 to 57 form part of these financial statements

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**1. General information**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Five Lamps Organisation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

**2.2 Company status**

The company is a registered charity and company limited by guarantee. The members of the company are the Trustees named on page . In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The company is a charitable company domiciled in England and Wales, registration number 02441319 and charity number 702314.

The registered office is Eldon Street, Thornaby, Stockton-on-Tees, TS17 7DJ.

**2.3 Going concern**

The Trustees have prepared the financial statements on a going concern basis. This is having taken account of the historic losses of the group / company as well as covenant waivers in the year.

In reaching their conclusion the Trustees have considered cash flow forecasts up to at least 31st March 2024 and considered monthly and quarterly trends and at all times, cash is expected to remain above £500k and therefore able to withstand any delays or changes to income.

Trustees have considered the forecasts for both FLO and FLT including ringfenced lending activity and subject these to challenging sensitivity tests around income. All of these tests can be mitigated and / or ensure cash balances do not fall below £200k minimum level. None of these tests would create a loss that would result in a negative net asset. The Trustees are satisfied of the going concern status; as the assumption in the lending model, previously a cause for uncertainty have been independently validated in the year and reported as reasonable and feasible. This has given the Trustees enhanced confidence in the forecasts to deliver improving net assets over the next two operating period 22/23 and 23/24.

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**2. Accounting policies (continued)**

**2.4 Taxation**

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**2.5 Incoming resources**

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

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

(i) Grants and Donations:

Income from grants and donations, including capital grants, is included in incoming resources when receivable, except as follows:

(a) When donors specify that donations and grants given to the Charity must be used in future accounting periods, the income is deferred until those periods.

(b) When donors impose conditions which have to be fulfilled before the Charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre conditions for use have been met.

When donors specify that grants and donations, including capital grants are for particular restricted purposes, which do not amount to pre conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

(ii) Investment Income

Investment income is included when receivable by the Charity.

(iii) Fees and Similar Income

Fees receivable and charges for services provided and for the use of premises are accounted for in the period in which the service is provided.

(iv) Commercial Trading Operations

Income from commercial trading operations is included in the period in which the group is entitled to receipt, and comprises the turnover of the trading subsidiary including rental income from external sources.

**2.6 Resources expended**

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred on the company's educational

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**2. Accounting policies (continued)**

**2.6 Resources expended (continued)**

operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Resources expended are accounted for on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure on grants is recorded once there is an unconditional commitment to pay the grant or the grant has been paid, whichever is the earlier.

Certain expenditure is directly attributable to specific activities and has been apportioned to the costs of those activities as follows:

- Management and administration costs – by reference to the total income generated by each project.
- Staff costs – by reference to the estimated time spent by staff on each project.
- Premises costs and office costs – by reference to the estimate floor space (and related room rental value) occupied by each project.

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

**2.7 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements

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

**2.8 Tangible fixed assets and depreciation**

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

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

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**2. Accounting policies (continued)**

**2.8 Tangible fixed assets and depreciation (continued)**

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

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- Straight line over term of lease or 2% straight line
Plant and machinery	- 25% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line
Office equipment	- 25% straight line

**2.9 Other investments**

Fixed asset programme related investments (loan book) are accounted for on the basis of estimated net realisable values (i.e. capital amounts recoverable) at each balance sheet date. Interest receivable on these investments is recognised within the Statement of Financial Activities when earned.

Programme related investments are reviewed at least annually for impairment, an adjustment is made to provide for amounts considered to be irrecoverable, but only once normal recovery procedures have been followed and no further repayments have been made.

Other fixed asset investments are stated at cost.

Current asset investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses on revaluations and disposals throughout the year

(i) Associated undertakings

Investments in unlisted investments are stated at cost less impairment.

**2.10 Investment properties**

Investment properties whose fair value can be measured reliably without undue cost or effort shall be measured at fair value recognised in profit and loss

**2.11 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term

**2.12 Interest receivable**

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

**2.13 Debtors**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**2. Accounting policies (continued)**

**2.14 Cash at bank and in hand**

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

**2.15 Liabilities and provisions**

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

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

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

**2.16 Financial instruments**

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

**2.17 Significant judgements**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The loan book is reviewed on an annual basis for impairment based on an expectation of recoverability of the outstanding balance.

**2.18 Pensions**

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

**2.19 Fund accounting**

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

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

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**3. Critical accounting estimates and areas of judgment**

Management consider there to be an element of judgement and uncertainty in determining the carrying value of the loan debtor book. Accordingly management has assessed the performance of each debtor based on available financial and management information. Where that information shows a net realisable value less than carrying management recognise an impairment against said asset accordingly.

The management team routinely monitor and review loan debtors and investments on a monthly basis and present to the directors on a quarterly basis for consideration. Provision for identified recovery issues are made on a case by case basis with additional provision to reflect historic loss rate experience.

The Trustees have undertaken sensitivity analysis on Groups net assets and its ability to withstand further macro-economic impacts. An increase in the provision equivalent to 5% of the gross loan book (c£295k) would not prevent the Charity from retaining its going concern and continued viability. As at December 2022, an extraordinary addition to the balance sheet would change the Group's net assets to c£200k.

**4. Income from donations and legacies**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Donations and other voluntary income	258,942	-	<b>258,942</b>
	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations and other voluntary income	24,159	586,068	610,227

**5. Income from charitable activities**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Health and communities	1,460,339	-	<b>1,460,339</b>
Finance and enterprise	100,310	27,228	<b>127,538</b>
Young people	-	-	-
<b>Total 2022</b>	<b>1,560,649</b>	<b>27,228</b>	<b>1,587,877</b>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**5. Income from charitable activities (continued)**

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Health and communities	1,224,192	-	1,224,192
Finance and enterprise	-	191,602	191,602
Young people	-	44,611	44,611
<i>Total 2021</i>	<u>1,224,192</u>	<u>236,213</u>	<u>1,460,405</u>

**6. Investment income**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Garage rental income	5,225	-	<b>5,225</b>
Cafe rental income	13,533	-	<b>13,533</b>
Other income	6,934	-	<b>6,934</b>
Interest income	4	40	<b>44</b>
	<u>25,696</u>	<u>40</u>	<u><b>25,736</b></u>

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Garage rental income	5,700	-	5,700
Cafe rental income	-	14,000	14,000
	<u>5,700</u>	<u>14,000</u>	<u>19,700</u>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**7. Other incoming resources**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Furlough income	79,536	-	<b>79,536</b>
Interest generated by programme related investment (loan debtor book)	430,484	13,176	<b>443,660</b>
Grant income	207,296	43,706	<b>251,002</b>
Bad debts recovered	2,272	-	<b>2,272</b>
	<u>719,588</u>	<u>56,882</u>	<u><b>776,470</b></u>
	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Interest generated by programme related investment (loan debtor book)	-	36,839	36,839
Grant income	267,119	96,786	363,905
Furlough income	146,655	66,502	213,157
Other income	375	212	587
	<u>414,149</u>	<u>200,339</u>	<u>614,488</u>

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Management and administration	3,522,355	5,160	<b>3,527,515</b>
Finance and enterprise	222	255,828	<b>256,050</b>
Depreciation re properties	48,641	-	<b>48,641</b>
	<u>3,571,218</u>	<u>260,988</u>	<u><b>3,832,206</b></u>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**8. Analysis of expenditure on charitable activities (continued)**

**Summary by fund type (continued)**

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Management and administration	2,236,647	-	2,236,647
Health and communities	654,358	228,055	882,413
Finance and enterprise	402,268	203,708	605,976
Young people	-	99,818	99,818
Depreciation re properties	45,328	-	45,328
	<u>3,338,601</u>	<u>531,581</u>	<u>3,870,182</u>

**9. Exceptional items**

	<b>Total funds 2022 £</b>
One off bad debt provision	<u>-</u>

In the current accounting year there is no exceptional item for bad debts as the provision has solely accrued in line with the Groups bad debt policy.

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
One off bad debt provision	<u>714,796</u>	<u>714,796</u>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**10. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2022 £</b>	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>
Management and administration	2,977,936	549,579	<b>3,527,515</b>
Finance and enterprises	256,049	-	<b>256,049</b>
Depreciation re properties	48,641	-	<b>48,641</b>
	<hr/> <b>3,282,626</b> <hr/>	<hr/> <b>549,579</b> <hr/>	<hr/> <b>3,832,206</b> <hr/>
	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Management and administration	1,742,069	494,578	2,236,647
Health and communities	882,414	-	882,414
Finance and enterprises	605,975	-	605,975
Young people	99,818	-	99,818
Depreciation re properties	45,328	-	45,328
	<hr/> <b>3,375,604</b> <hr/>	<hr/> <b>494,578</b> <hr/>	<hr/> <b>3,870,182</b> <hr/>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**10. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	Mgmt and admin 2022 £	Health 2022 £	Finance 2022 £	Young people 2022 £
Staff costs	2,015,771	-	54,199	-
Premises costs	70,900	-	222	-
General office costs	59,401	-	-	-
Trading company expenses	769,223	-	-	-
Grants payable to individuals to assist with individuals	878	-	2,519	-
Bad debts write off	-	-	198,655	-
Publicity and advertising	6,417	-	48	-
Activities costs	9,746	-	-	-
Subscriptions/affiliations	13,559	-	-	-
Motor expenses	558	-	-	-
Mobile phones	15,944	-	407	-
Consultancy/facilitators fees	15,539	-	-	-
	<u>2,977,936</u>	<u>-</u>	<u>256,050</u>	<u>-</u>

	Dep'n 2022 £	Total funds 2022 £
Staff costs	-	2,069,970
Premises costs	-	71,122
General office costs	-	59,401
Trading company expenses	-	769,223
Grants payable to individuals to assist with individuals	-	3,397
Bad debts write off	-	198,655
Publicity and advertising	-	6,465
Depreciation	48,641	48,641
Activities costs	-	9,746
Subscriptions/affiliations	-	13,559
Motor expenses	-	558
Mobile phones	-	16,351
Consultancy/facilitators fees	-	15,539
	<u>48,641</u>	<u>3,282,627</u>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**10. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

	<i>Mgmt and admin 2021 £</i>	<i>Health 2021 £</i>	<i>Finance 2021 £</i>	<i>Young people 2021 £</i>
Staff costs	299,785	802,680	518,112	75,221
Premises costs	28,477	7,846	1,048	17,888
General office costs	26,850	12,133	4,321	2,618
Trading company expenses	623,064	-	-	-
Grants payable to individuals to assist with individuals	-	-	1,233	2,732
Finance income and expenses	742,277	-	7,829	-
Bad and doubtful debts	-	-	29,038	-
Publicity and advertising	31	42	-	290
Training and accreditation costs	1,186	5,065	-	-
Activities costs	-	18,515	-	410
Cafe and vending costs	-	2	-	-
Subscriptions/affiliations	-	11,745	-	194
Motor expenses	1,155	-	-	-
Mobile phones	5,100	9,714	726	465
Other costs	11,968	5,051	43,668	-
Consultancy/facilitators fees	2,176	9,621	-	-
	<u>1,742,069</u>	<u>882,414</u>	<u>605,975</u>	<u>99,818</u>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**10. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

	<i>Dep'n 2021 £</i>	<i>Total funds 2021 £</i>
Staff costs	-	1,695,798
Premises costs	-	55,259
General office costs	-	45,922
Trading company expenses	-	623,064
Grant payable to individuals to assist with employment	-	3,965
Finance income and expenses	-	750,106
Bad and doubtful debts	-	29,038
Publicity and advertising	-	363
Depreciation	45,328	45,328
Training and accreditation costs	-	6,251
Activities costs	-	18,925
Cafe/vending costs	-	2
Subscriptions/affiliations	-	11,939
Motor expenses	-	1,155
Mobile phones	-	16,005
Other costs	-	60,687
Consultancy/facilitators fees	-	11,797
	<u>45,328</u>	<u>3,375,604</u>

**Analysis of support costs**

	<b>Mgmt and admin 2022 £</b>	<b>Total funds 2022 £</b>
Staff costs	406,416	<b>406,416</b>
Premises costs	5,295	<b>5,295</b>
General office costs	1,588	<b>1,588</b>
Publicity and advertising	85	<b>85</b>
Bank charges re loan funds	12,621	<b>12,621</b>
Professional fees	123,574	<b>123,574</b>
	<u>549,579</u>	<u><b>549,579</b></u>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**10. Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

	<i>Mgmt and admin 2021 £</i>	<i>Total funds 2021 £</i>
Staff Costs	426,098	426,098
Premises costs	4,283	4,283
General costs	22,197	22,197
Publicity and advertising	229	229
Bank charges	6,109	6,109
Professional fees	35,662	35,662
	<u>494,578</u>	<u>494,578</u>

**11. Auditors' remuneration**

	<b>2022 £</b>	<i>2021 £</i>
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<b>16,000</b>	<i>16,000</i>

**12. Staff costs**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Wages and salaries	<b>1,856,170</b>	<i>1,903,415</i>	<b>1,509,220</b>	<i>1,502,295</i>
Employer NI	<b>150,309</b>	<i>126,838</i>	<b>121,306</b>	<i>96,129</i>
Contribution to defined contribution pension schemes	<b>44,718</b>	<i>45,569</i>	<b>37,597</b>	<i>37,033</i>
	<u><b>2,051,197</b></u>	<u><i>2,075,822</i></u>	<u><b>1,668,123</b></u>	<u><i>1,635,457</i></u>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**Staff costs (continued)**

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

	<b>Group 2022 No.</b>	<i>Group 2021 No.</i>	<b>Company 2022 No.</b>	<i>Company 2021 No.</i>
Direct charitable work	<b>112</b>	92	<b>112</b>	92
Administration	<b>18</b>	38	-	10
	<b>130</b>	130	<b>112</b>	102

In the current and previous accounting year, no trustees received any remuneration, benefits in kind or reimbursement of expenses. As part of the main insurance taken out by this company, insurance is taken out to protect the trustees against any loss arising from neglect or default of its trustees and officers.

One of the trustees was paid remuneration of £6,000 (2021: £6,000) in the year ended 31 March 2022 and this was paid by the subsidiary company. The remuneration paid was due to a trustee being a director of the subsidiary company, Five Lamps Trading Limited.

Costs incurred in relation to key management personnel were £228,900 in total (2021: £173,837).

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

	<b>Group 2022 No.</b>	<i>Group 2021 No.</i>
In the band £60,001 - £70,000	<b>1</b>	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	<b>1</b>	-

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

13. Tangible fixed assets

Group	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>							
At 1 April 2021	884,277	687,157	207,439	14,428	128,693	72,418	1,994,412
Additions	14,089	-	670	-	5,254	2,471	22,484
Revaluations	240,000	-	-	-	-	-	240,000
At 31 March 2022	1,138,366	687,157	208,109	14,428	133,947	74,889	2,256,896
<b>Depreciation</b>							
At 1 April 2021	315,525	574,719	203,469	14,428	128,693	70,701	1,307,535
Charge for the year	17,748	25,920	1,842	-	872	2,314	48,696
At 31 March 2022	333,273	600,639	205,311	14,428	129,565	73,015	1,356,231
<b>Net book value</b>							
At 31 March 2022	805,093	86,518	2,798	-	4,382	1,874	900,665
At 31 March 2021	568,752	112,438	3,970	-	-	1,717	686,877

THE FIVE LAMPS ORGANISATION  
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

13. Tangible fixed assets (continued)

Company	Freehold property £	Long-term leasehold property £	Equipment and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>							
At 1 April 2021	884,277	687,157	207,439	14,428	128,693	72,418	1,994,412
Additions	14,089	-	670	-	5,254	2,471	22,484
Revaluations	240,000	-	-	-	-	-	240,000
At 31 March 2022	1,138,366	687,157	208,109	14,428	133,947	74,889	2,256,896
<b>Depreciation</b>							
At 1 April 2021	315,525	574,719	203,469	14,428	128,693	70,701	1,307,535
Charge for the year	17,748	25,920	1,842	-	872	2,314	48,696
At 31 March 2022	333,273	600,639	205,311	14,428	129,565	73,015	1,356,231
<b>Net book value</b>							
At 31 March 2022	805,093	86,518	2,798	-	4,382	1,874	900,665
At 31 March 2021	568,752	112,438	3,970	-	-	1,717	686,877

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**13. Tangible fixed assets (continued)**

Freehold Land and Buildings

This comprises the building known as The Youthy which was built primarily for the young people of Thornaby. Due to the unique design of The Youthy and the purpose for which it was built, there is no readily available method of arriving at a realistic market value. The unique nature of the building means that it is difficult to value it on a normal commercial basis. The Youthy was valued in November 2011 at £500,000 for the purposes of securing bank facilities but this figure is not considered to be appropriate to use as the carrying value in the financial statements. An alternative method is to measure its 'value in use' at an amount based upon expected future cash flows, but this alternative method is also considered not to be appropriate. One further alternative, which is more relevant to this property, is to use replacement cost which exceeds the carrying value at 31 March 2021 of £551,005 (2021: £568,753). All in all, it is considered unlikely that The Youthy will have suffered material permanent impairment in value since it was originally built and, in the opinion of the trustees, a carrying value based on original cost less depreciation continues to be appropriate for accounting purposes.

At the end of the financial year the charity purchased the property known as The Five Lamps Centre which had been leased from Stockton Borough Council for a total cost of £14,089. The property was revalued on purchase giving rise to a revaluation surplus of £240,000. This property will continue to be used for its management and administration and the operation of various projects.

Investment property

Included in freehold land and buildings is an investment property valued at £32,500. In the opinion of the directors this is a reasonable estimate of the market value at 31 March 2022.

If investment properties had not been revalued they would have been included at the historical cost of £21,014 (2021: £21,014).

Leasehold Land and Buildings

These comprise two buildings from which the Charity runs part of its management/ administration and various projects. The terms of the leases on these properties, over which the expenditure is written off, are as follows:

South Thornaby Community Resource Centre (Carrying value - £86,516)

The current lease with Stockton Borough Council is for a period of 25 years from February 2000 and any expenditure is being written off over the remainder of that period.

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**14. Investment property**

**Group**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 April 2021	32,500
At 31 March 2022	32,500

The investment property has been valued in the 2020 accounting year by Allied Surveyors & Valuers at £32,500 and the directors have reviewed these valuations and concur that it is based upon the key assumptions that relate to the investment portfolio and their experience of the property market at the current balance sheet date.

**15. Fixed asset investments**

	<b>Loan book £</b>	<b>Unlisted investments £</b>	<b>Total £</b>
<b>Group</b>			
<b>Cost or valuation</b>			
At 1 April 2021	6,115,440	14,000	6,129,440
Additions	1,872,862	-	1,872,862
Disposals	(2,120,827)	-	(2,120,827)
<b>At 31 March 2022</b>	<b>5,867,475</b>	<b>14,000</b>	<b>5,881,475</b>
<b>Impairment</b>			
At 1 April 2021	1,943,491	-	1,943,491
Charge for the year	198,655	-	198,655
<b>At 31 March 2022</b>	<b>2,142,146</b>	<b>-</b>	<b>2,142,146</b>
<b>Net book value</b>			
<b>At 31 March 2022</b>	<b>3,725,329</b>	<b>14,000</b>	<b>3,739,329</b>
<i>At 31 March 2021</i>	<i>4,171,949</i>	<i>14,000</i>	<i>4,185,949</i>

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**15. Fixed asset investments (continued)**

<b>Company</b>	<b>Investments in subsidiary companies £</b>	<b>Loan book £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2021	850,002	2,257,723	3,107,725
Additions	-	1,872,862	1,872,862
Disposals	-	(523,485)	(523,485)
<b>At 31 March 2022</b>	<b>850,002</b>	<b>3,607,100</b>	<b>4,457,102</b>
<b>Impairment</b>			
At 1 April 2021	-	526,988	526,988
Charge for the year	-	198,655	198,655
Unallocated amounts	-	1	1
<b>At 31 March 2022</b>	<b>-</b>	<b>725,644</b>	<b>725,644</b>
<b>Net book value</b>			
<b>At 31 March 2022</b>	<b>850,002</b>	<b>2,881,456</b>	<b>3,731,458</b>
<i>At 31 March 2021</i>	<i>850,002</i>	<i>1,730,735</i>	<i>2,580,737</i>

**Principal subsidiaries**

The following was a subsidiary undertaking of the Company:

<b>Name</b>	<b>Company number</b>	<b>Registered office or principal place of business</b>	<b>Principal activity</b>
Five Lamps Trading Limited	08029251	Same as the The Five Lamps Organisation	Lending and property management
<b>Class of shares</b>	<b>Holding</b>	<b>Included in consolidation</b>	
Ordinary	100%	Yes	

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**15. Fixed asset investments (continued)**

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Five Lamps Trading Limited	480,564	(1,530,154)	(1,049,590)	(2,104,758)

**16. Debtors**

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
<b>Due within one year</b>				
Trade debtors	67,694	50,012	67,694	48,597
Other debtors	120,126	18,905	104,870	6,300
Prepayments and accrued income	16,922	34,497	15,239	31,105
Grants receivable	24,554	74,969	24,554	74,969
	<u>229,296</u>	<u>178,383</u>	<u>212,357</u>	<u>160,971</u>

**17. Current asset investments**

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Listed investments	<u>80</u>	<u>80</u>	<u>80</u>	<u>80</u>

Group listed investments

The market value of the listed investments at 31 March 2022 was £80 (2021 :£80).

Company listed investments

The market value of the listed investments at 31 March 2022 was £80 (2021 :£80).

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**18. Creditors: Amounts falling due within one year**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Trade creditors	<b>224,338</b>	99,269	<b>96,159</b>	85,749
Amounts owed to group undertakings	-	-	<b>3,050,000</b>	852,276
Other taxation and social security	<b>62,123</b>	50,208	<b>53,464</b>	43,057
Pension fund loan payable	<b>1,517</b>	1,689	-	-
Other creditors	<b>488,368</b>	637,733	<b>263,872</b>	433,326
Accruals and deferred income	<b>69,165</b>	453,373	<b>59,391</b>	101,330
	<b>845,511</b>	1,242,272	<b>3,522,886</b>	1,515,738

The following liabilities disclosed under creditors due within one year are secured by the company:

Bank loans £Nil (2021: £Nil).

The bank and other loans are secured by various fixed and floating charges including a first legal charge over 'The Youthy', Thornaby Road, Thornaby and the client loan portfolio.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**19. Creditors: Amounts falling due after more than one year**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>
Bank loans	<b>500,000</b>	320,088
Other loans	<b>4,812,500</b>	4,824,219
Accruals and deferred income	<b>628,555</b>	-
	<b><u>5,941,055</u></b>	<u>5,144,307</u>

The following liabilities disclosed under creditors due after more than one year are secured by the company:

Other loans £4,812,500 (2021: £4,824,818) and are split between Tranche A Noteholders = £1,937,500 (capital) and Tranche B Noteholders = £2,875,000 (capital).

The bank loans and other loans are secured by various fixed and floating charges including a first legal charge over 'The Youthy', Thornaby Road, Thornaby and the client loan portfolio.

None of the other loans outstanding are repayable over five years.

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**20. Statement of funds**

**Statement of funds - current year**

	<b>Balance at 1 April 2021 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains/ (Losses) £</b>	<b>Balance at 31 March 2022 £</b>
<b>Unrestricted funds</b>					
General Funds	101,460	3,045,436	(3,648,500)	240,004	(261,600)
<b>Restricted funds</b>					
Finance and enterprise	513,667	84,110	(260,988)	40	336,829
<b>Total of funds</b>	<b>615,127</b>	<b>3,129,546</b>	<b>(3,909,488)</b>	<b>240,044</b>	<b>75,229</b>

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**20. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 April 2020</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Balance at 31 March 2021</i> £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Youth empowerment scheme	556,293	-	-	(556,293)	-
Growth fund	1,108,536	-	-	(1,108,536)	-
	<u>1,664,829</u>	<u>-</u>	<u>-</u>	<u>(1,664,829)</u>	<u>-</u>
<b>General funds</b>					
General Funds	(164,940)	3,189,074	(4,151,007)	1,228,333	101,460
	<u>1,499,889</u>	<u>3,189,074</u>	<u>(4,151,007)</u>	<u>(436,496)</u>	<u>101,460</u>
<b>Restricted funds</b>					
Health and communities	57,201	170,854	(228,055)	-	-
Employability and training	(361,676)	-	-	361,676	-
Finance and enterprise	(27,093)	744,468	(203,708)	-	513,667
Young people	(96,300)	121,298	(99,818)	74,820	-
	<u>(427,868)</u>	<u>1,036,620</u>	<u>(531,581)</u>	<u>436,496</u>	<u>513,667</u>
<b>Total of funds</b>	<u><u>1,072,021</u></u>	<u><u>4,225,694</u></u>	<u><u>(4,682,588)</u></u>	<u><u>-</u></u>	<u><u>615,127</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**20. Statement of funds (continued)**

**Designated funds**

In prior years, the Trustees designated funds for the following purposes:

1. Youth Empowerment Scheme
2. Growth Fund

The Trustees have decided to release the designated funds back to the general funds to enable maximum flexibility for the Charity to direct its resources to where the need is greatest. The Trustees will review this policy every year and designate funds when they see fit.

**Restricted Funds**

**Health and Communities**

The charity operates a Homecare service, the Parkside Court Extra Care Scheme and several other related care services with private clients, NHS and local authorities. During the year to 31 March 2021 the Charity has benefitted from a number of grants to enhance this service and provide greater support during the COVID pandemic.

**Employability and Training**

In prior years the charity has operated Employability and Training activities. These activities are now complete and the transfer on the fund from unrestricted funds is to clear a negative balance from an overspend on this activity in prior years.

**Finance and Enterprise**

The charity operates several Financial Inclusion and Enterprise Activities. The balance on the fund at 31 March 2021 includes £500k received from Social Investment Scotland.

**Young People**

The charity operates a variety of Youth Services from its youth club "The Youthy" and by outreach and community programmes. The transfer from general funds is to clear the negative balance brought forward on the fund which is due to overspends in prior years.

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**21. Summary of funds**

**Summary of funds - current year**

	<b>Balance at 1 April 2021 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains/ (Losses) £</b>	<b>Balance at 31 March 2022 £</b>
General funds	101,460	3,045,436	(3,648,500)	240,004	(261,600)
Restricted funds	513,667	84,110	(260,988)	40	336,829
	<u>615,127</u>	<u>3,129,546</u>	<u>(3,909,488)</u>	<u>240,044</u>	<u>75,229</u>

**Summary of funds - prior year**

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2021 £</i>
Designated funds	1,664,829	-	-	(1,664,829)	-
General funds	(164,940)	3,189,074	(4,151,007)	1,228,333	101,460
Restricted funds	(427,868)	1,036,620	(531,581)	436,496	513,667
	<u>1,072,021</u>	<u>4,225,694</u>	<u>(4,682,588)</u>	<u>-</u>	<u>615,127</u>

**22. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Tangible fixed assets	900,665	-	900,665
Fixed asset investments	3,739,329	-	3,739,329
Investment property	32,500	-	32,500
Current assets	1,852,471	336,829	2,189,300
Creditors due within one year	(845,510)	-	(845,510)
Creditors due in more than one year	(5,941,055)	-	(5,941,055)
<b>Total</b>	<u>(261,600)</u>	<u>336,829</u>	<u>75,229</u>

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**22. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	686,877	-	686,877
Fixed asset investments	4,185,950	-	4,185,950
Investment property	32,500	-	32,500
Current assets	1,582,712	513,667	2,096,379
Creditors due within one year	(1,242,272)	-	(1,242,272)
Creditors due in more than one year	(5,144,307)	-	(5,144,307)
<b>Total</b>	<u>101,460</u>	<u>513,667</u>	<u>615,127</u>

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

	<b>Group 2022 £</b>	<i>Group 2021 £</i>
Net expenditure for the year (as per Statement of Financial Activities)	<b>(779,899)</b>	(456,894)
<b>Adjustments for:</b>		
Depreciation charges	<b>48,696</b>	45,327
Decrease/(increase) in debtors	<b>(35,117)</b>	10,283
Increase in creditors	<b>384,192</b>	449,734
<b>Net cash provided by/(used in) operating activities</b>	<b><u>(382,128)</u></b>	<u>48,450</u>

**24. Analysis of cash and cash equivalents**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>
Cash in hand	<b>1,959,924</b>	1,917,915
<b>Total cash and cash equivalents</b>	<b><u>1,959,924</u></b>	<u>1,917,915</u>

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**25. Analysis of changes in net debt**

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	1,917,916	42,009	1,959,925
Debt due within 1 year	(1,690)	173	(1,517)
Debt due after 1 year	(5,144,307)	(168,193)	(5,312,500)
Liquid investments	80	-	80
	<u>(3,228,001)</u>	<u>(126,011)</u>	<u>(3,354,012)</u>

**26. Controlling party**

Throughout the year the Charity was under the control of the board.

**27. Related party transactions**

The charity owns 100% of the share capital of Five Lamps Trading Limited, company number 08029251.

Transactions between Five Lamps and Five Lamps Trading Ltd during the year were as follows:

During the year Five Lamps Trading gifted £NIL (2021: £Nil) as a donation to The Five Lamps Organisation.

**28. Assets and Liabilities held as an intermediary agent - group and charity**

The Private Housing Financial Assistance Programme was created to help local authorities in the north east of England to provide loans to needy homeowners for the purpose of helping them to improve their housing conditions.

Five Lamps was appointed to manage the above Programme on behalf of 12 local authorities, using Sunderland City Council as the contracting authority.

Five Lamps holds the relevant funds on behalf of the local authorities in a designated client bank account. This asset and the associated liability to the local authorities are excluded from Five Lamps' Balance Sheet. There is a debenture agreement dated 12 October 2010 in favour of Sunderland City Council solely in respect of these funds. This debenture does not apply to any other Five Lamps assets.

At 31 March 2022, the funds held on the above client bank account totalled £1,391,969 (2021: £1,421,374) and this is returnable to the local authorities.

The accounting for these assets and liabilities are presented in notes 15,18 and 19 within these financial statements.

**THE FIVE LAMPS ORGANISATION**

England & Wales - Charity number 702314

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# Accounts

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**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

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**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

<b>Trustees</b>	Patricia Chambers, Chair Vivienne Holmes, Vice Chair Jamie Houlders Ian Wright (resigned 31 December 2020) Trevor Watson
<b>Company registered number</b>	02441319
<b>Charity registered number</b>	702314
<b>Registered office</b>	Eldon Street Thornaby Stockton on Tees TS17 7DJ
<b>Chief executive officer</b>	Lisa Pickard
<b>Independent auditors</b>	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors York House Northallerton North Yorkshire DL6 2XQ
<b>Bankers</b>	Unity Trust Bank 4 Brindley Place Birmingham B1 2JB

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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The Trustees are delighted to present their annual report providing an overview of the year past and plans for the future.

**ACHIEVEMENTS AND PERFORMANCE**

**a) Financial Review**

The total income for the year to 31 March 2021 was £4,225,694. This reflects a change to our prior year position of £2,899,857. The Statement of Financial Activities for the year, the Balance Sheet as at 31 March 2021 and associated notes are set out on pages 27 to 57.

It is the Board's intention to hold not less than £100k in accessible cash balances . This policy is monitored quarterly by the Trustees and seeks to ensure that the Charity can manage its activities in the event of a significant drop in funding. The current cash balances are in line with the policy.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**a) Organisational structure and decision making**

The Trustees (the Board) present their report and the financial statements of the charitable company (the Charity) for the year ended 31 March 2021 and confirm that they comply with current statutory requirements, the company's governing documents and the provisions of the latest Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

The legal and administrative information on page 1 forms part of this report.

**b) Structure, Governance and Management**

The Five Lamps Organisation (FLO) is a registered charity and company limited by guarantee. The company was registered under a Memorandum of Association which established the objects and powers of the charitable company and Its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Five Lamps Trading Limited (FLT) is a wholly owned trading subsidiary of The Five Lamps Organisation. FLT is a Limited Company by Shares.

The Directors of the company (FLT) are also charity trustees for the purposes of charity law and under the company's articles are known as members of the Management Committee.

The impact of Covid 19 on the charity as a whole and in particular its trading entity FLT that delivers affordable personal loans through our Conduit Brand, has been significant and the business plan has been updated to reflect the significant change in operating environment as a result. To ensure the integrity and ongoing viability of the updated business plan and Conduit lending model the charity commissioned an independent review from JCCA which concluded in June 2021. The review concluded the trading model to be commercially viable, the lending model to be reliable and the bad debt provision prudent. The review provided Trustees and Social Investment Lenders (noteholders) with an independent assurance as to the on-going value of the charities social lending activities in meeting its charitable objectives and social purpose.

The Trustees continuously review governing documents. The most recent formal amendment approved by the Charity Commission was In December 2013 which provided for the extension of operations to the whole of England.

Since October 2017, FLO has been registered with the Office of the Scottish Charity Regulator, under reference SC047839.

**c) Charitable Objects**

Our charitable objects provide for operation 'within England and Scotland' to reflect the continued geographic

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

growth of the organisation and its services. Our objects promote for the benefit of the public of urban or rural regeneration in areas of social and economic deprivation, within England and Scotland, by all or any of the following means:

- a) The relief of financial hardship among people living or working within England and Scotland by providing such persons with goods and/or services which they could not otherwise afford through lack of means.
- b) The prevention and relief of poverty by providing education, goods, and services to individuals in need.
- c) The relief of unemployment for the benefit of the public in such ways as may be thought fit, including assistance to find employment.
- d) The advancement of education, training or retraining particularly among socially, economically, and financially excluded people and the provision of work experience for unemployed people.
- e) The provision of financial assistance, technical assistance, business advice or consultancy in order to provide training and employability for unemployed people in cases of financial or other charitable need through help in setting up their own business or to existing businesses.
- f) The creation of training and employment opportunities by the provision of workspace, buildings, or land for use on favourable terms.
- g) The provision of housing for those who are in conditions of need and/or the refurbishment of such housing.
- h) The provision of public health facilities and childcare.
- i) The provision of recreational facilities for the public or those who by reason of their youth, age, infirmity or disability, financial hardship, or social and economic circumstances, have need of such facilities.
- j) The development of skills and capacity in those living in socially and economically disadvantaged communities to enable them to better identify and help meet their needs and to participate more fully in society; and
- k) Any other purposes currently recognised as charitable and any new charitable purposes which are similar to another charitable purpose.

The Powers of the charity now state:

The charity has the power to do anything which is calculated to further its Object(s) or is conducive or incidental to doing so. In particular, the charity has the power to raise funds. In doing so, the charity must not undertake any taxable permanent trading activity and must comply with any relevant statutory regulations.

- a. to buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use.
- b. to sell, lease or otherwise dispose of all or any part of the property belonging to the charity. In exercising this power, the charity must comply as appropriate with sections 36 and 37 of the Charities Act 1993, as amended by the Charities Act 2006.
- c. to borrow money and to charge the whole or any part of the property belonging to the charity as security for repayment of the money borrowed or as security for a grant or the discharge of an obligation. The charity must comply as appropriate with sections 38 and 39 of the Charities Act 1993, as amended by the Charities Act 2006, if it wishes to mortgage land.
- d. to co operate with other charities, voluntary bodies, and statutory authorities and to exchange information and advice with them.
- e. to establish or support any charitable trusts, associations or institutions formed for any of the charitable purposes included in the Objects.
- f. to acquire, merge with or enter into any partnership or joint venture arrangement with any other charity
- g. to set aside income as a reserve against future expenditure but only in accordance with written policy about reserves.
- h. to employ and remunerate such staff as are necessary for carrying out the work of the charity. The charity may employ or remunerate a director only to the extent it is permitted to do so by article 7 and provided it complies with the conditions in that article.
- i. to deposit or invest funds; employ a professional fund manager and arrange for the investments or other property of the charity to be held in the name of a nominee in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000; and
- jj. to provide indemnity insurance for the directors in accordance with, and subject to the conditions in, section 73F of the Charities Act 1993.

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**d) Governance**

The Trustees of Five Lamps Organisation retained a focus in 2020/21 on the charitable business, whilst retaining overall oversight of the wholly owned Trading Company 'Five Lamps Trading Limited'.

Five Lamps Trading has its own Board of Directors, which includes Social Investment Lenders representatives appointed as non executive Directors. During the course of the independent review the trustees paused its lending activities in the trading entity. The positive outcome of the review has resulted in an updated lending model and structural changes to support the new mechanism. The changes made have the full support of Social Investment Lenders and provides for a more resilient business going forward. We continue to work with eight Social Investment Lenders under a Loan Note Instrument issued by FLT whereby we have secured a £5million investment fund.

The Charity and Trading Company structure enables the organisation to deliver unsecured affordable personal lending within the Limited Company and the Charity that responds to our financial inclusion charitable objectives. The asset lock is unchanged by the new lending model ensuring that 100% of any profit generated via investments in the Trading Company is reinvested back into the business, either through increased personal lending and/or gift aid direct to the Charity for deliverance of our charitable objectives specifically financial inclusion.

**e) Board Purpose**

The Five Lamps Organisation Board of Trustees, and the Five Lamps Trading Board of Directors' purpose is to ensure the delivery of its aims and objectives and business plans by providing leadership, strategic direction, and challenge, and at the same time ensuring effective control and oversight of the business and its operations whilst acting responsibly towards employees, stakeholders, and society.

**f) Board Key Responsibilities**

**1. Managing organisational performance and risk**

To continuously develop and review the organisation's strategy, objectives, performance, statutory compliance, and risk, ensuring the measurement of impact on our customers and communities.

**2. Leadership and strategy**

To lead the development of the Five Lamps' Vision, Values and Strategic Direction.

**3. Strategic planning and implementation**

To create coherent, strategic plans and timetables, monitor performance and review outcomes and impact.

**4. Leading and delivering change**

To plan for strategic, transformational change and continuous service improvement proactively and positively in The Five Lamps Organisation's service delivery.

**5. Business Finance Opportunity**

To assess and evaluate the key strategic, financial, and commercial opportunities and investment issues facing The Five Lamps Organisation, in the context of the complex political, economic, sociological, technical, and legal context in which it operates.

**6. Communication**

To promote the work of The Five Lamps Organisation to a variety of external partners, stakeholders, and audiences. To proactively promote the strategy and work of the Board internally.

**7. Building Team and External Relationships**

To develop, maintain and support productive external, Board and internal networks, partnerships and relationships that produce positive outcomes for the organisation.

**8. Equality and Diversity**

To proactively champion equality and diversity in everything that it and the organisation does, particularly in the

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context of making people matter and working with some of the most disadvantaged people in society. This is inclusive of every aspect of equality – race, ethnic origin, religion or belief, sex, gender identity and gender reassignment, sex orientation, disability, age, marriage or civil partnership, pregnancy, or maternity.

An Audit & Risk Committee is established to ensure there are effective controls and oversight of the business to further strengthen governance. Membership of the Audit & Risk Committee is made up of Trustees and Directors. They have delegated responsibility with the independent support of the external auditors, to receive, scrutinise and recommended the adoption and signing of the Accounts and Financial Statements to the Trustees and Directors. The Audit & Risk Committee have a delegated remit to monitor the Risk Register and Risk Management log. Both Boards consider risk as part of their ordinary agendas and specifically at the joint meetings. This reflects the significance the business places on managing risk and ensuring continued business viability.

A minimum of two Joint board meetings are held each year to:

- 1) receive the audit findings, management letter and annual statements and review audit performance and
- 2) to review financial strength and future forecasts and set budgets.

We continue to operate a joint Remuneration Committee which has delegated responsibility for oversight and decision making on Director's remuneration although this has not met in the financial year as there has been no changes to remuneration.

#### **g) Trustee & Director Training**

Appointments to the Boards are based on a skills matrix and business needs analysis. Induction as well as ongoing training for new and existing Directors and Trustees is integrated into the business. Trustees and Directors are encouraged to become familiar with the work of the organisation in several different ways. Induction mirrors our staff Induction process which is part of a range of Human Resource policies as well as bespoke induction depending on the skills analysis and competency framework. All Directors and Trustees also benefit from an ongoing basis:

- Away days focussing on strategy development, board performance, succession planning and risk assessment and future governance models
- Bespoke training to address identified need and attendance at relevant local, regional, and national conferences
- A structured appraisal system is in place for Trustees
- The Charity and Trading Company boards have joint meetings twice per annum
- As part of a Governance review a formal Board Development plan is also to be agreed.

#### **h) Organisational Structure**

The Charity has a Board of Trustees who meet a minimum of four times a year, usually quarterly. Currently there are 5 members from a diverse range of professional backgrounds reflecting the ethos of the charity. A Chair and Vice Chair are appointed annually and have full voting rights. Plans for further recruitment of Trustees in 2021 were put on hold during the pandemic and is expected to resume later in the year. The organisation employs the services of a minute taker. Day to day responsibility for the provision of services and operation of the business rests with the Group Chief Executive. During the course of the year the executive team comprising of the Group Chief Executive and the Director of Corporate Services was increased to include an Executive Director of Finance.

#### **i) Related party relationships**

The Trustees have all filed nil returns confirming that there are no related party transactions in the Charity. Northeast Enterprise Agencies limited, had a trading relationship with Group Chief Executive being on their Board. She has subsequently resigned from this Board in 2021.

Two Trading Board Directors can be appointed from the Social Investment Lenders, in line with the loan instrument, one has been in place and has a related party transaction in terms of the social investment loan their

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companies has in the Trading Company. The security trustee of the loan instrument is a non executive director.

**j) Risk Management**

The Boards of Trustees and the Trading Company maintain a continuous review of the major risks to which each company and the charity is exposed to. Identified risks are included in a Risk Management Matrix that, where appropriate, includes details of systems, policies, procedures, or new management actions to control and mitigate the impact of risk if it materialises. The organisation seeks to manage some of these risks via transferring risk through a range of Insurance cover. The managed risk revolves around the short term and non recurring nature of some funding sources. Our strategic planning is targeted at winning contracts and building a broad project portfolio which has a range of funders, rather than being grant reliant. Internal controls are in place and are subject to annual audit using compliance and substantive testing.

Each Board has its own robust risk management matrix that is updated and reviewed at each Audit & Risk Committee, which meets at least four times per annum. Currently there are 26 specific risks in FLO and 22 in FLT, which are being monitored and management actions taken to mitigate.

We added a new risk for both the Charity and Trading Company 'Failure to deal with the impact of COVID – 19' in light of the Coronavirus pandemic. Covid19 has significantly impacted on Five Lamps and our customers. Financially, the Boards have agreed a comprehensive review of bad debt policy and provision resulting in significant additional bad debt provision added to the balance sheets on 31st March 2021 to mitigate for increased losses on personal loans. The approach to bad debt provisioning has been strengthened to plan for increased exposure to bad debts.

In Charity, all front facing services have been comprehensively risk assessed and subject to ongoing monitoring and due diligence. The Trustees have ensured a standalone risk map for our Home Care service, which has been subject to PPE and other infection control challenges. Our Conduit personal lending product was significantly impacted, and revenue income drastically reduced. Risk has been mitigated through the new lending model which has been subject to independent review and a restructuring of interest payments with the full support of Social Investment Lenders.

Covid19 has affected how we deliver products and services. Excepting home care, all of our services were temporarily moved to home working. New risk registers have been implemented for this.

Despite the pandemic, both the Five Lamps Board of Trustees and the Five Lamps Trading Board of Directors have maintained a high level of governance and oversight with Board meetings being held virtually.

An internal staff led Health & Safety Committee meets regularly to ensure statutory compliance across all of our buildings. All our sub contractors must satisfy a health and safety check. The nature of our services, which often work with the most disadvantaged and marginalised groups, or with young and older people, necessitate either of the two levels of disclosure. All our staff appointments are subject to satisfactory enhanced disclosure. Risks identified are reported to the Audit & Risk Committee via the risk register

Our insurance cover spans public and employer's liability, professional indemnity, directors and officer's liability, buildings and contents and specialist cover such as lift Installations and a climbing wall. These are all subject to review and market testing on a regular basis with the latest review taking place in February 2021 where further Increases in cover were agreed to Increase the Insurance and Indemnity for the business.

Audits on compliance with external legislation are completed each year and we have strengthened the role of our Quality Manager, adding more emphasis on Risk and Assurance across the business. Continuous improvement audits of our HR policies and procedures throughout the organisation are routinely completed with specialist support from Croner Assist ensuring we remain compliant and working according to good practice. Whilst our HR activities are underwritten by an employment indemnity, we also ensure we minimise the risk of any claims through regularly updates, training and briefings.

**k) Quality Assurance & Statutory Regulators**

Five Lamps has a strong focus on service quality and the associated investment in the personal and professional

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development of our workforce.

We are regulated as follows:

- Care Quality Commission (CQC) – Five Lamps is regulated by the Care Quality Commission for its domiciliary home care services. We are registered under Five Lamps Home Care (Eldon Street) and in July 2020 also became registered under Parkside Court Extra Care Scheme.
- Financial Conduct Authority (FCA) – Both FLO (FCA Reference 656112) and FLT (FCA Reference 791848) are authorised and regulated by the FCA.

During the year there have been no regulatory breaches or adverse regulatory issues to report.

Five Lamps participated in an FCA Forbearance survey including some on site assessment and verification of our processes and no areas of non or partial compliance were identified.

In March 2021, our Five Lamps Home Care Service was subject to an inspection and received a grade of 'Good' across all aspects of the inspection, an improvement on the initial CQC inspection undertaken in 2018 reflecting the significant progress and development we have made in this area.

## **PRINCIPAL ACTIVITIES**

2020/21 was a challenged yet transformational year for the organisation with significant changes to its executive management team and a comprehensive review of our services and products against a review of our long term strategic goals. We are proud to have survived the pandemic and the financial and social impact this has had on our charity and still be in a position of strength as we move into a period of recovery.

With the arrival of a new finance director in February 2021, an in depth audit of our financial management systems and reporting was completed to improve the transparency of our management accounts and introduced a new approach to cash flow monitoring. All products, services or assets that were not making a return on investment have been evaluated and have plans in place, or now completed to manage the risk. Given the risks associated with affordability for our social lending client group in the light of the economic impact current and future we have robustly reviewed our bad debt provision and adopted a proactive and supporting approach to affordability checking and repayment plans.

The consolidated operating deficit of £456,894 includes an additional provision of £714,796 to reflect increased bad debt risk and uncertainty due to the Covid 19 pandemic.

Excluding this, the Group reported a £257,903 operating surplus compared to an operating loss of £699,035 in 2019/20. (The surplus was made up of £655,710 surplus from FLO less the £397,807 deficit FLT)

It should also be noted that the unity bank CDFI loan was discharged in full during the year.

A brief summary of our achievements during the year is included below. A separate social impact report covering all of the Group's activities will be produced.

### **a) Five Lamps Organisation the charity**

We are exceptionally proud of the resilience and strength of the charity during unprecedented times and recovery from two consecutive years of loss-making activities. This has been achieved due to the determination and success of our highly skilled and committed workforce. We make particular thanks to all of our colleagues including those who have been placed on Furlough Leave as it has been a one organisation approach and team effort to ensure Five Lamps remains stable and sustainable for the future.

### **Home Care**

We could not be prouder of the dedication and professionalism of our care team maintaining critical services to our clients throughout the pandemic. Throughout the period they put others first and ensured critical personal care plans were in place and maintained for those in need. Our Home Care service has proven innovative and

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resilient finding solutions to the various barriers and issues faced during this time, with one goal always in mind; providing excellent quality home care services and support for service users, who for many, we were their only contact during the lengthy lock downs.

- delivered over 2,000 hours of care per week to support individuals to live independently within their own homes.
- Maintained primary provider status on Stockton on Tees Borough Council's Care at Home Framework through a competitive tendering process which began in March 2020. We now provide care across the South of Stockton on Tees via: Care at Home, Community care –primary provider and secondary provider status & Parkside Court Extra Care Scheme – became care provider in July 2020 and TUPE transferred 24 staff
- Hospital Discharge/ Rapid a rapid care service supporting people on their discharge from hospital for up to 14 days while their primary provider package is being established.
- End of Life Continuing Health Care provide end of life care to service users within their homes, working with a team of professionals to meet the care needs and wishes of service users and their families
- Private home care – provide care to service users under private care packages
- 2021 Care Quality Commission (CQC) inspection was a 'Good' status. This was an excellent result from what was basically a start-up pilot home care service in 2017/28
- Developed and grew an in-house Training Service to ensure the highest standards of training for care staff, and the ability to deliver Emergency First Aid at Work to the wider team.
- Were awarded a certificate from the Mayor of Stockton for our contribution to Dementia Friends within the organisation and also in the wider community.
- We established a weekly PCR COVID-testing site at Eldon Street to protect our Care Assistants and service users and supported the council to host pop up community Covid Testing centres.

PAMMS (Provider Assessment and Market Management Solution) Inspection completed in March 2021 confirmed that all of the 6 standards requiring improvement identified in October had all been addressed with an ongoing improvement plan and confirmed a positive outcome reflecting 10 standards as 'good'.

Support for our care workers has been a priority. We recognise the invaluable and challenging role they have played during the pandemic. There has been extensive initiatives and support put in place including:

- 15 electric bikes were purchased with grant support from the Banks Group, to ensure staff could travel to service users homes quicker and therefore able to visit, support and provide care for more people within their shift.
- All care colleagues were provided a Five Lamps rucksack with thermo mugs to ensure they had refreshments during busy shifts when many shops and cafes were closed.
- Relocated the home case base to our head office to provide better facilities.

### **Youth Services**

Our ability to deliver youth services through our bespoke youth services facility (The Youthy), were severely impacted during Covid as the centre was closed for the entire year. Colleagues were furloughed and kept in employment as we remained committed and positive about the future reopening of the centre.

Despite being unable to offer the usual quality in person youth support groups, we adapted our service offer increasing our digital reach and engagement with established young people and formed new relationships with other local people and their families who needed our support during difficult times.

During the pandemic, it was more important than ever that the young people and their families who we usually supported were continued to be supported. Five Lamps delivered alternative and innovative detached youth work with:

- 33 virtual holiday breakfast clubs
- pop up activities supporting 70 young people each receiving a Christmas gift
- 300 young people engaged in the Spooky bus campaign for HalloweenCOVID

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**Employability & Enterprise**

Our Employability and Enterprise Team deliver the Youth Employability Initiative which targets 15-29 year olds who are not in employment, education or training. Our experienced Advisors work with them to remove their barriers to employment and self-employment to prepare them for the world of work or business enterprise. To protect jobs, the majority of the team were on Furlough Leave throughout 2020/21 due to the inability to support people face to face and because the young people were limited in opportunities to overcome the barriers.

Despite this, with a reduced workforce and innovative ways of working we continued to deliver the project and supported 153 people into employment/self-employment.

We continued to deliver the New Enterprise Allowance project receiving referrals from Job Centre Plus for customers claiming Job Seekers Allowance needing support to move into self-employment. 145 local people received an individual assessment and tailored support with 37% (54 customers) setting up their own business and becoming self-employed.

Through the European Regional Development Fund (ERDF) contract, we have also supported 19 business start-ups in 20/21.

**Helping Hands.**

We are now approaching our 12th year of delivering 'Helping Hand' on behalf of Northeast local authorities. Since the scheme began, we have assisted 860 households with a loan, mainly to bring owner occupied properties up to a Decent Living Standard as well as to renovate empty homes, undertake disabled facilities adaptations and to support relocations due to compulsory purchase.

**Empty properties**

We currently have a portfolio of 39 lease and repair and 2 purchase and repair properties, ranging from 2-bedroom flats to 4-bedroom houses. These were among 48 long-term empty properties which we brought back into use through the Empty Homes Community Grants Programme in conjunction with Durham & Darlington Councils in 2013-15. Many of our properties are in socially challenging areas, however, through close partnership working we have been able to house a number of people with complex needs whilst still maintaining an occupancy rate of over 85%.

**b) Five Lamps Trading – Conduit & Conduit Scotland**

2020/21 was a challenging financial year delivering personal lending in our wholly owned Trading Company which like other CDFI's was significantly impacted on by a downturn in lending and pressure on the economy. A separate detailed report from the Director of Five Lamps Trading to the Trustees and that forms part of the standalone FLT accounts is included below.

**FLT Directors Report to Trustees and to accompany FLT accounts for filing**

The principal activities of the company are responsible lending and property management.

We are pleased to present our 2020/21 Directors report included as part of the Five Lamps' Group Financial Statements and to complement the Trustees report, which includes an overview of Five Lamps Trading Ltd and our Affordable Lending Brand Conduit and Conduit Scotland.

The Trustee Report is signed jointly by the Chair of Five Lamps Trustees, Pat Chambers and Vivienne Holmes, Vice Chair who is also a Trustee.

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**Business Activity 2020/21**

**Summary**

2020/21 was an especially challenging year for the Group, delivering unsecured personal loans through Five Lamps Trading as a solely owned subsidiary of Five Lamps Organisation; to those in financial need during a global pandemic that has significantly impacted on jobs and the economy.

Maintaining extensive dialogue with our Social Investment Lenders, we have strived to maintain and secure a sustainable position that enables us to continue to deliver financial inclusion activities primarily through the delivery of affordable lending in keeping with our charitable objectives.

We are delighted to report that unlike many others, we have managed to sustain the unprecedented pressures and pleased to update that as a result of our resilience, risk management and support from Social Investment Lenders, we file our accounts in a stronger position for the future and remain resolute in our commitment to continue to grow our affordable lending and financial inclusion activities.

Millions of people are unable to access mainstream credit and are financially excluded, experience financial inequality 'poverty premium' and are vulnerable to high cost or unregulated lending. Access to ethical finance is even more important during periods of national and personal economic uncertainty. During this period of uncertainty, those who need it most have found the market less available as high street lending criteria has tightened and we have seen the demise of high-profile high-cost short term lenders.

Following the year end, the Trustees of the Charity commissioned a robust independent review of our updated lending model and associated assumptions. We are delighted to report this delivered significant assurance enabling our Social Investment Lenders to confirm their support for our updated business plan. The Directors wish to acknowledge the unwavering determination of the charity to the highest standards of transparency and assurance to all Social Investment Lenders during this period of uncertainty. Also, to thank our Social Investment Lenders for their continued support and to take this opportunity to reiterate our optimism for the future, a future where we continue to deliver much needed affordable lending to those in need.

The following highlights are worthy of note.

- We have put in place a new lending and financial model agreed with Social Investment Lenders to better reflect customer demand and to support scale up and future growth.
- We have invested in technology and updated our processes to enable easier access to our services and have plans for further enhancement in 21/22.
- In the year to 31st March 2021, we supported 6980 households with an affordable personal loan, disbursing a total of £4.95 million.
- This generated £1.745m social impact (based on an average saving of £250 per loan)
- Our marketing investment of almost £200k helped ensure that we met our ambition to deliver more than £5million in loans and raised awareness of CDFI's and affordable alternatives to high-cost credit. Further work is required in this area, and it is not something we can do in isolation.
- Our Conduit loan product was made available on several cost comparison sites as part of our strategy to disrupt high-cost credit and achieve scale up.
- Continued to benefit from grant funding and support from Fair4allFinance to support our research and delivery through cost comparison sites.
- Reflecting on the financial risks arising specifically from Covid 19, the Directors made an exceptional one-off provision for bad debts to offset the increased risk against our historical loan book totalling £714,796

Financially, the Directors of FLT report a year end loss of £ 1,112,604 ( £369,594 2020). Excluding exceptional items (one off bad debt provision)\*, the loss would have been £602,192 ( £283,475 2020). These losses were supported by the Board of Trustees (Charity) in pursuant of the longer-term charitable objectives.

**Partnerships & Social Investment Lenders**

Five Lamps does not work in isolation. We know that the viability of our business and ability to deliver our goals is best achieved through partnerships and innovation.

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Despite a pandemic, we did not stand still. As well as investing in existing partnerships, we sourced new partnerships and support in particular supported Five Lamps Organisation in securing a £500k grant from Scottish Government to raise awareness of and increase access to affordable lending across Scotland.

We have received additional grant and in-kind support from Fair4allFinance that has enabled us to complete an extensive treasury review and independent due diligence of our business model and operating assumptions.

At a time when others were pulling back from the unsecured personal lending market; we entered into new partnerships with cost comparison sites to respond to changing customer behaviours.

Despite a financial year with lockdowns and homeworking we have again made significant changes and improvements to systems, infrastructure investment into technology, new ways of working and creating a new norm as well as identifying and making new routes to market happen. In response to changing need, we worked with a number of partners to identify different loan products and as Directors agree the future strategy for financial inclusion.

In 2020/21 our commitment and approach to partnership working has been pivotal in strengthening our future. Specifically:

The Directors would like to thank our eight Social Investment Lenders and ten noteholders for their continued support. In 2020/21 a number of activities have been undertaken:

- £750k new loan notes were subscribed and drawn down in the year. These have been received thanks to additional support from Social Investment Scotland and the Affordable Loan Fund and Big Issue Invest.
- A total of £187,250 loan notes is now unsubscribed, and the Directors are considering options to bring in this funding plus future funding to support growth.
- Supported and approved a new financial model reflecting the current market and planning for future growth.
- Agreed to waive the financial covenants which technically breached whilst the new model was being designed and agreed.
- Agreed to vary the loan instrument to move to bullet repayments for the capital by July 2024 and deferred interest payments due to future years to support cashflow; both decisions ensured improved outcomes in the financial model and improved liquidity.
- Extensive investment, both financial and leadership resource has been contributed into the social investment partnership to improve its effectiveness and as a result a positive relationship is now in place working together to find solutions, innovate for growth and importantly focus on the delivery of social impact

**Covid-19**

The Directors have welcomed the Government support packages made available to businesses including a CBILS loan of £500k secured in July 2020 and £110,400 via the furlough scheme grant during the period.

Throughout the financial year, Covid19 has significantly impact on our customers and our business.

- all FLT colleagues were mobilised to work remotely within several days of the lockdown announcement that has ensured the continued delivery of lending services throughout the pandemic.
- A new way of working is emerging from this as we support our colleagues and their families as well as future proof our business to adapt to operating with Covid.
- Front facing roles that could not be relocated into home working works were furloughed to protect jobs and businesses although in March 2021 we took the decision to exit shop based and face to face lending in Scotland resulting in the redundancy of 4 colleagues.
- The £500k Covid Business Interruption Loan was secured in July 2020 to partially bridge the lost and irrecoverable revenue from a collapse in the lending market during the 1st lockdown.
- The approach to bad debt provisioning was overhauled to manage the uncertain risk for future lending against a new economic backdrop volatile to the impact of Covid. This resulted in a policy change increasing our provision to between 12% and 15% of capital disbursed. The Directors expect this to be prudent but until the market recovers or resets it is the preference to manage risk in this area.

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- As well as increasing the provision method for new loans, the Directors agreed to an extraordinary provision of £714,796 to provide for increased risk of loan defaults for existing loans at 31.3.21. This considered the FCA requirement to offer customers payment holidays.

**Leadership Team**

During the year, we made further changes to our Executive team structure and capacity with the addition of a new Strategic Finance Director and a Head of Finance role. This reflected the importance on strategic planning, cash flow management, liquidity and to ready the company for future funding opportunities. In addition, the Directors secured the outsourced support from Ellison Ray for affordable lending and financial modelling expertise. Subsequent to the success of these changes and to complement the newly approved lending model and reinvigorated commitment to scaled up lending, it has been agreed to further strengthen the senior team and build capacity by creating a new Director of Conduit Operations for the group.

**Future**

Since the year end, the Directors have agreed with the Noteholders and approved by the Charity Trustees, that all lending will be delivered within the lending permissions held by the Charity as this enables the Group to deliver loans exceeding 100% APR which is critical to meet changing needs and increased risks. The Director of FLT will continue to remain the Issuers of the Loan Note Instrument that underpins the partnership we have with 8 Social Investment Lenders.

The Trustees remain committed to personal lending and its pivotal role in addressing financial exclusion and the poverty premium impacts having an inability to access mainstream credit has on the people and communities we support.

To this end, as well as the activity within FLT, the charity submitted a bid to the Scottish Governments Affordable Lending fund and received a grant of £500k to increase access to affordable credit in Scotland. Alongside this, Fair4allFinance supported FLT with a further £20k grant to invest into strategic finance director expertise which has been invaluable in managing the perfect storm associated with Covid19.

**c) Social Impact Reporting**

Five Lamps is passionate about its ability to deliver social impact and an 18-month social impact report is to be published for the Group detailing not only the social impact we have made but capturing the resilience and outcomes achieved during the pandemic. The Trustees could not be prouder of the impact that has been made and at a time when our services and support were needed the most, we have showcased our continued commitment to 'Make People Matter and Change Lives'

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**PLANS FOR THE FUTURE**

**Strategic direction and future plans**

Five Lamps has a 35-year history of delivering and forging partnership to promote and deliver social, financial, and economic inclusion and to invest in the local communities particularly across Stockton on Tees and Teesside and through our financial inclusion work we have a specific focus in Scotland and throughout the UK. We are committed to retaining and building on our heritage and using this experience to grow where our services and products can help change people's lives.

We have a proven track record of being versatile and able to respond to new initiatives and opportunities and have increasingly become well placed at influencing and helping to bring about change. Never has this been more apparent than in the last financial year. To weather the storm and deliver a surplus for the first time in 3 years is testament to the innovation, determination and resilience of the organisation and its workforce. Whilst we have always been positive about the future, this outcome, and the emerging reality of increasing need for our services and support due to social and economic changes, has reinvigorated the charity's passion to ensure we remain viable and successful delivering positive social impact and outcomes for a further 35 years.

To this end and as part of the Executive Team and both Boards keeping themselves abreast of developments at national, regional, and local level across a broad range of thematic and geographical issues the strategic priorities for 2021/22 and the future include:

**1. Reset & refocus our financial inclusion work through:**

- a. innovating and growing the Conduit brand with different products and services to meet changing needs and circumstances. This will be to support us to reach more people experiencing financial hardship and exclusion to improve their financial health and eliminate the reliance on high-cost unaffordable short-term lending.
- b. Working in partnership with existing and new local authorities and housing providers to raise awareness and increase access to affordable alternative credit products; in addition to being a deliverer, we want to collaborate and raise awareness through campaigning and supporting new initiatives.
- c. Embarking on a journey of customer engagement and experience to build on our extensive consumer insight policy

**2. Build on our Youth Inclusion focus.**

- a. With a new enhanced role of Youth Inclusion Manager, we plan to revitalise The Youthy and make this the hub of our youth inclusion and tackling child poverty. In 2022, our Youthy will be 20 years old; we plan to use this as a catalyst to reposition ourselves as a leading local charity delivering support and providing hope and aspirations for local young people.

**3. Grow our Home Care service, both in numbers, brand, and geographical location**

- a. We plan to achieve great economies of scale and added value by doing more of what we do well and will be targeting grow across Teesside in the first instance, ensuring we remain a key partner for Stockton Borough Council as well as Continuing Health Care (CHC).
- b. Intend to develop, brand and market our private home care services specifically for those who are not eligible for adult social services financial or other support and to link this to our focus on loneliness and isolation.
- c. Develop the best staff team possible; working within the social care sector financial constraints we want to our care staff are rewarded fairly and see us as the best care provider to work with.
- d. We aspire to receiving excellence through both CQC and PAMSS assessments
- e. We will be a greater voice championing investment and new ways of working for home care services and home from hospital support.

**4. Refocus our Enterprise and Employability stream.**

- a. To take tough decisions to address legacy issues that do not make best use of the charities reserves and use this opportunity to start from a smaller base and discover / shape our niche role in the market, particularly in

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

terms of Youth employability and support for small or new businesses.

b. The Trustees have identified that all our future enterprise activities need to be self-funding or able to bring in charitable funds and support.

**5. Recognised brand and purpose for our charity.**

a. We know the services and products we provide are needed more now than ever. We plan to ensure our brand and activities are better marketed and well known. We will be recruiting a new Charity and Fundraising Manager to support this ambition.

b. Moving from charitable activities that are reliant on grant and other funding, we plan to build on and make our fundraising activities an integral part of what we do.

**6. Ensure our assets and value**

a. We will be consolidating our premises and assets to build on the Eldon Street head office being the hub of the charity with the Youthy being the hub for youth engagement and inclusion.

b. We will conclude plans to purchase the Eldon Street office and increase its value within the local community.

**7. Our people : we want to be an employer who people enjoy working with and want to work for**

a. A new cultural strategy is to be implemented with the values of the organisation being updated and future proofed.

b. We are reviewing our terms and conditions to ensure where we are able to, we support our colleagues to cope with increasing inflation, rising cost of living and increased tax and NI contributions.

c. Mental health and a healthy workforce are a priority for us to ensure that our staff are supported and happy in their work.

d. Continue to develop our agile working policy and support colleagues, where they can, to work flexibly and remotely, being trusted and accountable for their delivery and performance.

**8. Governance**

a. Recruit new Trustees with specific skills and experiences to help us deliver our vision, ensure the oversight and achievement of the future targets and to complement the existing Trustees.

b. Complete a Governance review started in April 2021 and deferred until the investment priorities and financial model were finalised. This will include:

i. A review of the FLT Governance structure and Board of Directors as their terms of office come to an end.

ii. A review of the governance structure across the Group to ensure the right balance of focus and challenge is centred in the areas to best manage risk and support new opportunities.

**9. Financial Health & Resilience.**

We have survived some of the biggest challenges Five Lamps has ever experienced. We want to build on this to ensure we have reserves in the tank for the future and as well as being able to survive future risks and challenges, we are best place to pursue new opportunities.

a. Complete a financial health check and independent support on future refinancing and funding opportunities

b. Ensure regular market and funding potential assessment to ensure Five Lamps accesses and benefits from relevant funds and grants that complement our priorities.

c. Undertake a value-added assessment of all of our functions and activities.

**10. Carbon Neutral**

a. We recognise the pressure and necessity to protect our planet and ensure its viable for future generations. As part of this, in 21/22 we embark on our first assessment of our carbon footprint and impact we have on the environment and publish our plans for reducing our impact. We have started this through electric bikes for our care staff but will be looking to take this further and at the same time explore initiatives that can

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

support the customers and communities we serve with improved affordability as result of carbon neutral activities.

**11. Digital Transformation.**

a. We plan to ensure our services and contracts are accessible via evolving digital channels and technology. We plan to develop a digital shift strategy to outline how we can become more effective through digital innovation and technology as well as improve the social, financial, and economic impact we make.

**12. Social Impact**

a. Everything we do is about delivering a positive social, financial, or economic impact and Making People Matter. This year we plan to showcase some of the brilliant work we have done and plan to do and use this as a foundation and catalyst to refocus and grow the Five Lamps Charity.

**c) Strategic direction and future plans**

Our Mission: To Transform Lives, Raise Aspirations and Remove Barriers to Social, Economic & Financial Inclusion

Our Business : A nationally recognised charitable business working with excluded individuals and families in the most disadvantaged communities.

Delivered Through:

- Trusted Brand
- Quality Assured Services
- Making People Matter
- Superior Contract Performance
- Measured Social Impact
- Social Investment
- Skilled & Motivated Workforce
- Expanding Geographic Reach
- Revenue Generated via Stronger Balance Sheet

Making People Matter

- Treating people with respect
- Releasing potential
- Keeping confidentiality
- Enabling and empowering people to help themselves
- Challenging self perceptions and encouraging self worth

Performance Matters

- Strength of performance wins contracts
- Taking personal accountability within delegated authority
- Maintaining high standards, skills, credibility and ethics
- Demonstrating personal, individual and team commitment to corporate goals
- Respecting and promoting a positive corporate culture
- Everyone contributes to the 'bottom line'
- We are all Five Lamps ambassadors

Quality Matters

- Assuring quality and achieving contemporary quality standards
- Pursuing and achieving continuous service improvement
- Investing in our people, our systems and our buildings

**THE FIVE LAMPS ORGANISATION  
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

- Marketing and promoting our products and services effectively

**Making Communities Matter**

- Understanding communities and their needs
- Enabling access to services via a range of routeways embracing 21st century technologies
- Including everyone and removing geographic barriers
- Designing new services to meet identified need
- Regenerating communities – restoring the sense of 'place'

**Measuring Impact Matters**

- Producing regular Social Impact Reports
- Measuring customer and stakeholder experiences and feedback
- Collecting social, performance and environmental data across the full range of our business
- Publishing a range of good news stories and case studies

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.


**AUDITORS**

The auditors, Armstrong Watson Audit Limited have indicated their willingness to continue in office. The Designated Trustees will propose a motion re appointing the auditors at a meeting of the Trustees.

This report was approved by the Trustees, on <sup>04 November 2021</sup> and signed on their behalf by:



**P Chambers  
Trustee**



**V Holmes  
Trustee**

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 MARCH 2021**

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**

**Opinion**

We have audited the financial statements of The Five Lamps Organisation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2021 and of the Group's 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.

**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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**  
**(CONTINUED)**

**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 Auditors' Report 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.

**Opinion 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

In the light of our 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 Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**  
**(CONTINUED)**

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**  
**(CONTINUED)**

**Auditors' 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 an Auditors' Report 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector the company operates in;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

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 Auditors' Report.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**  
**(CONTINUED)**

**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. Our audit work has been undertaken so that we might state to the charitable company's members 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Simon Turner (Senior Statutory Auditor)**

for and on behalf of

**Armstrong Watson Audit Limited**

Chartered Accountants & Statutory Auditors

Northallerton

Date: 11 November 2021

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
<b>Income from:</b>					
Donations and legacies	4	24,159	586,068	610,227	2,037
Charitable activities	5	1,224,192	236,213	1,460,405	1,116,661
Other trading activities		1,520,874	-	1,520,874	1,697,416
Investments	6	5,700	14,000	19,700	24,700
Other income	7	414,149	200,339	614,488	59,043
		<u>3,189,074</u>	<u>1,036,620</u>	<u>4,225,694</u>	<u>2,899,857</u>
<b>Total income</b>					
<b>Expenditure on:</b>					
Raising funds		97,610	-	97,610	273,854
Charitable activities	8	3,338,601	531,581	3,870,182	3,325,039
Exceptional expenses	9	714,796	-	714,796	160,382
		<u>4,151,007</u>	<u>531,581</u>	<u>4,682,588</u>	<u>3,759,275</u>
<b>Total expenditure</b>					
		<u>(961,933)</u>	<u>505,039</u>	<u>(456,894)</u>	<u>(859,418)</u>
<b>Net (expenditure)/income</b>					
Transfers between funds	20	<u>(436,496)</u>	<u>436,496</u>	-	-
		<u>(1,398,429)</u>	<u>941,535</u>	<u>(456,894)</u>	<u>(859,418)</u>
<b>Net movement in funds</b>					
<b>Reconciliation of funds:</b>					
Total funds brought forward		1,499,889	(427,868)	1,072,021	1,931,439
Net movement in funds		(1,398,429)	941,535	(456,894)	(859,418)
		<u>101,460</u>	<u>513,667</u>	<u>615,127</u>	<u>1,072,021</u>
<b>Total funds carried forward</b>					

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 02441319**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	13	686,877	724,858
Investments	15	4,185,950	4,786,311
Investment property	14	32,500	32,500
		4,905,327	5,543,669
<b>Current assets</b>			
Debtors	16	178,382	188,667
Investments	17	80	80
Cash at bank and in hand		1,917,916	525,170
		2,096,378	713,917
Creditors: amounts falling due within one year	18	(1,242,272)	(1,112,727)
<b>Net current assets / liabilities</b>		854,106	(398,810)
<b>Total assets less current liabilities</b>		5,759,433	5,144,859
Creditors: amounts falling due after more than one year	19	(5,144,306)	(4,072,838)
<b>Total net assets</b>		615,127	1,072,021
<b>Charity funds</b>			
Restricted funds	20	513,667	(427,868)
Unrestricted funds	20	101,460	1,499,889
<b>Total funds</b>		615,127	1,072,021

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

The financial statements were approved and authorised for issue by the Trustees on 04 November 2021 and signed on their behalf by:

**Patricia Chambers**  
Trustee



**Vivienne Holmes**  
Trustee



The notes on pages 27 to 57 form part of these financial statements.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 02441319**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note		2021 £		2020 £
<b>Fixed assets</b>					
Tangible assets	13		686,877		724,858
Investments	15		2,580,737		2,767,776
			3,267,614		3,492,634
<b>Current assets</b>					
Debtors	16	160,970		185,770	
Investments	17	80		80	
Cash at bank and in hand		607,370		102,316	
			768,420		288,166
Creditors: amounts falling due within one year	18	(1,515,738)		(1,916,713)	
<b>Net current liabilities</b>			(747,318)		(1,628,547)
<b>Total assets less current liabilities</b>			2,520,296		1,864,087
<b>Total net assets</b>			2,520,296		1,864,087
<b>Charity funds</b>					
Restricted funds	20		513,667		(427,867)
Unrestricted funds	20		2,006,629		2,291,954
<b>Total funds</b>			2,520,296		1,864,087

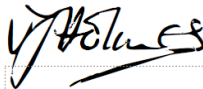
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

**Patricia Chambers**  
Trustee



**Vivienne Holmes**  
Trustee



The notes on pages 27 to 57 form part of these financial statements.

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>48,450</b>	<b>(859,417)</b>
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Proceeds from the sale of tangible fixed assets	<b>330</b>	-
Purchase of tangible fixed assets	<b>(7,676)</b>	-
Net movement in loan book	<b>600,361</b>	<b>(517,454)</b>
	<hr/>	<hr/>
<b>Net cash provided by/(used in) investing activities</b>	<b>593,015</b>	<b>(517,454)</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Cash inflows from new borrowing	<b>751,280</b>	-
Repayments of borrowings	-	<b>463,510</b>
	<hr/>	<hr/>
<b>Net cash provided by financing activities</b>	<b>751,280</b>	<b>463,510</b>
	<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>	<b>1,392,745</b>	<b>(913,361)</b>
Cash and cash equivalents at the beginning of the year	<b>525,170</b>	<b>1,438,531</b>
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,917,915</b>	<b>525,170</b>
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 27 to 57 form part of these financial statements

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**1. General information**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Five Lamps Organisation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

**2.2 Company status**

The company is a registered charity and company limited by guarantee. The members of the company are the Trustees named on page . In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The company is a charitable company domiciled in England and Wales, registration number 02441319 and charity number 702314.

The registered office is Eldon Street, Thornaby, Stockton-on-Tees, TS17 7DJ.

**2.3 Going concern**

The Trustees have prepared the financial statements on a going concern basis. This is having taken account of the historic losses of the group/company, covenant waivers in the year and the impact of the COVID 19 pandemic.

In reaching their conclusion, the Trustees have considered cash flow forecasts covering a period of at least 12 months from the date of sign off. These include sensitivities analysis that focus on the key uncertainties within the business model, namely receipt of capital and interest on funds previously disbursed and a renegotiated funding position.

Management forecasts show financial headroom and confidence that funding will be renegotiated with more favourable covenants, alongside strong cash recovery.

Whilst aware that a change in key assumptions could have a material impact on the future financial performance of the Group/company the Trustees/Directors feel that the model used to assess going concern is balanced and as such have prepared the accounts on a going concern basis accordingly

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**2. Accounting policies (continued)**

**2.4 Taxation**

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**2.5 Incoming resources**

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

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

(i) Grants and Donations:

Income from grants and donations, including capital grants, is included in incoming resources when receivable, except as follows:

(a) When donors specify that donations and grants given to the Charity must be used in future accounting periods, the income is deferred until those periods.

(b) When donors impose conditions which have to be fulfilled before the Charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre conditions for use have been met.

When donors specify that grants and donations, including capital grants are for particular restricted purposes, which do not amount to pre conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

(ii) Investment Income

Investment income is included when receivable by the Charity.

(iii) Fees and Similar Income

Fees receivable and charges for services provided and for the use of premises are accounted for in the period in which the service is provided.

(iv) Commercial Trading Operations

Income from commercial trading operations is included in the period in which the group is entitled to receipt, and comprises the turnover of the trading subsidiary including rental income from external sources.

**2.6 Resources expended**

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred on the company's educational

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**2. Accounting policies (continued)**

**2.6 Resources expended (continued)**

operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Resources expended are accounted for on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure on grants is recorded once there is an unconditional commitment to pay the grant or the grant has been paid, whichever is the earlier.

Certain expenditure is directly attributable to specific activities and has been apportioned to the costs of those activities as follows:

- Management and administration costs – by reference to the total income generated by each project.
- Staff costs – by reference to the estimated time spent by staff on each project.
- Premises costs and office costs – by reference to the estimate floor space (and related room rental value) occupied by each project.

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

**2.7 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements

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

**2.8 Tangible fixed assets and depreciation**

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

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

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**2. Accounting policies (continued)**

**2.8 Tangible fixed assets and depreciation (continued)**

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

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- Straight line over term of lease or 2% straight line
Plant and machinery	- 25% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line
Office equipment	- 25% straight line

**2.9 Other investments**

Fixed asset programme related investments (loan book) are accounted for on the basis of estimated net realisable values (i.e. capital amounts recoverable) at each balance sheet date. Interest receivable on these investments is recognised within the Statement of Financial Activities when earned.

Programme related investments are reviewed at least annually for impairment, an adjustment is made to provide for amounts considered to be irrecoverable, but only once normal recovery procedures have been followed and no further repayments have been made.

Other fixed asset investments are stated at cost.

Current asset investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses on revaluations and disposals throughout the year

(i) Associated undertakings

Investments in unlisted investments are stated at cost less impairment.

**2.10 Investment properties**

Investment properties whose fair value can be measured reliably without undue cost or effort shall be measured at fair value recognised in profit and loss

**2.11 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term

**2.12 Interest receivable**

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

**2.13 Debtors**

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

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**2. Accounting policies (continued)**

**2.14 Cash at bank and in hand**

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

**2.15 Liabilities and provisions**

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

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

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

**2.16 Financial instruments**

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

**2.17 Significant judgements**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The loan book is reviewed on an annual basis for impairment based on an expectation of recoverability of the outstanding balance.

**2.18 Pensions**

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

**2.19 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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**3. Critical accounting estimates and areas of judgment**

Management consider there to be an element of judgement and uncertainty in determining the carrying value of the loan debtor book. Accordingly management has assessed the performance of each debtor based on available financial and management information. Where that information shows a net realisable value less than carrying management recognise an impairment against said asset accordingly.

The management team routinely monitor and review loan debtors and investments on a monthly basis and present to the directors on a quarterly basis for consideration. Provision for identified recovery issues are made on a case by case basis with additional provision to reflect historic loss rate experience. In light of ongoing effects of COVID-19 these reviews are more detailed with regards to identifying concerns which may give rise to a bad and doubtful debt, with careful and thorough assessment reports provided to the directors.

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**4. Income from donations and legacies**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Donations and other voluntary income	24,159	586,068	<b>610,227</b>

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations and other voluntary income	112	1,925	2,037

**5. Income from charitable activities**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Health and communities	1,224,192	-	<b>1,224,192</b>
Finance and enterprise	-	191,602	<b>191,602</b>
Young people	-	44,611	<b>44,611</b>
<b>Total 2021</b>	<b>1,224,192</b>	<b>236,213</b>	<b>1,460,405</b>

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Health and communities	81	893,799	893,880
Finance and enterprise	-	109,960	109,960
Young people	-	112,821	112,821
<i>Total 2020</i>	<i>81</i>	<i>1,116,580</i>	<i>1,116,661</i>

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**6. Investment income**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Garage rental income	5,700	-	<b>5,700</b>
Cafe rental income	-	14,000	<b>14,000</b>
	<u>5,700</u>	<u>14,000</u>	<u><b>19,700</b></u>

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Garage rental income	5,700	-	5,700
Cafe rental income	-	19,000	19,000
	<u>5,700</u>	<u>19,000</u>	<u>24,700</u>

**7. Other incoming resources**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Interest generated by programme related investment (loan debtor book)	-	36,839	<b>36,839</b>
Grant income	267,119	96,786	<b>363,905</b>
Furlough income	146,655	66,502	<b>213,157</b>
Sundry income	375	212	<b>587</b>
	<u>414,149</u>	<u>200,339</u>	<u><b>614,488</b></u>

	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Interest generated by programme related investment (loan debtor book)	<u>59,043</u>	<u>59,043</u>

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**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Management and administration	2,236,647	-	<b>2,236,647</b>
Health and communities	654,358	228,055	<b>882,413</b>
Finance and enterprise	402,268	203,708	<b>605,976</b>
Young people	-	99,818	<b>99,818</b>
Depreciation re properties	45,328	-	<b>45,328</b>
	3,338,601	531,581	<b>3,870,182</b>
	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Management and administration	1,486,243	-	1,486,243
Health and communities	-	860,044	860,044
Finance and enterprise	-	770,898	770,898
Young people	-	164,185	164,185
Depreciation re properties	43,669	-	43,669
	1,529,912	1,795,127	3,325,039

**9. Exceptional items**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Additional bad debt provision	714,796	<b>714,796</b>
	714,796	<b>714,796</b>

The group for several years has taken a prudent view with regards to portfolio provisions, given the nature and inherent risks of the organisations in which it invests. With the emergence of COVID-19, the portfolio and related provisions have been closely reviewed and an additional provision of £714,796 has been raised in the current accounting year.

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**9. Exceptional items (continued)**

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Additional bad debt provision	68,619	91,763	160,382

**10. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2021 £</b>	<b>Support costs 2021 £</b>	<b>Total funds 2021 £</b>
Management and administration	1,742,069	494,578	<b>2,236,647</b>
Health and communities	882,414	-	<b>882,414</b>
Finance and enterprises	605,975	-	<b>605,975</b>
Young people	99,818	-	<b>99,818</b>
Depreciation re properties	45,328	-	<b>45,328</b>
	<u>3,375,604</u>	<u>494,578</u>	<u><b>3,870,182</b></u>

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Management and administration	987,230	499,012	1,486,242
Health and communities	860,044	-	860,044
Finance and enterprises	770,898	-	770,898
Young people	164,185	-	164,185
Depreciation re properties	43,669	-	43,669
	<u>2,826,026</u>	<u>499,012</u>	<u>3,325,039</u>

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**10. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Mgmt and admin 2021 £</b>	<b>Health 2021 £</b>	<b>Finance 2021 £</b>	<b>Young people 2021 £</b>
Staff costs	299,785	802,680	518,112	75,221
Premises costs	28,477	7,846	1,048	17,888
General office costs	26,850	12,133	4,321	2,618
Trading company expenses	623,064	-	-	-
Grants payable to individuals to assist with individuals	-	-	1,233	2,732
Finance income and expenses	742,277	-	7,829	-
Bad debts write off	-	-	29,038	-
Publicity and advertising	31	42	-	290
Training and activities	1,186	5,065	-	-
Activities costs	-	18,515	-	410
Cafe and vending costs	-	2	-	-
Subscriptions/affiliations	-	11,745	-	194
Motor expenses	1,155	-	-	-
Mobile phones	5,100	9,714	726	465
Other costs	11,968	5,051	43,668	-
Consultancy/facilitators fees	2,176	9,621	-	-
	<u>1,742,069</u>	<u>882,414</u>	<u>605,975</u>	<u>99,818</u>

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**10. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

	Dep'n 2021 £	Total funds 2021 £
Staff costs	-	1,695,798
Premises costs	-	55,259
General office costs	-	45,922
Trading company expenses	-	623,064
Grants payable to individuals to assist with individuals	-	3,965
Finance income and expenses	-	750,106
Bad debts write off	-	29,038
Publicity and advertising	-	363
Depreciation	45,328	45,328
Training and activities	-	6,251
Activities costs	-	18,925
Cafe and vending costs	-	2
Subscriptions/affiliations	-	11,939
Motor expenses	-	1,155
Mobile phones	-	16,005
Other costs	-	60,687
Consultancy/facilitators fees	-	11,797
	<u>45,328</u>	<u>3,375,604</u>

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**10. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

	<i>Mgmt and admin 2020 £</i>	<i>Health 2020 £</i>	<i>Finance 2020 £</i>	<i>Young people 2020 £</i>
Staff costs	13,920	775,683	651,206	107,562
Premises costs	(2,939)	23,349	3,941	12,785
General office costs	52,509	17,501	1,824	15,556
Trading company expenses	633,682	-	-	-
Grants payable to individuals to assist with individuals	-	-	-	10,603
Finance income and expenses	280,871	-	-	-
Bad and doubtful debts	-	-	(3,528)	-
Publicity and advertising	-	1,862	32	895
Training and accreditation costs	-	10,721	400	9,414
Activities costs	-	5,596	-	7,059
Cafe and vending costs	-	194	-	-
Subscriptions/affiliations	8,143	-	-	-
Motor expenses	1,044	-	-	-
Mobile phones	-	12,344	450	311
Other costs	-	878	114,573	-
Consultancy/facilitators fees	-	11,916	2,000	-
	<u>987,230</u>	<u>860,044</u>	<u>770,898</u>	<u>164,185</u>

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

**Analysis of direct costs (continued)**

	<i>Dep'n 2020 £</i>	<i>Total funds 2020 £</i>
Staff costs	-	1,548,371
Premises costs	-	37,136
General office costs	-	87,390
Trading company expenses	-	633,682
Grant payable to individuals to assist with employment	-	10,603
Finance income and expenses	-	280,871
Bad and doubtful debts	-	(3,528)
Publicity and advertising	-	2,789
Depreciation	43,669	43,669
Training and accreditation costs	-	20,535
Activities costs	-	12,655
Cafe/vending costs	-	194
Subscriptions/affiliations	-	8,143
Motor expenses	-	1,044
Mobile phones	-	13,105
Other costs	-	115,451
Consultancy/facilitators fees	-	13,916
	43,669	2,826,026
	43,669	2,826,026

**Analysis of support costs**

	<b>Mgmt and admin 2021 £</b>	<b>Total funds 2021 £</b>
Staff costs	426,098	<b>426,098</b>
Premises costs	4,283	<b>4,283</b>
General office costs	22,197	<b>22,197</b>
Publicity and advertising	229	<b>229</b>
Bank charges re loan funds	6,109	<b>6,109</b>
Professional fees	35,662	<b>35,662</b>
	494,578	<b>494,578</b>
	494,578	<b>494,578</b>

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**10. Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

	<i>Mgmt and admin 2020 £</i>	<i>Total funds 2020 £</i>
Staff Costs	421,878	421,878
Publicity and advertising	1,592	1,592
Bank charges	8,234	8,234
Professional fees	65,640	65,640
Others	1,668	1,668
	<u>499,012</u>	<u>499,012</u>

**11. Auditors' remuneration**

	<b>2021 £</b>	<b>2020 £</b>
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<b><u>16,000</u></b>	<b><u>15,000</u></b>

**12. Staff costs**

In the current and previous accounting year, no trustees received any remuneration, benefits in kind or reimbursement of expenses. As part of the main insurance taken out by this company, insurance is taken out to protect the trustees against any loss arising from neglect or default of its trustees and officers.

One of the trustees was paid remuneration of £6,000 (2020: £6,000) in the year ended 31 March 2021 and this was paid by the subsidiary company,

	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Company 2021 £</b>	<i>Company 2020 £</i>
Wages and salaries	<b>1,903,415</b>	1,502,295	<b>1,502,295</b>	1,221,596
Employer NI	<b>126,838</b>	110,641	<b>96,129</b>	74,566
Contribution to defined contribution pension schemes	<b>45,569</b>	52,452	<b>37,032</b>	33,947
	<b><u>2,075,822</u></b>	<u>1,665,388</u>	<b><u>1,635,456</u></b>	<u>1,330,109</u>

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**Staff costs (continued)**

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

	<b>Group 2021 No.</b>	<i>Group 2020 No.</i>	<b>Company 2021 No.</b>	<i>Company 2020 No.</i>
Direct charitable work	<b>92</b>	<i>91</i>	<b>92</b>	<i>80</i>
Administration	<b>38</b>	<i>37</i>	<b>10</b>	<i>11</i>
	<b>130</b>	<i>128</i>	<b>102</b>	<i>91</i>

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

	<b>Group 2021 No.</b>	<i>Group 2020 No.</i>
In the band £60,001 - £70,000	<b>1</b>	<i>-</i>
In the band £70,001 - £80,000	<b>-</b>	<i>1</i>
In the band £80,001 - £90,000	<b>1</b>	<i>-</i>

Costs incurred in relation to key management personnel were £173,837 in total (2020: £213,175).

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**13. Tangible fixed assets**

**Group**

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>							
At 1 April 2020	884,277	687,157	202,582	14,428	128,693	69,947	1,987,084
Additions	-	-	5,205	-	-	2,471	7,676
Disposals	-	-	(348)	-	-	-	(348)
At 31 March 2021	<u>884,277</u>	<u>687,157</u>	<u>207,439</u>	<u>14,428</u>	<u>128,693</u>	<u>72,418</u>	<u>1,994,412</u>
<b>Depreciation</b>							
At 1 April 2020	297,777	548,799	202,582	14,428	128,693	69,947	1,262,226
Charge for the year	17,748	25,920	905	-	-	754	45,327
On disposals	-	-	(19)	-	-	-	(19)
At 31 March 2021	<u>315,525</u>	<u>574,719</u>	<u>203,468</u>	<u>14,428</u>	<u>128,693</u>	<u>70,701</u>	<u>1,307,534</u>
<b>Net book value</b>							
At 31 March 2021	<u><u>568,752</u></u>	<u><u>112,438</u></u>	<u><u>3,971</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,717</u></u>	<u><u>686,878</u></u>
At 31 March 2020	<u><u>586,500</u></u>	<u><u>138,358</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>724,858</u></u>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**13. Tangible fixed assets (continued)**

**Company**

	Freehold property £	Long-term leasehold property £	Equipment and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>							
At 1 April 2020	884,277	687,157	202,582	14,428	128,693	69,947	1,987,084
Additions	-	-	5,205	-	-	2,471	7,676
Disposals	-	-	(348)	-	-	-	(348)
At 31 March 2021	<u>884,277</u>	<u>687,157</u>	<u>207,439</u>	<u>14,428</u>	<u>128,693</u>	<u>72,418</u>	<u>1,994,412</u>
<b>Depreciation</b>							
At 1 April 2020	297,777	548,799	202,582	14,428	128,693	69,947	1,262,226
Charge for the year	17,748	25,920	905	-	-	754	45,327
On disposals	-	-	(19)	-	-	-	(19)
At 31 March 2021	<u>315,525</u>	<u>574,719</u>	<u>203,468</u>	<u>14,428</u>	<u>128,693</u>	<u>70,701</u>	<u>1,307,534</u>
<b>Net book value</b>							
At 31 March 2021	<u>568,752</u>	<u>112,438</u>	<u>3,971</u>	<u>-</u>	<u>-</u>	<u>1,717</u>	<u>686,878</u>
At 31 March 2020	<u>586,500</u>	<u>138,358</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>724,858</u>

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**13. Tangible fixed assets (continued)**

Freehold Land and Buildings

This comprises the building known as The Youthy which was built primarily for the young people of Thornaby. Due to the unique design of The Youthy and the purpose for which it was built, there is no readily available method of arriving at a realistic market value. The unique nature of the building means that it is difficult to value it on a normal commercial basis. The Youthy was valued in November 2011 at £500,000 for the purposes of securing bank facilities but this figure is not considered to be appropriate to use as the carrying value in the financial statements. An alternative method is to measure its 'value in use' at an amount based upon expected future cash flows, but this alternative method is also considered not to be appropriate. One further alternative, which is more relevant to this property, is to use replacement cost which exceeds the carrying value at 31 March 2021 of £568,753 (2020: £586,501). All in all, it is considered unlikely that The Youthy will have suffered material permanent impairment in value since it was originally built and, in the opinion of the trustees, a carrying value based on original cost less depreciation continues to be appropriate for accounting purposes.

Investment property

Included in freehold land and buildings is an investment property valued at £37,500. In the opinion of the directors this is a reasonable estimate of the market value at 31 March 2021.

If investment properties had not been revalued they would have been included at the historical cost of £21,014 (2020: £21,014).

Leasehold Land and Buildings

These comprise two buildings from which the Charity runs its management/ administration and various projects. The terms of the leases on these properties, over which the expenditure is written off, are as follows:

(a) The Five Lamps Centre (Carrying value - £Nil)

There is no current lease in place for this property. Expenditure relates to extension work that was carried out in the years to 31 March 2000 and 31 March 2001 and had been fully written off for accounts purposes.

(b) South Thornaby Community Resource Centre (Carrying value - £112,436)

The current lease with Stockton Borough Council is for a period of 25 years from February 2000 and any expenditure is being written off over the remainder of that period.

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**14. Investment property**

**Group**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 April 2020	32,500
At 31 March 2021	32,500

The investment property has been valued in the 2020 accounting year by Allied Surveyors & Valuers at £32,500 and the directors have reviewed these valuations and concur that it is based upon the key assumptions that relate to the investment portfolio and their experience of the property market at the current balance sheet date.

**15. Fixed asset investments**

	<b>Loan book £</b>	<b>Unlisted investments £</b>	<b>Total £</b>
<b>Group</b>			
<b>Cost or valuation</b>			
At 1 April 2020	5,699,866	14,000	5,713,866
Additions	5,025,643	-	5,025,643
Disposals	(4,507,402)	-	(4,507,402)
<b>At 31 March 2021</b>	<b>6,218,107</b>	<b>14,000</b>	<b>6,232,107</b>
<b>Impairment</b>			
At 1 April 2020	927,555	-	927,555
Charge for the year	1,118,602	-	1,118,602
<b>At 31 March 2021</b>	<b>2,046,157</b>	<b>-</b>	<b>2,046,157</b>
<b>Net book value</b>			
<b>At 31 March 2021</b>	<b>4,171,950</b>	<b>14,000</b>	<b>4,185,950</b>
<i>At 31 March 2020</i>	<i>4,772,311</i>	<i>14,000</i>	<i>4,786,311</i>

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**15. Fixed asset investments (continued)**

Company	Investments in subsidiary companies £	Loan book £	Total £
<b>Cost or valuation</b>			
At 1 April 2020	850,002	2,413,852	3,263,854
Disposals	-	(156,129)	(156,129)
<b>At 31 March 2021</b>	<b>850,002</b>	<b>2,257,723</b>	<b>3,107,725</b>
<b>Impairment</b>			
At 1 April 2020	-	496,078	496,078
Charge for the year	-	30,910	30,910
<b>At 31 March 2021</b>	<b>-</b>	<b>526,988</b>	<b>526,988</b>
<b>Net book value</b>			
<b>At 31 March 2021</b>	<b>850,002</b>	<b>1,730,735</b>	<b>2,580,737</b>
<i>At 31 March 2020</i>	<i>850,002</i>	<i>1,917,774</i>	<i>2,767,776</i>

**Principal subsidiaries**

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity
Five Lamps Trading Limited	08029251	Same as the The Five Lamps Organisation	Lending and property management
<b>Class of shares</b>	<b>Holding</b>	<b>Included in consolidation</b>	
Ordinary	100%	Yes	

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**15. Fixed asset investments (continued)**

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Five Lamps Trading Limited	1,520,874	2,632,938	(1,112,064)	(1,055,167)

**16. Debtors**

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
<b>Due within one year</b>				
Trade debtors	50,012	64,332	48,597	64,330
Other debtors	18,905	5,693	6,300	5,694
Prepayments and accrued income	34,496	80,973	31,104	78,077
Grants receivable	74,969	37,669	74,969	37,669
	<u>178,382</u>	<u>188,667</u>	<u>160,970</u>	<u>185,770</u>

**17. Current asset investments**

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Listed investments	<u>80</u>	<u>80</u>	<u>80</u>	<u>80</u>

Group listed investments

The market value of the listed investments at 31 March 2021 was £80 (2020 :£80).

Company listed investments

The market value of the listed investments at 31 March 2021 was £80 (2020 :£80).

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**18. Creditors: Amounts falling due within one year**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Company 2021 £</b>	<i>Company 2020 £</i>
Bank overdrafts	-	375,149	-	375,149
Trade creditors	<b>99,269</b>	122,351	<b>85,749</b>	90,894
Amounts owed to group undertakings	-	-	<b>852,276</b>	939,333
Other taxation and social security	<b>50,208</b>	28,151	<b>43,057</b>	19,472
Pension fund loan payable	<b>1,689</b>	2,265	-	-
Other creditors	<b>637,733</b>	436,318	<b>433,326</b>	411,819
Accruals and deferred income	<b>453,373</b>	148,493	<b>101,330</b>	80,046
	<b><u>1,242,272</u></b>	<u>1,112,727</u>	<b><u>1,515,738</u></b>	<u>1,916,713</u>

The following liabilities disclosed under creditors due within one year are secured by the company:

Bank loans £Nil (2020: £375,149)

The bank and other loans are secured by various fixed and floating charges including a first legal charge over 'The Youthy', Thornaby Road, Thornaby and the client loan portfolio.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**19. Creditors: Amounts falling due after more than one year**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<i>Company 2020 £</i>
Other loans	<b>4,824,218</b>	4,072,838	-
Other creditors	<b>320,088</b>	-	-
	<b><u>5,144,306</u></b>	<u>4,072,838</u>	<u>-</u>

The following liabilities disclosed under creditors due after more than one year are secured by the company:

Other loans £4,824,818 (2020: £4,072,828)

The bank loans and other loans are secured by various fixed and floating charges including a first legal charge over 'The Youthy', Thornaby Road, Thornaby and the client loan portfolio.

None of the other loans outstanding are repayable over five years.

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**20. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Youth empowerment scheme	556,293	-	-	(556,293)	-
Growth fund	1,108,536	-	-	(1,108,536)	-
	<u>1,664,829</u>	<u>-</u>	<u>-</u>	<u>(1,664,829)</u>	<u>-</u>
<b>General funds</b>					
General Funds - all funds	(164,940)	3,189,074	(4,151,007)	1,228,333	101,460
	<u>1,499,889</u>	<u>3,189,074</u>	<u>(4,151,007)</u>	<u>(436,496)</u>	<u>101,460</u>
<b>Restricted funds</b>					
Health and communities	57,201	170,854	(228,055)	-	-
Employability and training	(361,676)	-	-	361,676	-
Finance and enterprise	(27,093)	744,468	(203,708)	-	513,667
Young people	(96,300)	121,298	(99,818)	74,820	-
	<u>(427,868)</u>	<u>1,036,620</u>	<u>(531,581)</u>	<u>436,496</u>	<u>513,667</u>
<b>Total of funds</b>	<u>1,072,021</u>	<u>4,225,694</u>	<u>(4,682,588)</u>	<u>-</u>	<u>615,127</u>

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**20. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2020 £</i>
<b>Unrestricted funds</b>				
<b>Designated funds</b>				
Youth empowerment scheme	556,293	-	-	556,293
Growth fund	1,108,536	-	-	1,108,536
	<u>1,664,829</u>	<u>-</u>	<u>-</u>	<u>1,664,829</u>
<b>General funds</b>				
General Funds - all funds	4,136	1,703,309	(1,872,385)	(164,940)
	<u>1,668,965</u>	<u>1,703,309</u>	<u>(1,872,385)</u>	<u>1,499,889</u>
<b>Restricted funds</b>				
Health and communities	21,773	893,799	(858,371)	57,201
Employability and training	(361,676)	-	-	(361,676)
Finance and enterprise	648,551	189,928	(865,572)	(27,093)
Young people	(46,174)	112,821	(162,947)	(96,300)
	<u>262,474</u>	<u>1,196,548</u>	<u>(1,886,890)</u>	<u>(427,868)</u>
<b>Total of funds</b>	<u><u>1,931,439</u></u>	<u><u>2,899,857</u></u>	<u><u>(3,759,275)</u></u>	<u><u>1,072,021</u></u>

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**20. Statement of funds (continued)**

**Designated funds**

In prior years, the Trustees designated funds for the following purposes:

1. Youth Empowerment Scheme
2. Growth Fund

The Trustees have decided to release the designated funds back to the general funds to enable maximum flexibility for the Charity to direct its resources to where the need is greatest. The Trustees will review this policy every year and designate funds when they see fit.

**Restricted Funds**

**Health and Communities**

The charity operates a Homecare service, the Parkside Court Extra Care Scheme and several other related care services with private clients, NHS and local authorities. During the year to 31 March 2021 the Charity has benefitted from a number of grants to enhance this service and provide greater support during the COVID pandemic.

**Employability and Training**

In prior years the charity has operated Employability and Training activities. These activities are now complete and the transfer on the fund from unrestricted funds is to clear a negative balance from an overspend on this activity in prior years.

**Finance and Enterprise**

The charity operates several Financial Inclusion and Enterprise Activities. The balance on the fund at 31 March 2021 includes £500k received from Social Investment Scotland.

**Young People**

The charity operates a variety of Youth Services from its youth club "The Youthy" and by outreach and community programmes. The transfer from general funds is to clear the negative balance brought forward on the fund which is due to overspends in prior years.

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**21. Summary of funds**

**Summary of funds - current year**

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Designated funds	1,664,829	-	-	(1,664,829)	-
General funds	(164,940)	3,189,074	(4,151,007)	1,228,333	101,460
Restricted funds	(427,868)	1,036,620	(531,581)	436,496	513,667
	<u>1,072,021</u>	<u>4,225,694</u>	<u>(4,682,588)</u>	<u>-</u>	<u>615,127</u>

**Summary of funds - prior year**

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2020 £</i>
Designated funds	1,664,829	-	-	1,664,829
General funds	4,136	1,703,309	(1,872,385)	(164,940)
Restricted funds	262,474	1,196,548	(1,886,890)	(427,868)
	<u>1,931,439</u>	<u>2,899,857</u>	<u>(3,759,275)</u>	<u>1,072,021</u>

**22. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	686,877	-	686,877
Fixed asset investments	4,185,950	-	4,185,950
Investment property	32,500	-	32,500
Current assets	1,582,711	513,667	2,096,378
Creditors due within one year	(1,242,272)	-	(1,242,272)
Creditors due in more than one year	(5,144,306)	-	(5,144,306)
<b>Total</b>	<u>101,460</u>	<u>513,667</u>	<u>615,127</u>

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**22. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	724,858	-	724,858
Fixed asset investments	5,214,179	(427,868)	4,786,311
Investment property	32,500	-	32,500
Current assets	713,916	-	713,916
Creditors due within one year	(1,112,725)	-	(1,112,725)
Creditors due in more than one year	(4,072,838)	-	(4,072,838)
<b>Total</b>	<u>1,499,890</u>	<u>(427,868)</u>	<u>1,072,022</u>

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

	<b>Group 2021 £</b>	<i>Group 2020 £</i>
Net expenditure for the year (as per Statement of Financial Activities)	<b>(456,894)</b>	<i>(859,418)</i>
<b>Adjustments for:</b>		
Depreciation charges	<b>45,327</b>	<i>43,669</i>
Decrease in debtors	<b>10,283</b>	<i>82,552</i>
Increase/(decrease) in creditors	<b>449,734</b>	<i>(121,319)</i>
Revaluation of investment property	-	<i>17,500</i>
<b>Net cash provided by/(used in) operating activities</b>	<b>48,450</b>	<i>(837,016)</i>

**24. Analysis of cash and cash equivalents**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>
Cash in hand	<b>1,917,915</b>	<i>525,170</i>
<b>Total cash and cash equivalents</b>	<b>1,917,915</b>	<i>525,170</i>

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**25. Analysis of changes in net debt**

	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	525,170	1,392,745	1,917,915
Bank overdrafts repayable on demand	(375,149)	375,149	-
Debt due within 1 year	(2,265)	575	(1,690)
Debt due after 1 year	(4,072,838)	(751,380)	(4,824,218)
Liquid investments	80	-	80
	<u>(3,925,002)</u>	<u>1,017,089</u>	<u>(2,907,913)</u>

**26. Controlling party**

Throughout the year the Charity was under the control of the board.

**27. Related party transactions**

Lisa Pickard was also a Director of North East Enterprise Agency Limited (NEEAL) during the year ended 31 March 2021.

Transactions between Five Lamps and NEEAL during the year were as follows:

Income from NEEAL is £41,348 (2020: £49,148) in the year ended 31 March 2021.

Included in Debtors at 31 March 2021 is £Nil (2020: £Nil) due from NEEAL to Five Lamps.

The charity owns 100% of the share capital of Five Lamps Trading Limited, company number 08029251.

Transactions between Five Lamps and Five Lamps Trading Ltd during the year were as follows:

During the year Five Lamps Trading gifted £NIL (2020: £Nil) as a donation to The Five Lamps Organisation.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**28. Assets and Liabilities held as an intermediary agent - group and charity**

The Private Housing Financial Assistance Programme was created to help local authorities in the north east of England to provide loans to needy homeowners for the purpose of helping them to improve their housing conditions.

Five Lamps was appointed to manage the above Programme on behalf of 12 local authorities, using Sunderland City Council as the contracting authority.

Five Lamps holds the relevant funds on behalf of the local authorities in a designated client bank account. This asset and the associated liability to the local authorities are excluded from Five Lamps' Balance Sheet. There is a debenture agreement dated 12 October 2010 in favour of Sunderland City Council solely in respect of these funds. This debenture does not apply to any other Five Lamps assets.

At 31 March 2021, the funds held on the above client bank account totalled £1,421,374 (2020: £1,274,969) and this is returnable to the local authorities.

The accounting for these assets and liabilities are presented in notes 15,18 and 19 within these financial statements.

**THE FIVE LAMPS ORGANISATION**

England & Wales - Charity number 702314

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# Accounts

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Registered number: 02441319  
Charity number: 702314

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**ArmstrongWatson<sup>®</sup>**  
Accountants, Business & Financial Advisers

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

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**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

<b>Trustees</b>	Patricia Chambers, Chair Vivienne Holmes, Vice Chair Jamie Houlders (appointed 1 April 2019) Ian Wright (resigned 31 December 2020) Trevor Watson
<b>Company registered number</b>	02441319
<b>Charity registered number</b>	702314
<b>Registered office</b>	Eldon Street Thornaby Stockton on Tees TS17 7DJ
<b>Chief executive officer</b>	Lisa Pickard
<b>Independent auditors</b>	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors York House Northallerton North Yorkshire DL6 2XQ
<b>Bankers</b>	Unity Trust Bank 4 Brindley Place Birmingham B1 2JB

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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The Trustees are delighted to present their annual report providing an overview of the year past and plans for the future.

**ACHIEVEMENTS AND PERFORMANCE**

**a) Financial Review**

The total income for the year to 31 March 2020 was £2,899,857. This was a 34% increase on 2018/19 at £2,151,915. The Statement of Financial Activities for the year, the Balance Sheet as at 31 March 2020 and associated notes are set out on pages 17 to 49.

It remains the Board's intention to hold not less than three months' salary cost in free reserves. This policy is monitored quarterly by the Trustees and seeks to ensure that the Charity can manage its activities in the event of a significant drop in funding. The current free reserves are in line with the policy.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**a) Organisational structure and decision making**

The Directors/Trustees (the Board) present their report and the financial statements of the charitable company (the Charity) for the year ended 31 March 2020 and confirm that they comply with current statutory requirements, the company's governing documents and the provisions of the latest Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

The legal and administrative information on page 1 forms part of this report.

**b) Structure, Governance and Management**

The Five Lamps Organisation (FLO) is a registered charity and company limited by guarantee. The company was registered under a Memorandum of Association which established the objects and powers of the charitable company and its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Five Lamps Trading Limited (FLT) is a wholly owned trading subsidiary of The Five Lamps Organisation. FLT is a Limited Company by Shares.

The Directors of the company are also charity trustees for the purposes of charity law and under the company's articles are known as members of the Management Committee.

The Trustees continuously review governing documents. The most recent formal amendment approved by the Charity Commission was in December 2013 which provided for the extension of operations to the whole of England.

Since October 2017, FLO has been registered with the Office of the Scottish Charity Regulator, under reference SC047839.

**c) Charitable Objects**

Our charitable objects provide for operation 'within England and Scotland' to reflect the continued geographic growth of the organisation and its services.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

The promotion for the benefit of the public of urban or rural regeneration in areas of social and economic deprivation, within England and Scotland, by all or any of the following means:

- a) The relief of financial hardship among people living or working within England and Scotland by providing such persons with goods and/or services which they could not otherwise afford through lack of means;
- b) The prevention and relief of poverty by providing education, goods and services to individuals in need;
- c) The relief of unemployment for the benefit of the public in such ways as may be thought fit, including assistance to find employment;
- d) The advancement of education, training or retraining particularly among socially, economically and financially excluded people and the provision of work experience for unemployed people;
- e) The provision of financial assistance, technical assistance, business advice or consultancy in order to provide training and employability for unemployed people in cases of financial or other charitable need through help in setting up their own business or to existing businesses;
- f) The creation of training and employment opportunities by the provision of workspace, buildings or land for use on favourable terms;
- g) The provision of housing for those who are in conditions of need and/or the refurbishment of such housing;
- h) The provision of public health facilities and childcare;
- i) The provision of recreational facilities for the public or those who by reason of their youth, age, infirmity or disability, financial hardship or social and economic circumstances, have need of such facilities;
- j) The development of skills and capacity in those living in socially and economically disadvantaged communities to enable them to better identify and help meet their needs and to participate more fully in society; and
- k) Any other purposes currently recognised as charitable and any new charitable purposes which are similar to another charitable purpose.

The Powers of the charity now state:

The charity has the power to do anything which is calculated to further its Object(s) or is conducive or incidental to doing so. In particular, the charity has the power:

- a) to raise funds. In doing so, the charity must not undertake any taxable permanent trading activity and must comply with any relevant statutory regulations;
- b) to buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use;
- c) to sell, lease or otherwise dispose of all or any part of the property belonging to the charity. In exercising this power, the charity must comply as appropriate with sections 36 and 37 of the Charities Act 1993, as amended by the Charities Act 2006;
- d) to borrow money and to charge the whole or any part of the property belonging to the charity as security for repayment of the money borrowed or as security for a grant or the discharge of an obligation. The charity must comply as appropriate with sections 38 and 39 of the Charities Act 1993, as amended by the Charities Act 2006, if it wishes to mortgage land;
- e) to co-operate with other charities, voluntary bodies and statutory authorities and to exchange information and advice with them;
- f) to establish or support any charitable trusts, associations or institutions formed for any of the charitable purposes included in the Objects;
- g) to acquire, merge with or enter into any partnership or joint venture arrangement with any other charity;
- h) to set aside income as a reserve against future expenditure but only in accordance with written policy about reserves;
- i) to employ and remunerate such staff as are necessary for carrying out the work of the charity. The charity may employ or remunerate a director only to the extent it is permitted to do so by article 7 and provided it complies with the conditions in that article;
- j) to deposit or invest funds; employ a professional fund manager and arrange for the investments or other property of the charity to be held in the name of a nominee in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000; and
- k) to provide indemnity insurance for the directors in accordance with, and subject to the conditions in, section 73F of the Charities Act 1993.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**d) Governance**

The Trustees of Five Lamps Organisation retained a focus in 2019/20 on the charitable business, whilst retaining overall oversight of the wholly owned Trading Company 'Five Lamps Trading Limited'.

Five Lamps Trading has its own Board of Directors, which includes Investor representatives appointed as non-executive Directors. The Trading Company is now well-established in its fifth year of operation and third year of lending. It continues to work with eight social investors under a Loan Note Instrument whereby we have secured a £5million investment fund.

The Charity and Trading Company structure enables the organisation to deliver unsecured affordable personal lending within the Limited Company that responds to our financial inclusion charitable objectives. The asset lock ensures that 100% of any profit in the Trading Company is reinvested back into the business, either through increased personal lending and/or gift aid direct to the Charity for deliverance of our charitable objectives specifically financial inclusion.

**e) Board Purpose**

The Five Lamps Organisation Board of Trustees, and the Five Lamps Trading Board of Directors' purpose is to ensure the delivery of its aims and objectives and business plans by providing leadership, strategic direction, and challenge, and at the same time ensuring effective control and oversight of the business and its operations whilst acting responsibly towards employees, stakeholders, and society.

**f) Board Key Responsibilities**

**1. Managing organisational performance and risk**

To continuously develop and review the organisation's strategy, objectives, performance, statutory compliance and risk, ensuring the measurement of impact on our customers and communities.

**2. Leadership and strategy**

To lead the development of the Five Lamps' Vision, Values and Strategic Direction.

**3. Strategic planning and implementation**

To create coherent, strategic plans and timetables, monitor performance and review outcomes and impact.

**4. Leading and delivering change**

To plan for strategic, transformational change and continuous service improvement proactively and positively in The Five Lamps Organisation's service delivery.

**5. Business Finance Opportunity**

To assess and evaluate the key strategic, financial and commercial opportunities and investment issues facing The Five Lamps Organisation, in the context of the complex political, economic, sociological, technical and legal context in which it operates.

**6. Communication**

To promote the work of The Five Lamps Organisation to a variety of external partners, stakeholders, and audiences. To proactively promote the strategy and work of the Board internally.

**7. Building Team and External Relationships**

To develop, maintain and support productive external, Board and internal networks, partnerships and relationships that produce positive outcomes for the organisation.

**8. Equality and Diversity**

To proactively champion equality and diversity in everything that it and the organisation does, particularly in the context of making people matter and working with some of the most disadvantaged people in society. This is inclusive of every aspect of equality - race, ethnic origin, religion or belief, sex, gender identity and gender reassignment, sex orientation, disability, age, marriage or civil partnership, pregnancy or maternity.

An Audit & Risk Committee is established to ensure there are effective controls and oversight of the business to further strengthen governance.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

Membership of the Audit & Risk Committee is made up of Trustees and Directors. They have delegated responsibility with the independent support of the external auditors, to receive, scrutinise and recommended the adoption and signing of the Accounts and Financial Statements to the Trustees and Directors. The Audit & Risk Committee have a delegated remit to monitor the Risk Register and Risk Management log. Both Boards consider risk as part of their ordinary agendas and specifically at the joint meetings. This reflects the significance the business places on managing risk and ensuring continued business viability.

A minimum of two Joint board meetings are held each year to:

- 1) receive the audit findings, management letter and annual statements and review audit performance and
- 2) to review financial strength and future forecasts and set budgets.

There continues to remain a joint Remuneration Committee which has delegated responsibility for oversight and decision making on Directors remuneration.

**g) Trustee & Director Training**

Appointments to the Boards are based on a skills matrix and business needs analysis. Induction as well as ongoing training for new and existing Directors and Trustees is integrated into the business. Trustees and Directors are encouraged to become familiar with the work of the organisation in several different ways. Induction mirrors our staff Induction process which is part of a range of Human Resource policies as well as bespoke induction depending on the skills analysis and competency framework. All Directors and Trustees also benefit from on an ongoing basis:

- Away days focussing on strategy development, board performance, succession planning and risk assessment and future governance models
- Bespoke training to address identified need and attendance at relevant local, regional and national conferences
- A structured appraisal system is in place for Trustees
- The Charity and Trading Company boards have joint meetings twice per annum
- As part of a Governance review a formal Board Development plan is also to be agreed.

**h) Organisational Structure**

The Charity has a Board of Trustees who meet a minimum of four times a year, usually quarterly. Currently there are 5 members from a diverse range of professional backgrounds reflecting the ethos of the charity. A Chair and Vice-Chair are appointed annually and have full voting rights. The organisation employs the services of a minute taker. Day to day responsibility for the provision of services and operation of the business rests with the Group Chief Executive. The executive team comprises of the Group Chief Executive and the Director of Corporate Services.

**i) Related party relationships**

The Trustees have all filed nil returns confirming that there no related party transactions in the Charity. North East Enterprise Agencies limited, had a trading relationship with Group Chief Executive being on their Board.

Two Trading Board Directors are appointed in line with the loan instrument and have a related party transaction in terms of the social investment their companies have in the Trading Company. The security trustee of the loan instrument is a non-executive director.

**j) Risk Management**

The Boards of Trustees and the Trading Company maintain a continuous review of the major risks to which each company and the charity is exposed to. Identified risks are included in a Risk Management Matrix that, where appropriate, includes details of systems, policies, procedures, or new management actions to control and mitigate the impact of risk if it materialises. The organisation seeks to manage some of these risks via transferring risk through a range of Insurance cover. The managed risk revolves around the short-term and non-recurring nature of some funding sources. Our strategic planning is targeted at winning contracts and building a broad project portfolio which has a range of funders, rather than being grant-reliant. Internal controls are in place and are subject to annual audit using compliance and substantive testing.

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Each Board has its own robust risk management matrix that is updated and reviewed at each Audit & Risk Committee, which meets at least four times per annum. Currently there are 26 specific risks in FLO and 22 in FLT, which are being monitored and management actions taken to mitigate.

We added a new risk for both the Charity and Trading Company 'Failure to deal with the impact of COVID – 19' in light of the Coronavirus pandemic. Covid19 has significantly impacted on Five Lamps and our customers. Financially, the Boards have agreed a one off additional bad debt provision to be added to the balance sheets on 31st March 2020 to mitigate for increased losses on personal loans. The approach to bad debt provisioning has been strengthened to plan for increased exposure to bad debts.

In Charity, all front facing services have been comprehensively risk assessed and subject to ongoing monitoring and due diligence. The Trustees have ensured a standalone risk map for our Home Care service, which has been subject to PPE and other infection control challenges. Our Conduit personal lending product was significantly impacted, and revenue income drastically reduced. Risk has been mitigated through a new route to market and securing a £500k CBILS loan.

Covid19 has affected how we deliver products and services. Excepting home care, all of our services were temporarily moved to home working. New risk registers have been implemented for this.

Despite the pandemic, both the Five Lamps Board of Trustees and the Five Lamps Trading Board of Directors have maintained a high level of governance and oversight with Board meetings being held virtually.

A Health & Safety Committee meets regularly to ensure statutory compliance across all of our buildings. All our sub-contractors must satisfy a health and safety check. The nature of our services, which often work with the most disadvantaged and marginalised groups, or with young and older people, necessitate either of the two levels of disclosure. All our staff appointments are subject to satisfactory enhanced disclosure.

Our insurance cover spans public and employer's liability, professional indemnity, directors and officer's liability, buildings and contents and specialist cover such as lift Installations and a climbing wall. These are all subject to review and market testing on a regular basis with the latest review taking place in February 2020 where further increases in cover were agreed to increase the Insurance and Indemnity for the business.

Audits on compliance with external legislation are completed each year and we have strengthened the role of our Quality Manager, adding more emphasis on Risk and Assurance across the business. Continuous improvement audits of our HR policies and procedures throughout the organisation are routinely completed with specialist support from Croner Assist ensuring we remain compliant and working according to good practice. Whilst our HR activities are underwritten by an employment indemnity, we also ensure we minimise the risk of any claims through regularly updates, training and briefings

**k) Quality Assurance & Statutory Regulators (note I've merged these 2 sections)**

Five Lamps has a strong focus on service quality and the associated investment in the personal and professional development of our workforce.

We are regulated as follows:

- Financial Conduct Authority (FCA) – Both FLO (FCA Reference 656112) and FLT (FCA Reference 791848) are authorised and regulated by the FCA.
- Care Quality Commission (CQC) – Five Lamps is regulated by the Care Quality Commission for its domiciliary home care services. We are registered under Five Lamps Home Care (Eldon Street) and in July 2020 also became registered under Parkside Court Extra Care Scheme.

During the year there have been no regulatory breaches or adverse regulatory issues to report.

In October 2019, the Trustees made the difficult decision not to reapply for the Investors in People accreditation that was due to expire after its three-year award. As a Charity, resources are increasingly stretched and with increasing regulatory costs; it was felt that the £7k cost and ongoing annual fee was not affordable. Investing in our staff remains a huge priority for us. The re-accreditation was deferred and will be reviewed again in 2021.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**PRINCIPAL ACTIVITIES**

2019/20 was a challenged yet transformational year for the organisation with significant changes to its executive management team and a comprehensive review of our services and products against a review of our long-term strategic goals.

Lisa Pickard, Group Chief Executive took up post in mid-March 2019 and after finalising the complex 2018/19 audited accounts, embarked on a 12-18-month review of the business to stabilise the balance sheet, improve income, and secure new income streams; and control expenditure and losses. Significant progress has been and the reporting of a consolidated loss of £859,417 shows both an improvement on 2018/19 but also reflects the ongoing efforts to manage risk.

With the departure of the finance director in August 2019, an in-depth audit of our financial management systems and reporting was completed to improve the transparency of our management accounts and introduced a new approach to cash flow monitoring. All products, services or assets that were not making a return on investment have been evaluated and have plans in place, or now completed to manage the risk.

The consolidated operating loss of £859,417 includes an additional provision of £160,382 to reflect increased bad debt risk and uncertainty due to the Covid 19 pandemic.

Excluding this, the Group reported a £699,035 operating loss (£398,561 FLO and £300,475 FLT) compared to £1,864,062 in 2018/19.

It should be noted that despite lending moving to FLT, FLO continued to repay two Unity Bank CDFI loans. Excluding the £610,770 repayments, the charity would have made a £212,218 operating surplus and the consolidated accounts reporting a £88,256 loss..

A bi-annual report providing details and case studies of the work we deliver, the successes we have achieved and our plans for the future is due to be published in the Spring covering 2019 to 2021. A brief summary is included below:

**a) Five Lamps Organisation - the charity**

**Home Care**

- delivering over 3,000 hours of care per week to support individuals to live independently within their own homes.
- Secured primary provider status on Stockton-on-Tees Borough Council's Care at Home Framework through a competitive tendering process which began in March 2020. We were formally notified of our award status in May 2020 and delivery commenced mid-July 2020.
- We now provide care across the South of Stockton-on-Tees via:
  - Care at Home
  - Community care –primary provider and secondary provider status.
  - Parkside Court Extra Care Scheme – became care provider in July 2020 and TUPE transferred 24 staff
  - Hospital Discharge/ Rapid - a rapid care service supporting people on their discharge from hospital for up to 14 days while their primary provider package is being established.
  - End of Life Continuing Health Care - provide end of life care to service users within their homes, working with a team of professionals to meet the care needs and wishes of service users and their families
  - Private home care – provide care to service users under private care packages
- 2018 Care Quality Commission (CQC) inspection was a 'Good' status.
- PAMMS (Provider Assessment and Market Management Solution) Inspection completed in October 2019 rated us 'requires improvement'. The 6 standards requiring improvement have all been addressed with an ongoing improvement plan. The PAMMS inspection did however rate 10 standards as 'good'.

**Home from Hospital**

- Secured £146k funding from the Big Lottery (Reaching Communities) to continue delivery of our low-level discharge project 'Home from Hospital' with the aim of supporting a minimum of 118 people home from hospital.

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**FOR THE YEAR ENDED 31 MARCH 2020**

84% of service users reported that their chance of being re-admitted to hospital has been reduced since accessing the service and 92% reporting that their social isolation has reduced.

**Youth Services**

- completed the third year as joint accountable body alongside our friends at The Corner House Youth Project, in Youth United Stockton (YUS). YUS delivered 512 open access sessions with a footfall of 8,595.
- Funding from Stockton-on-Tees Borough Council it being reduced by 25% for the fourth year of delivery (2020/21).
- Our purpose built facility 'The Youthy'; providing an escape and place of safety and sense of security for many young people from the local community through a range of activities to raise their confidence and aspiration, currently deliver 4s sessions per week including a) All Stars - for young people aged 7 to 10 years, b) VIBE - for young people aged 7 to 21 years with physical and learning disabilities (ran twice weekly) and c) Youth United Stockton (YUS) for young people aged 10 to 19 years. In 2019/20, the evening youth club activity saw 1,417 young people attending sessions.
- Secured £29,292 from Children in Need's Small Grants in March 2019 enabling us to continue to provide the VIBE sessions for 3 years.

**Breakfast Clubs**

- In 2019/20 30 families and 70 young people participated in our breakfast clubs and activities to tackle holiday hunger. Additional donations and funding from Catalyst Stockton, Children in Need, On A Roll Sandwich Factory, Little Sprouts and Asda helped us deliver this.

**Employability & Enterprise**

- In November 2019 we secured £20k funding from the ESF Community Grants programme, led by Hartlepool Borough Council to support customers with an individualised learning plan and intensive mentoring to remove some of the multiple barriers they may face which prevents them from progressing into employment or education.
- In partnership with Hartlepool Borough Council, we continued to deliver our Youth Employment Initiative (YEI project), that has two strands: Routeways and Pathways.
  - o Routeways focuses primarily on employability in the Stockton local authority area. As of 31 March 2020, 125 people had progressed into either employment, Apprenticeship, or full-time training.
  - o Routeways focuses primarily on self-employment across all boroughs of the Tees Valley. During 2019/20 we supported 26 people into self-employment.
- Enterprise Service - as a delivery partner for Gateshead Trading Company (part of Gateshead Council) for New Enterprise Allowance we provide support to individuals looking to start their own business. In 2019/20 we supported 185 customers with the initial stage of the programme. 82 had a viable business proposition and following support to develop a business plan, 35 successfully started trading by the end March 2020.
- Delivered the Tees Valley Business 'Start Up Scale Up' Grants administered by North East Enterprise Agencies Limited (NEEAL) and funded by Tees Valley Combined Authority (TVCA), Tees Valley Mayor and European Regional Development Fund (ERDF). Grants of up to £10k are available to start-up businesses employing staff. Our Enterprise Team Business Advisors work with applicants to produce comprehensive business plans and financial projections in order to satisfy the demanding criteria of the TVCA panel.
- Continued delivery of the Start Up Loan Fund. This is a low interest loan funded initially by central government that is available to start up and early life businesses looking to borrow up to £25k. Five Lamps make referrals and support customers with their application to the Start Up Loan Funds'.

**Helping Hands.**

- We are now into the tenth year of delivering 'Helping Hand' on behalf of North East local authorities. Since the scheme began, we have assisted 810 households with a loan, mainly to bring owner-occupied properties up to a Decent Living Standard as well as to renovate empty homes, undertake disabled facilities adaptations and to support relocations due to compulsory purchase.

**b) Five Lamps Trading – Conduit & Conduit Scotland**

2019/20 was our first full financial year delivering personal lending in our wholly owned Trading Company since

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the transfer of all personal lending services in August 2018. As of 31st March 2020, £4,065,500 of the £5million social investment secured with a consortium of eight social investors had been drawn down.

Conduit and Conduit Scotland received over 27,000 loan applications within the year and disbursed £4,961,459 value of loans to more than 7,000 households saving our customers an average of £292k generating a significant social impact value of £2,126,847.

Our customers all have credit worthiness but are excluded from main-stream banking. They tend to have limited financial resilience and are vulnerable to high-cost short term credit lenders. Our customer demographic:

- 60% female
- 62% are single with 29% of these having dependents
- 45% are employed and 34% are unemployed and in receipt of benefits
- 73% of customers are aged 45 and under
- 68% live in private or housing association rented accommodation

2019/20 was also the third year since the launch of our Conduit Scotland brand as part of a five-year contract with Fife, Falkirk, and West Lothian Councils. To date more than £1.4m of unsecured personal loans have been disbursed.

Within the year, Five Lamps Trading Limited made the difficult decision to close three of the four Conduit Scotland shops as they were no longer financially viable once the revenue funding expired. Redundancy costs as a result of the restructure to retain and refocus our operations from the Dunfermline shop. This now serves as our Conduit Scotland head office and co-locates with the Dunfermline Advice that provides additional support and signposting services to Fife residents.

We continued delivery of our two local asset based financial inclusion portals, 'Hull Money' and 'Northumberland Money' that utilises the Charities FCA broker permissions with the Trading Company (Conduit) being included as a supplier.

Five Lamps was delighted to be successful in Fair4All Finance's first round scale up programme. Five Lamps Trading has benefit from an extensive due diligence processes and a programme of challenge and support, including being awarded £90k grant (received in July 2020) to explore growth and scale up through cost comparison sites and digital platforms

During the year, our Conduit personal loan service received national recognition in the following awards:

- Shortlisted for Responsible Lender of the Year in the 'Credit Strategy Credit Awards 2019'
- Winner of the 2019 Consumer Credit Awards for the Best Newcomer category

**c) Social Impact Reporting**

The organisation remains committed to the regular publication of impact reports. We will publish an organisation-wide impact report covering 2019 and 2020 early in 2021. This contains more detail around the social impact value we have added along with case studies reflecting how we have delivered against our value to Make People Matter and Change Lives.

**PLANS FOR THE FUTURE**

**a) Strategic direction and future plans**

Five Lamps has a strong history of working in partnership to promote and deliver social, financial, and economic inclusion and to invest in the local communities particularly across Stockton on Tees, Teesside and more recently in and around our Dunfermline office. We are committed to retaining and building on our heritage and using this experience to grow where our services and products can help change people's lives.

We have a proven track record of being versatile and able to respond to new initiatives and opportunities and have increasingly become well placed at influencing and helping to bring about change. As a result, Five Lamps continues to position itself at the leading-edge of its sector(s) and we utilise this position to effectively plan strategically for long-term growth. The Executive Team and both Boards keep themselves abreast of developments at national, regional and local level across a broad range of thematic issues and support this

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through a network of partnerships, collaborations and support from specialist consultants and advisors.

2019/20 has seen real progress in terms of some of our strategic priorities and importantly positioning ourselves for the future; for future growth and for new opportunities aligned to our vision and values and ensuring as a Charity we continue to remain financially viable not just in the short term but into the future so we can continue to do what we do well.

Our mission is to Transform Lives, Raise Aspirations and Remove Barriers to Social, Economic & Financial Inclusion. This mission remains increasingly relevant and vital to deliver.

During the year, we have strengthened our financial resilience to ensure that the services and products we provide are financially independent or where a contribution is needed from the charity, this is predetermined with the Boards and is aligned to our strategic aims. As pressure has increased on our reserves, we are no longer taking on new contracts that need match funding from the charity unless this match funding is preidentified.

**b) The strategic priorities for Five Lamps continue to be as follows.**

- Securing growth and building our service portfolio by capitalising on our strengths in current provision, tendering for new work and considering strategically appropriate mergers and acquisitions
- Securing large-scale investment social investment from specialist sources, including banks, social Investors, crowdfunding and Institutions
- Growing a new CQC-registered care' division which includes a domiciliary service and exploring possibilities in the Extra Care/ residential sector
- Measuring the social, economic and financial impact of our business and publishing annual Social Impact Reports
- Continuing to invest in our people and our infrastructure - functionally suitable premises; contemporary IT; social media; building new models of public services
- Securing substantial scale asset transfer to open further opportunities for asset-backed investment.

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**TRUSTEES' REPORT (CONTINUED)**  
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**c) Strategic direction and future plans**

Our Mission: To Transform Lives, Raise Aspirations and Remove Barriers to Social, Economic & Financial Inclusion

Our Business -: A nationally recognised charitable business working with excluded individuals and families in the most disadvantaged communities.

Delivered Through:-

- Trusted Brand
- Quality Assured Services
- Making People Matter
- Superior Contract Performance
- Measured Social Impact
- Social Investment
- Skilled & Motivated Workforce
- Expanding Geographic Reach
- Revenue Generated via Stronger Balance Sheet

**Making People Matter**

- Treating people with respect
- Releasing potential
- Keeping confidentiality
- Enabling and empowering people to help themselves
- Challenging self-perceptions and encouraging self-worth

**Performance Matters**

- Strength of performance wins contracts
- Taking personal accountability within delegated authority
- Maintaining high standards, skills, credibility and ethics
- Demonstrating personal, individual and team commitment to corporate goals
- Respecting and promoting a positive corporate culture
- Everyone contributes to the 'bottom line'
- We are all Five Lamps ambassadors

**Quality Matters**

- Assuring quality and achieving contemporary quality standards
- Pursuing and achieving continuous service improvement
- Investing in our people, our systems and our buildings
- Marketing and promoting our products and services effectively

**Making Communities Matter**

- Understanding communities and their needs
- Enabling access to services via a range of routeways embracing 21st century technologies
- Including everyone and removing geographic barriers
- Designing new services to meet identified need
- Regenerating communities – restoring the sense of 'place'

**Measuring Impact Matters**

- Producing regular Social Impact Reports
- Measuring customer and stakeholder experiences and feedback
- Collecting social, performance and environmental data across the full range of our business
- Publishing a range of good news stories and case studies

A governance review is planned in 2020/21 and we will review our mission and priorities to ensure we are firmly focused in the right areas delivering the right outcomes for our customers and communities

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**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

**AUDITORS**

The auditors, Armstrong Watson Audit Limited have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by the Trustees, on 14/01/21 and signed on their behalf by:



**P Chambers**  
Trustee  
14/01/21



**V Holmes**  
Trustee  
14/01/21

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 MARCH 2020**

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees on  
14/01/21 and signed on its behalf by:



**Patricia Chambers**  
Trustee  
14/01/21



**Vivienne Holmes**  
Trustee  
14/01/21

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**

**Opinion**

We have audited the financial statements of The Five Lamps Organisation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2020 and of the Group's 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.

**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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

**Material uncertainty related to going concern**

We draw attention to note 2.3 in the financial statements. The note details key assumptions adopted by management including the on-going renegotiation of debt and uncertainty in the receipt of capital repayments from service users. These assumptions indicate a material uncertainty over the ability of the Group to remain a going concern. Our opinion is not modified in respect of this matter.

**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 Auditors' Report 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.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION**  
**(CONTINUED)**

**Opinion 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

In the light of our 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 Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditors' 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 an Auditors' Report 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 Auditors' Report.

**THE FIVE LAMPS ORGANISATION  
(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FIVE LAMPS ORGANISATION  
(CONTINUED)**

**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. Our audit work has been undertaken so that we might state to the charitable company's members 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Simon Turner (Senior Statutory Auditor)**

for and on behalf of

**Armstrong Watson Audit Limited**

Chartered Accountants & Statutory Auditors

Northallerton

Date: 14 January 2021

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>					
Donations and legacies	4	112	1,925	2,037	2,744
Charitable activities	5	81	1,116,580	1,116,661	1,013,437
Other trading activities		1,697,416	-	1,697,416	845,148
Investments	6	5,700	19,000	24,700	24,400
Other income	7	-	59,043	59,043	266,186
<b>Total income</b>		<b>1,703,309</b>	<b>1,196,548</b>	<b>2,899,857</b>	<b>2,151,915</b>
<b>Expenditure on:</b>					
Raising funds		273,854	-	273,854	155,243
Charitable activities	8	1,529,911	1,795,127	3,325,038	3,860,734
Exceptional expenses	9	68,619	91,763	160,382	-
<b>Total expenditure</b>		<b>1,872,384</b>	<b>1,886,890</b>	<b>3,759,274</b>	<b>4,015,977</b>
<b>Net movement in funds</b>		<b>(169,075)</b>	<b>(690,342)</b>	<b>(859,417)</b>	<b>(1,864,062)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		1,668,965	262,474	1,931,439	3,795,501
Net movement in funds		(169,075)	(690,342)	(859,417)	(1,864,062)
<b>Total funds carried forward</b>		<b>1,499,890</b>	<b>(427,868)</b>	<b>1,072,022</b>	<b>1,931,439</b>

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 02441319**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	13	724,858	768,527
Investments	15	4,786,311	4,277,238
Investment property	14	32,500	50,000
		5,543,669	5,095,765
<b>Current assets</b>			
Debtors	16	188,667	267,056
Investments	17	80	80
Cash at bank and in hand		525,170	1,438,531
		713,917	1,705,667
Creditors: amounts falling due within one year	18	(1,112,726)	(1,260,665)
<b>Net current liabilities / assets</b>		<b>(398,809)</b>	<b>445,002</b>
<b>Total assets less current liabilities</b>		<b>5,144,860</b>	<b>5,540,767</b>
Creditors: amounts falling due after more than one year	19	(4,072,838)	(3,609,328)
<b>Net assets excluding pension asset</b>		<b>1,072,022</b>	<b>1,931,439</b>
<b>Total net assets</b>		<b>1,072,022</b>	<b>1,931,439</b>
<b>Charity funds</b>			
Restricted funds	20	(427,868)	262,474
Unrestricted funds	20	1,499,890	1,668,965
<b>Total funds</b>		<b>1,072,022</b>	<b>1,931,439</b>

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

The financial statements were approved and authorised for issue by the Trustees on 14/01/21 and signed on their behalf by:

**Patricia Chambers**  14/01/21  
Trustee

**Vivienne Holmes**  14/01/21  
Trustee

The notes on pages 21 to 50 form part of these financial statements.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 02441319**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	13	724,858	768,527
Investments	15	2,767,776	3,221,403
		3,492,634	3,989,930
<b>Current assets</b>			
Debtors	16	185,771	266,381
Investments	17	80	80
Cash at bank and in hand		102,316	120,437
		288,167	386,898
Creditors: amounts falling due within one year	18	(1,916,713)	(1,498,228)
<b>Net current liabilities</b>		(1,628,546)	(1,111,330)
<b>Total assets less current liabilities</b>		1,864,088	2,878,600
Creditors: amounts falling due after more than one year	19	-	(524,189)
<b>Net assets excluding pension asset</b>		1,864,088	2,354,411
<b>Total net assets</b>		1,864,088	2,354,411
<b>Charity funds</b>			
Restricted funds	20	(427,867)	262,474
Unrestricted funds	20	2,291,955	2,091,937
<b>Total funds</b>		1,864,088	2,354,411

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

The financial statements were approved and authorised for issue by the Trustees on 14/01/21 and signed on their behalf by:

Patricia Chambers  14/01/21  
Trustee

Vivienne Holmes  14/01/21  
Trustee

The notes on pages 21 to 50 form part of these financial statements.

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	(859,417)	(1,488,106)
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	-	(50,473)
Net movement in loan book	(517,454)	617,903
	<hr/>	<hr/>
<b>Net cash (used in)/provided by investing activities</b>	<b>(517,454)</b>	<b>567,430</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Cash inflows from new borrowing	-	3,085,139
Repayments of borrowings	463,510	(765,354)
	<hr/>	<hr/>
<b>Net cash provided by financing activities</b>	<b>463,510</b>	<b>2,319,785</b>
	<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>	<b>(913,361)</b>	<b>1,399,109</b>
Cash and cash equivalents at the beginning of the year	1,438,531	39,422
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>525,170</b>	<b>1,438,531</b>
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 21 to 50 form part of these financial statements

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**1. General information**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Five Lamps Organisation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

**2.2 Company status**

The company is a registered charity and company limited by guarantee. The members of the company are the Trustees named on page . In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The company is a charitable company domiciled in England and Wales, registration number 02441319 and charity number 702314.

The registered office is Eldon Street, Thornaby, Stockton-on-Tees, TS17 7DJ.

**2.3 Going concern**

The Trustees have prepared the financial statements on a going concern basis. This is having taken account of the historic losses of the group/company, covenant waivers in the year and the impact of the COVID 19 pandemic.

In reaching their conclusion, the Trustees have considered cash flow forecasts covering a period of at least 12 months from the date of sign off. These include sensitivities analysis that focus on the key uncertainties within the business model, namely receipt of capital and interest on funds previously disbursed and a renegotiated funding position.

Management forecasts show financial headroom and confidence that funding will be renegotiated with more favourable covenants, alongside strong cash recovery.

Whilst aware that a change in key assumptions could have a material impact on the future financial performance of the Group/company the Trustees/Directors feel that the model used to assess going concern is balanced and as such have prepared the accounts on a going concern basis accordingly

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**2. Accounting policies (continued)**

**2.4 Incoming resources**

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

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

(i) Grants and Donations:

Income from grants and donations, including capital grants, is included in incoming resources when receivable, except as follows:

(a) When donors specify that donations and grants given to the Charity must be used in future accounting periods, the income is deferred until those periods.

(b) When donors impose conditions which have to be fulfilled before the Charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre conditions for use have been met.

When donors specify that grants and donations, including capital grants are for particular restricted purposes, which do not amount to pre conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

(ii) Investment Income

Investment income is included when receivable by the Charity.

(iii) Fees and Similar Income

Fees receivable and charges for services provided and for the use of premises are accounted for in the period in which the service is provided.

(iv) Commercial Trading Operations

Income from commercial trading operations is included in the period in which the group is entitled to receipt, and comprises the turnover of the trading subsidiary including rental income from external sources.

**2.5 Resources expended**

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Resources expended are accounted for on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure on grants is recorded once there is an unconditional commitment to pay the grant or the grant has been paid, whichever is the earlier.

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**2. Accounting policies (continued)**

**2.5 Resources expended (continued)**

Certain expenditure is directly attributable to specific activities and has been apportioned to the costs of those activities as follows:

- Management and administration costs – by reference to the total income generated by each project.
- Staff costs – by reference to the estimated time spent by staff on each project.
- Premises costs and office costs – by reference to the estimate floor space (and related room rental value) occupied by each project.

**2.6 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements

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

**2.7 Tangible fixed assets and depreciation**

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

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

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

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- Straight line over term of lease or 2% straight line
Plant and machinery	- 25% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line
Office equipment	- 25% straight line

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**2. Accounting policies (continued)**

**2.8 Other investments**

Fixed asset programme related investments (loan book) are accounted for on the basis of estimated net realisable values (i.e. capital amounts recoverable) at each balance sheet date. Interest receivable on these investments is recognised within the Statement of Financial Activities when earned.

Programme related investments are reviewed at least annually for impairment, an adjustment is made to provide for amounts considered to be irrecoverable, but only once normal recovery procedures have been followed and no further repayments have been made.

Other fixed asset investments are stated at cost.

Current asset investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses on revaluations and disposals throughout the year

(i) Associated undertakings

Investments in unlisted investments are stated at cost less impairment.

**2.9 Investment properties**

Investment properties whose fair value can be measured reliably without undue cost or effort shall be measured at fair value recognised in profit and loss

**2.10 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term

**2.11 Interest receivable**

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

**2.12 Debtors**

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

**2.13 Cash at bank and in hand**

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

**THE FIVE LAMPS ORGANISATION**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**2. Accounting policies (continued)**

**2.14 Liabilities and provisions**

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

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

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

**2.15 Financial instruments**

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

**2.16 Significant judgements**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The loan book is reviewed on an annual basis for impairment based on an expectation of recoverability of the outstanding balance.

**3. Critical accounting estimates and areas of judgment**

Management consider there to be an element of judgement and uncertainty in determining the carrying value of the loan debtor book. Accordingly management has assessed the performance of each debtor based on available financial and management information. Where that information shows a net realisable value less than carrying management recognise an impairment against said asset accordingly.

The management team routinely monitor and review loan debtors and investments on a monthly basis and present to the directors on a quarterly basis for consideration. Provision for identified recovery issues are made on a case by case basis with additional provision to reflect historic loss rate experience. In light of COVID-19 these reviews are more detailed with regards to identifying concerns which may give rise to a bad and doubtful debt, with careful and thorough assessment reports provided to the directors. Given that at the date of approval of these financial statements, the full impact of COVID-19 is still uncertain, a further provision of £160k has been raised and included in these financial statements to reflect changing circumstances and increased likelihood of future losses arising.

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**4. Income from donations and legacies**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Donations and other voluntary income	112	1,925	2,037
	<u>112</u>	<u>1,925</u>	<u>2,037</u>
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations and other voluntary income	144	2,600	2,744
	<u>144</u>	<u>2,600</u>	<u>2,744</u>

**5. Income from charitable activities**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Health and communities	81	893,799	893,880
Finance and enterprise	-	109,960	109,960
Young people	-	112,821	112,821
<b>Total 2020</b>	<u>81</u>	<u>1,116,580</u>	<u>1,116,661</u>
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Health and communities	500	701,252	701,752
Finance and enterprise	-	200,409	200,409
Young people	-	111,276	111,276
<i>Total 2019</i>	<u>500</u>	<u>1,012,937</u>	<u>1,013,437</u>

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**6. Investment income**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Garage rental income	5,700	-	5,700
Cafe rental income	-	19,000	19,000
	5,700	19,000	<b>24,700</b>
	5,700	19,000	<b>24,700</b>

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Garage rental income	5,400	-	5,400
Cafe rental income	-	19,000	19,000
	5,400	19,000	<b>24,400</b>
	5,400	19,000	<b>24,400</b>

**7. Other incoming resources**

	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Interest generated by programme related investment (loan debtor book)	59,043	<b>59,043</b>
	59,043	<b>59,043</b>
	59,043	<b>59,043</b>

	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Interest generated by programme related investment (loan debtor book)	266,186	266,186
	266,186	266,186
	266,186	266,186

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Management and administration	1,486,242	-	1,486,242
Health and communities	-	860,044	860,044
Finance and enterprise	-	770,898	770,898
Young people	-	164,185	164,185
Depreciation re properties	43,669	-	43,669
	<u>1,529,911</u>	<u>1,795,127</u>	<u>3,325,038</u>
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Management and administration	1,373,330	-	1,373,330
Health and communities	15,482	731,890	747,372
Employability and learning	-	5,502	5,502
Finance and enterprise	-	1,524,884	1,524,884
Young people	-	170,541	170,541
Depreciation re properties	39,105	-	39,105
	<u>1,427,917</u>	<u>2,432,817</u>	<u>3,860,734</u>

**9. Exceptional items**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Additional bad debt provision	68,619	91,763	160,382	-
	<u>68,619</u>	<u>91,763</u>	<u>160,382</u>	<u>-</u>

The group for several years has taken a prudent view with regards to portfolio provisions, given the nature and inherent risks of the organisations in which it invests. With the emergence of COVID-19, the portfolio and related provisions have been closely reviewed and an additional provision of £160,382 has been raised.

**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**10. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>
Management and administration	987,230	499,012	<b>1,486,242</b>
Health and communities	860,044	-	<b>860,044</b>
Finance and enterprises	770,898	-	<b>770,898</b>
Young people	164,185	-	<b>164,185</b>
Depreciation re properties	43,669	-	<b>43,669</b>
	<u>2,826,026</u>	<u>499,012</u>	<u><b>3,325,038</b></u>
	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Management and administration	889,984	483,346	1,373,330
Health and communities	747,372	-	747,372
Employability and learning	5,502	-	5,502
Finance and enterprises	1,524,884	-	1,524,884
Young people	170,541	-	170,541
Depreciation re properties	39,105	-	39,105
	<u>3,377,388</u>	<u>483,346</u>	<u>3,860,734</u>

**THE FIVE LAMPS ORGANISATION**  
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**10. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Mgmt and admin 2020 £</b>	<b>Health 2020 £</b>	<b>Employabili ty 2020 £</b>	<b>Finance 2020 £</b>	<b>Young people 2020 £</b>
Staff costs	1,127	788,476	-	651,206	107,562
Premises costs	9,854	10,556	-	3,941	12,785
General office costs	52,509	17,501	-	1,824	15,556
Trading company expenses	633,682	-	-	-	-
Bad and doubtful debts	-	-	-	-	10,603
Finance income and expenses	280,871	-	-	-	-
Bad debts write off	-	-	-	(3,528)	-
Publicity and advertising	-	1,862	-	32	895
Training and activities	-	10,721	-	400	9,414
Activities costs	-	5,596	-	-	7,059
Cafe and vending costs	-	194	-	-	-
Subscriptions/affiliations	8,143	-	-	-	-
Motor expenses	1,044	-	-	-	-
Mobile phones	-	12,344	-	450	311
Other costs	-	878	-	114,573	-
Consultancy/facilitators fees	-	11,916	-	2,000	-
	<u>987,230</u>	<u>860,044</u>	<u>-</u>	<u>770,898</u>	<u>164,185</u>

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**10. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

	Dep'n 2020 £	Total funds 2020 £
Staff costs	-	1,548,371
Premises costs	-	37,136
General office costs	-	87,390
Trading company expenses	-	633,682
Bad debts write off	-	10,603
Finance income and expenses	-	280,871
Bad debts write off	-	(3,528)
Publicity and advertising	-	2,789
Depreciation	43,669	43,669
Training and activities	-	20,535
Activities costs	-	12,655
Cafe and vending costs	-	194
Subscriptions/affiliations	-	8,143
Motor expenses	-	1,044
Mobile phones	-	13,105
Other costs	-	115,451
Consultancy/facilitators fees	-	13,916
	<u>43,669</u>	<u>2,826,026</u>

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**FOR THE YEAR ENDED 31 MARCH 2020**

**10. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

	<i>Mgmt and admin</i> 2019 £	<i>Health</i> 2019 £	<i>Employability</i> 2019 £	<i>Finance</i> 2019 £	<i>Young people</i> 2019 £
Staff costs	-	669,197	5,364	697,266	98,965
Premises costs	11,324	15,391	(234)	7,049	31,099
General office costs	34,709	15,129	225	124,980	15,902
Trading company expenses	560,812	-	-	-	-
Grants payable to individuals to assist with individuals	-	-	-	-	12,308
Finance income and expenses	264,111	-	-	-	-
Bad and doubtful debts	-	-	-	552,040	-
Publicity and advertising	-	887	-	633	2,061
Training and accreditation costs	-	9,998	-	-	5,280
Activities costs	-	5,093	-	-	4,051
Cafe and vending costs	-	119	-	-	-
Subscriptions/affiliations	12,594	2,881	-	1,306	302
Motor expenses	2,437	-	-	-	-
Mobile phones	3,997	10,918	34	1,889	386
Other costs	-	289	-	135,408	187
Consultancy/facilitators fees	-	17,470	113	4,313	-
	<u>889,984</u>	<u>747,372</u>	<u>5,502</u>	<u>1,524,884</u>	<u>170,541</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**10. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

	<i>Dep'n</i> 2019 £	<i>Total</i> <i>funds</i> 2019 £
Staff costs	-	1,470,792
Premises costs	-	64,629
General office costs	-	190,945
Trading company expenses	-	560,812
Grant payable to individuals to assist with employment	-	12,308
Finance income and expenses	-	264,111
Bad and doubtful debts	-	552,040
Publicity and advertising	-	3,581
Depreciation	39,105	39,105
Training and accreditation costs	-	15,278
Activities costs	-	9,144
Cafe/vending costs	-	119
Subscriptions/affiliations	-	17,083
Motor expenses	-	2,437
Mobile phones	-	17,224
Other costs	-	135,884
Consultancy/facilitators fees	-	21,896
	<u>39,105</u>	<u>3,377,388</u>

**Analysis of support costs**

	<b>Mgmt and</b> <b>admin</b> 2020 £	<b>Total</b> <b>funds</b> 2020 £
Staff costs	421,878	421,878
Publicity and advertising	1,592	1,592
Bank charges re loan funds	8,234	8,234
Professional fees	65,640	65,640
Others	1,668	1,668
	<u>499,012</u>	<u>499,012</u>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**10. Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

	<i>Mgmt and admin 2019 £</i>	<i>Total funds 2019 £</i>
Staff Costs	433,953	433,953
Premises costs	3,089	3,089
General costs	4,154	4,154
Publicity and advertising	4,141	4,141
Bank charges	9,218	9,218
Professional fees	25,632	25,632
Others	3,159	3,159
	<u>483,346</u>	<u>483,346</u>

**11. Auditors' remuneration**

	<b>2020 £</b>	<b>2019 £</b>
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>15,000</u>	<u>14,160</u>

**12. Staff costs**

In the current and previous accounting year, no trustees received any remuneration, benefits in kind or reimbursement of expenses.

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

	<b>Group 2020 No.</b>	<b>Group 2019 No.</b>
Direct charitable work	80	73
Administration	48	49
	<u>128</u>	<u>122</u>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**Staff costs (continued)**

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

	<b>Group 2020 No.</b>	<i>Group 2019 No.</i>
In the band £70,001 - £80,000	<u>1</u>	<u>1</u>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**13. Tangible fixed assets**

**Group**

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>							
At 1 April 2019	884,277	687,157	202,582	14,428	128,693	69,947	1,987,084
At 31 March 2020	884,277	687,157	202,582	14,428	128,693	69,947	1,987,084
<b>Depreciation</b>							
At 1 April 2019	280,028	522,879	202,582	14,428	128,693	69,947	1,218,557
Charge for the year	17,749	25,920	-	-	-	-	43,669
At 31 March 2020	297,777	548,799	202,582	14,428	128,693	69,947	1,262,226
<b>Net book value</b>							
At 31 March 2020	586,500	138,358	-	-	-	-	724,858
At 31 March 2019	604,249	164,278	-	-	-	-	768,527

THE FIVE LAMPS ORGANISATION  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

13. Tangible fixed assets (continued)  
Company

	Freehold property £	Long-term leasehold property £	Equipment and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>							
At 1 April 2019	884,277	687,157	202,582	14,428	128,693	69,947	1,987,084
At 31 March 2020	884,277	687,157	202,582	14,428	128,693	69,947	1,987,084
<b>Depreciation</b>							
At 1 April 2019	280,028	522,879	202,582	14,428	128,693	69,947	1,218,557
Charge for the year	17,749	25,920	-	-	-	-	43,669
At 31 March 2020	297,777	548,799	202,582	14,428	128,693	69,947	1,262,226
<b>Net book value</b>							
At 31 March 2020	586,500	138,358	-	-	-	-	724,858
At 31 March 2019	604,249	164,278	-	-	-	-	768,527

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. Tangible fixed assets (continued)**

Freehold Land and Buildings

This comprises the building known as The Youthy which was built primarily for the young people of Thornaby. Due to the unique design of The Youthy and the purpose for which it was built, there is no readily available method of arriving at a realistic market value. The unique nature of the building means that it is difficult to value it on a normal commercial basis. The Youthy was valued in November 2011 at £500,000 for the purposes of securing bank facilities but this figure is not considered to be appropriate to use as the carrying value in the financial statements. An alternative method is to measure its 'value in use' at an amount based upon expected future cash flows, but this alternative method is also considered not to be appropriate. One further alternative, which is more relevant to this property, is to use replacement cost which exceeds the carrying value at 31 March 2019 of £604,249 (2018: £569,121). All in all, it is considered unlikely that The Youthy will have suffered material permanent impairment in value since it was originally built and, in the opinion of the trustees, a carrying value based on original cost less depreciation continues to be appropriate for accounting purposes.

Investment property

Included in freehold land and buildings is an investment property valued at £37,500. In the opinion of the directors this is a reasonable estimate of the market value at 31 March 2020.

If investment properties had not been revalued they would have been included at the historical cost of £21,014 (2019: £21,014).

Leasehold Land and Buildings

These comprise two buildings from which the Charity runs its management/ administration and various projects. The terms of the leases on these properties, over which the expenditure is written off, are as follows:

(a) The Five Lamps Centre (Carrying value - £Nil)

There is no current lease in place for this property. Expenditure relates to extension work that was carried out in the years to 31 March 2000 and 31 March 2001 and had been fully written off for accounts purposes.

(b) South Thornaby Community Resource Centre (Carrying value - £138,537)

The current lease with Stockton Borough Council is for a period of 25 years from February 2000 and any expenditure is being written off over the remainder of that period.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**14. Investment property**

**Group**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 April 2019	50,000
Surplus on revaluation	(17,500)
At 31 March 2020	<u>32,500</u>

**Company**

At 31 March 2020

The investment property has been valued in the 2020 year by Allied Surveyors & Valuers at £32,500 and the directors have reviewed these valuations and concur that it is based upon the key assumptions that relate to the investment portfolio and their experience of the property market at the balance sheet date.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**15. Fixed asset investments**

<b>Group</b>	<b>Loan book £</b>	<b>Unlisted investments £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2019	4,987,624	14,000	5,001,624
Additions	5,357,582	-	5,357,582
Disposals	(4,542,673)	-	(4,542,673)
<b>At 31 March 2020</b>	<b>5,802,533</b>	<b>14,000</b>	<b>5,816,533</b>
<b>Impairment</b>			
At 1 April 2019	724,385	-	724,385
Charge for the year	305,837	-	305,837
<b>At 31 March 2020</b>	<b>1,030,222</b>	<b>-</b>	<b>1,030,222</b>
<b>Net book value</b>			
<b>At 31 March 2020</b>	<b>4,772,311</b>	<b>14,000</b>	<b>4,786,311</b>
<i>At 31 March 2019</i>	<i>4,263,239</i>	<i>14,000</i>	<i>4,277,239</i>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**15. Fixed asset investments (continued)**

<b>Company</b>	<b>Investments in subsidiary companies £</b>	<b>Loan book £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2019	850,002	2,787,786	3,637,788
Disposals	-	(373,934)	(373,934)
<b>At 31 March 2020</b>	<b>850,002</b>	<b>2,413,852</b>	<b>3,263,854</b>
<b>Impairment</b>			
At 1 April 2019	-	416,384	416,384
Charge for the year	-	79,694	79,694
<b>At 31 March 2020</b>	<b>-</b>	<b>496,078</b>	<b>496,078</b>
<b>Net book value</b>			
<b>At 31 March 2020</b>	<b>850,002</b>	<b>1,917,774</b>	<b>2,767,776</b>
<i>At 31 March 2019</i>	<i>850,002</i>	<i>2,371,402</i>	<i>3,221,404</i>

**Principal subsidiaries**

The following was a subsidiary undertaking of the Company:

<b>Name</b>	<b>Company number</b>	<b>Registered office or principal place of business</b>	<b>Principal activity</b>
Five Lamps Trading Limited	08029251	Same as the The Five Lamps Organisation	Lending and property management
<b>Class of shares</b>	<b>Holding</b>	<b>Included in consolidation</b>	
Ordinary	100%	Yes	

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**15. Fixed asset investments (continued)**

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Five Lamps Trading Limited	1,697,416	2,006,510	(369,094)	57,936

**16. Debtors**

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
<b>Due within one year</b>				
Trade debtors	64,332	35,659	64,330	35,659
Other debtors	5,693	8,118	5,695	8,118
Prepayments and accrued income	80,973	115,449	78,077	114,774
Grants receivable	37,669	107,830	37,669	107,830
	<b>188,667</b>	<i>267,056</i>	<b>185,771</b>	<i>266,381</i>

**17. Current asset investments**

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Listed investments	80	80	80	80

Group listed investments

The market value of the listed investments at 31 March 2020 was £80 (2019 :£80)

Company listed investments

The market value of the listed investments at 31 March 2020 was £80 (2019 :£80)

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**18. Creditors: Amounts falling due within one year**

	<b>Group</b> <b>2020</b> £	<i>Group</i> <i>2019</i> £	<b>Company</b> <b>2020</b> £	<i>Company</i> <i>2019</i> £
Bank overdrafts	<b>375,149</b>	<i>501,277</i>	<b>375,149</b>	<i>501,277</i>
Trade creditors	<b>122,350</b>	<i>196,032</i>	<b>90,894</b>	<i>172,459</i>
Amounts owed to group undertakings	<b>1</b>	<i>-</i>	<b>939,333</b>	<i>348,861</i>
Other taxation and social security	<b>28,151</b>	<i>32,869</i>	<b>19,472</b>	<i>23,414</i>
Other creditors	<b>438,582</b>	<i>404,316</i>	<b>411,819</b>	<i>391,337</i>
Accruals and deferred income	<b>148,493</b>	<i>126,171</i>	<b>80,046</b>	<i>60,880</i>
	<b>1,112,726</b>	<i>1,260,665</i>	<b>1,916,713</b>	<i>1,498,228</i>

The following liabilities disclosed under creditors due within one year are secured by the company:

Bank loans £375,149 (2019: £501,277)

The bank and other loans are secured by various fixed and floating charges including a first legal charge over 'The Youthy', Thornaby Road, Thornaby and the client loan portfolio.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**19. Creditors: Amounts falling due after more than one year**

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Bank loans	-	524,189	-	524,189
Other loans	<b>4,072,838</b>	3,085,139	-	-
	<b><u>4,072,838</u></b>	<u>3,609,328</u>	<u>-</u>	<u>524,189</u>

The following liabilities disclosed under creditors due after more than one year are secured by the company:

Bank loans £Nil (2019: £524,189)  
Other loans £4,072,838 (2019: £3,085,139)

The bank loans and other loans are secured by various fixed and floating charges including a first legal charge over 'The Youthy', Thornaby Road, Thornaby and the client loan portfolio.

£1,028,125 of the other loans outstanding at 31 March 2019 are repayable over five years.

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**20. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2019 £	Income £	Expenditure £	Balance at 31 March 2020 £
<b>Unrestricted funds</b>				
<b>Designated funds</b>				
Youth empowerment scheme	556,293	-	-	556,293
Growth fund	1,108,536	-	-	1,108,536
	<u>1,664,829</u>	<u>-</u>	<u>-</u>	<u>1,664,829</u>
<b>General funds</b>				
General Funds - all funds	4,136	1,703,309	(1,872,384)	(164,939)
	<u>1,668,965</u>	<u>1,703,309</u>	<u>(1,872,384)</u>	<u>1,499,890</u>
<b>Restricted funds</b>				
Health and communities	21,773	893,799	(858,371)	57,201
Employability and training	(361,676)	-	-	(361,676)
Finance and enterprise	648,551	189,928	(865,572)	(27,093)
Young people	(46,174)	112,821	(162,947)	(96,300)
	<u>262,474</u>	<u>1,196,548</u>	<u>(1,886,890)</u>	<u>(427,868)</u>
<b>Total of funds</b>	<u>1,931,439</u>	<u>2,899,857</u>	<u>(3,759,274)</u>	<u>1,072,022</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**20. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 April 2018</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Balance at 31 March 2019</i> £
<b>Unrestricted funds</b>				
<b>Designated funds</b>				
Youth empowerment scheme	556,293	-	-	556,293
Growth fund	1,108,536	-	-	1,108,536
	<u>1,664,829</u>	<u>-</u>	<u>-</u>	<u>1,664,829</u>
<b>General funds</b>				
General - funds - all funds	717,102	870,192	(1,583,158)	4,136
	<u>717,102</u>	<u>870,192</u>	<u>(1,583,158)</u>	<u>4,136</u>
<b>Total Unrestricted funds</b>	<u>2,381,931</u>	<u>870,192</u>	<u>(1,583,158)</u>	<u>1,668,965</u>
<b>Restricted funds</b>				
Health and communities	12,152	741,513	(731,892)	21,773
Employability and Learning	(356,174)	-	(5,502)	(361,676)
Finance and enterprise	1,744,501	428,934	(1,524,884)	648,551
Young people	13,090	111,276	(170,540)	(46,174)
	<u>1,413,569</u>	<u>1,281,723</u>	<u>(2,432,818)</u>	<u>262,474</u>
<b>Total of funds</b>	<u><u>3,795,500</u></u>	<u><u>2,151,915</u></u>	<u><u>(4,015,976)</u></u>	<u><u>1,931,439</u></u>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**21. Summary of funds**

**Summary of funds - current year**

	Balance at 1 April 2019 £	Income £	Expenditure £	Balance at 31 March 2020 £
Designated funds	1,664,829	-	-	1,664,829
General funds	4,136	1,703,309	(1,872,384)	(164,939)
Restricted funds	262,474	1,196,548	(1,886,890)	(427,868)
	<u>1,931,439</u>	<u>2,899,857</u>	<u>(3,759,274)</u>	<u>1,072,022</u>

**Summary of funds - prior year**

	Balance at 1 April 2018 £	Income £	Expenditure £	Balance at 31 March 2019 £
Designated funds	1,664,829	-	-	1,664,829
General funds	717,102	870,192	(1,583,158)	4,136
Restricted funds	1,413,569	1,281,723	(2,432,818)	262,474
	<u>3,795,500</u>	<u>2,151,915</u>	<u>(4,015,976)</u>	<u>1,931,439</u>

**22. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	724,858	-	724,858
Fixed asset investments	5,214,179	(427,868)	4,786,311
Investment property	32,500	-	32,500
Current assets	713,916	-	713,916
Creditors due within one year	(1,112,725)	-	(1,112,725)
Creditors due in more than one year	(4,072,838)	-	(4,072,838)
<b>Total</b>	<u>1,499,890</u>	<u>(427,868)</u>	<u>1,072,022</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**22. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior period**

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	768,527	-	768,527
Fixed asset investments	4,014,766	262,474	4,277,240
Investment property	50,000	-	50,000
Current assets	1,705,667	-	1,705,667
Creditors due within one year	(1,260,669)	-	(1,260,669)
Creditors due in more than one year	(3,609,328)	-	(3,609,328)
<b>Total</b>	<u><u>1,668,963</u></u>	<u><u>262,474</u></u>	<u><u>1,931,437</u></u>

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

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Net expenditure for the period (as per Statement of Financial Activities)	<b>(859,417)</b>	<b>(1,864,062)</b>
<b>Adjustments for:</b>		
Depreciation charges	<b>43,669</b>	39,105
Decrease in debtors	<b>82,552</b>	845
Increase/(decrease) in creditors	<b>(121,329)</b>	200,598
Write off of other debtors	-	135,408
Revaluation of investment property	<b>17,500</b>	-
<b>Net cash used in operating activities</b>	<u><u><b>(837,025)</b></u></u>	<u><u><b>(1,488,106)</b></u></u>

**24. Analysis of cash and cash equivalents**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Cash in hand	<b>525,170</b>	1,438,531
<b>Total cash and cash equivalents</b>	<u><u><b>525,170</b></u></u>	<u><u><b>1,438,531</b></u></u>

**THE FIVE LAMPS ORGANISATION**  
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**25. Analysis of changes in net debt**

	At 1 April 2019	Cash flows	At 31 March 2020
	£	£	£
Cash at bank and in hand	1,438,531	(913,361)	525,170
Bank overdrafts repayable on demand	(501,277)	126,128	(375,149)
Debt due after 1 year	(3,609,328)	(463,510)	(4,072,838)
Liquid investments	80	-	80
	<u>(2,671,994)</u>	<u>(1,250,743)</u>	<u>(3,922,737)</u>

**26. Controlling party**

Throughout the year the Charity was under the control of the board.

**27. Related party transactions**

Lisa Pickard (from 11 September 2019) was also a Director of North East Enterprise Agency Limited (NEEAL). William Eskine who was a director of Five Lamps Trading Limited until 16 August 2019, was also a Director of North East Enterprise Agency up to 11 September 2019.

Transactions between Five Lamps and NEEAL during the year were as follows:

Income from NEEAL is £49,148 (2019: £46,375) in the year ended 31 March 2020.

Included in Debtors at 31 March 2020 is £Nil (2019: £31,639) due from NEEAL to Five Lamps.

The charity owns 100% of the share capital of Five Lamps Trading Limited, company number 08029251.

Transactions between Five Lamps and Five Lamps Trading Ltd during the year were as follows:

During the year Five Lamps Trading gifted £NIL (2019: £Nil) as a donation to The Five Lamps Organisation.

A guarantee limited to £250,000 is in place in favour of Unity Trust bank given by The Five Lamps Organisation for Five Lamps Trading Limited.

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**28. Assets and Liabilities held as an intermediary agent - group and charity**

The Private Housing Financial Assistance Programme was created to help local authorities in the north east of England to provide loans to needy homeowners for the purpose of helping them to improve their housing conditions.

Five Lamps was appointed to manage the above Programme on behalf of 12 local authorities, using Sunderland City Council as the contracting authority.

Five Lamps holds the relevant funds on behalf of the local authorities in a designated client bank account. This asset and the associated liability to the local authorities are excluded from Five Lamps' Balance Sheet. There is a debenture agreement dated 12 October 2010 in favour of Sunderland City Council solely in respect of these funds. This debenture does not apply to any other Five Lamps assets.

At 31 March 2020, the funds held on the above client bank account totalled £1,274,969 (2019: £1,742,090) and this is returnable to the local authorities.

The accounting for these assets and liabilities are presented in notes 15,18 and 19 within these financial statements.