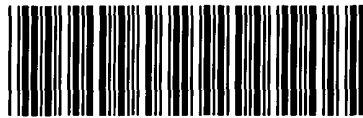


FIVE LAMPS TRADING LIMITED

FINANCIAL STATEMENTS

31 MARCH 2017

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COMPANIES HOUSE

ArmstrongWatson®

Accountants, Business & Financial Advisers

FIVE LAMPS TRADING LIMITED

COMPANY INFORMATION

Directors	Mr W Erskine Mr G Oram Mr R P Jones Mr R Poundford Mr T Watson
Registered number	08029251
Registered office	Community Resource Centre Elsdon Street Thornaby TS17 7DJ
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants York House Thornfield Business Park Standard Way Northallerton North Yorkshire DL6 2XQ
Bankers	Unity Trust Bank Nine Brindleyplace 4 Oozells Square Birmingham B1 2HB

FIVE LAMPS TRADING LIMITED

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FIVE LAMPS TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements for the Year ended 31 March 2017.

Directors' responsibilities statement

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

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Directors

The directors who served during the Year were:

Mr W. Erskine
Mr G Oram
Mr R P Jones
Mr R Poundford
Mr T Watson

Principal activities

The principal activities of the company in the year under review were responsible lending and property management/refurbishment.

Our Vision

Creating Possibilities : Improving Lives

Our Mission

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

Our Business

A wholly-owned subsidiary of The Five Lamps Organisation (the Charity), Five Lamps Trading Limited delivers services throughout the UK as an independent commercial company, to secure profits and, after retention of funds to enable continued trading, 'gift aid' these to the Charity.

FIVE LAMPS TRADING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

Delivered By

- Trusted Brand
- Quality Assured Services
- Making People Matter
- Superior Contract Performance
- Measured Social Impact
- Securing Social Investment
- Skilled & Motivated Staff at All Levels
- Stronger Balance Sheet

Corporate values

Making People Matter : Our Customers

- Treating people with respect
- Releasing potential
- Keeping confidentiality
- Enabling and empowering people to help themselves
- Challenging self-perceptions and encouraging self-worth

Performance Matters : Our Staff

- Strength of performance wins contracts
- Taking personal accountability within delegated authority
- Maintaining high standards, skills, credibility and ethics
- Demonstrating personal, individual and team commitment to corporate goals
- Respecting and promoting a positive corporate culture
- Everyone contributes to the 'bottom line'
- We are all Five Lamps ambassadors

Quality Matters

- Assuring quality and achieving contemporary quality standards
- Pursuing and achieving continuous service improvement
- Investing in our people, our systems and our buildings
- Marketing and promoting our products and services effectively

Measuring Impact Matters

- Producing an annual Social Impact Report
- Measuring customer and stakeholder experiences and feedback
- Collecting social, performance and environmental data across the full range of our business
- Publishing a range of good news stories and case studies

Strategic Priorities

Building on our strengths in the Financial Inclusion field as a leading responsible lender, operating throughout the UK, creating new routes to market and enabling greater access to fair-cost finance

Securing large-scale investment/ social investment from specialist sources, including banks, social investors and institutions

Growing our enterprise agency credentials to build a broad range of access to finance, supplemented by coaching, mentoring and specialist, intensive start-up support

Measuring the social, economic and financial impact of our business and publishing annual Social Impact Reports

FIVE LAMPS TRADING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

Expanding our Empty Homes work by developing a portfolio of new and refurbished property which creates affordable and accessible options

To secure growth through strategically appropriate mergers and acquisitions

Securing substantial growth in scale and impact across the UK, investing in marketing and building our business development capacity

Continuing to invest in our people and our infrastructure – functionally suitable premises; contemporary IT; social media

At 1 April 2016 a number of staff transferred from the employment of The Five Lamps Organisation, of whom Five Lamps Trading Limited is a wholly owned subsidiary, as part of a phased transition whereby all of the Group's lending activity would be undertaken by the Trading company.

At the same time the governance of the company was strengthened with the recruitment of three new non-executive Directors.

Completed Business Case (with Community Lenders and Private Sector Partners) for 'Affordable Loans', the Affordable Lending Portal

May 2016

Secured 'Big Potential' grant to progress work with our advisers, Social Finance, through to publication of an investment memorandum/prospectus for social investment

July 2016

Commenced lending via Affordable Lending Portal in pilot phase

September 2016

Implementation of on-line portal and automated decision engine

September 2016

Equity investment in 'Ask-If' Responsible Enterprise Lending Platform

November 2016

Re-purposed £1m of secured bank borrowing as capital for on-lending

December 2016

Full national coverage via Affordable Lending Portal

February 2017

Secured contract to expand personal lending activity into Scotland

March 2017

Issued Investment Memorandum to raise £3-5million for on-lending

April 2017

Launch of 'Ask-If' Lending Platform pilot

June 2017

FIVE LAMPS TRADING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

Disclosure of information to auditors

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

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


Auditors

The auditors, Armstrong Watson Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 11 October 2017 and signed on its behalf.



Mr G Oram
Director

FIVE LAMPS TRADING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FIVE LAMPS TRADING LIMITED

We have audited the financial statements of Five Lamps Trading Limited for the Year ended 31 March 2017, which comprise the Statement of comprehensive income, the Balance sheet and the related notes, including a summary of significant accounting policies. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 Auditors

As explained more fully in the Directors' responsibilities statement on page 1, 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 Financial Reporting Council'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 March 2017 and of its result for the Year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the financial Year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

FIVE LAMPS TRADING LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FIVE LAMPS TRADING LIMITED
(CONTINUED)**

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:

- 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' report and take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Armstrong Watson Audit Limited

Joanna Gray FCCA ACA DChA (Senior statutory auditor)

for and on behalf of

Armstrong Watson Audit Limited

Date: 25-10-17

FIVE LAMPS TRADING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Income		1,102,303	128,623
Cost of sales		(39,832)	(51,096)
Gross profit		1,062,471	77,527
Administrative expenses		(934,384)	(77,617)
Operating profit/(loss)		128,087	(90)
Interest receivable and similar income		-	90
Interest payable and expenses		(128,087)	-
Profit before tax		-	-
Profit for the financial Year		-	-
Other comprehensive income for the Year		-	-
Total comprehensive income for the Year		-	-

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

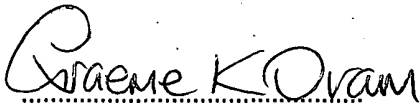
FIVE LAMPS TRADING LIMITED
REGISTERED NUMBER: 08029251

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	4	14,000	-
Investment property		50,000	50,000
		<u>64,000</u>	<u>50,000</u>
Current assets			
Debtors: amounts falling due within one year	6	8,113	-
Cash at bank and in hand	7	15,810	59,470
		<u>23,923</u>	<u>59,470</u>
Creditors: amounts falling due within one year	8	(58,935)	(80,482)
Net current liabilities		<u>(35,012)</u>	<u>(21,012)</u>
Total assets less current liabilities		<u>28,988</u>	<u>28,988</u>
Net assets		<u>28,988</u>	<u>28,988</u>
Capital and reserves			
Called up share capital		2	2
Revaluation reserve		28,986	28,986
		<u>28,988</u>	<u>28,988</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 October 2017.



Mr G Oram
Director

The notes on pages 9 to 13 form part of these financial statements.

FIVE LAMPS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies

1.1 General information

The company is a private company limited by share capital incorporated in the United Kingdom.

The address of the registered office is:
Community Resource Centre
Eldon Street
Thornaby
TS17 7DJ

The principal activity of the company is responsible lending and property management/refurbishment.

The financial statements are presented in pounds sterling.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

1.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Five Lamps Organisation as at 31st March 2017 and these financial statements may be obtained from Eldon Street, Thornaby, TS17 7DJ

Information on the impact of the first-time adoption of FRS102 is given in note 11.

FIVE LAMPS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies (continued)

1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Income includes interest generated from loans being serviced and managed by the company.

Also included in income are the rents generated from the investment properties.

1.5 Investment property

Investment property is carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

1.6 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

1.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

FIVE LAMPS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies (continued)

1.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.10 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.12 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>5,000</u>	<u>750</u>

3. Employees

The average monthly number of employees, including directors, during the year was 21 (2016 - 5).

FIVE LAMPS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

4. Fixed asset investments

	Investments in unlisted company £
Cost or valuation	
Additions	14,000
At 31 March 2017	<u>14,000</u>
Net book value	
At 31 March 2017	<u>14,000</u>
At 31 March 2016	<u>-</u>

The above is an investment in Ask Inclusive Finance Group Holding Limited, which equates to a holding of less than 2%, to establish a platform in order to provide software, services and a market place for community lending to medium, small and micro enterprises.

5. Investment property

	Freehold investment property £
Valuation	
At 1 April 2016	50,000
At 31 March 2017	<u>50,000</u>

The 2017 valuations were made by the directors, on an open market value for existing use basis.

If investment properties had not been revalued they would have been included at the historical cost of £21,014 (2016: £21,014)

FIVE LAMPS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

6. Debtors

	2017 £	2016 £
Trade debtors	3,180	-
Other debtors	90	-
Prepayments and accrued income	4,843	-
	<u>8,113</u>	<u>-</u>

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	15,810	59,470
	<u>15,810</u>	<u>59,470</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Payments received on account	8,124	-
Trade creditors	5,954	2,592
Amounts owed to group undertakings	4,624	-
Other taxation and social security	6,781	4,459
Other creditors	8,539	3,421
Accruals and deferred income	24,913	70,010
	<u>58,935</u>	<u>80,482</u>

9. Ultimate parent undertaking

Throughout the period the company was under the control of the Board of its parent company, The Five Lamps Organisation.

10. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.