

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[®]
Accountants, Business & Financial Advisers

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020

Trustees	Patricia Chambers, Chair Vivienne Holmes, Vice Chair Jamie Houlders (appointed 1 April 2019) Ian Wright (resigned 31 December 2020) Trevor Watson
Company registered number	02441319
Charity registered number	702314
Registered office	Eldon Street Thornaby Stockton on Tees TS17 7DJ
Chief executive officer	Lisa Pickard
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors York House Northallerton North Yorkshire DL6 2XQ
Bankers	Unity Trust Bank 4 Brindley Place Birmingham B1 2JB

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

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.

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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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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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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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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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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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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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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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

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 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. 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 £
Income from:					
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
Total income		1,703,309	1,196,548	2,899,857	2,151,915
Expenditure on:					
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	-
Total expenditure		1,872,384	1,886,890	3,759,274	4,015,977
Net movement in funds		(169,075)	(690,342)	(859,417)	(1,864,062)
Reconciliation of funds:					
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)
Total funds carried forward		1,499,890	(427,868)	1,072,022	1,931,439

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

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
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
Current assets			
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)
Net current liabilities / assets		(398,809)	445,002
Total assets less current liabilities		5,144,860	5,540,767
Creditors: amounts falling due after more than one year	19	(4,072,838)	(3,609,328)
Net assets excluding pension asset		1,072,022	1,931,439
Total net assets		1,072,022	1,931,439
Charity funds			
Restricted funds	20	(427,868)	262,474
Unrestricted funds	20	1,499,890	1,668,965
Total funds		1,072,022	1,931,439

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 £
Fixed assets			
Tangible assets	13	724,858	768,527
Investments	15	2,767,776	3,221,403
		3,492,634	3,989,930
Current assets			
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)
Net current liabilities		(1,628,546)	(1,111,330)
Total assets less current liabilities		1,864,088	2,878,600
Creditors: amounts falling due after more than one year	19	-	(524,189)
Net assets excluding pension asset		1,864,088	2,354,411
Total net assets		1,864,088	2,354,411
Charity funds			
Restricted funds	20	(427,867)	262,474
Unrestricted funds	20	2,291,955	2,091,937
Total funds		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 £
Cash flows from operating activities		
Net cash used in operating activities	(859,417)	(1,488,106)
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(50,473)
Net movement in loan book	(517,454)	617,903
	<hr/>	<hr/>
Net cash (used in)/provided by investing activities	(517,454)	567,430
	<hr/>	<hr/>
Cash flows from financing activities		
Cash inflows from new borrowing	-	3,085,139
Repayments of borrowings	463,510	(765,354)
	<hr/>	<hr/>
Net cash provided by financing activities	463,510	2,319,785
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(913,361)	1,399,109
Cash and cash equivalents at the beginning of the year	1,438,531	39,422
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	525,170	1,438,531
	<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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Health and communities	81	893,799	893,880
Finance and enterprise	-	109,960	109,960
Young people	-	112,821	112,821
Total 2020	<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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Garage rental income	5,700	-	5,700
Cafe rental income	-	19,000	19,000
	5,700	19,000	24,700
	5,700	19,000	24,700

	<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	24,400
	5,400	19,000	24,400

7. Other incoming resources

	Restricted funds 2020 £	Total funds 2020 £
Interest generated by programme related investment (loan debtor book)	59,043	59,043
	59,043	59,043
	59,043	59,043

	<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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
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

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
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>3,325,038</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
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Mgmt and admin 2020 £	Health 2020 £	Employabili ty 2020 £	Finance 2020 £	Young people 2020 £
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>

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 (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>

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 (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>

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 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

	Mgmt and admin 2020 £	Total funds 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

	2020 £	2019 £
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:

	Group 2020 No.	Group 2019 No.
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:

	Group 2020 No.	<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 £
Cost or valuation							
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
Depreciation							
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
Net book value							
At 31 March 2020	586,500	138,358	-	-	-	-	724,858
At 31 March 2019	604,249	164,278	-	-	-	-	768,527

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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 £
Cost or valuation							
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
Depreciation							
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
Net book value							
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)

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.

THE FIVE LAMPS ORGANISATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. Investment property

Group

	Freehold investment property £
Valuation	
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.

THE FIVE LAMPS ORGANISATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

15. Fixed asset investments

Group	Loan book £	Unlisted investments £	Total £
Cost or valuation			
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)
At 31 March 2020	5,802,533	14,000	5,816,533
Impairment			
At 1 April 2019	724,385	-	724,385
Charge for the year	305,837	-	305,837
At 31 March 2020	1,030,222	-	1,030,222
Net book value			
At 31 March 2020	4,772,311	14,000	4,786,311
<i>At 31 March 2019</i>	<i>4,263,239</i>	<i>14,000</i>	<i>4,277,239</i>

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)

Company	Investments in subsidiary companies £	Loan book £	Total £
Cost or valuation			
At 1 April 2019	850,002	2,787,786	3,637,788
Disposals	-	(373,934)	(373,934)
At 31 March 2020	850,002	2,413,852	3,263,854
Impairment			
At 1 April 2019	-	416,384	416,384
Charge for the year	-	79,694	79,694
At 31 March 2020	-	496,078	496,078
Net book value			
At 31 March 2020	850,002	1,917,774	2,767,776
<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:

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
Class of shares	Holding	Included in consolidation	
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

	Group 2020 £	<i>Group</i> <i>2019</i> £	Company 2020 £	<i>Company</i> <i>2019</i> £
Due within one year				
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
	188,667	<i>267,056</i>	185,771	<i>266,381</i>

17. Current asset investments

	Group 2020 £	<i>Group</i> <i>2019</i> £	Company 2020 £	<i>Company</i> <i>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

	Group 2020 £	<i>Group</i> <i>2019</i> £	Company 2020 £	<i>Company</i> <i>2019</i> £
Bank overdrafts	375,149	501,277	375,149	501,277
Trade creditors	122,350	196,032	90,894	172,459
Amounts owed to group undertakings	1	-	939,333	348,861
Other taxation and social security	28,151	32,869	19,472	23,414
Other creditors	438,582	404,316	411,819	391,337
Accruals and deferred income	148,493	126,171	80,046	60,880
	<u>1,112,726</u>	<u>1,260,665</u>	<u>1,916,713</u>	<u>1,498,228</u>

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.

THE FIVE LAMPS ORGANISATION
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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

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Bank loans	-	524,189	-	524,189
Other loans	4,072,838	3,085,139	-	-
	<u>4,072,838</u>	<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 £
Unrestricted funds				
Designated funds				
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>
General funds				
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>
Restricted funds				
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>
Total of funds	<u><u>1,931,439</u></u>	<u><u>2,899,857</u></u>	<u><u>(3,759,274)</u></u>	<u><u>1,072,022</u></u>

THE FIVE LAMPS ORGANISATION
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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> £
Unrestricted funds				
Designated funds				
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>
General funds				
General - funds - all funds	717,102	870,192	(1,583,158)	4,136
	<u>2,381,931</u>	<u>870,192</u>	<u>(1,583,158)</u>	<u>1,668,965</u>
Restricted funds				
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>
Total of funds	<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)
Total	<u>1,499,890</u>	<u>(427,868)</u>	<u>1,072,022</u>

THE FIVE LAMPS ORGANISATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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)
Total	<u>1,668,963</u>	<u>262,474</u>	<u>1,931,437</u>

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

	Group 2020 £	Group 2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(859,417)	(1,864,062)
Adjustments for:		
Depreciation charges	43,669	39,105
Decrease in debtors	82,552	845
Increase/(decrease) in creditors	(121,329)	200,598
Write off of other debtors	-	135,408
Revaluation of investment property	17,500	-
Net cash used in operating activities	(837,025)	(1,488,106)

24. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash in hand	525,170	1,438,531
Total cash and cash equivalents	525,170	1,438,531

THE FIVE LAMPS ORGANISATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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.

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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.