

FIVE LAMPS TRADING LIMITED
FINANCIAL STATEMENTS
31 MARCH 2018



ArmstrongWatson®
Accountants, Business & Financial Advisers

FIVE LAMPS TRADING LIMITED

COMPANY INFORMATION

Directors

W. Erskine
G Oram
R P Jones
R Poundford
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 Brindletplace
4 Oozells Square
Birmingham
B1 2HB

FIVE LAMPS TRADING LIMITED

CONTENTS

	Page
Directors' report	1 - 5
Independent auditors' report	6 - 8
Statement of comprehensive income	9
Statement of financial position	10
Notes to the financial statements	11 - 15

FIVE LAMPS TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements for the Year ended 31 March 2018.

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:

W Erskine
G Oram
R P Jones
R Poundford
T Watson

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

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 the entire 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.

FIVE LAMPS TRADING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

VISION AND MISSION

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.
Delivered By	<ul style="list-style-type: none"> • 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'	<ul style="list-style-type: none"> • 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'	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Producing an annual Social Impact Report • Measuring customer and stakeholder experiences and feedback • Collecting social, performance and environmental data

FIVE LAMPS TRADING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

Measuring Impact Matters	<ul style="list-style-type: none"> • 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.
Securing substantial growth in scale and impact via new routes to market through partnership with a range of new and existing platforms, commissioned service opportunities and leads generation activity, underpinned by effective marketing.	Measuring the social, economic and financial impact of our business and publishing annual Social Impact Reports.
Continuing to invest in our people and our infrastructure – functionally suitable premises; contemporary IT; social media.	To secure growth through strategically appropriate mergers and acquisitions.

BUSINESS ACHIEVEMENTS 2017-2018

Issued Investment Prospectus	April 2017
Commenced on-line applications via Conduit Scotland portal	July 2017
Opened shops in Dunfermline, Kirkcaldy, Falkirk and Bathgate	August 2017
Secured additional £550k of capital for on-lending	October 2017
Issued 75000 th unsecured personal loan	November 2017
Passed £30million of total lending	December 2017
Secured full Financial Conduct Authority permissions for Trading Company	March 2018
Issued 1000 th Conduit Scotland loan	June 2018
Launched Hull Money	July 2018
Completed £5million investment raise	July 2018

2017-2018 was very much a transitional year for Five Lamps Trading as we continued to seek growth through new routes to market while progressing the process of raising £5million of new capital for on-lending.

Following the issue of our prospectus for investment in April 2017 we were delighted with the response from social investors and following lengthy due diligence, we were able to announce the successful raising of £5million of capital for on-lending. This represents the largest-ever single

FIVE LAMPS TRADING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

investment in a UK responsible finance provider and it will enable c£60million of lending over the investment period via over 100000 loans.

The investment comes from a group of the leading social investors in the UK, comprising Big Issue Invest; Social & Sustainable Capital; Joseph Rowntree Foundation; Esmée Fairbairn; North East Social Investment Fund; Social Investment Scotland; Barrow Cadbury; FSE Group and Harpur Trust.

It is important that we recognise the support that we received from The Big Lottery Fund, via their Big Potential programme, which enabled us to benefit from the excellent team at Social Finance and to access the highest quality pro bono legal advice of Alistair Hill and his colleagues at Simmons & Simmons. We are also highly cognisant of the pro bono legal support for our investors provided by Allen & Overy.

This investment now enables us to complete the switch of our lending activity from the Charity (FLO) to the Trading Company. This was completed on 15 August 2018 when we commenced the disbursement of new loans via the first tranche of the new capital.

During the process of securing investment we identified that the Trading Company required full FCA permissions, rather than utilising the existing permissions of the Charity. These permissions were confirmed on 29 March 2018. One of the most significant things to arise out of this application was that Five Lamps Trading became the only UK personal lending CDFI to operate without requiring a dispensation to lend above the high cost credit limit of 100% APR.

We made just under 7000 loans in the year to March 2018, an increase of 30% on the previous year, totalling £4.4million. This represents over 20% of the total lending of UK CDFIs. We were restricted by the availability of capital during the year, although we did secure £550k from Unity Trust Bank in October 2017, ahead of the pre-Christmas lending period where we issued loans totalling £1.6million.

We have continued to expand our geographic coverage and to explore new routes to market. Our Conduit Scotland service is now firmly embedded and we envisage further growth in Scotland. Our 'Finance For Cities' concept is gaining traction, with Hull Money having launched in July 2018 and a number of other areas showing a keen interest in the delivery model. We would like to establish 30 local portals across the UK in the next two years. The Affordable Lending Portal initiative has stalled somewhat in the last twelve months, without the benefit of development funding. We remain in productive conversations with our partners at Experian on moving things forward.

The last twelve months have seen the emergence of a national context in the field of financial inclusion which creates both a greater need for our kind of lending and a hugely positive enabling environment.

At a national level, the Treasury and others in government are genuinely interested in the work of our sector. The Bank of England have expressed concerns about over-indebtedness. The FCA High Cost Credit Review produced a Consultation Paper in May 2018 which focused on alternative sources of credit and stronger roles for local authorities and registered social landlords, providing a powerful endorsement of our 'Finance For Cities' model.

Our marketplace is being reshaped by the near 2million people who were formerly customers of Wonga; BrightHouse; Provident; Money Shop and others. For those customers, impacted by the unintended consequence of regulation and changed business models, we represent the only affordable option.

In February 2018 the government announced that £55million of Dormant Accounts money would be coming available to address financial exclusion. In early August 2018 the government announced that a new independent body would be established to distribute the funding, within their newly-published Civil Society Strategy. The following statements from that announcement illustrate the significance to the space that we operate in :

- The government will direct funds for the establishment of a new Financial Inclusion organisation responsible for deploying £55 million of funding from dormant accounts. It will primarily address the problem of access to affordable credit and alternatives. Over three million customers in the UK currently use high cost credit. They can struggle to access mainstream credit and therefore turn to expensive credit provided by payday

FIVE LAMPS TRADING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

lenders, doorstep credit or rent-to-own services. There are social alternatives to high cost credit which promote financial resilience in customers as well as helping to cover short-term expenses. This funding will help the affordable credit sector to grow and support alternatives, through both investments and grants that support existing and new organisations

- The new organisation will aim to bring in co-funding from a range of investors, including the private sector. It will also build partnerships with the other organisations working hard to develop this space, including the Financial Conduct Authority, the Financial Inclusion Commission, the End High Cost Credit Alliance, and the charity sector more widely. The organisation will develop strategic partnerships with housing associations, as potential partners who deal with many customers at risk of financial exclusion. The direction for this funding was reached following an extensive evidence gathering and engagement exercise which included focus groups with individuals suffering from financial exclusion, workshops with the sectors responding to these issues as well as mainstream financial institutions, and input from the Inclusive Economy Partnership.

- The organisation will also look to support other ways of helping individuals strengthen their financial resilience. It will work with providers of affordable credit to develop approaches to helping customers save money alongside taking out credit. It will also explore ways to help people protect themselves against income shocks, such as through insurance.

In the above announcement there is reference to the End High Cost Credit Alliance established by the actor and activist Michael Sheen. We are members of the Alliance and are fully supportive of its work. We view the Alliance as a major catalyst in creating the step change in the scale and impact of our sector that is long overdue but also in tackling many of the wider determinants of financial exclusion.

We move forward with new investment, new routes to market, a positive enabling environment and a position at the leading edge of the UK Responsible Finance sector.

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 5 December 2018 and signed on its behalf.



G Oram
Director

FIVE LAMPS TRADING LIMITED

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

Opinion

We have audited the financial statements of Five Lamps Trading Limited (the 'Company') for the Year ended 31 March 2018, which comprise the Statement of comprehensive income, the Statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its loss for the Year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

FIVE LAMPS TRADING LIMITED

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial Year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

FIVE LAMPS TRADING LIMITED

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

Use of our report

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.

Armstrong Watson Audit Limited

Joanna Gray FCCA ACA DChA (Senior statutory auditor)
for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants

Northallerton

Date: 6-12-18

FIVE LAMPS TRADING LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Income		1,147,254	1,102,303
Cost of sales		<u>(51,993)</u>	<u>(39,832)</u>
Gross profit		1,095,261	1,062,471
Administrative expenses		<u>(1,044,400)</u>	<u>(934,384)</u>
Operating profit		50,861	128,087
Interest payable and expenses		<u>(110,211)</u>	<u>(128,087)</u>
(Loss)/profit before tax		<u>(59,350)</u>	<u>-</u>
(Loss)/profit for the financial Year		<u>(59,350)</u>	<u>-</u>
Other comprehensive income for the Year			
Total comprehensive income for the Year		<u>(59,350)</u>	<u>-</u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 11 to 15 form part of these financial statements.


FIVE LAMPS TRADING LIMITED
REGISTERED NUMBER: 08029251

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	3	14,000	14,000
Investment property	4	50,000	50,000
		<u>64,000</u>	<u>64,000</u>
Current assets			
Debtors: amounts falling due within one year	5	13,992	8,113
Cash at bank and in hand	6	4,289	15,810
		<u>18,281</u>	<u>23,923</u>
Creditors: amounts falling due within one year	7	(112,644)	(58,935)
Net current liabilities		<u>(94,363)</u>	<u>(35,012)</u>
Total assets less current liabilities		<u>(30,363)</u>	<u>28,988</u>
Net (liabilities)/assets		<u>(30,363)</u>	<u>28,988</u>
Capital and reserves			
Called up share capital		2	2
Revaluation reserve		28,986	28,986
Profit and loss account		(59,351)	-
		<u>(30,363)</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 5 December 2018.



G Oram
 Director

The notes on pages 11 to 15 form part of these financial statements.

FIVE LAMPS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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 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 1DJ.

1.4 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue to receive the financial support of the group's parent company. The financial statements do not include any adjustments that would result from a withdrawal of this support. The directors of Five Lamps Organisation have confirmed that they will continue to support the business for the next 12 months and beyond.

FIVE LAMPS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting policies (continued)

1.5 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.

1.6 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.

1.7 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.

1.8 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 Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

FIVE LAMPS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting policies (continued)

1.9 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 Statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

1.10 Debtors

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

1.11 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.

1.12 Creditors

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

2. Employees

The average monthly number of employees, including directors, during the year was 32 (2017 - 21).

FIVE LAMPS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3. Fixed asset investments

	Investments in unlisted company £
Cost or valuation	
At 1 April 2017	14,000
At 31 March 2018	<u>14,000</u>
Net book value	
At 31 March 2018	<u>14,000</u>
At 31 March 2017	<u>14,000</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.

4. Investment property

	Freehold investment property £
Valuation	
At 1 April 2017	50,000
At 31 March 2018	<u>50,000</u>

The 2018 valuations were made by the directors, on an open market value for existing use basis.

FIVE LAMPS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5. Debtors

	2018 £	2017 £
Trade debtors	6,058	3,180
Other debtors	-	90
Prepayments and accrued income	7,934	4,843
	<u>13,992</u>	<u>8,113</u>

6. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	4,289	15,810
	<u>4,289</u>	<u>15,810</u>

7. Creditors: Amounts falling due within one year

	2018 £	2017 £
Payments received on account	-	8,124
Trade creditors	13,980	5,954
Amounts owed to group undertakings	64,024	4,624
Other taxation and social security	9,299	6,781
Other creditors	12,398	8,539
Accruals and deferred income	12,943	24,913
	<u>112,644</u>	<u>58,935</u>

8. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
2 (2017 - 2) Ordinary shares of £1.00 each	<u>2</u>	<u>2</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.