

LighthouseCarrwood Limited
Reports and Financial Statements
for the year ended 31 December 2015

Registered Number 05626656



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LighthouseCarrwood Limited

Reports and financial statements

for the year ended 31 December 2015

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LighthouseCarrwood Limited

Report of the Directors for the year ended 31 December 2015

This report encompasses the audited financial statements of LighthouseCarrwood Limited for the year ended 31 December 2015

Principal activity

The principal activity of the Company in the year under review was the provision of financial advisory services across the UK

The Company is an Appointed Representative of Lighthouse Advisory Services Limited, a fellow subsidiary and a company authorised and regulated by the Financial Conduct Authority

Business Strategy

As part of the group headed up by Lighthouse Group plc, the ultimate parent undertaking, the Company aims to be a leading force in the provision of financial advisory and investment services in the UK

Its key aims are to

- deliver organic expansion and growth by carefully targeted associations, joint ventures and partnerships - driving increased revenue and profits,
- build more fund based and recurring revenue within the Company, thereby reducing dependency on new business, and
- assist advisers in developing long term, mutually valued relationships with clients, resulting in better client care in conjunction with the Company's values of Treating Customers Fairly

Review of business and results for the year

The profit for the year after taxation was £213,921 (2014 £59,603) No dividend is recommended (2014 £Nil)

During the year the Company moved to preparing its financial statements in accordance with Financial Reporting Standard FRS 101 The principal impact on the transition from UK GAAP to FRS 101, which was with effect from 1 January 2014, was to write back amortisation charged in the year ended 31 December 2014 in relation to goodwill of £193,955 and to increase the value of net assets as previously reported as at 31 December 2014 by the same amount

The profit and loss account is set out on page 7

LighthouseCarrwood Limited

Report of the Directors for the year ended 31 December 2015 - continued

The Company's key financial and other performance indicators during the year were as follows

	2015 £'000	2014 (restated) £'000	Change %
Turnover	5,454	4,388	24.3%
Gross profit	2,735	1,921	42.4%
Profit for the financial year	214	60	n/a
Equity shareholders' deficit	(549)	(763)	n/a

Turnover arose predominantly in the following product areas

	2015 %	2014 %
Investments	25	31
Pensions	35	29
Protection	4	4
Recurring revenues	25	27
Other	11	9
Total	100	100

Turnover increased by £1,066,254 or 24.3% as a result of increased production by existing advisers. Gross margins increased from 43.8% to 50.1% as a result of variations in the adviser productive mix. Administrative expenses increased by £658,864 or 35.4% as a result of higher regulatory and professional indemnity insurance costs, payments to third-party contractors in respect of independent pension advice provided and costs incurred in establishing and developing the Company's proprietary auto-enrolment product, the Lighthouse Pensions Trust and the related death-in-service workplace solution, the Lighthouse Life Trust.

The increase in shareholders' equity funds has increased by virtue of the profit for the year.

There have been no significant events since the balance sheet date that need to be reflected in the financial statements. Since the year end the Company has traded in line with expectations.

Going concern

Going concern has been evaluated at group level for all subsidiaries by the directors of Lighthouse Group plc and has been re-assessed at the date of signing these accounts. They concluded that it was reasonable to expect the Company to remain in business for a period of not less than 12 months from the date of signing of the financial statements. Further information on the basis of preparation of these financial statements is set out in note 1 to the financial statements.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are broadly grouped as competitive and business (including market price), consumer and regulatory and financial

Competitive and business risks

These comprise

- adverse changes in the general economic environment and, more specifically, in the market for the provision of retail financial services to UK consumers within which the Group operates,
- the increasing use of technology which could enable UK consumers to procure retail financial products direct from the manufacturer,
- increases in the scale and scope of regulation imposed by UK and European governments,
- the ability of the Group to recruit quality financial advisers,
- the availability of professional indemnity insurance at commercially acceptable rates within the market for distribution of retail financial products in the UK,
- an increasing tendency for UK consumers of retail financial products to make claims for redress in the light of lower than expected performance of such products, and
- inflationary impacts on the operating cost base of the Group

Market price risk

The Company's income is directly aligned to the external market conditions. Lower market returns reduce investors' appetite for investment products, and reduce the income derived from funds-based products. Senior management meet regularly to review issues and determine appropriate mitigating action.

Consumer and regulatory risks

The provision of financial advice (including in respect of mortgages and protection products) is regulated by the Financial Conduct Authority ("FCA"). The Company aims to instil a compliant culture within its procedures so as to govern the activity of its employees and self-employed advisers, thus ensuring that behaviour is in line with best practice and should be capable of being justified with hindsight.

All complaints received in respect of advice or services supplied are referred to and investigated in a timely manner by Lighthouse Advisory Services Limited, the Company's fellow subsidiary company which authorises it to provide financial advice. That entity also provides the Company with professional indemnity insurance covering all of its operations as required by regulation, and utilises contractual and other provisions to mitigate further the financial impact of any such complaints being upheld.

Financial risks

The Company writes a minority of its business on an indemnity basis, where the provider of the product may claw back a portion of the commission paid if the customer cancels the policy within the indemnity period.

Other credit and liquidity and cash flow risks, being the risks that an entity will encounter difficulty in meeting obligations associated with financial liabilities, are dealt with at network and Group level.

Cash flow requirements are monitored and reviewed at Group level.

LighthouseCarrwood Limited

Report of the Directors for the year ended 31 December 2015 – continued

Directors

The directors of the Company during the year were as follows

M Streatfield
P Smith
M Dallas
P Mason

Directors' qualifying third party indemnity provisions

In accordance with the requirements of section 236 of the Companies Act 2006, qualifying third party indemnity provisions are in force for the benefit of the directors of the Company

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' report and the financial statements

The directors are responsible for preparing the Report of the Directors 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 101 *Reduced Disclosure Framework*.

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 the reporting period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Report of the Directors for the year ended 31 December 2015 – continued

Directors' statement as to disclosure of information to auditor

The directors who held office at the date of approval of this Report of the Directors confirm that, so far as they are aware -

- there is no relevant audit information of which the Company's auditor is unaware, and
- each director has taken all the reasonable steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Auditor

KPMG LLP, having indicated its willingness to continue in office, will be deemed reappointed as auditor under section 487 (2) of the Companies Act 2006

By order of the Board



P Smith
Director
5 April 2016

26 Throgmorton Street
London
EC2N 2AN

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIGHTHOUSECARRWOOD LIMITED

We have audited the financial statements of LighthouseCarrwood Limited for the year ended 31 December 2015 set out on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

This report is made solely to the 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 Company's members those matters we are required to state to them in an auditor's 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the directors were not entitled to take advantage of the small companies exemption in not preparing a strategic report, or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Ravi Lamba

(Senior Statutory Auditor)

for and on behalf of KPMG LLP

Chartered Accountants

15 Canada Square

London

E14 5GL

6 April 2016

LighthouseCarrwood Limited

Profit and loss account and other comprehensive income for the year ended 31 December 2015

	Notes	2015	2014
		£	£
Turnover	2	5,454,132	4,387,878
Cost of sales		(2,719,609)	(2,466,537)
Gross profit		2,734,523	1,921,341
Administrative expenses		(2,520,602)	(1,861,738)
Goodwill amortisation	3	-	-
Total operating expenses		(2,520,602)	(1,861,738)
Operating profit	3	213,921	59,603
Profit on ordinary activities before taxation		213,921	59,603
Tax on ordinary activities	5	-	-
Profit for the financial year		213,921	59,603

All revenues and costs arise from continuing operations

The Company had no recognised gains or losses other than the result for 2015 and 2014

Details of the adjustment in respect of the transition to FRS 101 are set out in note 14 to the financial statements. There were no other adjustments made to the results as previously reported for the year ended 31 December 2014.

The notes on pages 9 to 18 form an integral part of these financial statements.

LighthouseCarrwood Limited

Balance sheet at 31 December 2015

	Notes	2015	2014
		£	£
Fixed assets			
Intangible assets	6	<u>371,747</u>	<u>371,747</u>
Current assets			
Debtors	7	100	100
Creditors: amounts falling due within one year	8	(920,437)	(1,134,358)
Net current liabilities		<u>(920,337)</u>	<u>(1,134,258)</u>
Total assets less current liabilities		<u>(548,590)</u>	<u>(762,511)</u>
Net liabilities		<u>(548,590)</u>	<u>(762,511)</u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account	10	(548,690)	(762,611)
Equity shareholders' deficit	11	<u>(548,590)</u>	<u>(762,511)</u>

The financial statements on pages 7 to 18 were approved by the Board of Directors on 5 April 2016 and signed on its behalf by



P Smith
Director

5 April 2016

The notes on pages 9 to 18 form an integral part of these financial statements

The registered number of the Company is 05626656

LighthouseCarrwood Limited

Notes to the Financial Statements at 31 December 2015

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. There were no policies which in the opinion of the directors related to areas of uncertainty or critical judgement.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 14 for 2014 comparatives only.

The Company's ultimate parent undertaking, Lighthouse Group plc includes the results, assets and liabilities of the Company in its consolidated financial statements. The consolidated financial statements of Lighthouse Group plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Lighthouse Group Head Office, 26 Throgmorton Street, London, EC2N 2AN or at www.lighthousegroup.plc.uk

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes,
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties,
- Disclosures in respect of capital management,
- The effects of new but not yet effective IFRSs,
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy,
- Disclosures in respect of the compensation of Key Management Personnel

As the consolidated financial statements of Lighthouse Group plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures. Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets. The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

LighthouseCarrwood Limited

Notes to the Financial Statements at 31 December 2015

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 31 December 2014 for the purposes of the transition to FRS 101

Change in accounting policy

In these financial statements the Company has changed its accounting policy in relation to goodwill in order to comply with FRS 101

The impact of the change in accounting policy on the Company's financial statements are detailed in the accounting policy for goodwill below and on pages 18 and 19

Critical estimates and assumptions

The preparation of financial statements in conformity with the standards above requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is as set out below or is included in the following notes:

- Going concern, see below
- Provisions for claw back of indemnity commission, see below and note 10
- Complaints provision, see below and note 10
- Measurement of other provisions, see below and note 10
- Provisions for bad and doubtful debts, see page 13

Going concern

Going concern has been evaluated at group level for all subsidiaries by the directors of Lighthouse Group plc and has been re-assessed at the date of signing these accounts. The financial statements have been prepared on the going concern basis which assumes the Company will have sufficient funds to continue to pay its debts as and when they fall due and thus continue to trade. This assumption is based on the on-going financial support of the parent company, Lighthouse Group plc. The directors have received written confirmation of continued parent company support for at least twelve months from the date of approval of these accounts.

Turnover

Turnover represents fees charged and commissions earned, net of clawbacks of indemnity commission, excluding value added tax, and is recognised from the date the policy goes on risk with the product provider, or the raising of a fee invoice for services provided.

Goodwill

Goodwill arises on the acquisition of subsidiary undertakings or other business combinations and represents the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired.

LighthouseCarrwood Limited

Notes to the Financial Statements at 31 December 2015

Goodwill recognised under UK GAAP prior to the date of transition to FRS 101 is stated at net book value as at the transition date and the carrying value is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired

In determining the requirement to recognise impairment provisions against goodwill the directors have regard to the post tax net realisable value and the on-going value in use of the assets in the business. The value in use is determined from estimated discounted future cash flows. Provision is made where the current carrying amount exceeds the higher of these two figures

The above represents a change in accounting policy as a result of the transition from UK GAAP (under which goodwill was amortised on a straight-line basis over a maximum period of 10 years) to FRS 101 with the result that amortisation of £193,955 previously charged to profit and loss account in the year ended 31 December 2014 has been written back and the reported profit before and after taxation and the carrying value of goodwill as at that date has been increased by the same amount

Pensions

The Company makes contributions to money purchase pension plans for certain employees. Contributions payable for the period are charged to the profit and loss account as they become payable

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements and arise primarily from the difference between accelerated capital allowances and depreciation. The provision is not discounted

2 Turnover

The turnover and profit before taxation are attributable to the principal activities of the Company and arises wholly in the United Kingdom

3 Operating profit

	2015	2014
		£
Operating profit is stated after charging		
Amortisation of purchased goodwill	-	-

Following the transition to reporting under FRS 101 the Company has restated the comparatives for 2014 to write back the amortisation of £193,955 that was previously charged on the purchased goodwill in 2014

LighthouseCarrwood Limited

Notes to the Financial Statements at 31 December 2015

Auditor's remuneration in the year ended 31 December 2015 in respect of fees for the audit of the Company of £13,000 have been borne by other group companies

The Company has taken advantage of the exemption provided by the Companies (Disclosure of Auditor Remuneration) Regulations 2005 not to provide information in respect of fees for other services as this information is required to be given in the group accounts of the ultimate parent undertaking, which it is required to prepare in accordance with the Companies Act 2006

The Company operates as an integral part of Lighthouse Group plc and as such pays for, and receives, services from other group companies based upon an apportionment of the operating costs of the Group

4 Staff costs

Directors' emoluments	2015	2014
	£	£
Directors' emoluments	-	50,854

Employment costs	2015	2014
	£	£
Wages and salaries	-	454,313
Social security costs	-	50,558
Pension costs	-	32,568
	-	537,439

The average number of employees employed by the Company during the year was

	2015	2014
Directors	-	1
Advisers	-	6
Administrative staff	-	5
	-	12

From 1st April 2014, all employees engaged in the business are employed by a group company, Lighthouse Corporate Services Limited. A management charge is now made for these costs incurred on behalf of the Company. As a result, the employment costs and directors' emoluments stated above are only in respect of the period prior to that transfer i.e. the first three months of 2014.

LighthouseCarrwood Limited

Notes to the Financial Statements at 31 December 2015

5 Taxation

No charge to taxation arose in either 2015 or 2014

Factors affecting tax charge for year

The tax assessed is different from the standard rate of corporation tax in the UK. The difference is explained below

	2015 £	2014 £
Profit on ordinary activities before tax	<u>213,921</u>	<u>59,603</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 21.5%)	43,312	12,815
Effects of		
Goodwill amortisation deductible for tax purposes	(24,422)	(25,929)
Depreciation in excess of capital allowances	(1,084)	(1,404)
Current year losses not relieved	<u>(17,806)</u>	<u>14,518</u>
Current tax charge for year	<u>-</u>	<u>-</u>

Deferred tax

The recognised and not recognised deferred tax balances, calculated at 20% (2014 20%), can be analysed as follows

	2015		2014	
	Recognised	Not recognised	Recognised	Not recognised
	£	£	£	£
Accelerated capital allowances	-	(4,879)	-	(5,950)
Tax losses carried forward	-	(311,793)	-	(329,382)
Undiscounted provision for deferred tax	<u>-</u>	<u>(316,672)</u>	<u>-</u>	<u>(335,332)</u>

The Board is of the opinion that, given the available losses and the uncertainty as to the timescale over which they may be utilised, it would be inappropriate currently to recognise any deferred tax assets in respect of the losses at this stage. However the Board is keeping this position under review.

LighthouseCarrwood Limited

Notes to the Financial Statements at 31 December 2015

6 Intangible fixed assets

	Goodwill 2015 £
Cost	
At 1 January and at 31 December	<u>1,939,557</u>
Amortisation	
At 1 January (restated)	1,567,810
Charge for year	-
At 31 December	<u>1,567,810</u>
Net book value	
At 31 December 2015	<u>371,747</u>
	Goodwill 2014 £
Cost	
At 1 January and at 31 December	<u>1,939,557</u>
Amortisation	
At 1 January	1,567,810
Charge for year	-
At 31 December	<u>1,567,810</u>
Net book value	
At 31 December 2014	<u>371,747</u>

Following the transition to reporting under FRS 101 as from 1 January 2014, the Company have applied the new reporting standard to comparatives for 2014 to write back the amortisation of £193,955 that was previously charged in 2014 and increased the carrying value of goodwill from that previously reported as at 31 December 2014 by the same amount

The directors have reviewed the carrying value to determine any requirements to make provisions for impairment. The review has concluded, based on the results for the year and the expectation for the future, that no provision is required.

LighthouseCarrwood Limited

Notes to the Financial Statements at 31 December 2015

7 Debtors

	2015	2014
	£	£
Other debtors	100	100
	<u>100</u>	<u>100</u>

8 Creditors: amounts falling due within one year

	2015	2014
	£	£
Amounts owed to group undertakings	920,437	1,134,358
	<u>920,437</u>	<u>1,134,358</u>

9 Share capital

	2015 and 2014	
Allotted, issued and fully paid	Number	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

LighthouseCarrwood Limited

Notes to the Financial Statements at 31 December 2015

10 Profit and loss account

	Profit and loss account
	£
At 1 January 2015	(762,611)
Profit for the financial year	213,921
At 31 December 2015	<u>(548,690)</u>

11 Reconciliation of movements in shareholders' funds

	2015	2014
	£	£
Profit for the financial year	213,921	59,603
Opening equity shareholders' deficit	(762,511)	(822,114)
Closing equity shareholders' deficit	<u>(548,590)</u>	<u>(762,511)</u>

12 Related party transactions

The Company is a wholly owned subsidiary of Lighthouse Group plc and, in accordance with the exemption conferred under FRS 101, transactions with other group companies are not disclosed separately in these financial statements

13 Ultimate parent company and controlling party

The Company is a wholly owned subsidiary of Lighthouse Group plc, a company incorporated in Great Britain and registered in England. The directors do not consider that any individual party can exercise control over the Group. The consolidated financial statements of Lighthouse Group plc are available from 26 Throgmorton Street, London, EC2N 2AN or at www.lighthousegroup.plc.uk

LighthouseCarrwood Limited

Notes to the Financial Statements at 31 December 2015

14 Impact of accounting changes

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year 31st December 2015, the comparative information presented in these financial statements for the year ended 31st December 2014 and in the preparation of an opening FRS 101 balance sheet at 1st January 2014 (the Company's date of transition)

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP) An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position and financial performance is set out in the following tables and the notes that accompany the tables

Following the change in accounting policy from UK GAAP to FRS 101 the company has written back the amortisation charge of £193,955 previously charged in the year ended 31 December 2014 and increased the carrying value of goodwill and reduced the deficit on equity shareholders funds as previously reported as at 31 December 2014 accordingly There were no other adjustments arising to results, assets or liabilities from those previously reported

Under FRS 101 annual impairment reviews are now carried out to consider the need for any impairment of the carrying value of goodwill

Reconciliation of equity

	1 st January 2014		31 st December 2014	
	Effect of transition to FRS		Effect of transition to FRS	
	UK GAAP £	FRS 101 £	UK GAAP £	FRS 101 £
Fixed assets				
Intangible assets	<u>371,747</u>	<u>371,747</u>	<u>177,792</u>	<u>371,747</u>
Current assets				
Debtors	100	100	100	100
Creditors, amounts falling due within one year	<u>(1,193,961)</u>	<u>(1,193,961)</u>	<u>(1,134,358)</u>	<u>(1,134,358)</u>
Net current liabilities	<u>(1,193,861)</u>	<u>(1,193,861)</u>	<u>(1,134,258)</u>	<u>(1,134,258)</u>
Total assets less current liabilities	<u>(822,114)</u>	<u>(822,114)</u>	<u>(956,466)</u>	<u>(762,511)</u>
Net liabilities	<u>(822,114)</u>	<u>(822,114)</u>	<u>(956,466)</u>	<u>(762,511)</u>
Capital and reserves				
Called up share capital	100	100	100	100
Profit and loss account	<u>(822,214)</u>	<u>(822,214)</u>	<u>(956,566)</u>	<u>(762,611)</u>
Equity shareholders' deficit	<u>(822,114)</u>	<u>(822,114)</u>	<u>(956,466)</u>	<u>(762,511)</u>

LighthouseCarrwood Limited

Notes to the Financial Statements at 31 December 2015

14 Impact of accounting changes (continued)

Reconciliation of profit/loss for year ended 31st December 2014

	UK GAAP £	Effect of transition £	FRS 101 £
Turnover	4,387,878	-	4,387,878
Cost of sales	(2,466,537)	-	(2,466,537)
Gross profit	<u>1,921,341</u>	<u>-</u>	<u>1,921,341</u>
Administrative expenses	(1,861,738)	-	(1,861,738)
Goodwill amortisation	(193,955)	193,955	-
Total operating expenses	<u>(2,055,693)</u>	<u>193,955</u>	<u>(1,861,738)</u>
Operating profit	<u>(134,352)</u>	<u>193,955</u>	<u>59,603</u>
Profit on ordinary activities before taxation	<u>(134,352)</u>	<u>193,955</u>	<u>59,603</u>
Tax on ordinary activities	-	-	-
Profit for the financial year	<u>(134,352)</u>	<u>193,955</u>	<u>59,603</u>