

**Company Registration Number: 2441319**

**Charity Registration Number: 702314**

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

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2009**



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

**YEAR ENDED 31ST MARCH 2009**

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**THE FIVE LAMPS ORGANISATION**  
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**LEGAL AND ADMINISTRATIVE INFORMATION**  
**FOR THE YEAR ENDED 31ST MARCH 2009**

<b>Directors/Trustees:</b>	The directors/trustees who held office during and subsequent to the above year, all of whom served on the Council of Management, were as follows:	
	<b>Original Subscribers:</b>	
	Alan Robson	(Life President) (Secretary) (died 24th March 2009)
	Joyce Hallett	
	<b>Nominated by Stockton-on-Tees Borough Council:</b>	
	Cllr. Ian Dalgarno	
	Cllr. Sylvia Walmsley	(appointed April 2009)
	<b>Nominated by Churches Together in Thornaby:</b>	
	Richard Spruce	
	<b>Additional Members Appointed to the Council of Management:</b>	
	Terence Murphy	(Chair)
	Derrick Brown	(Vice Chair)
	Diane Patterson	(Treasurer)
	Ken Craggs	(resigned April 2008)
	Marie Devine	(resigned June 2008)
	Ann Grubb	
	Tracey Stott	(resigned March 2009)
	Beryl Robinson	
	Peter Brennan	(resigned July 2009)
	Philip Tucker	(appointed June 2008)
<b>Company Secretary</b>	Terence Murphy	
<b>Senior Management Team:</b>	Graeme Oram	Chief Executive
	Sue Westerman	Head of Programmes & Development
	William Erskine	Head of Finance
<b>Status:</b>	The Five Lamps Organisation is a company limited by guarantee, incorporated under the Companies Act 1985 on 9th November 1989, and is also a registered charity.	
<b>Governing Documents:</b>	Memorandum and Articles of Association	
<b>Company Registration Number:</b>	2441319	
<b>Charity Registration Number:</b>	702314	
<b>Registered Office:</b>	Eldon Street Thornaby Stockton-on-Tees TS17 7DJ	
<b>Bankers:</b>	Unity Trust Bank Nine Brindleyplace 4 Oozells Square Birmingham B1 2HB	
<b>Auditors:</b>	Baines Jewitt Barrington House 41-45 Yarm Lane Stockton-on-Tees TS18 3EA	

**THE FIVE LAMPS ORGANISATION**  
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**DIRECTORS'/TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31ST MARCH 2009**

The directors/trustees (the Board) present their report and the financial statements of the charitable company (the Charity) for the year ended 31st March 2009 and confirm that they comply with current statutory requirements, the company's governing documents and the provisions of the latest Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

The legal and administrative information on page 1 forms part of this report.

**Structure, Governance and Management**

The Five Lamps Organisation is a registered charity and a company limited by guarantee. The company is 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.

The directors of the company are also charity trustees for the purposes of charity law and, under the company's articles, are known as Members of the Management Committee. Under the requirements of the Memorandum and Articles of Association the Members of the Management Committee are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting. One-third of the trustees retire and may stand for re-election each year.

There may be up to 20 trustees at any time. The growth in the geographic coverage of our services and our commitment to the social and economic regeneration of the Tees Valley has created an enhanced potential pool of trustees. We have previously placed discreet advertisements in the local press and, on occasions, we have recruited some of the beneficiaries of our broad project portfolio as trustees. We have a strong balance of community representatives, business-people and individuals with expertise in the management and delivery of a broad range of voluntary and community sector projects. We regularly review the range of skills of our trustees and have often approached individuals to offer themselves for election in order to address identified skills gaps.

Two trustees are nominated by Stockton-on-Tees Borough Council and one is nominated by Churches Together in Thornaby. The Churches Together nomination is in recognition of their role in the formation of Thornaby Impasse, our progenitor organisation, over 20 years ago. Five Lamps is not a faith-based organisation.

**Trustee Induction & Training**

Trustees are encouraged to become familiar with the work of the organisation in a number of ways. Trustee induction mirrors our staff induction process which is part of a range of Investors in People-accredited human resource policies.

Trustees also benefit from:

- Regular presentations from project staff on each of our projects;
- Quarterly themed staff/board meetings which address issues such as marketing and branding and working for Five Lamps;
- Twice-yearly away days focused on strategy development and board performance;
- Bespoke training to address identified need (most recently focused trustee roles and responsibilities and reviewing board performance) and attendance at relevant local, regional and national conferences;
- Participation in a range of sub-groups and committees e.g. as a member of the organisation's panel which approves lending to new and early-life businesses, our quality working group or health and safety committee;
- Protected time for trustees to discuss key issues.

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**Risk Management**

The Management Committee maintains a continuous review of the major risks to which the charity is exposed. Where appropriate, systems or procedures have been established to mitigate identified risk. The organisation seeks to manage some of these risks, while transferring others through a range of insurance cover. The managed risk revolves around the short-term and non-recurring nature of certain funding sources. Our strategic planning is targeted at winning contracts and building a broad project portfolio which has a range of funders, rather than continuing to be grant-reliant. Internal controls are in place and are subject to annual audit using compliance and substantive testing. A Health & Safety Committee, which has both staff and trustee membership, meets regularly to ensure statutory compliance across our three buildings. All of our sub-contractors must satisfy a health and safety check. The nature of our services, in that we often work with the most disadvantaged and marginalised groups, or with young people, also necessitates either of the two levels of CRB disclosure. All of our staff appointments are subject to obtaining satisfactory enhanced CRB checks. Our insurance cover spans public and employers liability, professional indemnity, directors and officers liability, buildings and contents and specialist cover such as lift installations and a climbing wall. These are all subject to review and market testing on a regular basis, usually annually. During the year, we undertook specific audits on compliance with extant Disability Discrimination Act legislation, making a number of investments in new equipment. We also completed a number of risk assessments in relation to the new services to be delivered in 32 Dovecot Street, Stockton, which is expected to open in December 2009.

**Organisational Structure**

As mentioned above, the Charity has a Management Committee of up to 20 members who meet on a monthly basis (except August) and are responsible for the strategic direction and policy of the charity. Currently, there are 11 members drawn from our local communities and from a diverse range of professional backgrounds. A Chair, Vice-Chair, Treasurer and Secretary are appointed annually and have full voting rights. The organisation employs the services of a minute-taker.

Day to day responsibility for the provision of services and operation of the business rests with the Chief Executive. The organisation has a Senior Management Team which comprises the Chief Executive, the Head of Programmes & Development/Deputy CEO and the Head of Finance. They are supported by a cohort of six team leaders plus an executive officer.

**Related Parties**

There are three organisations, Regen School North, Tees Credit Union and North East Enterprise Agencies Limited, which have a trading relationship with Five Lamps, and have Five Lamps staff or trustees involved at board level.

The Five Lamps Organisation is committed to the highest standards of partnership working and views itself as a catalyst for major change in the voluntary and community sector and the social enterprise sector in the Tees Valley.

**Objectives and Activities**

The Charity's objects and principal activities are the promotion, for the benefit of the public, of urban or rural regeneration in areas of social and economic deprivation, in particular in the North-East of England, by all or any of the following means:

- a) the relief of financial hardship;
- b) the relief of unemployment;
- c) the advancement of education, training or retraining, particularly among unemployed people, and providing unemployed people with work experience;
- d) the provision of financial assistance or business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help (i) in setting up their own business or (ii) to existing businesses;
- e) the creation of training and employment opportunities by the provision of workspace, buildings and/or land for use on favourable terms;
- f) the provision of housing for those who are in conditions of need, and the improvement of housing in the public sector or in charitable ownership, provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to improve housing;

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**Objectives and Activities - Continued**

- g) the maintenance, improvement and provision of public amenities;
- h) the provision of recreational facilities for the public at large or those who, by reason of their youth, age, infirmity or disability, financial hardship or social and economic circumstances, have need of such facilities;
- i) the protection or conservation of the environment;
- j) the provision of public health facilities and childcare;
- k) the promotion of public safety and prevention of crime;
- l) the development of the capacity and skills of the members of socially and economically disadvantaged communities in the North East of England in as much as they are better able to identify and help meet their needs and to participate more fully in society;
- m) such other means as may from time to time be determined subject to the prior written consent of the Charity Commissioners for England and Wales.

The above objects received the consent of the Charity Commission under section 64 of the Charities Act 1993 on 7th August 2006 and were passed by special resolution at our 2006 Annual General Meeting held on 1st November 2006. This significant revision completed a comprehensive strategic review process initiated by the Board in 2004 and underpinned the development of the Five Lamps' 2007-2010 Strategic Direction which was published in June 2007. The second iteration of the strategy (2010-2013) will be published in October 2009.

Main Activities

The main activities of the organisation in 2008/2009 continued to focus on broadening our range of social and economic regeneration projects. The range of these activities continued to reflect the organisations strategic priorities and the progressive movement from grant-funded projects to contracts. Early in 2009, recognising the acceleration of the shift towards earned income from contracts, we reviewed and revised our management structure.

We continue to have four business divisions, with six teams embedded in them. With effect from 1st April 2009, Employability replaced Guidance Employability & Learning; Finance & Enterprise was superseded by two divisions - Financial Inclusion and Enterprise, recognising the growth and scale of both areas; Young People remained as previously and the former Health & Communities division has effectively become a service function with a grouping of support services managed by the Head of Finance.

The new divisions and teams are our response to securing new and bigger contracts, significant service growth and the continued integration of services.

For consistency of reporting, the financial results to 31st March 2009 continue to reflect the four divisions up to that date, i.e. Health & Communities, Guidance Employability & Learning, Finance & Enterprise, and Young People.

The recession has hit many organisations in the regeneration sector and also within the voluntary and community sector. Five Lamps, given the nature of our services and our target customer group, has experienced increased demand for support right across our service portfolio. Our reputation, strong record of achievement and pro-active 'win win' partnership ethos have enabled substantial service growth during the latter part of 2008/2009 and into the current year.

The Five Lamps offer is a compelling one for public service commissioners, offering considerable added value. There remains the inexorable shift towards public bodies procuring services via very large contracts, which Five Lamps recognises in seeking sub-contracting or support roles as an engager, sign poster or venue. We also recognise our role as the leader of a supply chain and we commit significant effort to building a network of third sector sub-contractors.

Employability

The establishment of our Employability Team built on the success of the former Guidance Employability & Learning service and recognises the three key elements of the customers' journey to employment - Engagement, Employability (skills development, advice and support) and Employer Responsiveness (engaging employers, moving into work and workforce development). We continue to have one of the largest cohorts of advice and guidance professionals in the voluntary and community sector in the North East. The newly-designed service interfaces effectively with our Quality Manager who has an organisation-wide remit. Having secured re-accreditation to the 'industry-standard' *Matrix* in November 2006 we will be reviewed again in November 2009. The integration of services, and our increasingly prominent position in the Tees Valley sub-region, has positioned Five Lamps particularly well to secure a 'prime provider'-type contract. However, we find ourselves, like many organisations in our sector, to be disadvantaged by the procurement processes of large government agencies. Moving forward we are most likely to enjoy success as a sub-contractor on bigger, regional contracts or as a specialist provider.

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Our Employability service was delivered primarily within Stockton-on-Tees during 2008/2009, funded from the Working Neighbourhoods Fund. In November 2008, we were invited to make an initial submission to the local authority expressing our interest in providing a new commissioned service to address unemployment and economic inactivity in Stockton-on-Tees. In April 2009, following a competitive tendering process which included a number of national players, we were awarded a three year £3.96 million contract. This is the largest contract that the organisation has ever secured and recognises the strength and reputation of our service. It is also a strong testament to our partnership with Stockton-on-Tees Borough Council.

Our guidance projects continue to have a positive record of success, reflecting the organisation's ability to engage the hardest to reach individuals in our communities; develop services based on need, including a guidance and jobs project for substance misusers; wrap a largely unprecedented range of support around our clients and provide a high-quality public service. We recruited an experienced Employer Responsive Team Leader in April 2009 to lead our development of stronger and better links with employers in future. We have derived considerable benefit from our participation in the Quality Improvement Agency 'World Class Skills' Programme, which provided access to the highest-quality management consultancy support.

We were successful in securing a Learning & Skills Council 'Train to Gain' contract for the first time. 'Train to Gain' is the flagship LSC programme for workforce skills development and we believe that our Employability service is an excellent fit with the core programme elements, including basic skills. 'Train to Gain' is central to our employer engagement activity and also to our commitment to build the capacity of the voluntary and community sector in our area, creating learning and workforce development opportunities. As a result of securing this contract, we have expanded our range of courses offered.

We have been successful in securing sub-contracts within the DWP 'Flexible New Deal' programme in the Tees Valley, North & East Yorkshire and the Humber. We are built into the delivery models of the two successful prime contractors, A4e and Working Links. These DWP contracts are targeting a key Five Lamps client group and are looking for the integration and innovation that has become Five Lamps' trademark. The economic downturn has seen the projected client flow for 'Flexible New Deal' increased substantially and the start of the programme has been delayed until October 2009. The second round of 'Flexible New Deal' includes the remainder of the North East in two contract areas. We are seeking engagement in those contracts, looking to secure a geographical expansion of our service, particularly into County Durham.

Last year, we reported on our successful joint Community Asset Fund bid with Stockton Borough Council to refurbish a Grade II listed building in Dovecot Street in Stockton Town Centre to create a 'Community Economic Inclusion Centre'. The contractors are on-site and work will be completed in October 2009. We are planning to have a range of Five Lamps' services open for business in the refurbished premises from December 2009. This is a hugely significant project which is directly linked to the government's ambitions to facilitate the transfer of ownership and management of public assets, to community anchor organisations like Five Lamps. We are projecting circa 25,000 client visits to the premises each year, to access our Employability, Financial Inclusion, Train to Gain and Enterprise services. The premises will also see our partnership and capacity building roles enhanced as up to 30 other VCS organisations access the building in a variety of uses.

#### Enterprise

2008/2009 was a year of growth for our Enterprise division.

The transition funding to bridge the neighbourhood renewal funding ahead of the Stockton Communities Fund enabled us to continue the Stockton focused services. Our position as the only Tees Valley-based members of the National Federation of Enterprise Agencies, and the exciting partnership with the other north east enterprise agencies in a delivery consortium, continued to be of real significance. The consortium secured a range of Business Link/One NorthEast contracts to deliver a range of business start-up services to a broad range of target groups. These contracts allow us Tees Valley-wide delivery and we are responsible for a substantial portion of regional activity. They include start-up workshops, a programme called 'Flexible Families', business planning and three other targeted programmes.

Our Trustees have continued their commitment to ring-fence the original 'Phoenix Fund' capital for the foreseeable future, recognising that the loan product is unique in the sub-region. Last year, we reported that the impact of the 'credit crunch' presented a threat to our loan fund given our focus on new starts, particularly those unable to access capital through mainstream channels. The 2008/2009 accounts show an increased provision for bad debt and a greater level of write-off. We have sustained our Phoenix capital longer than many recipients, now in its sixth year, and we continue to support a diverse range of new businesses.

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In July 2009, we secured a further £180,000 capital for on-lending to new and early life businesses. This capital is from the One NorthEast Regional Enterprise Loan Fund, managed by Entrust, and we hope that it acts as a precursor to further capital over the next few years from the European funded Jeremie programme.

In August 2009, Five Lamps secured its largest ever enterprise contract with a successful tender to Stockton-on-Tees Borough Council to deliver five enterprise gateways across the borough and raise the awareness of enterprise within the community. This contract is worth up to £1.15 million over 30 months and addresses a range of need identified in the unsuccessful LEGI bids from 2006, notably community business coaching, accessible community services, integrated support and connection to mainstream business start-up services. We are also a sub-contractor in a similar contract in Middlesbrough.

We remain interested in developing a range of business start-up units which can be accessed by our start-up clients. There are several potential sites locally which we hope to transform into enterprise gateways. Building an asset-base is a key component of our strategic planning. We have benefited from the Quirk Review into the transfer and ownership of public assets and from the Community Asset Fund which is refurbishing 32 Dovecot Street. We are looking at the new Communitybuilders Fund, launched in September 2009, and at existing funds like Futurebuilders. We would like to be able to fund asset growth from our own balance sheet, but we are not there yet.

Financial Inclusion

Since we entered the personal finance marketplace in June 2007, the growth of our service has been exceptional. The initial loan fund of £80,000, from the Northern Rock Foundation, to provide personal loans to low income individuals who are unable to access mainstream financial services, and are consequently reliant on unaffordable credit, and the services of an ever increasing array of predatory lenders, had grown to over £1.7 million by September 2009.

We have secured contracts to deliver Financial Inclusion Growth Fund throughout County Durham, the Tees Valley, the Scarborough district of North Yorkshire and, most recently, in Newcastle-upon-Tyne. In the current year, we will make circa 5,000 loans at an average loan size of circa £420.

There is no doubt that Five Lamps' experience of community development and social/economic regeneration contributes significantly to our success. We have a structured delivery model which targets the most disadvantaged communities with discreet advertising and progresses via free phone contact, through credit checking, a comprehensive financial review, a face-to-face meeting and approval within seven days. Our team of loan officers and call handlers has grown significantly from 1 to 14 in 26 months.

Our work in establishing the 'Tandem' brand, a partnership with Erimus Housing/Fabrick Group, the housing stock transfer company in Middlesbrough, has been recognised with a nomination for the Best Partnership Award at the National Housing Federation Neighbourhood Awards and won a SHINE award (Showcasing Housing Initiatives in the North East) in October 2008.

The timeline for our financial inclusion service illustrates the rapid growth.

July 2008 – awarded DWP Growth Fund contract to cover Stockton, Redcar & Cleveland, Scarborough & Whitby.

February 2009 – awarded contract to cover Middlesbrough & Wear Valley.

May 2009 – awarded contract to cover Gateshead, Derwentside and Chester-le-Street.

September 2009 – awarded contract to deliver in Newcastle-upon-Tyne, Darlington, Easington, Sedgfield and Durham.

We hope to develop a regional service by 2011, provisionally called 'The Great North East Loan Fund', which we believe will be making in excess of 20,000 loans per annum by 2012. We are progressing towards a ground breaking Memorandum of Understanding with a world class banking partner to provide additional capital for on-lending, a free impartial and independent education and awareness programme, co-located advisers and access to mainstream financial services for thousands of people throughout our region. The regional service would ensure that 9 of the 25 'red areas' across the country, identified in the Financial Inclusion Task Force/Experian Report in 2007, were covered. In actual fact, 15 of the worst 40 would benefit.



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We recognise that providing unsecured loans to low income individuals, excluded from mainstream financial services and consequently unable to access affordable credit, is a risky business and our portfolio is a tad unbalanced. We are seeking to grow our lending activity through a forthcoming tender to the North East Regional Home Loans Partnership.

Financial Inclusion has been the unseen and forgotten element of social and economic regeneration for far too long. The under-investment in credit unions, infrastructure and support agencies and the omission of the issue from health improvement strategies, area-based initiatives, employability programmes and, perhaps worst of all, from the range of indicators per Local Area Agreements (the closest proxy being the reduction in child poverty), is shameful.

Five Lamps is a catalyst for new partnerships. We continue to support Tees Credit Union, and have two forward thinking credit unions, Cestria, in Chester-le-Street and Gateshead, and Prince Bishops, in Derwentside, as sub-contractors. We want to see multi-agency financial inclusion forums in every area that we work in and we remain committed to embedding financial inclusion as a major cross-cutting theme in the Sustainable Communities Strategies.

Our work in the financial inclusion field has energised the organisation. We are unique among UK Community Development Finance Institutions in that we have a diverse service portfolio with the potential to offer 'whole family' support.

#### Young People

Our Young People service grouping embraces our youth service and our Entry to Employment (e2e) provision, based in our purpose-built youth centre, The Youthy.

In November 2008, we were successful in winning a substantially increased contract which recognised the strong performance of our programme and the extremely positive outcome of our initial Ofsted inspection in January 2008 (Grade 2). This result was the reward for the transformational work of our e2e team and the excellent integration of other Five Lamps services into supporting the 16-18 year olds who were not in education, employment or training at the time that they joined our programme.

The youth service, based at The Youthy, remains the focal point of youth activity in Thornaby. It remains, as reported here last year, a source of continued disappointment that we receive no recurring mainstream funding for our work, although we are strongly supportive of the new integrated service area model and commissioning processes being developed by the Children's Trust in Stockton. During 2008/2009, we delivered an inter-generational project, a successful youth outreach programme and worked closely with Cleveland Police, Connexions and the Local Authority. A range of health activities also took place within the Communities for Health (C4H) initiative, including teenage sexual health, healthy eating and healthy lifestyles. The 'All Stars' group, our project for 7-12 year olds, remains successful as does our BBC Children in Need funded service for young people with disabilities.

There are many interesting and innovative funding streams available for youth services. During the year, we were unsuccessful with bids to the Youth Service Development Fund and to Media-Box. Both were well received by the funders and the feedback was positive. We will continue to seek external funding for our services recognising that the Local Authority is not yet in a position to act on the outcome of the ongoing youth services review and the new integrated services areas are making little impact. We believe that our e2e and youth services can be at the heart of some new service paradigms locally and sub-regionally, particularly around extended schools, alternative curriculums, raising aspirations, health improvement and the Every Child Matters agenda. The Building Schools for the Future initiative will see a new academy built on the current Thornaby Community School site. This academy will specialise in enterprise and digital media. Five Lamps would like to be integrated into the delivery of the new school.

#### Health & Communities

The Health & Communities service remains important to the organisation and continues to contribute positively to our success.

We still support many community facing activities in our premises. We undertake a small range of health improvement focused projects, primarily targeted at young people.

In December 2008, we lost an anchor tenant at South Thornaby Community Resource Centre when the Day Care Service pulled out.

The redesign of our services and the relocation of our teams has helped to stimulate footfall.

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Total income for project related activities in the year to 31st March 2009 totalled £1,398,823 (£1,577,443 in 2007/2008) (see note 4(a) to the attached financial statements). This position does not, prima facie, indicate growth but the key growth elements arose at the end of 2008/2009 and will be realised in 2009/2010.

In the course of our activities we encourage volunteering, with up to 25 supporting our work at any one time. We have a group of volunteer mentors, some of whom are former beneficiaries of our services. The community café at South Thornaby is also staffed by volunteers and our staff are able to work in other third sector organisations under the terms of our volunteering policy.

The organisation's commitment to service quality and investment in the personal and professional development of our staff was recognised in a successful Investors in People review in July 2007. The report included the following statement:

"The Five Lamps Organisation has established a clear vision and purpose, with one of the striking features of the organisation being the extent to which personnel at all levels, including volunteers, are committed to, and actively working towards, the achievement of that vision. It is not unusual to find high levels of commitment within organisations in the Voluntary & Community Sector but, in the case of Five Lamps, the degree and all consuming nature of this commitment is truly exceptional."

We continue to focus on the quality of our services and build on our Matrix, IIP and Ofsted recognition. In the summer of 2008, we committed to securing 'Customer First' accreditation, joined the LSC 'Framework for Excellence' programme and the QIA 'World Class Skills' programme.

2008/2009 has been another highly successful year and we move forward with the best integrated range of social, economic and financial inclusion services in our sector in the region.

#### Quantum of 2008/2009 Activity

Five Lamps exists to provide services 'for the benefit of the public'. The continued growth of our project portfolio, and our ability to offer an increasingly integrated range of life-changing possibilities to our customers, their families and communities, demonstrates real public benefit.

During 2008/2009 the performance of Five Lamps' projects was strong. The following are the headline numbers for the majority of our core business activities:

	2007/08	2008/09	2009/10 (Forecast)
Businesses Supported	212	405	500
Business Start ups	109	123	150
Business Loans	62	66	75
Business Loans Value	£000's 110	98	175
Personal Loans	142	586	5,000
Personal Loans Value	£000's 81	245	1,700
Personal Finance Advice clients	583	1,749	9,500
Clients into Employment	201	217	300
Clients achieving a qualification	592	246	275
Clients receiving I.A.G.	685	815	900
CSCS Tests passed	140	219	250
E2E Starts	41	52	90
E2E Progressions	21	28	60
Young People accessing services (12-16 year old)	193	497	600
Young People accessing services (7-11 year old)	235	690	725
Young people with Special Needs	35	447	500
People accessing community activities	750	823	1,100

Five Lamps is committed to capturing the social impact/distance travelled by our customers and it is hoped that the new team structure, service integration and the delivery of new contracts will support the development of this work.

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### Financial Review

The Statement of Financial Activities for the year, the Balance Sheet as at 31st March 2009 and associated notes are set out on pages 14 to 34.

It remains the Trustees' intention to hold not less than £50,000 in free reserves. This policy is monitored monthly by the Trustees and seeks to ensure that the Charity is able to manage its activities in the event of a significant drop in funding. This policy is regularly challenged by the fluctuations in contract income. In 2008/2009 we continued our policy of close cash management and tight cost control. There was an unforeseen gap between the conclusion of our two substantial Learning & Skills Council contracts in July 2008 and the new Employability and Train to Gain contracts. The organisation sought to sustain employment over the transition but was forced to make six redundancies in November 2008.

Financial performance was slightly below budget projections during 2008/2009 resulting in a deficit of £157,292 compared with a surplus of £140,963 in the previous year. Of this deficit, a £75,000 additional bad debt provision and £83,753 depreciation charge were prime contributors.

At 31st March 2009, there were some restricted funds which were in deficit. These funds had become overdrawn as expenditure had exceeded income received, where the level of normal operating costs was not met by that income. This reflects the pressure of maintaining service continuation while operating in a world of short-term programme funding. The two largest deficits, i.e. Guidance and South Thornaby Community Resource Centre both reflect the difficulty that our sector experiences in securing continuous funding to support our activities, particularly at the conclusion of area-based initiatives. The deficit on Guidance was the consequence of the break in contract income between the end of an LSC contract and the commencement of new contracts. South Thornaby was hit by the loss of an anchor tenant in December 2008. The trustees have agreed to write off the balance on South Thornaby CRC (£28,830) by transfer to unrestricted reserves. The balances of three funds in deficit (Guidance, Train to Gain and E2E) have been carried forward as they relate to ongoing trading activity where significant improvement is apparent during the current financial year. The trustees have also agreed to transfer the balances on some previously restricted funds to unrestricted funds now that the related activities have reached the end of their funding. These were Train to Work, Stockton on Line, TEMP, Working Together and Now in the total amount of £14,490.

Principal funding sources are outlined in note 4(a) to the accounts.

### Future Plans

The three year strategic direction published in May 2007 identifies six key strategic priorities for the period 2007-2010.

- Growing our four business divisions at that time : Guidance Employability & Learning; Finance & Enterprise; Young People; Health & Community
- Winning contracts
- Growing our asset base
- Building effective partnerships
- Measuring social and economic impact
- Building VCS capacity and infrastructure.

The key targets agreed by the Board for 2008/2009 were :

- Secure additional capital for expansion of our personal finance project across Tees Valley and into North Yorkshire by 31st July 2008. *Achieved*
- Successful tender to expand our Entry to Employment (e2e) service by 30th August 2008. *Achieved*
- Final submission to Big Lottery 'Community Asset Fund' re 32 Dovecot Street by 26th September 2008. *Achieved*
- Secure sub-regional 'Train to Gain' contract, primarily focused on VCS workforce development by 30th September 2008. *Achieved*
- Review community services, including youth provision, and identify future service opportunities in Ingleby Barwick by 31st October 2008. *Deferred pending identification of funding*
- Establish service base in Whitby/Scarborough by 31st October 2008. *Achieved*

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

**DIRECTORS'/TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31ST MARCH 2009**

**Future Plans - Continued**

- Secure 'Flexible New Deal' sub-contract for delivery in Stockton-on-Tees, Redcar & Cleveland and Scarborough by 31st December 2008. *Programme delayed (Achieved July 2009)*
- Start on site at 32 Dovecot Street by 31st March 2009. *Deferred until June 2009 Achieved*
- Continued growth of our services and their derivatives across our four business divisions, including securing contracts via Children's Trust commissioning, Working Neighbourhoods Fund and a range of other sources by 31st March 2009. *Achieved*
- Maintain balanced budget and positive cash flow by 31st March 2009. *Achieved positive cash flow*

The key targets for 2009/2010 were approved by the Board of Trustees in April 2009 and are as follows :

- Secure additional capital to expand our financial inclusion services. *Achieved May 2009 and September 2009*
- Secure new contract and complete implementation of new structures for delivery of Stockton 'Communities Fund' Employability contract. *Achieved May 2009*
- Start on site for refurbishment of 32 Dovecot Street. *Achieved June 2009*
- Secure Flexible New Deal sub-contract and delivery of Intermediate Labour Market-type project within the scope of Future Jobs Fund. *Achieved July 2009*
- Secure additional capital and new contracts for enterprise activity. *Achieved July 2009 and August 2009*
- Establishment of Neighbourhood Enterprise Gateways via 'Communities Fund' Enterprise. *August 2009*
- Complete delivery plan for the creation of up to six new social enterprises. *October 2009*
- Secure support for the establishment of the Great North East Loan Fund, the first third sector-led, regional response to affordable credit/financial inclusion. *October 2009*
- Complete feasibility study for a housing project, including evaluation of the Community Land Trust model. *November 2009*
- Commence the implementation of the Business Plan for Stockton Community Interest Company. *November 2009*
- Open 32 Dovecot Street. *December 2009*
- Continue the growth of our services and their derivatives across the four business divisions, including commissioned services via the Stockton Children's Trust. *Ongoing*
- Maintain balanced budget and positive cash flow at 31st March 2010. *Ongoing*

Our delivery against these targets can be tracked by visiting our website [www.fivelamps.org.uk](http://www.fivelamps.org.uk)

**Audit Information**

In accordance with company law, and as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the Charity's auditors are unaware;
- as the directors of the company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

**Approval**

This report was approved by the Board of Trustees on 6th October 2009 and signed on its behalf.



.....  
T.D. Murphy  
Secretary

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are required by law to prepare financial statements for each financial year which give a true and fair view of the financial activities of the Charity and of its financial position at the end of that year. In preparing those financial statements, the trustees are required to:

- (a) select suitable accounting policies and apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements;
- (d) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Charity will continue in operation.

The trustees are responsible for keeping proper accounting records for which disclose, with reasonable accuracy at any time, the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention of fraud and other irregularities.

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

**INDEPENDENT AUDITOR' REPORT TO THE MEMBERS OF  
THE FIVE LAMPS ORGANISATION FOR THE YEAR ENDED 31ST MARCH 2009**

We have audited the financial statements of The Five Lamps Organisation (the Charity) for the year ended 31st March 2009 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the Charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Charity's members those matters that we are required to state to them in an auditors' report and for no other purposes. The fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

The trustees' (who are also the directors of The Five Lamps Organisation for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the Charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

**INDEPENDENT AUDITOR' REPORT TO THE MEMBERS OF  
THE FIVE LAMPS ORGANISATION FOR THE YEAR ENDED 31ST MARCH 2009**

**OPINION**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities of the state of the Charity's affairs as at 31st March 2009, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

*Baines Jewitt*

**BAINES JEWITT**  
**CHARTERED ACCOUNTANTS**  
and Registered Auditors

**STOCKTON ON TEES**

**6th October 2009**

**JL/AJD**

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

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31ST MARCH 2009**

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2009 £	Total Funds 2008 £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds:</b>					
Voluntary income	3(a)	52,814	25,213	78,027	79,261
Activities for generating funds	3(b)	14,247	2,425	16,672	31,815
Investment income	3(c)	403	7,107	7,510	8,611
<b>Incoming resources from charitable activities:</b>					
Grants	4(a)	1,398,823	-	1,398,823	1,577,443
Others	4(b)	33,933	3,719	37,652	27,140
<b>Other Incoming Resources</b>					
Interest generated by programme related investments	2(e) & 16	21,299	-	21,299	16,723
<b>TOTAL INCOMING RESOURCES</b>		<u>1,521,519</u>	<u>38,464</u>	<u>1,559,983</u>	<u>1,740,993</u>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds:</b>					
Costs of generating voluntary income	5	-	2,670	2,670	2,520
Costs of fundraising activities	6	-	1,260	1,260	3,480
Investment management costs	7	-	1,430	1,430	1,375
Charitable activities	8	1,627,401	55,893	1,683,294	1,543,672
Governance costs	9	-	27,645	27,645	28,062
<b>TOTAL RESOURCES EXPENDED</b>		<u>1,627,401</u>	<u>88,898</u>	<u>1,716,299</u>	<u>1,579,109</u>
<b>Net Outgoing Resources before Transfers</b>		(105,882)	(50,434)	(156,316)	161,884
<b>Gross Transfers Between Funds</b>	22	14,340	(14,340)	-	-
<b>Net Outgoing Resources before Other Recognised Gains and Losses</b>		(91,542)	(64,774)	(156,316)	161,884
<b>Other Recognised Gains and Losses (Loss)/gains on investments unrealised</b>	18	-	(976)	(976)	(921)
<b>Net Movements in Funds</b>		(91,542)	(65,750)	(157,292)	160,963
<b>Reconciliation of Funds:</b>					
<b>Funds Brought Forward</b>	22	231,469	1,115,585	1,347,054	1,186,091
<b>FUNDS CARRIED FORWARD</b>	22 & 23	<u>139,927</u>	<u>1,049,835</u>	<u>1,189,762</u>	<u>1,347,054</u>

There were no other recognised gains or losses other than those included in the Statement of Financial Activities.

The above restricted funds include a net investment of £90,734 in the carrying value of Programme Related Investments (note 16).



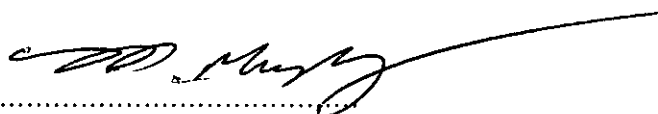
**THE FIVE LAMPS ORGANISATION**  
(A Company Limited by Guarantee)

**BALANCE SHEET AS AT 31ST MARCH 2009**

	Notes	£	2009 £	£	2008 £
<b>FIXED ASSETS</b>					
Tangible assets	15		1,130,390		1,175,105
Programme related investments	16		304,743		214,008
			<u>1,435,133</u>		<u>1,389,113</u>
<b>CURRENT ASSETS</b>					
Debtors	17	164,125		187,113	
Investments	18	82		1,058	
Cash at bank and in hand		271,043		75,766	
		<u>435,250</u>		<u>263,937</u>	
<b>CREDITORS: Amounts falling due within one year</b>	19	<u>(253,125)</u>		<u>(274,534)</u>	
<b>NET CURRENT ASSETS/ (LIABILITIES)</b>			<u>182,125</u>		<u>(10,597)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,617,258</u>		<u>1,378,516</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	20		<u>(427,496)</u>		<u>(31,462)</u>
<b>NET ASSETS</b>			<u>1,189,762</u>		<u>1,347,054</u>
<b>FUNDS</b>					
Unrestricted funds	22		1,049,835		1,115,585
Restricted funds	22		139,927		231,469
<b>TOTAL FUNDS</b>			<u>1,189,762</u>		<u>1,347,054</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to smaller companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the Board on 6th October 2009 and signed on its behalf by:



.....  
T.D. Murphy  
Chair

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2009**

**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention (as modified by the inclusion of investments at market value) in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and the Companies Act 1985, and following the recommendations in *Accounting and Reporting by Charities: Statement of Recommended Practice (the Charities SORP)* issued in March 2005.

**2. ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are as follows:

**(a) Incoming Resources**

**(i) Grants and Donations**

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

- 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.
- 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) Intangible Income**

Intangible income is included at a valuation which reflects the financial cost, estimated where appropriate, borne by the donor where such cost is quantifiable and measurable. No income is recognised when there is no financial cost borne by a third party.

**(iii) Investment Income**

Investment income is included when receivable by the Charity.

**(iv) 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.

**(b) Resources Expended**

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 estimated floor space (and related room rental value) occupied by each project.

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2009**

2. **ACCOUNTING POLICIES - continued**

(c) **Tangible Fixed Assets**

Fixed assets are included at cost less depreciation unless details of cost were not available. Where details of cost were not available, fixed assets are included at an estimated value. Where neither details of cost nor estimated values have been available, fixed assets have not been shown in the financial statements.

Fixed assets are not capitalised if they have a value of less than £500.

(d) **Depreciation**

Tangible fixed assets are depreciated over their estimated useful lives as follows:

Freehold land	Nil
Freehold buildings	2% straight line
Short leasehold buildings	Straight line over term of lease
Equipment and machinery	25% reducing balance
Fixtures and fittings	15% reducing balance
Office equipment	15% reducing balance
Motor vehicle	25% reducing balance

(e) **Investments**

Fixed asset programme related investments 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 on a cash receipts basis only.

Programme related investments are reviewed at least annually for impairment and an adjustment is made to reduce the value to the recoverable amount where there is evidence that the loans may not be repaid in full.

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.

(f) **Pensions Costs**

Contributions payable to a group personal pension and individual personal pension schemes are charged to the Statement of Financial Activities in the period to which they relate.

(g) **Fund Accounting**

Funds held by the Charity are either:

- *unrestricted funds* - these are funds which can be used in accordance with the objects of the Charity at the discretion of the Trustees. They may include designated funds which have been set aside by the Trustees for particular purposes.
- *restricted funds* - these are funds which can only be used for particular restricted purposes within the objects of the Charity; whether it be for the purchase or construction of a fixed asset or in respect of a specific project. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Once the restrictions imposed by the provider of the grant/the donor have been observed, the fund is then transferred to unrestricted funds but designated where relating to a specific ongoing purpose.

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2009**

2. **ACCOUNTING POLICIES - continued**

(h) **Operating Leases**

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against revenue on a straight line basis over the period of the lease.

(i) **Hire Purchase and Finance Lease Commitments**

Assets obtained under hire purchase contracts or on finance lease are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

3. **INCOMING RESOURCES FROM GENERATED FUNDS**

	Restricted Funds £	Unrestricted Funds £	Total 2009 £	Total 2008 £
(a) <b>Voluntary Income</b>				
Voluntary Sector Support Fund - grant	50,428	25,213	75,641	74,622
Donations	2,386	-	2,386	4,639
	<u>52,814</u>	<u>25,213</u>	<u>78,027</u>	<u>79,261</u>
(b) <b>Activities for Generating Funds</b>				
Management fee to third parties	-	2,425	2,425	8,569
Rental income	14,247	-	14,247	23,246
	<u>14,247</u>	<u>2,425</u>	<u>16,672</u>	<u>31,815</u>
(c) <b>Investment Income</b>				
Bank interest	403	1,625	2,028	3,019
Garage rental income	-	4,300	4,300	4,300
Dividends from UK quoted investments	-	61	61	84
Café rental income	-	1,121	1,121	1,208
	<u>403</u>	<u>7,107</u>	<u>7,510</u>	<u>8,611</u>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2009**

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

(a) Grant Income	Management and Administration Income	Health & Communities	Guidance, Employability & Learning	Finance & Enterprise	Young People	Total 2009	Total 2008
	£	£	£	£	£	£	£
Accent Foundation	-	14,550	-	-	-	14,550	-
Business Link	-	-	-	134,724	-	134,724	55,353
Connexions	-	-	-	-	-	-	44,956
Department for Works and Pensions	-	-	-	87,928	44,274	132,202	125,199
European Social Fund	-	-	4,822	-	-	4,822	11,008
Hartlepool Working Solutions	-	-	14,882	-	-	14,882	13,214
Igen	-	-	4,260	-	-	4,260	39,152
Learning & Skills Council	-	-	220,465	-	140,265	360,730	486,288
National Institute of Adult Continuing Education	-	22,500	-	-	-	22,500	-
Neighbourhood Renewal Fund	-	50,693	345,846	82,001	78,758	557,298	541,012
New Opportunities fund	-	4,330	-	-	8,305	12,635	-
Newtown	-	-	-	-	-	-	22,826
North East England Investment Centre	-	-	-	49,000	-	49,000	-
Northern Rock Foundation *	-	-	35,000	29,300	-	64,300	141,837
North Tees Primary Care Trust	-	-	-	-	10,250	10,250	-
Phoenix Revenue	-	-	-	-	-	-	56,865
Stockton Borough Council - Delivery of Trocn Level 2	-	-	-	-	-	-	10,000
Stockton Borough Council - Communities for Health	-	-	-	-	-	-	20,000
Stockton Borough Council - Drug Action Team	-	-	12,000	-	-	12,000	-
Stockton Riverside College	-	-	-	-	-	-	515
Tudor Trust	-	-	-	-	-	-	6,668
Other Grant Income	-	-	1,418	2,497	755	4,670	2,550
	-	<u>92,073</u>	<u>638,693</u>	<u>385,450</u>	<u>282,607</u>	<u>1,398,823</u>	<u>1,577,443</u>

\* The comparative total for 2008 includes £80,000 in respect of funds to be used for on-lending to individuals under the Community Finance Project (see note 16).

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2009**

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - continued**

(b) Other Income	Unrestricted		Restricted					Total 2008 £
	Management and Administration Income £	Health & Communities £	Guidance, Employability & Learning £	Finance & Enterprise £	Young People £	Total 2009 £		
Consultancy income	-	-	-	4,680	-	4,680	-	
Room hire	3,470	12,811	-	-	1,025	17,306	12,693	
Youth Club café/confectionary sales, subscriptions and activities	-	-	-	-	12,056	12,056	6,104	
Climbing wall	-	-	-	-	615	615	1,380	
Sundry other income	249	110	2,636	-	-	2,995	6,963	
	<u>3,719</u>	<u>12,921</u>	<u>2,636</u>	<u>4,680</u>	<u>13,696</u>	<u>37,652</u>	<u>27,140</u>	
<b>GRAND TOTAL</b>	<b>3,719</b>	<b>104,994</b>	<b>641,329</b>	<b>390,130</b>	<b>296,303</b>	<b>1,436,475</b>	<b>1,604,583</b>	

**FOOTNOTE:**

Projects have been grouped together in categories of major activities under which they can best be classified.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2009**

**5. COSTS OF GENERATING VOLUNTARY INCOME**

	2009	2008
	£	£
Direct project costs	-	-
Staff costs	2,490	2,370
Premises costs	95	80
Office costs	50	40
Central overheads	35	30
	<b>2,670</b>	<b>2,520</b>

**6. COSTS OF FUNDRAISING ACTIVITIES**

	2009	2008
	£	£
Direct project costs	-	-
Staff costs	1,130	3,300
Premises costs	130	180
Office costs	-	-
Central overheads	-	-
	<b>1,260</b>	<b>3,480</b>

**7. INVESTMENT MANAGEMENT COSTS**

	2009	2008
	£	£
Direct project costs	-	-
Staff costs	-	-
Premises costs	1,430	1,375
Office costs	-	-
Central overheads	-	-
	<b>1,430</b>	<b>1,375</b>

**THE FIVE LAMPS ORGANISATION**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2009**

**8. RESOURCES EXPENDED - CHARITABLE ACTIVITIES**

**(a) Charitable Expenditure**

	Notes	Management and Administration £	Health & Communities £	Guidance, Employability & Learning £	Finance & Enterprise £	Young People £	Total 2009 £	Total 2008 £
Staff costs	10	-	78,857	396,185	144,831	166,347	786,220	684,608
Premises costs	11	-	60,275	11,939	3,213	35,156	110,583	105,933
General office costs	12	-	11,475	8,957	5,864	6,806	33,102	27,056
Grants payable		-	-	53,451	84,337	10	137,798	121,142
Bad debt provision	16	-	-	-	75,000	-	75,000	60,000
Direct project costs:								
- Depreciation	14	-	13,684	-	-	25,009	38,693	44,002
- Publicity and promotion		-	-	6,867	6,662	3,158	16,687	10,729
- Tutor costs		-	-	22,225	-	-	22,225	27,281
- Course materials		-	-	-	-	-	-	6,923
- Training and accreditation costs		-	-	-	-	1,668	1,668	63,660
- Activities costs		-	-	7,357	80	18,219	25,656	12,051
- Creche costs		-	-	98	-	-	98	766
- Subscriptions/affiliations		-	44	-	4,723	801	5,568	2,267
- Books and publications		-	-	768	20	-	788	2,665
- Apprentices allowances/expenses		-	-	1,876	145	25,790	27,811	5,184
- Insurance		-	1,577	-	2,366	2,323	6,266	10,185
- Mobile phones		-	254	1,577	808	397	3,036	3,795
- Consultancy/facilitators fees		-	11,750	3,663	53,844	6,457	75,714	37,371
- Motor vehicle expenses		-	1,647	10	-	-	1,657	2,031
- Others		-	286	-	4,178	238	4,702	253
		-	179,849	514,973	386,071	292,379	1,373,272	1,227,902



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2009**

**8. RESOURCES EXPENDED - CHARITABLE ACTIVITIES - continued**

**(b) Support Costs**

	Notes	Management and Administration £	Health & Communities £	Guidance, Employability & Learning £	Finance & Enterprise £	Young People £	Total 2009 £	Total 2008 £
Staff costs	10	249,023	-	-	-	-	249,023	228,982
Premises costs	11	29,133	-	-	-	-	29,133	26,579
General office costs	12	11,694	-	-	-	-	11,694	11,013
Professional fees		3,611	-	-	-	-	3,611	7,973
Subscriptions		3,785	-	-	-	-	3,785	3,705
Insurance		1,218	-	-	-	-	1,218	1,815
Depreciation	14	5,472	-	-	-	-	5,472	5,604
Loss on disposal of fixed assets		-	-	-	-	-	-	6,865
Loan interest		2,624	-	-	-	-	2,624	4,175
Bank interest		46	-	-	-	-	46	-
Finance lease interest		905	-	-	-	-	905	1,757
Publicity and advertising		1,542	-	-	-	-	1,542	15,089
Others		969	-	-	-	-	969	2,213
<b>Allocation to activities of:</b>								
- Management and administration costs		(279,236)	26,033	121,835	73,368	58,000	-	-
- Staff costs		(25,000)	-	(10,283)	19,000	16,283	-	-
- Premises costs		(6,011)	396	2,594	2,184	837	-	-
- Office costs		(8,926)	300	4,960	2,912	754	-	-
		<u>(9,151)</u>	<u>26,729</u>	<u>119,106</u>	<u>97,464</u>	<u>75,874</u>	<u>310,022</u>	<u>315,770</u>
<b>GRAND TOTAL</b>		<b>(9,151)</b>	<b>206,578</b>	<b>634,079</b>	<b>483,535</b>	<b>368,253</b>	<b>1,683,294</b>	<b>1,543,672</b>

**FOOTNOTES:**

1. Projects have been grouped together in categories of major activities under which they can best be classified.
2. Management and administration costs have been allocated by reference to the total income generated by each project.
3. Staff costs have been allocated by reference to the estimated time spent by staff on each project.
4. Premises costs and office costs have been allocated by reference to the estimated floor space (and related room rental value) occupied by each project.

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**9. GOVERNANCE COSTS**

	2009	2008
	£	£
Staff costs	8,350	8,050
Premises costs	-	-
Office costs	285	270
Central overheads	19,010	19,742
	27,645	28,062

**10. STAFF COSTS AND TRUSTEES' REMUNERATION**

Total employment costs were as follows:

	2009	2008
	£	£
Gross pay	864,501	765,688
Employer's national insurance	75,839	70,462
Employer's pension	31,668	31,970
Training	14,322	4,667
Expenses	21,636	21,705
Insurances	50	515
Staff from other organisations	15,401	10,855
Agency staff	9,151	21,448
Redundancy pay	14,645	-
	1,047,213	927,310

The above staff costs have been allocated to the various activities of the Charity as follows:

	2009	2008
	£	£
Charitable expenditure	786,220	684,608
Support costs	249,023	228,982
Costs of generating voluntary income	2,490	2,370
Costs of fundraising activities	1,130	3,300
Governance costs	8,350	8,050
	1,047,213	927,310

The average weekly number of staff employed by the Charity during the year was as follows:

	2009	2008
	No.	No.
Direct charitable work	37	35
Administrative	10	10
	47	45

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**10. STAFF COSTS AND TRUSTEES' REMUNERATION - continued**

No employees earned £60,000 or more.

Of the total pension costs of £31,668 (2008: £31,970) £3,608 was outstanding at 31st March 2009 (2008: £4,586).

No remuneration was paid to trustees in the year (2008: Nil). The aggregate amount of expenses reimbursed to two trustees in the year amounted to £72 (2008: £153). The expenses consisted of travelling and subsistence costs of trustees necessarily incurred in the performance of their duties.

The Charity has had indemnity insurance on behalf of the trustees, officers and directors as from 1st April 2004. The cost of the premium included in these financial statements is £911 (2008: £751).

**11. PREMISES RUNNING COSTS**

The Charity provides its services from three centres, the total operating costs of which were as follows:

	2009 £	2008 £
Utilities	35,490	34,731
Cleaning	28,438	27,690
Telephone and fax	17,824	14,370
Internet	1,738	3,035
Maintenance - building	10,923	10,352
Maintenance - equipment	7,959	5,557
Maintenance - IT	10,351	8,235
Depreciation	28,648	30,177
Recharges to third parties	-	-
	<u>141,371</u>	<u>134,147</u>

The above premises running costs have been allocated to the various activities of the Charity as follows:

	2009 £	2008 £
Charitable expenditure	110,583	105,933
Support costs	29,133	26,579
Costs of generating voluntary income	95	80
Costs of fundraising activities	130	180
Investment management costs	1,430	1,375
Governance costs	-	-
	<u>141,371</u>	<u>134,147</u>

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**12. OFFICE RUNNING COSTS**

The Charity provides its services from three centres, the total office running costs of which were as follows:

	2009 £	2008 £
Stationery	15,719	16,219
Postage	4,196	3,619
Office furniture and equipment	3,495	1,601
Photocopying	(129)	572
Maintenance - office equipment	-	70
Depreciation	10,940	3,547
Drinking water and refreshments	2,911	3,362
Office furniture	-	93
Office rent	7,085	8,376
Container hire	914	920
Office equipment leasing	-	-
Recharges to third parties	-	-
	<u>45,131</u>	<u>38,379</u>

The above office running costs have been allocated to the various activities of the Charity as follows:

	2009 £	2008 £
Charitable expenditure	33,102	27,056
Support costs	11,694	11,013
Costs of generating voluntary income	50	40
Costs of fundraising activities	-	-
Investment management costs	-	-
Governance costs	285	270
	<u>45,131</u>	<u>38,379</u>

**13. MOVEMENT IN TOTAL FUNDS FOR THE YEAR**

This is stated after charging:

	2009 £	2008 £
Depreciation of tangible fixed assets	83,753	83,330
Loss on disposal of fixed assets	-	6,865
Trustees'/directors' emoluments	-	-
Auditors' remuneration	<u>11,500</u>	<u>15,275</u>

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**14. DEPRECIATION**

The charge for depreciation is made up as follows:

	2009 £	2008 £
The Youthy (freehold property)	16,347	16,347
South Thornaby Community Resource Centre and Five Lamps Centre (leasehold properties)	35,636	34,713
Equipment and machinery	11,155	14,873
Fixtures and fittings	6,468	7,486
Office equipment	13,929	9,621
Motor vehicle (minibus)	218	290
	<u>83,753</u>	<u>83,330</u>

This has been allocated as follows:

	2009 £	2008 £
Charitable expenditure	38,693	44,002
Support costs	5,472	5,604
Premises running costs	28,648	30,177
Office running costs	10,940	3,547
	<u>83,753</u>	<u>83,330</u>

**15. TANGIBLE FIXED ASSETS**

	Freehold Land and Buildings £	Short Leasehold Land and Buildings £	Equipment and Machinery £	Fixtures and Fittings £	Office Equipment £	Motor Vehicle £	Total £
<b>Cost</b>							
At 1st April 2008	817,356	549,155	317,800	128,388	124,399	2,750	1,939,848
Additions	-	-	-	699	38,339	-	39,038
Disposals	-	-	-	-	-	-	-
	<u>817,356</u>	<u>549,155</u>	<u>317,800</u>	<u>129,087</u>	<u>162,738</u>	<u>2,750</u>	<u>1,978,886</u>
<b>Depreciation</b>							
At 1st April 2008	98,082	235,756	273,183	85,965	69,877	1,880	764,743
Charge for the year	16,347	35,636	11,155	6,468	13,929	218	83,753
Disposals	-	-	-	-	-	-	-
	<u>114,429</u>	<u>271,392</u>	<u>284,338</u>	<u>92,433</u>	<u>83,806</u>	<u>2,098</u>	<u>848,496</u>
<b>Net Book Values</b>							
At 31st March 2009	<u>702,927</u>	<u>277,763</u>	<u>33,462</u>	<u>36,654</u>	<u>78,932</u>	<u>652</u>	<u>1,130,390</u>
At 31st March 2008	<u>719,274</u>	<u>313,399</u>	<u>44,617</u>	<u>42,423</u>	<u>54,522</u>	<u>870</u>	<u>1,175,105</u>

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15. **TANGIBLE FIXED ASSETS - Continued**

Included above are the following amounts in respect of fixed assets held under finance lease contracts:

	<b>Fixtures and Fittings £</b>	<b>Office Equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1st April 2008 and 31st March 2009	<u>10,046</u>	<u>8,814</u>	<u>18,860</u>
<b>Depreciation</b>			
At 1st April 2008	3,877	3,401	7,278
Charge for year	<u>925</u>	<u>812</u>	<u>1,737</u>
At 31st March 2009	<u>4,802</u>	<u>4,213</u>	<u>9,015</u>
<b>Net Book Value</b>			
At 31st March 2009	<u>5,244</u>	<u>4,601</u>	<u>9,845</u>
At 31st March 2008	<u>6,169</u>	<u>5,413</u>	<u>11,582</u>

**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 Youthy was valued some years ago 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. The unique nature of the building means that it is difficult to value it on a normal commercial basis. 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 31st March 2009 of £702,927 (2008: £719,274). All things considered, it is unlikely that The Youthy will have suffered material permanent impairment in value since it was originally built and that a carrying value based on original cost less depreciation continues to be appropriate for accounting purposes.

**Short Leasehold Land and Buildings**

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

(a) **The Five Lamps Centre**

The lease is for a period of seven years from April 2005 and any expenditure is being written off over the remainder of this period. The expenditure relates to extension work that was carried out in the years to 31st March 2000 and 31st March 2001.

(b) **South Thornaby Community Resource Centre**

The current lease runs from February 2000 for a term of 25 years and this is the period over which any expenditure is being written off.

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**16. PROGRAMME RELATED INVESTMENTS**

**(a) CDFI Project**

The Charity provides last resort loan finance for small businesses throughout the most disadvantaged areas of the Tees Valley by acting as a Community Development Finance Institution (CDFI) in accordance with a grant offer letter from the Small Business Service dated 12th May 2004. The original £200,000 funding of capital for on-lending came from the Phoenix Fund (Challenge Fund). This funding ceased on 31st March 2006. Since then, the repayments made on earlier loans have been used to fund further lending.

**(b) Northern Rock Foundation**

In 2008 £80,000 was received from Northern Rock Foundation which was to be used for similar on-lending to individuals under the Community Finance Project initiative. The whole of this amount had been advanced by way of personal loans by 31st March 2008. Since then, the repayments made have also been used to fund further lending.

**(c) Growth Fund**

During the year under review, the Charity entered into an agreement with the Department for Work and Pensions (DWP) whereby capital funding will be provided in order to increase the number of affordable personal loans that are available to people on low incomes who live in areas of high financial exclusion.

Until the contract end date on 31st March 2011, the DWP funded 'loan book', together with a minimum of 25% of any interest received, remains the property of the DWP. Up to 75% of interest received can be used by the Charity to support running costs or to develop the organisation in other ways, subject to obtaining prior agreement from the DWP. At 31st March 2009, the Charity had not requested agreement to use any of the interest received and therefore the interest received in the year of £9,867 is included in creditors at that date as part of the balance held on behalf of the DWP - see note 20.

The DWP has also provided revenue funding of £54,077 to assist with the running costs of this project and £15,100 as a capital grant towards the purchase of equipment.

The relevant assets/liabilities at 31st March 2009 in relation to the DWP element of this project were as follows:

	£	£
<b>Tangible Fixed Assets (at Net Book Value)</b>		<b><u>12,835</u></b>
<b>Programme Related Investments</b>		<b><u>117,135</u></b>
<b>Debtors</b>		
Capital grant receivable for on-lending	50,000	
Revenue grant receivable	26,000	
		<b><u>76,000</u></b>
<b>Creditors</b>		
DWP - funds under management	409,867	
Revenue grants received in advance	74,923	
		<b><u>484,790</u></b>

At the end of the contract, provided that there have been no breaches of the terms and conditions, the funds under management (£409,867 at 31st March 2009) are to be transferred to the Five Lamps Organisation in order to facilitate future personal loans.

At 31st March 2009 £400,000 of capital funding had been applied for by the organisation £350,000 of which had already been received with a further £50,000 (see above) included within debtors at that date.

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16. **PROGRAMME RELATED INVESTMENTS - continued**

Details of loan transactions:

	Growth Fund £	CDFI Project £	Community Finance £	Total 2009 £	Total 2008 £
Balance brought forward - before provision for doubtful debts	-	255,052	58,956	314,008	181,983
Loans advanced - from grants received (Note 4(a))	-	-	-	-	80,000
- from recycling of repayments	161,478	92,648	38,562	292,688	111,896
Capital repayments	(44,343)	(45,004)	(37,606)	(126,953)	(59,871)
	<u>117,135</u>	<u>302,696</u>	<u>59,912</u>	<u>479,743</u>	<u>314,008</u>
Provision for doubtful debts	-	(145,000)	(30,000)	(175,000)	(100,000)
	<u>117,135</u>	<u>157,696</u>	<u>29,912</u>	<u>304,743</u>	<u>214,008</u>
Interest received per Statement of Financial Activities	-	13,658	7,641	21,299	16,723

Capital repayments and interest received are to be used to fund further lending.

The above general provision for doubtful debts totalling £175,000 has been made based on the Organisation's knowledge of loans where problems with repayments are being experienced, and expectations as regards future receipts.

17. **DEBTORS**

	2009 £	2008 £
<b>Due within one year:</b>		
Grants receivable	4,999	38,810
Prepayments and accrued income	159,126	148,303
	<u>164,125</u>	<u>187,113</u>

18. **INVESTMENTS**

	2009 £	2008 £
<b>Quoted investments:</b>		
Market value at beginning of year	1,058	1,979
Loss on investments from change in value	(976)	(921)
	<u>82</u>	<u>1,058</u>
Market value at end of year		
Historic cost	<u>NIL</u>	<u>NIL</u>



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

	2009	2008
	£	£
Bank overdraft	-	623
Obligations under finance lease contracts	1,772	4,883
Community Loan Fund	11,785	10,185
Trade creditors	53,466	165,662
Social security and other taxes	22,162	22,392
Accruals and deferred income	38,298	27,626
Grants received in advance	113,792	43,163
Grant income repayable	11,850	-
	<b>253,125</b>	<b>274,534</b>

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

	2009	2008
	£	£
Obligations under finance lease contracts	-	1,772
Community Loan Fund	17,629	29,690
Department for Work and Pensions - funds under management (see note 16(c))	409,867	-
	<b>427,496</b>	<b>31,462</b>

**21. SECURED DEBTS**

The following secured debts are included within creditors:

	2009	2008
	£	£
Bank overdraft	-	623
Obligations under finance lease contracts	1,772	6,655
Community Loan Fund	29,414	39,875

The bank overdraft was secured by a legal charge over the Charity's freehold property.

Obligations under finance lease contracts are secured on the fixed assets to which they relate.

The loan obtained from the Community Loan Fund for the North East, in the initial amount of £50,000 is secured by a fixed and floating charge dated 10th November 2005.

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22. **MOVEMENT IN FUNDS**

	Balance 1st April 2008 £	Movement in Resources		Transfers Between Funds and Investment Gains £ (See footnotes)	Balance 31st March 2009 £
		Incoming £	Outgoing £		
<b>RESTRICTED FUNDS:</b>					
<b>Communities and Health</b>					
South Thornaby CRC	-	56,602	85,432	28,830	-
IT Upgrade	10,831	22,500	14,732	-	18,599
Stockton on Line	(3,773)	50,694	54,640	7,719	-
Minibus	-	110	1,666	1,556	-
Community interest	-	14,550	12,035	-	2,515
	<u>7,058</u>	<u>144,456</u>	<u>168,505</u>	<u>38,105</u>	<u>21,114</u>
<b>Guidance, Employability and Learning</b>					
Working Together	-	79,795	52,778	(27,017)	-
Guidance	-	543,428	559,795	-	(16,367)
CITB	16,928	12,283	13,445	-	15,766
Train to Gain	-	1,000	4,538	-	(3,538)
Train to Work	-	4,822	3,522	(1,300)	-
	<u>16,928</u>	<u>641,328</u>	<u>634,078</u>	<u>(28,317)</u>	<u>(4,139)</u>
<b>Finance and Enterprise</b>					
Business Link	35,223	183,724	180,140	-	38,807
CDFI - capital	175,052	-	-	(17,356)	157,696
CDFI - revenue	(66,933)	98,559	181,070	17,356	(132,088)
Community finance - capital	38,956	-	-	(9,044)	29,912
Community finance - revenue	25,185	60,372	65,117	9,044	29,484
Growth Fund - revenue and capital	-	69,177	57,210	-	11,967
	<u>207,483</u>	<u>411,832</u>	<u>483,537</u>	<u>-</u>	<u>135,778</u>
<b>Young People</b>					
The Youthful	-	139,364	136,645	(1,556)	1,163
Now	-	8,754	11,003	2,249	-
TEMP	-	30,500	34,359	3,859	-
E2E	-	145,285	159,274	-	(13,989)
	<u>-</u>	<u>323,903</u>	<u>341,281</u>	<u>4,552</u>	<u>(12,826)</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>231,469</u>	<u>1,521,519</u>	<u>1,627,401</u>	<u>14,340</u>	<u>139,927</u>
<b>UNRESTRICTED FUNDS</b>					
<b>General Reserves</b>	105,191	38,464	23,855	(15,316)	104,484
<b>Designated Funds</b>					
Youth Empowerment Scheme (Capital)	762,621	-	26,971	-	735,650
The Five Lamps Extension	100,515	-	23,802	-	76,713
South Thornaby CRC Redevelopment	101,740	-	6,646	-	95,094
South Thornaby CRC Extension	45,518	-	7,624	-	37,894
	<u>1,115,585</u>	<u>38,464</u>	<u>88,898</u>	<u>(15,316)</u>	<u>1,049,835</u>
<b>TOTAL UNRESTRICTED FUNDS</b>	<u>1,115,585</u>	<u>38,464</u>	<u>88,898</u>	<u>(15,316)</u>	<u>1,049,835</u>
<b>TOTAL FUNDS</b>	<u>1,347,054</u>	<u>1,559,983</u>	<u>1,716,299</u>	<u>(976)</u>	<u>1,189,762</u>

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22. **MOVEMENT IN FUNDS - continued**

Transfers between funds are agreed by the Board.

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

	Fixed Assets:		Net Current Assets £	Long-Term Liabilities £	Total £
	Tangible £	Programme Related Investments £			
Restricted Funds	57,798	304,743	187,253	(409,867)	139,927
Unrestricted Funds	1,072,592	-	(5,128)	(17,629)	1,049,835
	<u>1,130,390</u>	<u>304,743</u>	<u>182,125</u>	<u>(427,496)</u>	<u>1,189,762</u>

24. **FUNDS OF THE CHARITY**

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects, although the trustees may decide to designate part of these funds for specific purposes.

Restricted funds are funds which have been given for particular purposes and projects.

25. **TAXATION**

H.M. Revenue & Customs have approved the charitable status of The Five Lamps Organisation and its income is therefore exempt from tax under Sections 505 and 506 of The Taxes Act 1988, provided that such income is applied for charitable purposes.

26. **CONTROLLING PARTY**

Throughout the year, the Charity was under the control of the Board.

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**27. RELATED PARTY TRANSACTIONS**

Mr. G. Oram (Chief Executive of the Charity) and Mr. W. Erskine (Head of Finance and Enterprise) are the Chair and Company Secretary of Regen School North East.

Transactions between Five Lamps and Regen School North East were as follows:	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Income from Regen School North East	<u><b>2,425</b></u>	<u><b>8,698</b></u>

This income is in respect of rent of property and accounting services provided.

Payments to Regen School North East	<u><b>54,675</b></u>	<u><b>19,100</b></u>
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These payments reflect the purchase of consultancy services from Regen School North East in order to deliver Lot2 Projects. Alternative suppliers were considered but they were more expensive and would have given rise to additional VAT costs.

Included in debtors at 31st March 2009 is £1,525 due from Regen School North East to Five Lamps (2008: £6,500).  
Included in creditors at 31st March 2009 is £4,320 due to Regen School North East from Five Lamps (2008: £nil).

Mr. G. Oram is also a director of North East Enterprise Agency Limited (NEEAL).

Transactions between Five Lamps and NEEAL were as follows:	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Income from NEEAL	<u><b>140,480</b></u>	<u><b>9,309</b></u>

This income is in respect of the delivery of services.

Included in debtors at 31st March 2009 is £18,404 due from NEEAL to Five Lamps (2008: £35,763).

Diane Patterson, former Vice Chair of the Charity, was employed by Tees Credit Union.

Transactions between Five Lamps and Tees Credit Union were as follows:	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Income from Tees Credit Union	<u><b>60,725</b></u>	<u><b>36,958</b></u>

This income is in respect of salary costs initially borne by Five Lamps, which provides payroll services to Tees Credit Union.

Payments to Tees Credit Union	<u><b>450</b></u>	<u><b>-</b></u>
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Included in creditors at 31st March 2009 is £450 due to Tees Credit Union from Five Lamps (2008: £nil).

Included in debtors at 31st March 2009 is £5,381 due from Tees Credit Union to Five Lamps (2008: £3,378).