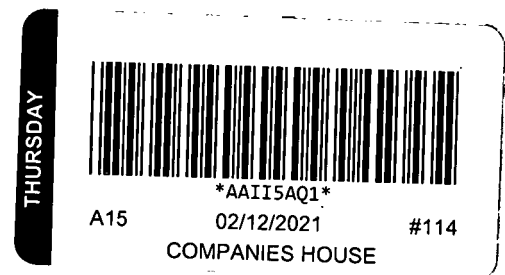


FIVE LAMPS TRADING LIMITED

FINANCIAL STATEMENTS

31 MARCH 2021



ArmstrongWatson®
Accountants, Business & Financial Advisers

FIVE LAMPS TRADING LIMITED
REGISTERED NUMBER: 08029251

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

| | Note | 2021 £ | 2020 £ |
|---|------|---------------------------|----------------------|
| Fixed assets | | | |
| Investments | 4 | 2,455,215 | 2,868,537 |
| Investment property | 5 | 32,500 | 32,500 |
| | | <u>2,487,715</u> | <u>2,901,037</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 6 | 869,687 | 942,228 |
| Cash at bank and in hand | 7 | 1,310,546 | 422,854 |
| | | <u>2,180,233</u> | <u>1,365,082</u> |
| Creditors: amounts falling due within one year | 8 | (578,089) | (135,845) |
| Net current assets | | <u>1,602,144</u> | <u>1,229,237</u> |
| Total assets less current liabilities | | <u>4,089,859</u> | <u>4,130,274</u> |
| Creditors: amounts falling due after more than one year | 9 | (5,145,026) | (4,072,838) |
| Net (liabilities)/assets | | <u><u>(1,055,167)</u></u> | <u><u>57,436</u></u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 850,002 | 850,002 |
| Non distributable reserve | | 11,486 | 11,486 |
| Profit and loss account | | (1,916,655) | (804,052) |
| | | <u><u>(1,055,167)</u></u> | <u><u>57,436</u></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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

04 November 2021



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L J Pickard
 Director

The notes on pages 2 to 8 form part of these financial statements.

FIVE LAMPS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 31 March 2021 and these financial statements may be obtained from Eldon Street, Thornaby, TS17 1DJ.

1.4 Going concern

The Directors have prepared the financial statements on a going concern basis. This is having taken account of the historic losses of the company, covenant waivers in the year and the impact of the COVID 19 pandemic.

In reaching their conclusion, the directors have considered cash flow forecasts covering a period of at least 12 months from the date of sign off. These include sensitivities analysis that focus on the key uncertainties within the business model, namely receipt of capital and interest on funds previously disbursed and a renegotiated funding position.

Management forecasts show financial headroom and confidence that funding will be renegotiated with more favourable covenants, alongside strong cash recovery.

Whilst aware that a change in key assumptions could have a material impact on the future financial performance of the Company the Directors feel that the model used to assess going concern is balanced and as such have prepared the accounts on a going concern basis accordingly.

FIVE LAMPS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 comparable specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

1.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

1.8 Finance costs

Finance costs are charged to profit or loss 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.

1.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the Year in which they are incurred.

FIVE LAMPS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies (continued)

1.10 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 profit or loss 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.

1.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

1.12 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.

Programme related investments (loan book) are reviewed at annually for impairment, an adjustment is made to provide for amounts considered to be irrecoverable, but only once normal recovery procedures have been followed and no further repayments have been made.

1.13 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.

1.14 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.

1.15 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.

FIVE LAMPS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Significant judgements and estimates

Management consider there to be an element of judgement and uncertainty in determining the carrying value of the loan book. Accordingly management has assessed the performance of each debtor based on available financial and management information. Where that information shows a net realisable value less than carrying management recognise an impairment against said asset accordingly.

The management team routinely monitor and review loan debtors and investments on a monthly basis and present to the directors on a quarterly basis for consideration. Provision for identified recovery issues are made on a case by case basis with additional provision to reflect historic loss rate experience. In light of COVID-19 these reviews are more detailed with regards to identifying concerns which may give rise to a bad and doubtful debt, with careful and thorough assessment reports provided to the directors. Given that at the date of approval of these financial statements, the full impact of COVID-19 is still uncertain, a further provision of £226k has been raised and included in these financial statements to reflect changing circumstances and increased likelihood of future losses arising.

3. Employees

The average monthly number of employees, including directors, during the Year was 37 (2020 - 38).

FIVE LAMPS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

4. Fixed asset and programme related investments

| | Unlisted investments £ | Loan book £ | Total £ |
|--------------------------|------------------------------|----------------|-------------|
| Cost or valuation | | | |
| At 1 April 2020 | 14,000 | 3,183,347 | 3,197,347 |
| Additions | - | 5,025,643 | 5,025,643 |
| Disposals | - | (4,351,273) | (4,351,273) |
| At 31 March 2021 | 14,000 | 3,857,717 | 3,871,717 |
| Impairment | | | |
| At 1 April 2020 | - | 328,810 | 328,810 |
| Charge for the period | - | 1,087,692 | 1,087,692 |
| At 31 March 2021 | - | 1,416,502 | 1,416,502 |
| Net book value | | | |
| At 31 March 2021 | 14,000 | 2,441,215 | 2,455,215 |
| At 31 March 2020 | 14,000 | 2,854,537 | 2,868,537 |

The unlisted investments are 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.

During the year the Group undertook an operational review. As a result certain elements of the groups loan book were transferred from The Five Lamps Organisation to Five Lamps Trading Limited in the year. The transfer occurred at book value and gave rise to no gain or loss.

5. Investment property

| | Freehold investment property £ |
|------------------|---|
| Valuation | |
| At 1 April 2020 | 32,500 |
| At 31 March 2021 | 32,500 |

The 2021 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 2021**

6. Debtors

| | 2021 £ | 2020 £ |
|------------------------------------|----------------|----------------|
| Trade debtors | 1,416 | - |
| Amounts owed by group undertakings | 852,361 | 939,334 |
| Other debtors | 12,519 | - |
| Prepayments and accrued income | 3,391 | 2,894 |
| | <u>869,687</u> | <u>942,228</u> |

7. Cash and cash equivalents

| | 2021 £ | 2020 £ |
|--------------------------|------------------|----------------|
| Cash at bank and in hand | 1,310,546 | 422,854 |
| | <u>1,310,546</u> | <u>422,854</u> |

8. Creditors: Amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 13,518 | 31,460 |
| Other taxation and social security | 7,151 | 8,679 |
| Other creditors | 205,377 | 26,761 |
| Accruals and deferred income | 352,043 | 68,945 |
| | <u>578,089</u> | <u>135,845</u> |

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

| | 2021 £ | 2020 £ |
|-----------------|------------------|------------------|
| Other loans | 4,824,218 | 4,072,838 |
| Other creditors | 320,808 | - |
| | <u>5,145,026</u> | <u>4,072,838</u> |

The other loans are secured by various fixed and floating charges including a first legal charge over 'The Youthy', Thornaby Road, Thornaby and the client loan portfolio.

FIVE LAMPS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10. Loans

Analysis of the maturity of loans is given below:

| | 2021 £ | 2020 £ |
|--------------------------------------|------------------|------------------|
| Amounts falling due 2-5 years | | |
| Other loans | 4,824,219 | 4,072,838 |
| | <u>4,824,219</u> | <u>4,072,838</u> |
| | <u>4,824,219</u> | <u>4,072,838</u> |

The other loans are secured by various fixed and floating charges over all the property and undertakings in this company and its parent, The Five Lamps Organisation.

11. Share capital

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Allotted, called up and fully paid | | |
| 850,002 (2020 - 850,002) Ordinary shares of £1.00 each | <u>850,002</u> | <u>850,002</u> |

12. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £8,537 (2020 - £11,055). Contributions totalling £1,689 (2020 - £2,265) were payable to the fund at the balance sheet date and are included in creditors.

13. Ultimate parent undertaking

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

14. Auditors' information

The auditors' report on the financial statements for the Year ended 31 March 2021 was unqualified.

The audit report was signed on
of Armstrong Watson Audit Limited.

by Simon Turner (Senior statutory auditor) on behalf