Registered number: 02441319
Charity number: 702314

THE FIVE LAMPS ORGANISATION

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

30 SEPTEMBER 2025

ArmstrongWatson®
Accountants, Business & Financial Advisers

THE FIVE LAMPS ORGANISATION
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Charity, its Trustees and Advisers	1
Trustees' Report	2 - 16
Trustees' Responsibilities Statement	17
Independent Auditors' Report on the Financial Statements	18 - 21
Consolidated Statement of Financial Activities	22
Consolidated Balance Sheet	23
Charity Balance Sheet	24
Consolidated Statement of Cash Flows	25
Notes to the Financial Statements	26 - 52

THE FIVE LAMPS ORGANISATION

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 SEPTEMBER 2025

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

(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2025

1. TRUSTEES RESPONSIBILITIES STATEMENT

The Trustees are pleased to present their Annual Report providing an overview of the period from, 1st October 2024 ending 30th September 2025.

This report and financial statements were due to be filed by 30th June 2026 however the Trustees (and Directors of Five Lamps Trading (FLT) agreed to apply for and obtained an extension until 30th September 2026. This decision was taken due to two extraordinary factors i) a significant flood that affected the day to day running of the charity and ii) changes in key accounting personnel during the audit process.

Both the 2022/23 and 2023/24 Financial Statements referenced an agreed orderly wind down of our wholly owned subsidiary, Five Lamps Trading. Whilst the formal wind down and collect out of the social investment fund were satisfied and completed by 30th September 2025, the actual closure of Five Lamps Trading has not concluded. This will be fully resolved before 31st December 2026.

The Trustees report that some of the financial implications of the orderly wind down decision are reflected in these 2024/25 financial statements including i) the write down of the £4.8m loan notes and ii) net collect out payment paid to the Social Investment Funders totalling £920k has been reflected in other income within the consolidated financial statements (see note 6). This has also impacted on the group 'consolidated' surplus generated in the year.

Within FLT, a total of £5.3 million loan notes has been waived of which £4.8m relates to the social investment fund which is offset by investor collect outs payments of £920k and their associated costs.

The Charity remained a going concern on 31st March 2026 therefore the contingent liability has expired the wider Debenture held against the Charity is satisfied and will be released.

The Trustees are delighted to report a significant improvement not only in the net asset value of the Charity, increasing from £249,135 (30.9.24) to £3,304,591 on 30th September 2025 but also the position with unrestricted funds, increasing from (£51,164) to £3,217,991. The Trustees report that unrestricted funds now represent 97.4% of the statement of funds 'net asset value'.

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.

In reviewing the 2024/25 Financial Statements, the Trustees have considered the Going Concern. Due to the unprecedented events that occurred from 2024 to 2026 and specifically the non-delivery of specific growth targets, the Going Concern has been stress tested based on actual performance and outturns for 2025/26 quarters 3 and 4 and the rolling 13 week cash flow up to 31st December 2026. The Charity' going concern evaluations do not depend on targeted income . Instead, any growth in homecare and youth & community services serve to strengthen the Charity's financial strength and resilience. This is core to the Charity's refreshed approach to risk management.

The Trustees file these 2024/25 Financial Accounts and Statements with a significantly improved reserve. In light of external factors and in full consideration of the Auditors opinion, that a material uncertainty exists that may cast significant doubt on the Charitable group's ability to continue as a going concern, the Accounts are filed with 'material uncertainty'. The Trustees are satisfied that the rigorous stress testing and outturns since the conclusion of the audit process demonstrate that material certainty can be achieved however Trustees prefer to adopt prudent risk informed approach.

The significantly improved net worth now enables the Charity to develop a revised Five Year strategy focused on delivering charitable services that make a positive difference to people's lives in local communities.

The Trustees report that the Charities 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 £249,135 on 30th September 2024 to £3,304,591 at 30th September 2025. This is the best consolidated position since pre-covid demonstrating continued resilience and recovery. The secured creditor liabilities were waived during the year which has aided the improved net worth.

The reported net worth of £3,304,591 is the consolidation of the balance sheet outcomes for the individual entities:

- £3,523,163 Five Lamps Organisation
- (£208,572) Five Lamps Trading Limited. The Five Lamps Trading Directors' report is included in this report.

3.0 FINANCIAL REVIEW

The Statement of Financial Activities for 2024/25, 12 month operating period, the Balance Sheet as of 30th September 2025 and associated notes are included from page 23.

Income:

Total income received, excluding the exceptional loan waivers, was £1,621,287 of which, £912,482 related to Charitable activities. Overall income reduced by 58.7% due to two significant factors:

- Five Lamps Homecare ceased delivering the Stockton Borough Councils home care contract and pursued non commissioned home care service delivery model.
- The personal lending strategy and Conduit Loans changed from a national model to community lending significantly reducing the loans being disbursed and subsequently the revenue income being generated. Expected turnover was incorporated into the 2024/25 Going Concern assessments. However, in March 2025, new lending was paused following identification and subsequent reporting of fraud. It was expected lending would resume within 3 months however this was delayed and at the time of writing this report, lending has still not resumed. The Trustees agreed that Five Lamps should enter into a V-Req with the Financial Conduct Authority. Expected revenue income was significantly impacted and lower than anticipated as a direct consequence

Expenditure:

Total expenditure reduced by 14.1% from £3,559,368 to £3,200,227 maintaining a five year consecutive reduction in spend. This was despite the inclusion of costs associated with the collect out of the loan notes. With the treatment of loan waivers and collect outs payments the entity made an operating surplus of £3,055,456.

The Trustees report that the expenditure includes two extraordinary items:

1) Aged loan debt sale: £688,892 related to a £1,154,904 loss on disposal of loan book less a £466,012 write back to the doubtful debts provision.
2) Write down of Loan Notes : Alongside the write off of both the Covid Resilience Loan (£500k) and the investor loan note fund (£4,812,500), the 2024/25 statements include related expenditure of £266,955 in addition to a further £770k paid since the year end.

- The terms of the collect out agreement were fully discharged by 30th September 2025, extended to 31st October 2025 due to delays with debt sales, with the exception of an agreed sale fixed asset in Five Lamps Trading that has subsequently completed in July 2026. This is immaterial for Accounting purposes.
- The debenture held against the Charity, enforceable in the event that the Charity ceased trading before 31st March 2026, is now satisfied. The Charity remains liquid.

The Trustees are pleased to report that:

- Net expenditure on a comparable basis reduced by £1,108,150 (from £3,260,020 in 2023/24 excluding increase in bad debt provision to £2,151,870 in 2024/25)
- This 34% reduction in expenditure was primarily achieved by a 47% reduction (£1,132k) in staffing costs; with most of this relating to direct care delivery costs due to the reduction in the delivered home care hours. The Trustees reported a £108k increase in property running costs due to identified essential health and safety and compliance works and increases in insurance premiums.

The Trustees, whilst pleased with the control of expenditure, specifically note the majority of the positive impact on net assets is due to the write back of loan, releasing these from the balance sheet and back to the profit and loss accounts.

With the Balance sheet changes and majority of funds unrestricted, the Trustees opted for a Going Concern statement based on actuals and deliverables and excluded forecasts in homecare and youth and community income as well as targets for grants and fundraising income. This reduced the exposure for material uncertainty. Instead, success in these areas will strengthen the Charity's financial position in future.

The Trustees (and Directors) comprehensively reviewed the consolidated and individual entity bad debt position in January 2025 and again in June 2025. However, the inability to resume lending has increased the agedness of the loan book and focus will be placed on improving the recovery of this post year end. As part of the wind down of Five Lamps Trading, the charity has impaired the intercompany debtor and recorded this within the financial statements of the charity only. On consolidation, this transaction has been eliminated.

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 2024/25 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. The Trustees report increased risk and pressure on its cash flow forecasts and have embedded new 13 week cash flow forecast and reporting to ensure the £100k can be sustained in the future. The Going Concern allows for a managed reduction in cash balances below this threshold pending the sale of a fixed asset and the reimbursement of cash sums through an insurance claim.

4.0 ACHIEVEMENTS & PERFORMANCE

The key achievement in 2024/25 has been ensuring the Charity has been able to withstand the unplanned reduction in income and inability to deliver against its strategic objective relating to financial inclusion and increased expenditure to ensure the Charity complied and remained compliant with its regulatory expectations specifically in relation to health and safety. The Trustees are delighted to report a new partnership with Avensure as our Health & Safety advisors that will ensure the Charity manages and mitigates future risks.

Other notable achievements include:

Redesigned and launched an alternative model for domiciliary home care encouraging local people to have more say in the application of adult social care direct payments and engaging Five Lamps homecare as their provider of choice to deliver their care and support their independence.

- Launched a new nonregulated care service supporting people experiencing loneliness and isolation to remain living in their own homes and remaining and / or getting more involved in their local community. This also included funding and running Warm Welcome activities for local people as well as those experiencing fuel poverty and hardship.
- Developed and grew our strategic partnership with MultiBank becoming a referral and delivery partner helping alleviate poverty across Stockton on Tees.
- In partnership and with funding support from Stockton Borough Council, delivered 54 days of holiday club activities during school holidays, supporting more than 1800 young people to access a healthy meal, undertake activities to improve health and wellbeing, learn new skills such as cooking and make new friends.
- Identified and built up relationships with 4 local schools to improve opportunities for young people.

- Supported 14 separate sessions for looked after children and an adoption group.
- Disbursed £266k of loans between October 2024 and March 2025 to 323 families experiencing financial hardship and exclusion with an estimated social impact of £70k.
- Delivered 142 evening activities including youth clubs (8-12 year olds), Vibe group for young people (8-25 years) with special educations needs and disabilities and their parents / carers and sustained an evening activity for adults with additional needs.

5.0 GOVERNANCE & SUPPORT

In November 2024, the Trustees appointed Third Sector solutions to support the Trustees to review and strengthen its viability and to complete a forensic audit of its accounts and historical projects and initiatives.

Following this independent review, in July 2025, the Trustees self-reported the findings to the Charity Commission and raised concerns regarding decisions and financial transactions between 2012 and 2019.

The investigations continue but during the 2024/25 and since the financial year end, the Trustees have:

- Comprehensively reviewed the legacy Empty Homes scheme and continue to report on grant reconciliations and income payable to Five Lamps and owner occupiers. The Trustees have agreed to exit this scheme. This is nearing completion with 14 properties requiring a final determination. This should be completed by December 2026. The Trustees will provide a full report to the Charity Commission on their findings.
- Resolved to exit the Helping Hands scheme. The Trustees fully support the initiative and need to support local people to stay in their homes by facilitating home improvement loans on behalf of the local councils, however, following a Governance and Compliance review, it concluded that the cost to comply with regulatory requirements was disproportionate to the income or social value generated. The Charity will process the orderly return of local authority funds and support its local authority partners to be able to continue to offer this service ensuring that local people in need continue to benefit from and be able to access this support.

Following the conclusion of the independent report from FRP Limited, the Trustees have overseen the exit of Investor funded lending and robust governance of the collect out agreement ensuring the protection of the Charity. In addition, the Trustees have supported the Directors of Five Lamps Trading to move towards an orderly wind down of the Trading company which will now be completed post 2025/26 year end.

Despite continuous advertising for Trustees the Board have been unable to recruit any new Trustees. To this end, the Trustees have resolved to amend the Articles and ensure compliance with Charity Commission expectations is not impacted by numbers.

The Board of Trustees have formally met and recorded 12 separate Minutes of meetings in the 2024/25 financial year and since the year end (30/9/25) have already met and recorded a further 12 separate meetings. The Board of Trustees have increased frequency over and above the minimum 4 meetings per year included in its Articles to reflect the risks and challenges the Charity has faced. This governance structure along with support from Third Sector Solutions, Ellison Ray (Financial Inclusion consultants), Alph-Legal (Regulatory compliance advisors), RSM UK Limited (Accountants) and Armstrong Watson (Auditors & Tax advisors) has enabled the Trustees to maintain oversight and good governance and overcome the challenges of being unable to recruit new Trustees, whilst demonstrating the Trustees have discharged their responsibilities.

In 2026, the Trustees have resolved to recruit expertise onto the Board specifically in health & social care; finance and accounting and ideally community representation. To support this, the Board of Trustees plan to sign off a new strategy in October 2026 to reflect changing strategic priorities and direction.

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 2025, 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' effective from 1 January 2019. 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. The Trustees have resolved to amend these operations to formally remove regulated lending activity.

Since October 2017, The Five Lamps Organisation has also been registered with the Office of the Scottish Charity Regulator, under reference SC047839. In July 2026, the Trustees agreed to apply to remove this registration with the future focus being on local community with local being defined as Teesside.

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. As noted above, application has been made to remove our Scottish Charity Commission permissions. The Trustees have agreed that the ‘operations and charitable activities’ will remain as ‘within England’ to allow opportunities to pursue charitable objectives where need is identified outside of our current area of focus, Teesside.

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:

- 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.
- The prevention and relief of poverty by providing education, goods, and services to individuals in need.
- The relief of unemployment for the benefit of the public in such ways may be thought fit, including assistance to find employment.
- The advancement of education, training or retraining particularly among socially, economically, and financially excluded people and the provision of work experience for unemployed people.
- The provision of financial assistance, technical assistance, business advice or consultancy 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.
- The creation of training and employment opportunities by the provision of workspace, buildings, or land for use on favourable terms.
- The provision of housing for those who are in conditions of need and/or the refurbishment of such housing.
- The provision of public health facilities and childcare.
- 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.
- 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
- Any other purposes currently recognised as charitable and any new charitable purposes which are like another charitable purpose.

The Powers of the charity now state:

The charity has the power to do anything which is calculated to further its Object(s) or is conducive or incidental to doing so. In particular, the charity has the power to raise funds. In doing so, the charity must not undertake any taxable permanent trading activity and must comply with any relevant statutory regulations.

- 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 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.

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

The Governance structure continues to report and manage risks within the main Board of Trustees rather than a specific Audit & Risk Committee. Follow the dissolution of Five Lamps Trading and the appointment of new Trustees, the Governance structure will be reviewed and restated to enable the delivery of the 2026 and beyond strategy for the Charity.

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 and the impact this has on the leadership team servicing more frequent meetings however they are satisfied, following its internal self-assessment, that the structure throughout 2024/25 and into 2026 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 reserved Going Concern statement, the refocussing of our strategic aims and charitable objects and a new strategic plan in 2026, will further strengthen compliance and deliver a simpler and more effective governance, risk management, regulatory compliance and delivery framework for 2026/27 going forward.

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 2024/25 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 reported in the 2023/24 statements, the risks associated with the small leadership structure in terms of capacity, contingency, and opportunity costs however acknowledged this was needed to achieve required reductions in expenditure. In 2024/25, the Trustees agreed a change in the executive structure to make further savings and to build capacity and resilience within the senior leadership team. The Director of Charitable operations post was made redundant effective from 27th December 2025, and a flatter management structure put in place.

During the intervening period between the financial year end and filing of these accounts, the Trustees have approved a further change to the leadership structure to bring about improvements in compliance and reporting following the identification of risks in 2026.

8.4 Related party relationships

The Trustees and Directors have all filed nil returns confirming 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. This reverted to an observer as part of the collect out

agreement. This has now ceased following the completion of the collect out agreement.

9.0 RISK MANAGEMENT

The Trustees ensure risk identification and risk management are a key priority.

External events highlighted the exposure of significant risks outside the Trustees' direct control. To ensure the Charity is best placed to mitigate ongoing and future 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 £3,304,591 and a prudent going concern assumptions has further increased the Charities resilience to cope with an unexpected or worse than forecast event without impacting on the Charity.

The Board of Trustees maintain a continuous review and oversight of the major risks which each company, each service area and cost centre 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 2024/25 and periodic testing. These are due for a substantial overhaul in 2026 to align these to a smaller flatter and lower risk operating model.

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 February 2026 and again in April 2026 following a significant incident resulting in extensive damage to one of the Charity's buildings, the main centre of community based operations. Following a revaluation, the sums insured have been increased to reflect the higher reinstatement costs of buildings.

It is expected that the insurance cover will reduce once the process to exit all new lending is complete and the sale of the Registered Office (former head office) completes.

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

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

The Board has overseen the monitoring of 40 specific risks with 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.

In 2026, the Trustees were concerned about the accuracy of compliance reporting specifically regulatory compliance and engaged with both the Financial Conduct Authority (FCA) and Care Quality Commission (CQC) and kept the Charity Commission informed. Following this, Risk Management has been reviewed and a new post of Head of Customer Service & Compliance included in the senior leadership structure to ensure the robust and accurate reporting and timely compliance with regulatory requirements. The Trustees acted quickly and transparently to address the risks identified. A new risk framework is being devised to reduce the number of risks being reported to Board and increase the operational risk management, reporting and accountability. This will enable the Trustees to have clear and focussed oversight.

During 2026, the Trustees identified regulatory risk as a significant risk for the Charity. This has been subject to a strategic review which will be concluded in the October 2026 strategy. Underpinning this will be a new risk matrix and risk management strategy.

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

Our insurance cover 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

10.0 EMERGING RISK

The current & emerging risks to the Charity since the filing of the 2023/24 Statements include:

Income reductions.

- Lack of future income from financial inclusion.
- Year on year reduction in donations with an 82% reduction from 2023/24 to 2024/25.
- Uncertainty, infrequency and low contribution towards corporate costs of grants and funding programmes.
- Increasing poverty is impacting on local people's ability to pay or contribute to additional services such as evening youth & community activities.

Adult Social Care

- Loss of key personnel, loss of commercial intelligence, loss of corporate knowledge and private sector competitors.
- Work force instability due to private sector competitors and financial restrictions on going rate of pay.
- Lack of capacity to identify and bring in new opportunities.
- Political uncertainty and 'statements' creating uncertainty for the sector, funding and future delivery models.

Access to Capital funds

- Continued delays in being able to go out to market and use security free assets to borrow against.

Profile and Reach

- Lack of dedicated PR & media resource to help drive brand awareness and increase partnerships.

Employment.

- Redundancy and redeployment.
- Succession planning and risk of loss of key personnel.

Overheads

.

- Cost of living, rising energy & transport costs and impact on running services and delivering home care.
- Ratio of staff to build space is a potential health and safety risk.

The Director of Charity Operations role oversaw compliance audits. As reported above, some serious concerns and potential / breaches were identified, and a new structure has been put in place to address the risk of one postholder autonomy and reporting. Continuous improvement audits of our HR policies and procedures are routinely completed with specialist support from Croner Assist, ensuring we remain compliant and working according to good practice. To mitigate 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.

A new Health & Safety consultancy, Avensure has been appointed to support us to be compliant and better aware of health and safety expectations, risks and management of risks.

Alph-Legal continue to support us with FCA regulatory compliance with an increased role agreed in 2026 to support Five Lamps and specifically our brand Conduit Loans to discharge its regulatory responsibilities and report independently into the Board of Trustees.

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.

During the reporting period, 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). At the time of writing this report, Five Lamps Homecare does not have a Registered Manager confirmed by CQC. This is actively being recruited and until in post, an interim structure has been established to focus on quality care delivery and compliance and oversight reporting direct into the Chief Executive who is the named Nominated Individual.
- Financial Conduct Authority (FCA) - Both FLO (FCA Reference 656112) and FLT (FCA Reference 791848) are authorised and regulated by the FCA. In November 2025, an application was made to cancel and remove all FLT permissions. This has been accepted and is ongoing. In June 2026, the Trustees agreed that the Charity would enter into a voluntary regulatory agreement with the FCA to cease delivery of all new loans and marketing of Conduit loans and focus on the collection and discharge of consumer duty for existing customers. At the time of writing this report, the Trustees confirm that it continues to actively recruit an SMF16 postholder for the Five Lamps Organisation.

During the 2024/25 accounting year there have been no regulatory breaches or adverse regulatory issues other than those detailed below.

In March 2025, the Trustees reported an Employee theft to the statutory authorities and reported this to both the FCA and Charity Commission. This has directly impacted on the operational viability of the charity, been instrumental to the reported losses and reduced income and placed the Charity under unprecedented pressure to comply with regulatory expectations resulting in a decision to change the strategic objects relating to Financial Inclusion in future strategies to ensure the ongoing preservation of the Charity.

No formal regulatory concerns have been raised by CQC and Five Lamps Homecare continues to report as ‘Good’ following inspection in June 2021. In July 2026, the Trustees responded to CQC enquiries and provided assurance over the delivery of services and adequacy of resource. As part of this the Trustees commissioned and full internal audit of all regulated and non-regulated care which is due to be concluded by early October 2026.

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.

Ore-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 services. 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 these Financial Statements.

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 2025 [24/25]

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.

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.

The Directors note that whilst the Five Lamps Organisation, company number 02441319 applied to and obtained a 3 month extension from Companies House to file the accounts by 30th September 2026, which includes the Five Lamps Trading did not obtain a standalone extension. This therefore resulted in a potential strike off notice. This has been resolved and removed with Companies House confirming a further 3 months extension to report on the planned company dissolution.

Directors
The directors who served during the period 1st October 2024 to 30th September 2025 were:

T Watson
L Hagelmann
L J Pickard remains Chief Executive employed by the Five Lamps Organisation and providing Executive Officer services and oversight from Five Lamps Trading Ltd.

Principal Activities 2024/25

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' (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.

As previously reported, in 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 with expected completion by 30th September 2025.

Due to a delay in the sale of a fixed asset that formed part of the collect out agreement with the secure creditors and the Financial Conduct Authority permission to remove all regulatory permissions, the formal processes to conclude the orderly wind down of the company have been delayed.

The Directors therefore continue to report that the company is not a going concern whilst the processes and final decisions to address and resolve the inter company position is resolved. The Directors are signing off these Financial Statements in full knowledge that the company is not a going concern and remains subject to an orderly wind down process and removal from the Five Lamps group structure.

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 and have taken decisions in 2024/25 and since the end of the financial year to facilitate the orderly wind down and protection of the Charity in undertaking this.

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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025

Business Activity 2024/25 Summary

The primary activity within the Five Lamps Trading Company is the provision of low cost affordable loans. As previously reported no new loans have been disbursed since 2020 and the activity has been to manage and collecting an aged loan book. It was expected that the collection would be concluded by 30th September 2025 however due to a delay with a potential debt sale a small, insignificant balance of c£40k remained. As the decision was taken in year, the write off these sums has been included in the Statements ensuring the conclusion of all affordable lending activity.

Activity throughout 2024/25 and into 2025/26 related only to the collect out of the social investment funded loan book underpinning the agreement to write down the £4.8m secured loan notes.

The Directors are pleased to report that alongside the Trustees, both entities monitored and ensured full compliance with the agreed collect out terms delivering over and above the threshold's expected. Whilst the sale of the fixed asset did not complete until 2025/26, this has no bearing on the collect out agreement or the legal and binding formal agreement.

These Statements confirm that revenue income was insignificant at £149 and the revenue expenditure was significantly reduced from £919,905 in 2023/24 to £42,579 for the period ending 30th September 2025. This resulted in a net operating loss of £42,430.

In additional, exceptional items relating to the wind down and collect out agreement have been reflected in the 2024/25 profit and loss account resulting in £5,672,627 reduction in expenses.

This includes the write back of the secured creditors loan notes at £4,812,500 as this was not processed in the 2023/24 as previously reported, and due to the arrangements agreed to repay the secured creditors the collected out sums, this has been reported as additional expenditure totalling £809,773.

In addition, following the sale of a fixed asset in 2025/26 for the sum of £28,000, an adjustment has been applied to reflect the variation in asset value, previously reported as £60k in the balance sheet.

Furthermore, the Directors as well as the Trustees of Five Lamps Organisation agreed to release an aged creditor from the balance sheet. This was reported as a 'loan' to Fife council but was previously reported as a grant issued in 2017/18.

With the support of Armstrong Watson and RSM UK Limited a comprehensive review of the transactions between FLO and FLT has been undertaken in readiness for the dissolution of FLT and removal from the parent company structure. This adjustment has not affected the viability of the Charity but has as an accounting processes created an in year surplus of £4,406,097 which following the adjustment for extraordinary items yields a surplus of £3,964,323 reducing the negative net assets from £6,737,786 to £2,773,463. This is all in line with the original forecasts as independently reviewed by FRP Ltd to inform the formal collect out agreement.

During 2024/25, Five Lamps Trading continued to

- Collect and manage the existing loan book
- Hold the liability for the repayment of the creditors
- Account for the Conduit staffing costs.
- Accounts for the delivery and contract costs of managing the loan book.
- In conjunction with the Trustees, Report to the Social Investment Funders on the operating performance and collect out of the loan book.

The Five Lamps Organisation:

- Provided a ringfenced bank account for all transactions and the management of the £2m upstream . This account is securitised to the Social Investment funders. All cash sums from this account relating to the investor funded loans have been moved to Five Lamps Trading to ensure the repayment to the secured creditors has been undertaken via FLT. FLO remained 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 as well as the standalone FLT accounts to enable the FLT Directors to discharge their financial reporting obligations.

In presenting these statements, the Directors are aware that the Trading Company in isolation is reporting a much improved negative net asset of £2,773,463 however due to accounting policies and for the purpose of the entity Financial Statements.

The Directors are pleased to report that the consolidated net value of the combined balance sheets of FLO and FLT has materially improved from £249,135 on 30th September 2024 to £3,304,591 on 30th September 2025.

Other points to report:

- The Board is operating and compliant with two Directors. No further recruitment has taken place due to the ongoing implementation of the wind down plan. The Directors continue to discharge their governance responsibilities with independent professional support from both Ellison Ray, RSM Uk Ltd and Armstrong Watson.
- On 30th September 2025, Five Lamps Trading employed no staff and continued to receive executive support and administration services from FLO.
- It is noted that income from the social investment funders ceased in October 2025 following the conclusion of the collect out however, FLO have continued to manage the relationship and conclude the sale of the FLT asset. This has been done at zero cost. The Directors note that FLO could charge this to FLT, but it would be immaterial given the consolidated net assets and the reported negative net assets in FLT.

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.

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.
- Ensuring the completion of the extensive flood damage reinstatement and refurbishment of the Youth & Community hub in order to relaunch the service.
- Expand service delivery from the Youthy and Community hub reducing its dependency on the Charity's investment and ensuring all services are self funded / sustainable.
- Complete the sale of Eldon Street and complete a full transfer of Registered Offices to the Youthy, 211-213 Thornaby Road,
- Scaling up and becoming the lead care provider across Stockton and Teesside
- Exit regulated personal lending whilst ensuring protection for existing consumers.

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

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:
27th October 2026

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 30 SEPTEMBER 2025

The Trustees (who are also the directors of the charity 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 charity 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 judgements 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 charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity 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 2025 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We draw attention to Note 2.3 in the financial statements, which indicates that there is a material uncertainty in the forecasts and projections over the timing and level of projected future income and therefore the derived cashflows of the charitable group.

As stated in Note 2.3, these events or conditions, along with the other matters set out therein, indicate that a material uncertainty exists that may cast significant doubt on the Charitable group’s ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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 appears to be reasonable in the circumstances. Our evaluation of the trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included. review of their forecasts, their assumptions and their underlying business plan. However, for the reasons explained above and in note 2.3 there are inherent uncertainties in the timing and amount of the levels of income being forecast as well as the level of cost-savings that can be achieved, whilst being funded by a modest cash balance. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

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 nmanagement, 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.

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 (Oct 29, 2026 08:36:31 GMT)

Simon Turner (Senior Statutory Auditor)

for and on behalf of
Armstrong Watson Audit Limited

Chartered Accountants & Statutory Auditors

Northallerton

Date: 29/10/2026

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 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Income from:					
Donations and legacies	4	**5,617**	**-**	**5,617**	*31,241*
Charitable activities	5	**777,600**	**134,882**	**912,482**	*2,152,670*
Other trading activities		**29,507**	**-**	**29,507**	*61,172*
Investments	6	**7,309**	**-**	**7,309**	*6,518*
Other income	7	**5,300,768**	**-**	**5,300,768**	*1,555,882*
Total income		**6,120,801**	**134,882**	**6,255,683**	*3,807,483*
Expenditure on:					
Raising funds		**169,168**	**-**	**169,168**	*153,382*
Charitable activities	8	**2,682,478**	**348,581**	**3,031,059**	*3,405,986*
Total expenditure		**2,851,646**	**348,581**	**3,200,227**	*3,559,368*
Net movement in funds		**3,269,155**	**(213,699)**	**3,055,456**	*248,115*
Reconciliation of funds:					
Total funds brought forward		**(51,164)**	**300,299**	**249,135**	*1,020*
Net movement in funds		**3,269,155**	**(213,699)**	**3,055,456**	*248,115*
Total funds carried forward		**3,217,991**	**86,600**	**3,304,591**	*249,135*

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 26 to 52 form part of these financial statements.

THE FIVE LAMPS ORGANISATION

(A Company Limited by Guarantee)
REGISTERED NUMBER: 02441319

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2025

	Note		2025 £		*2024 £*
Fixed assets					
Tangible assets	13		**736,792**		*760,007*
Investments	15		**2,335,880**		*4,429,379*
Investment property	14		**28,000**		*60,000*
			3,100,672		*5,249,386*
Current assets					
Debtors	16	**182,636**		*725,343*	
Investments	17	**80**		*80*	
Cash at bank and in hand		**1,282,517**		*675,133*	
		1,465,233		*1,400,556*	
Current liabilities					
Creditors: amounts falling due within one year	18	**(1,261,314)**		*(1,088,307)*	
Net current assets / liabilities			**203,919**		*312,249*
Total assets less current liabilities			**3,304,591**		*5,561,635*
Creditors: amounts falling due after more than one year	19		**-**		*(5,312,500)*
Total net assets			**3,304,591**		*249,135*
Charity funds					
Restricted funds	20		**86,600**		*300,299*
Unrestricted funds	20		**3,217,991**		*(51,164)*
Total funds			**3,304,591**		*249,135*

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: 27th October 2026

.....
Vivienne Holmes
Trustee

The notes on pages 26 to 52 form part of these financial statements.

THE FIVE LAMPS ORGANISATION

(A Company Limited by Guarantee)
REGISTERED NUMBER: 02441319

CHARITY BALANCE SHEET
AS AT 30 SEPTEMBER 2025

	Note		2025 £		*2024 £*
Fixed assets					
Tangible assets	13		**736,792**		*760,007*
Investments	15		**2,335,882**		*4,251,776*
			3,072,674		*5,011,783*
Current assets					
Debtors	16	**170,934**		*1,813,099*	
Investments	17	**80**		*80*	
Cash at bank and in hand		**490,197**		*409,397*	
		661,211		*2,222,576*	
Current liabilities					
Creditors: amounts falling due within one year	18	**(210,722)**		*(247,438)*	
Net current assets			**450,489**		*1,975,138*
Total assets less current liabilities			**3,523,163**		*6,986,921*
Total net assets			**3,523,163**		*6,986,921*
Charity funds					
Restricted funds	20		**86,600**		*385,986*
Unrestricted funds	20		**3,436,563**		*6,600,935*
Total funds			**3,523,163**		*6,986,921*

The charity's net movement in funds for the year was £(3,463,758) *(2024 - £946,609)*.

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: 27th October 2026

Vivienne Holmes
Trustee

The notes on pages 26 to 52 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 2025

	2025 £	*2024 £*
Cash flows from operating activities		
Net cash used in operating activities	**(1,483,775)**	*109,170*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(2,340)**	*(1,813)*
Net movement in loan book	**2,093,499**	*195,307*
Net cash provided by investing activities	**2,091,159**	**193,494**
Cash flows from financing activities		
Net cash provided by financing activities	**-**	**-**
Change in cash and cash equivalents in the year	**607,384**	**302,664**
Cash and cash equivalents at the beginning of the year	**675,133**	*372,469*
Cash and cash equivalents at the end of the year	**1,282,517**	*675,133*

The notes on pages 26 to 52 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

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 1. 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. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis.

The charitable group has historically met its day-to-day working capital requirements through income from grant funders, delivery of homecare services and income generated from the loan book. In assessing the appropriateness of the going concern basis, the trustees have reviewed detailed forecasts and cash flow projections covering a period of at least 12 months from the date of approval of the financial statements.

The forecasts assume that homecare activity is maintained at approximately 600 care hours per week and that profitability remains broadly consistent with current levels. They also assume the successful implementation of management's plans to wind down financial inclusion activities, including the surrender of FCA permissions, associated restructuring of staffing costs and the continued collection of the loan book without significant additional impairment. The forecasts further assume that cash balances remain above £100,000 and that no significant unforeseen operational, regulatory, legal or other costs are incurred.

The trustees have also considered potential mitigating actions available to the charity, including raising finance secured against existing properties and the potential sale of the Eldon Street property. These actions have not been incorporated into the base forecasts.

The charitable group's forecasts indicate that sufficient resources should be available to enable the charity and group to continue operating for at least 12 months from the date of approval of the financial statements. However, the forecasts are dependent upon the successful achievement of the assumptions outlined above, particularly in relation to sustaining homecare activity and profitability, delivering planned restructuring activity, and maintaining forecast levels of income and cash generation.

Accordingly, a material uncertainty exists that may cast significant doubt on the charitable group's and charity's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the charitable group or charity were unable to continue as a going concern.

2.4 Taxation

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

2. 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.

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

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

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 charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

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

2.16 Financial instruments

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

2.17 Significant judgements

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

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

2.18 Pensions

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

3. Critical accounting estimates and areas of judgement

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.

4. Income from donations and legacies

	Unrestricted funds 2025 £	Total funds 2025 £
Donations and other voluntary income	5,617	**5,617**

	Unrestricted funds 2024 £	*Total funds 2024 £*
Donations and other voluntary income	*31,241*	*31,241*

5. Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Grant income	-	134,882	**134,882**
Health and communities	751,555	-	**751,555**
Finance and enterprise	26,045	-	**26,045**
Total 2025	777,600	134,882	**912,482**

	Unrestricted funds 2024 £	*Total funds 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*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

6. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £
Garage rental income	5,825	**5,825**
Other sundry income	1,232	**1,232**
Interest income	252	**252**
	7,309	**7,309**

	Unrestricted funds 2024 £	*Total funds 2024 £*
Garage rental income	*6,300*	*6,300*
Cafe rental income	*(997)*	*(997)*
Interest income	*1,215*	*1,215*
	6,518	*6,518*

7. Other incoming resources

	Unrestricted funds 2025 £	Total funds 2025 £
Interest generated by programme related investment (loan debtor book)	617,336	**617,336**
Loan creditors write off	4,683,432	**4,683,432**
	5,300,768	**5,300,768**

Other incoming resources includes the net position following the waiver of the loans within its subsidiary, Five Lamps Trading Limited.

7. Other incoming resources (continued)

	Unrestricted funds 2024 £	*Restricted funds 2024 £*	*Total funds 2024 £*
Interest generated by programme related investment (loan debtor book)	*1,467,151*	*66,514*	*1,533,665*
Grant income	*-*	*22,217*	*22,217*
	1,467,151	*88,731*	*1,555,882*

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	**Restricted funds 2025 £**	**Total 2025 £**
Management and administration	2,656,923	**-**	**2,656,923**
Finance and enterprise	**-**	300,299	**300,299**
Depreciation re properties	25,555	**-**	**25,555**
Young people fund	**-**	48,282	**48,282**
	2,682,478	348,581	**3,031,059**

	Unrestricted funds 2024 £	*Restricted funds 2024 £*	*Total 2024 £*
Management and administration	*3,078,079*	*-*	*3,078,079*
Finance and enterprise	*-*	*299,343*	*299,343*
Depreciation re properties	*28,564*	*-*	*28,564*
	3,106,643	*299,343*	*3,405,986*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

9. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £
Management and administration	2,518,872	138,051	**2,656,923**
Finance and enterprises	300,299	-	**300,299**
Depreciation re properties	25,555	-	**25,555**
Direct costs - Activity 8	48,282	-	**48,282**
	2,893,008	138,051	**3,031,059**

	Activities undertaken directly 2024 £	*Support costs 2024 £*	*Total funds 2024 £*
Management and administration	*2,834,176*	*243,903*	*3,078,079*
Young people	*299,343*	-	*299,343*
Depreciation re properties	*28,564*	-	*28,564*
	3,162,083	*243,903*	*3,405,986*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Mgmt and admin 2025 £	Finance 2025 £	Dep'n 2025 £	Finance 2025 £	Total funds 2025 £
Staff costs	1,107,199	-	-	-	**1,107,199**
Premises costs	92,539	-	-	-	**92,539**
General office costs	28,627	-	-	-	**28,627**
Trading company expenses	280,192	-	-	-	**280,192**
Bad debts write off	-	300,299	-	-	**300,299**
Publicity and advertising	3,438	-	-	-	**3,438**
Exp type 9	-	-	-	48,282	**48,282**
Depreciation	-	-	25,555	-	**25,555**
Training and activities	6,152	-	-	-	**6,152**
Activities costs	14,566	-	-	-	**14,566**
Subscriptions/affiliations	16,905	-	-	-	**16,905**
Motor expenses	7,942	-	-	-	**7,942**
Mobile phones	10,487	-	-	-	**10,487**
Other costs	616	-	-	-	**616**
Consultancy/facilitators fees	30,013	-	-	-	**30,013**
Loss on loan book write off	920,196	-	-	-	**920,196**
	2,518,872	300,299	25,555	48,282	**2,893,008**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

9. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Mgmt and admin 2024 £	*Finance 2024* £	*Dep'n 2024* £	*Finance 2024* £	*Total funds 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 and doubtful debts	-	*299,343*	-	-	*299,343*
Publicity and advertising	*462*	-	-	-	*462*
Depreciation	-	-	*28,564*	-	*28,564*
Training and accreditation costs	*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*
	2,834,176	*299,343*	*28,564*	-	*3,162,083*

Analysis of support costs

	Mgmt and admin 2025 £	**Total funds 2025 £**
Staff costs	43,418	**43,418**
Premises costs	839	**839**
General office costs	32,469	**32,469**
Publicity and advertising	633	**633**
Bank charges re loan funds	14,088	**14,088**
Professional fees	46,604	**46,604**
	138,051	**138,051**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Mgmt and admin 2024 £	*Total funds 2024 £*
Staff Costs	*76,746*	*76,746*
Premises costs	*1,159*	*1,159*
General costs	*28,067*	*28,067*
Publicity and advertising	*3,779*	*3,779*
Bank charges	*23,687*	*23,687*
Professional fees	*110,465*	*110,465*
	243,903	*243,903*

10. Auditors' remuneration

	2025 £	*2024 £*
Fees payable to the charity's auditor for the audit of the charity's annual accounts	**25,000**	*25,000*

11. Staff Costs

	Group 2025 £	*Group 2024 £*	**Company 2025 £**	*Company 2024 £*
Wages and salaries	**1,101,671**	*3,523,700*	**960,132**	*3,080,727*
Employer NI	**106,165**	*255,420*	**91,342**	*217,626*
Contribution to defined contribution pension scheme	**22,403**	*63,183*	**19,251**	*54,300*
	1,230,239	*3,842,303*	**1,070,725**	*3,352,653*

. **Staff costs (continued)**

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

	Group 2025 No.	*Group 2024 No.*	Charity 2025 No.	*Charity 2024 No.*
Direct charitable work	**60**	*131*	**55**	*120*

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.

Costs incurred in relation to key management personnel were £103,867 in total for the year ended 30 September 2025 (2024: £153,404) and £Nil (2024: £46,038) 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 2025 No.	*Group 2024 No.*
In the band £70,001 - £80,000	**1**	*1*
In the band £90,001 - £100,000	**1**	*1*
In the band £130,001 - £140,000	**-**	*1*

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2024 - £NIL)*.

During the year ended 30 September 2025, no Trustee expenses have been incurred *(2024 - £NIL)*.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

13. 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 2024	**1,142,853**	**262,841**	**208,109**	**14,428**	**134,647**	**84,518**	**1,847,396**
Additions	**-**	**-**	**-**	**-**	**-**	**2,340**	**2,340**
At 30 September 2025	**1,142,853**	**262,841**	**208,109**	**14,428**	**134,647**	**86,858**	**1,849,736**
Depreciation							
At 1 October 2024	**386,087**	**262,841**	**208,109**	**14,428**	**133,271**	**82,653**	**1,087,389**
Charge for the year	**22,919**	**-**	**-**	**-**	**1,103**	**1,533**	**25,555**
At 30 September 2025	**409,006**	**262,841**	**208,109**	**14,428**	**134,374**	**84,186**	**1,112,944**
Net book value							
At 30 September 2025	**733,847**	**-**	**-**	**-**	**273**	**2,672**	**736,792**
At 30 September 2024	*756,766*	*-*	*-*	*-*	*1,376*	*1,865*	*760,007*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

13. Tangible fixed assets (continued)

Charity

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation							
At 1 October 2024	**1,142,853**	**262,841**	**208,109**	**14,428**	**134,647**	**84,518**	**1,847,396**
Additions	**-**	**-**	**-**	**-**	**-**	**2,340**	**2,340**
At 30 September 2025	**1,142,853**	**262,841**	**208,109**	**14,428**	**134,647**	**86,858**	**1,849,736**
Depreciation							
At 1 October 2024	**386,087**	**262,841**	**208,109**	**14,428**	**133,271**	**82,653**	**1,087,389**
Charge for the year	**22,919**	**-**	**-**	**-**	**1,103**	**1,533**	**25,555**
At 30 September 2025	**409,006**	**262,841**	**208,109**	**14,428**	**134,374**	**84,186**	**1,112,944**
Net book value							
At 30 September 2025	**733,847**	**-**	**-**	**-**	**273**	**2,672**	**736,792**
At 30 September 2024	*756,766*	*-*	*-*	*-*	*1,376*	*1,865*	*760,007*

13. Tangible fixed assets (continued)

Freehold Land and Buildings

This comprises the building known as The Youthy which was built primarily for the young people of Thornaby. Due to the unique design of The Youthy and the purpose for which it was built, there is no readily available method of arriving at a realistic market value. The unique nature of the building means that it is difficult to value it on a normal commercial basis. The Youthy was valued in November 2011 at £500,000 for the purposes of securing bank facilities but this figure is not considered to be appropriate to use as the carrying value in the financial statements. An alternative method is to measure its 'value in use' at an amount based upon expected future cash flows, but this alternative method is also considered not to be appropriate. One further alternative, which is more relevant to this property, is to use replacement cost which exceeds the carrying value at 30 September 2025 of £430,679 (2024: £497,761). 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. This has been sold post year end for £28,000 and an impairment of £32,000 has been reflected within the financial statements.

Leasehold Land and Buildings

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

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

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

14. Investment property

group and charity

	Freehold investment property £
Valuation	
At 1 October 2024	**60,000**
Revaluation	**(32,000)**
At 30 September 2025	**28,000**

The property was revalued in the year to the value obtained on its sale in July 2026.

15. Fixed asset investments

Group	Loan book £	Unlisted investments £	Total £
Cost or valuation			
At 1 October 2024	**7,010,620**	**14,000**	**7,024,620**
Disposals	**(4,047,511)**	**(14,000)**	**(4,061,511)**
At 30 September 2025	**2,963,109**	**-**	**2,963,109**
Impairment			
At 1 October 2024	**2,581,243**	**14,000**	**2,595,243**
Charge for the year	**(355,587)**	**-**	**(355,587)**
Impairment on disposals	**(1,776,030)**	**(14,000)**	**(1,790,030)**
Reversal of impairments	**177,603**	**-**	**177,603**
At 30 September 2025	**627,229**	**-**	**627,229**
Net book value			
At 30 September 2025	**2,335,880**	**-**	**2,335,880**
At 30 September 2024	*4,429,377*	-	*4,429,377*

15. Fixed asset investments (continued)

Charity	Investments in subsidiary companies £	Loan book £	Total £
Cost or valuation			
At 1 October 2024	**850,002**	**5,234,590**	**6,084,592**
Disposals	**-**	**(2,271,481)**	**(2,271,481)**
At 30 September 2025	**850,002**	**2,963,109**	**3,813,111**
Impairment			
At 1 October 2024	**850,000**	**982,816**	**1,832,816**
Charge for the year	**-**	**(355,587)**	**(355,587)**
At 30 September 2025	**850,000**	**627,229**	**1,477,229**
Net book value			
At 30 September 2025	**2**	**2,335,880**	**2,335,882**
At 30 September 2024	*2*	*4,251,774*	*4,251,776*

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 charity:

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

15. Fixed asset investments (continued)

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Five Lamps Trading Limited	**28,597**	**3,935,726**	**3,964,323**	**(2,773,463)**

16. Debtors

	Group 2025 £	*Group 2024 £*	Charity 2025 £	*Charity 2024 £*
Due within one year				
Trade debtors	**107,405**	*547,742*	**107,407**	*468,918*
Other debtors	**9,415**	*49,496*	**9,415**	*49,482*
Amounts owed to group undertakings	**-**	*-*	**-**	*1,169,000*
Prepayments and accrued income	**65,816**	*128,105*	**54,112**	*125,699*
	182,636	*725,343*	**170,934**	*1,813,099*

17. Current asset investments

	Group 2025 £	*Group 2024 £*	Charity 2025 £	*Charity 2024 £*
Listed investments	**80**	*80*	**80**	*80*

Group listed investments

The market value of the listed investments at 30 September 2025 was £80 (2024 :£80).

Company listed investments

The market value of the listed investments at 30 September 2025 was £80 (2024 :£80).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

18. Creditors: Amounts falling due within one year

	Group 2025 £	*Group 2024 £*	Charity 2025 £	*Charity 2024 £*
Trade creditors	**367,750**	*488,989*	**59,177**	*80,748*
Other taxation and social security	**26,428**	*33,576*	**23,347**	*30,202*
Pension fund loan payable	**607**	*780*	**-**	*-*
Other creditors	**791,670**	*436,069*	**69,768**	*36,069*
Accruals and deferred income	**74,859**	*128,893*	**58,430**	*100,419*
	1,261,314	*1,088,307*	**210,722**	*247,438*

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.

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

	Group 2025 £	*Group 2024 £*
Bank loans	**-**	*500,000*
Other loans	**-**	*4,812,500*
	-	*5,312,500*

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. During the year, agreement was reached for these loans to be waived within the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

20. Statement of funds

Statement of funds - current year

	Balance at 1 October 2024 £	Income £	Expenditure £	Balance at 30 September 2025 £
Unrestricted funds				
General Funds	**(51,164)**	**6,120,801**	**(2,851,646)**	**3,217,991**
Restricted funds				
Finance and enterprise	**300,299**	**-**	**(300,299)**	**-**
Young people	**-**	**134,882**	**(48,282)**	**86,600**
	300,299	**134,882**	**(348,581)**	**86,600**
Total of funds	**249,135**	**6,255,683**	**(3,200,227)**	**3,304,591**

20. Statement of funds (continued)

Statement of funds - prior 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)*
Restricted funds				
Finance and enterprise	*510,911*	*88,731*	*(299,343)*	*300,299*
Total of funds	*1,020*	*3,807,483*	*(3,559,368)*	*249,135*

20. Statement of funds (continued)

Restricted Funds

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

21. Summary of funds

Summary of funds - current year

	Balance at 1 October 2024 £	Income £	Expenditure £	Balance at 30 September 2025 £
General funds	**(51,164)**	**6,120,801**	**(2,851,646)**	**3,217,991**
Restricted funds	**300,299**	**134,882**	**(348,581)**	**86,600**
	249,135	**6,255,683**	**(3,200,227)**	**3,304,591**

Summary of funds - prior 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*
	1,020	*3,807,483*	*(3,559,368)*	*249,135*

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	736,792	-	**736,792**
Fixed asset investments	2,335,880	-	**2,335,880**
Investment property	28,000	-	**28,000**
Current assets	1,378,633	86,600	**1,465,233**
Creditors due within one year	(1,261,314)	-	**(1,261,314)**
Total	3,217,991	86,600	**3,304,591**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

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

	Group 2025 £	*Group 2024 £*
Net income for the year (as per Statement of Financial Activities)	**3,055,456**	*248,115*
Adjustments for:		
Depreciation charges	**25,555**	*28,565*
Write off of investment	**32,000**	-
Decrease/(increase) in debtors	**619,422**	*(39,478)*
Decrease in creditors	**(5,216,208)**	*(128,032)*
Net cash provided by/(used in) operating activities	**(1,483,775)**	*109,170*

24. Analysis of cash and cash equivalents

	Group 2025 £	*Group 2024 £*
Cash in hand	**1,282,517**	*675,133*
Total cash and cash equivalents	**1,282,517**	*675,133*

25. Analysis of changes in net debt

	At 1 October 2024 £	Cash flows £	At 30 September 2025 £
Cash at bank and in hand	**675,133**	**607,384**	**1,282,517**
Debt due within 1 year	**(780)**	**173**	**(607)**
Debt due after 1 year	**(5,312,500)**	**5,312,500**	**-**
Liquid investments	**80**	**-**	**80**
	(4,638,067)	**5,920,057**	**1,281,990**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

26. Operating lease commitments

At 30 September 2025 the group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £	*Group 2024 £*	**Charity 2025 £**	*Charity 2024 £*
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*
	8,225	*11,545*	**8,225**	*11,545*

27. Controlling party

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

28. 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 (2024: £Nil) as a donation to The Five Lamps Organisation.

29. 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 2025, the funds held on the above client bank account totalled £1,391,969 (2024: £1,391,969) and this is returnable to the local authorities.