

Registered number: 02441319
Charity number: 702314

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

ArmstrongWatson[®]
Accountants, Business & Financial Advisers

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

| | |
|----------------------------------|---|
| Trustees | Patricia Chambers, Chair Vivienne Holmes, Vice Chair 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 |

THE FIVE LAMPS ORGANISATION
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TRUSTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. TRUSTEES RESPONSIBILITIES STATEMENT

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

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

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

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

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

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

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

2.0 FINANCIAL STATEMENTS.

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

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

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

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

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

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

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

3.0 FINANCIAL REVIEW

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

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

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

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

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

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

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

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

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

4.0 ACHIEVEMENTS & PERFORMANCE

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

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

Health & Social Care

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

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

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4.0 ACHIEVEMENTS & PERFORMANCE (continued)

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

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

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

Youth & Community

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

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

Financial Inclusion.

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

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

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4.0 ACHIEVEMENTS & PERFORMANCE (continued)

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

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

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

5.0 GOVERNANCE & SUPPORT

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

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

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

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

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

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6.0 STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure and decision making

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

Structure, Governance and Management

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

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

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

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

7.0 CHARITABLE OBJECTS

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

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

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7.0 CHARITABLE OBJECTS (continued)

The Powers of the charity now state:

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

8.0 GOVERNANCE

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

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

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

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

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8.0 GOVERNANCE (continued)

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

8.1 Board Purpose

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

8.2 Board Key Responsibilities

Managing organisational performance and risk.

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

Leadership and strategy

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

Strategic planning and implementation

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

Leading and delivering change.

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

Business Finance Opportunity

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

Communication

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

8.3 Operations

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

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

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8.4 Related party relationships

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

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

9.0 RISK MANAGEMENT

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

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

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

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

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

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

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

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9.0 RISK MANAGEMENT (continued)

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

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

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

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

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

10.0 EMERGING RISK

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

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

Income reductions

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

Adult Social Care

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

Access to Capital funds

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

Profile and Reach

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

- Increasing competition for reducing source of revenue.

Employment.

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

Overheads.

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

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

11.0 QUALITY ASSURANCE & STATUTORY REGULATORS

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

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

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

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

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

12. PARTNERSHIPS

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

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

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

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

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

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

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

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

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

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

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

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

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

Directors

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

T Watson

L Hagelmann

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

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

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

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

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

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

Business Activity 2023/24 Summary

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

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

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

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

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

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

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

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

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

Five Lamps Trading:

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

The Five Lamps Organisation:

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

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

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

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

Other points to report:

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

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

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

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

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

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

14. PLANS FOR THE FUTURE

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

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

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

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

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

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

Our values are:

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

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

AUDITORS

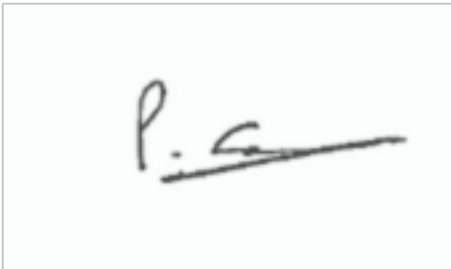
The auditors, Armstrong Watson Audit Limited have indicated their willingness to continue in office. The Designated Trustees will propose a motion re appointing the auditors at a meeting of the Trustees.

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

Patricia Chambers
Trustee

Vivienne Holmes
Trustee

Date: 30 June 2025

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

THE FIVE LAMPS ORGANISATION
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2024

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

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

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

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

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

Opinion

We have audited the financial statements of The Five Lamps Organisation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 30 September 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 30 September 2024 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Turner (Senior Statutory Auditor)

for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants & Statutory Auditors

Northallerton

30 June 2025

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

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

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

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2024

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

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

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



Patricia Chambers
 Trustee
 Date: 30 June 2025



Vivienne Holmes
 Trustee

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

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

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2024

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


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

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

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



P Chambers
 Trustee
 Date: 30 June 2025



V Holmes
 Trustee

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

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

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

2.2 Company status

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

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

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

2.3 Going concern

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

2.4 Taxation

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.5 Incoming resources

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

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

(i) Grants and Donations:

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

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

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

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

(ii) Investment Income

Investment income is included when receivable by the Charity.

(iii) Fees and Similar Income

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

(iv) Commercial Trading Operations

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.6 Resources expended

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

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

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

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

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

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

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

2.7 Fund accounting

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

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

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation

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

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

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

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

Depreciation is provided on the following bases:

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

2.9 Other investments

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

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

Other fixed asset investments are stated at cost.

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

(i) Associated undertakings

Investments in unlisted investments are stated at cost less impairment.

2.10 Investment properties

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.11 Operating leases

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

2.12 Interest receivable

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

2.13 Debtors

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

2.14 Cash at bank and in hand

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

2.15 Liabilities and provisions

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

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

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

2.16 Financial instruments

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

2.17 Significant judgements

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

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.18 Pensions

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

2.19 Fund accounting

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

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

4. Income from donations and legacies

| | Unrestricted funds for the 12 months ended 30 September 2024 £ | Total funds for the 12 months ended 30 September 2024 £ |
|--------------------------------------|---|--|
| Donations and other voluntary income | 31,241 | 31,241 |
| | | |

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

5. Income from charitable activities

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

5. Income from charitable activities (continued)

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

6. Investment income

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

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

6. Investment income (continued)

7. Other incoming resources

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

8. Analysis of expenditure on charitable activities

Summary by fund type

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

9. Analysis of expenditure by activities

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

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

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

Analysis of support costs

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

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

10. Auditors' remuneration

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

11. Staff Costs

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

Staff costs (continued)

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

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

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

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

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

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

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

12. Tangible fixed assets

Group

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

12. Tangible fixed assets (continued)

Company

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

12. Tangible fixed assets (continued)

Freehold Land and Buildings

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

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

Investment property

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

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

Leasehold Land and Buildings

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

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

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

13. Investment property

Group and Company

| | Freehold investment property £ |
|----------------------|---|
| Valuation | |
| At 1 October 2023 | 60,000 |
| At 30 September 2024 | 60,000 |

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

14. Fixed asset investments

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

14. Fixed asset investments (continued)

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

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

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

| 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
(A Company Limited by Guarantee)

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

14. Fixed asset investments (continued)

The financial results of the subsidiary for the year were:

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

15. Debtors

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

16. Current asset investments

| | Group 2024 £ | <i>Group 2023</i> £ | Company 2024 £ | <i>Company 2023</i> £ |
|--------------------|----------------------------|----------------------------|------------------------------|------------------------------|
| Listed investments | 80 | 80 | 80 | 80 |

Group listed investments

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

Company listed investments

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

17. Creditors: Amounts falling due within one year

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

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

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

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

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

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

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

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

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

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

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

19. Statement of funds

Statement of funds - current year

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

19. Statement of funds (continued)

Statement of funds - prior year

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

19. Statement of funds (continued)

Designated funds

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

1. Youth Empowerment Scheme
2. Growth Fund

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

Restricted Funds

Health and Communities

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

Employability and Training

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

Finance and Enterprise

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

Young People

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

20. Summary of funds

Summary of funds - current year

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

Summary of funds - prior year

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

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

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

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

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

21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

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

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

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

23. Analysis of cash and cash equivalents

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

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

24. Analysis of changes in net debt

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

25. Operating lease commitments

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

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

26. Controlling party

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

27. Related party transactions

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

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

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

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

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

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

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

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

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

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