Financial Statements
GDFC Services plc

For the Year Ended 31 December 2019

Registered number: 08271985

Company Information

Directors	Jorrit Matthijs Koop (appointed 26 June 2019) Paul Henry Owen McGarrigle (appointed 26 June 2019) Julian Stanley Nutley (appointed 1 July 2019) David Rendell (resigned 27 June 2019) Victoria Wilson Roskill (resigned 27 June 2019)
Registered number	08271985
Registered office	Imperial House 15-19 Kingsway London WC2B 6UN
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor 30 Finsbury Square London EC2A 1AG

Contents

Strategic Report

For the Year Ended 31 December 2019

Introduction

The directors present the strategic report for the year ended 31 December 2019.

Throughout the report the term "Allium" and "the Group" refer to the group of companies comprising Allium Lending Group Limited (formerly Hiber Limited and GDFC Group Limited, "Allium Group") and its wholly owned subsidiaries GDFC Assets Limited ("GDFC Assets"), GDFC Services plc ("GDFC Services"), Allium Money Limited (formerly GDFC Finance Limited) and GDFC Holdco Limited ("GDFC Holdco"). The Company provides debt administration services to Green Deal Providers, GDFC Assets Limited and third parties.

Business review

The year has seen the successful execution and implementation of the new strategy for Allium, put in place in the previous year, of refocussing the business on the origination of home improvement loans and positioning itself as the key funder of green home improvement measures. The core management team has successfully executed various key changes to the organisation while keeping the cost base under control and in line with previous year. This has resulted in a narrowing of Group losses during the year while the organisation was successfully set up for growth. During the period, the Board saw a growing demand for financing of home improvement measures that make homes more energy efficient, such as solar panels, air source heat pumps and battery storage facilities amongst others. Making use of the Group's experience and its newly established distribution networks, it believes it has a strong growth trajectory ahead and early signs are encouraging that this is returning after the period of lockdown at the start of the COVID-19 pandemic.

Over 70 installers of home improvement and energy efficiency measures were onboarded as partners and originations ramped up strongly from a standing start. In addition, the Group significantly restructured its operations in order to be able to process and service the new loans. A new loan management system was implemented, new operating policies and procedures were put in place and the Group's main operating centre was moved from London to Cardiff, where additional, experienced key staff were hired. In terms of the leadership team, Victoria Wilson and David Rendell resigned, and Julian Stanley Nutley, Paul Henry Owen McGarrigle and Jorrit Matthijs Koop were appointed as executive directors.

Since 2018, the loan book had been financed by a securitisation structure arranged by Citicorp Trustee Company Limited as security trustee and Citibank N.A. as agent and a mezzanine facility provided by Honeycomb Investment Trust PLC to GDFC Holdco Limited. Due to the financing structure, significantly more equity capital was needed in order to achieve the envisaged growth in the loan book. In order to facilitate a fundraising process the outstanding debentures issued by GDFC Services plc through the Abundance platform were converted into warrants in Allium Lending Group Limited in July 2019.

Further, in order to provide the Group with multiple sources of funding its loan book, an agreement was entered into in September 2019 with Honeycomb Investment Trust plc for the forward sale of loans originated by Allium Money Limited. In addition, GDFC Services plc entered into an agreement to provide loan management services to Honeycomb Finance Limited.

The discussions with potential equity investors led to negotiations with Tandem Money Limited and its subsidiaries ("Tandem") about a potential business combination ("Strategic Transaction"). During early 2020, the mutual due diligence processes had been largely finalised and the business combination was completed in August 2020. For further details on this and the impact of COVID-19 on the Company and Group, please refer to *Subsequent Events*.

Now that the business combination is completed, it will allow the Group to focus fully on scaling further as part of Tandem.

Principal risks and uncertainties

The principal risks facing the Group are credit, conduct & operational and liquidity risks. These are discussed and evaluated by the management on a regular basis.

Credit Risk

As of 2019, the Group's primary financial asset is the receivable related to the repayment of principal and payments of interest arising under both Green Deal Plans and home improvement ("HIL") loans.

The Group is at risk to the extent that householders with Green Deal Plans default on their obligations to make these payments. This risk was mitigated for Green Deal Plans at the time of origination through the underwriting of the householder and as appropriate, tenant, taking out a new plan. For existing plan holders, the Green Deal payment obligation ranks equally with the obligation to pay the associated electricity bill, and any shortfall in payments is pro-rated between the Green Deal Plan obligation and the amount owed for the supply of electricity.

In terms of newly originated HIL loans, the Group sold most of the beneficial interest in these loans as of year-end 2019 hence would not be directly impacted by customers not repaying principal or interest. However, if this were to occur, the main current funders of the loan book (Honeycomb Investment Trust PLC) would cease to purchase further loans, increasing liquidity risk.

The current strategy focussing on non-Green Deal, but green home improvement loans implies that as the business grows, a larger percentage of the Group's financial assets will be comprised of the latter. To the extent that these would be held on the Group's own balance sheet, this class of assets holds a similar principal credit risk that borrowers could default on their obligations to the Group directly.

Conduct & Operational Risk

For both Green Deal loans and HIL loans, operational risk arises primarily from the process of originating loans through intermediaries at the point of sale. Such risks include product failure, mis-selling and poor installation. Under consumer credit legislation, liabilities arising from such risks attach to both the installer and lender jointly, and in the case of Green Deal loans, the Group may be at risk of a loan being cancelled or reduced through the imposition of sanctions under the Green Deal Framework. These risks are mitigated by all intermediaries being subject to underwriting by the Group to verify financial standing, experience in installation of approved measures and satisfactory experience of selling consumer loan products at point of sale. Intermediaries are required to have appropriate broking or lending approvals from the Financial Conduct Authority and, in the case of Green Deal Providers and Installers, authorisation by the Department for Business, Energy, and Industrial Strategy through the agency of the Green Deal Oversight and Registration Body. Throughout the relationship with Allium, intermediaries have regular contact with relationship managers. The Group's compliance team also advises and visits larger intermediaries to conduct compliance audits.

In addition, other members of the Group have the right to require a GDP to re-purchase Green Deal Plans that are subsequently found to have breached the eligibility criteria for loan purchase by Allium. However, there remains a risk to the Group where the GDP ceases to trade prior to such breach being identified. Where appropriate, the Company and its related entities within the Group are involved in assessing and administering claims concerning historic matters relating to the origination of certain loan agreements and account of any remediation required has been taken in the calculation of the Group's loan impairment provision.

Specific operational risks arise under Green Deal Plans where energy suppliers remit payment under the plan to the Company from borrowers. The Group is at risk of delays occurring at the energy suppliers in collecting Green Deal Plan receivables and passing these to the Company within contractual timescales. We will continue to work with the suppliers to ensure that that they collect on Green Deal Plans in a timely manner and subsequently make payments to GDFC Assets Limited.

Liquidity Risk

Liquidity risk arises because the Group funds its loan agreements with customers through third party funding facilities. Increases to the funding costs of such facilities would negatively impact the profitability of the business. Limited availability of such facilities would restrict the ability of the Group to grow and trade.

The Group's funders charge interest on the facilities at a variable interest rate. The loans to the consumers are at a fixed rate. Risk arises from the mismatch of fixed interest income and variable interest costs.

Due to the replacement of with funding from- or loan purchases as a result of the business combination with Tandem this risk is projected to largely be mitigated during 2020.

Financial key performance indicators

The key performance indicators governing the group's activities are:

1. The number of new loans entered into
2. The level of arrears and default on loans
3. The profitability of the group's recurring operations, as measured by profit or loss before tax
4. The number of complaints

This report was approved by the board and signed on its behalf on 25 September 2020.

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Paul Noble

Director

Directors' Report

For the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Principal activity

The Company provides a service of administering loans, both Green Deal Plans and HIL loans and advertising and promoting the sale of such. It is responsible for the administration of both types of loans once they are originated by other entities inside or outside the Group. During 2019, the economic interest of most of the HIL loans originated was sold to Honeycomb Investment Trust plc. The Company services these loans, earning a servicing fee.

Results and dividends

The loss for the year, after taxation, amounted to £5.5m (2018: loss of £4.9m). The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

Jorrit Matthijs Koop (appointed 26 June 2019)
Paul Henry Owen McGarrigle (appointed 26 June 2019)
Julian Stanley Nutley (appointed 1 July 2019)
David Rendell (resigned 27 June 2019)
Victoria Wilson Roskill (resigned 27 June 2019)

The directors at the point of the preparation of the accounts were:

Jorrit Matthijs Koop (appointed 26 June 2019)
Paul Henry Owen McGarrigle (appointed 26 June 2019)
Julian Stanley Nutley (appointed 1 July 2019)
Paul Jonathan Noble (appointed 28 January 2020)

The Directors have the benefit of the indemnity provision contained within the Company's Articles of Association. This provision was in force throughout the period and remains in force. The Company has also purchased Directors' and Officers' liability insurance in respect of itself and its Directors.

Political contributions

No charitable or political donations were made during the period.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent.

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 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

To the best of the directors' knowledge:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Future developments

Allium is a consumer credit business which was established with the aim of improving the energy efficiency of UK homes. To that end, it has successfully refocused itself from funding Green Deal Providers to directly providing loans to customers to make their homes more energy efficient as outlined in the Strategic Report.

Having realised and executed the reorganisation of the Group, it is expected that significant growth of the loan portfolio and improvement of the Group's key performance metrics will transpire now that new funding can be accessed through the business combination with Tandem and once the economy and society as a whole has started to recover from the COVID-19 epidemic.

Post balance sheet events

On 14 February 2020, negotiations and due diligence with Tandem were concluded and a subscription and sale and purchase agreement was signed between the Group and Tandem (the "Strategic Transaction"). Since then, various operational workstreams have been commenced between the two parties to plan for a smooth integration of the businesses. Regulatory approvals for completion of the deal from Financial Conduct Authority and Prudential Regulation Authority were received late July and early August respectively and the transaction was completed on 21 August 2020.

Early March 2020 saw the COVID-19 pandemic arriving in the UK. On 16 March 2020, the Group made the decision for all staff to work from home in light of this, ahead of government guidelines. Although the transition of Allium's own operations to home working was achieved with no disruption to the business at all, loan originations reduced strongly and funder's appetite for purchasing or funding the originated loans reduced significantly.

In early April, the Financial Conduct Authority issued guidelines for granting "payment holidays" to customers in financial difficulty due to COVID-19. Allium adopted these guidelines and successive updates and as of the end of the third quarter of 2020 is in frequent dialogue with those customers to which it has granted a payment deferral to best manage their individual circumstances going forward.

Since March 2020, the Group has taken a number of measures to preserve operating cash. It has refrained from making major hiring decisions, renegotiated terms with key suppliers and deferred large investments in software, offices or other significant cost items. In addition, the business has been permitted a deferral of paying PAYE liabilities and received a grant from the Welsh Government and a loan under the Bounce Back Loan Scheme (BBLS).

Since early 2020, the Group has been in discussions with the Vendor Representative from the sale in 2017 of GDFC Services plc to the Group over the settlement of the residual claims under the share purchase agreement. These discussions concluded, leading to a final distribution of the majority of monies held in escrow against the potential claims.

Going concern

During the period the Group was funded by a combination of equity investment, income for servicing the existing book of loans and loans originated by third parties, interest income from the book of loans and working capital by way of a loan provided by certain shareholders and debentures sold via Abundance Investment Limited, which were converted into warrants during the period.

The overall costs of the Group have historically been too high to be supported from the income that is generated from servicing the loans and the interest income from the book of loans at its current size. The structural changes required to grow the loan book described in the Strategic Report had been largely completed and before the onset of the COVID-19 epidemic, the business was set to grow. This improvement of the business' strategic position has led to the business combination with Tandem, which should assure the Group's access to funding for its operational costs and loan originations to enable it to reach profitability within the strategic partner's group of businesses.

Although the COVID-19 epidemic and its impact on the wider economy have certainly delayed the timescale by which this can be achieved, the directors believe that the Groups' strategic position currently is not jeopardised. In addition, the principal risks and uncertainties as described in the Strategic Report remain applicable to the Group.

Nevertheless, at the time of approving the financial statements, the medium- and longer-term impact of the COVID-19 epidemic is uncertain and further developments may emerge in the future that constitute a material uncertainty to the Group's ability to continue as going concern.

Auditor

The auditor, Grant Thornton UK LLP, will be considered for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf on 25 September 2020.

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Paul Noble
Director

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Independent auditor's report to the members of GDFC Services plc

Opinion

We have audited the financial statements of GDFC Services plc (the 'company') for the year ended 31 December 2019, which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, 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 December 2019 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 'Auditor's 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 UK, including the FRC'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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that the company incurred a net loss of £5.5m during the year ended 31 December 2019 and, as of that date, the company's current liabilities exceeded its total assets by £3.1m. As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report,[1] other than the financial statements and our auditor's 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.

We have nothing to report in this regard.

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 strategic report or the directors' report.

Matters on which we are required to report by exception

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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 8, 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

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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.

Auditor's 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 auditor's 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 auditor's report.

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 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.

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Marcus Swales
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Marcus Swales (Senior statutory auditor)
for and on behalf of Grant Thornton UK LLP
Chartered Accountants
Senior Statutory Auditor
London Finsbury
Date: 25 September 2020

Statement of Comprehensive Income

For the Year Ended 31 December 2019

	Note	2019 £	2018 £
Interest income	4	**1,323**	79,693
Interest expense	4	**(442,094)**	(632,598)
Gross loss		**(440,771)**	(552,905)
Administrative expenses	5	**(4,482,027)**	(4,429,115)
Fees and commissions income	6	**406,943**	450,927
Impairment of investment in subsidiary	13	**(1,030,292)**	(391,424)
Profit (Loss) before taxation		**(5,546,147)**	(4,922,517)
Tax on profit / loss	10	**(243)**	(913)
Total comprehensive (loss) profit for the year		**(5,546,390)**	(4,923,430)

There were no recognised gains and losses for 2019 other than those included in the consolidated statement of comprehensive income.

The notes on pages 18 to 33 form part of these financial statements.

Statement of Financial Position

As at 31 December 2019

	Note	2019 £	2018 £
Intangible assets	11	-	-
Tangible assets	12	**178,643**	261,140
Investments	13	**895,072**	1,925,363
Non-current assets		**1,073,715**	2,186,503
Debtors: amounts falling due after more than one year	14	-	-
Debtors: amounts falling due within one year	14	**2,382,103**	2,651,888
Cash at bank and in hand	15	**25,386**	290,329
Current assets		**2,407,489**	2,942,217
Creditors: amounts falling due within one year	16	**(6,593,236)**	(3,136,454)
Net current (liabilities) / assets		**(4,185,747)**	(194,237)
Total assets less current liabilities		**(3,112,032)**	1,992,266
Creditors: amounts falling due after more than one year	16	-	(4,309,353)
Net assets		**(3,112,032)**	(2,317,087)
Called up share capital	19	**720,858**	50,000
Share Premium	19	**3,773,576**	-
Capital contribution	19	**307,012**	-
Other reserves	20	**2,656,157**	2,656,158
Profit and loss account		**(10,569,635)**	(5,023,245)
Capital and reserves		**(3,112,032)**	(2,317,087)

The notes on pages 18 to 33 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 September 2020.

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Paul Noble

Director

Statement of Changes in Equity

For the Years Ended 31 December 2019

	Called up share capital	Share premium	Capital contribution	Other Equity Reserves	Profit & Loss account	Total equity
	£	£	£	£	£	£
At 1 January 2019	50,000	-	-	2,656,158	(5,023,245)	(2,317,087)
Share capital issued during the year	670,858	-	-	-	-	670,858
Capital contribution	-	3,773,576	307,012	-	-	4,080,588
Loss for the year	-	-	-	-	**(5,546,390)**	**(5,546,390)**
Total comprehensive profit (loss) for the year	**670,858**	**3,773,576**	**307,012**	-	**(5,546,390)**	**(794,944)**
At 31 December 2019	**720,858**	**3,773,576**	**307,012**	**2,656,158**	**(10,569,634)**	**(3,112,031)**
At 1 January 2018	50,000	-	-	2,656,158	(99,815)	2,606,343
Share capital issued during the year				-	-	-
Capital contribution	-	-	-	-	-	-
Loss for the year	-	-	-	-	(4,923,430)	**(4,923,430)**
Total comprehensive profit (loss) for the year	-	-	-	-	**(4,923,430)**	**(4,923,430)**
At 31 December 2018	**50,000**	-	-	**2,656,158**	**(5,023,245)**	**(2,317,087)**

The notes on pages 18 to 33 form part of these financial statements.

GDFC Services plc

Statement of Cash Flows

For the Year Ended 31 December 2019

	Note	2019 £	2018 £
Cashflows from operating activities			
Profit/(loss) for year		**(5,546,147)**	(4,923,430)
Adjustments for			
Interest income	4	**(1,323)**	(79,693)
Impairment of fixed investment	13	**1,030,292**	391,424
Finance cost		**442,094**	632,598
Unrealised other operating income		**-**	2,310,808
Depreciation of tangible fixed assets	12	**96,031**	41,847
Amortisation of intangible assets	11	**-**	-
Write off of intangible assets	11	**-**	93,535
(Increase) / decrease in debtors	14	**269,785**	(2,406,831)
Increase / (decrease) in creditors	14	**(852,571)**	(28,864)
Tax impact		**(243)**	914
Net cashflows from operating activities before income tax		**(4,562,083)**	(3,967,692)
Interest received		**1,323**	79,550
Interest paid		**(442,094)**	(500,359)
Net cash used in operating activities		**(5,002,854)**	(4,388,502)
Cashflows from investing activities			
Proceeds from borrowings	16	**-**	2,932,195
Repayment of borrowings	16	**-**	(50,000)
Purchase of intangible fixed assets	13	**-**	-
Purchase of tangible fixed assets	12	**(13,534)**	(209,852)
Net cash used in investing activities		**(13,534)**	2,672,343
Cashflows from financing activities			
Subscription of share capital	20	**4,751,447**	-
Net cash used in financing activities		**4,751,447**	-
Net decrease in cash and cash equivalents		**(264,941)**	(1,716,158)
Cash and cash equivalents at the beginning of the year		**290,329**	2,006,487
Cash and cash equivalents at the end of the year	15	**25,386**	290,329

The notes on pages 18 to 33 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2019

1. General information

GDFC Services PLC (registered number 08271985) is incorporated and domiciled in England and Wales. The registered office of the Company is Imperial House, 15-16 Kingsway, London, England, WC2B 6UN.

GDFC Services PLC primarily undertakes loan servicing activities relating to the loan book held by GDFC Assets Limited as well as providing administrative services to the wider group. Please see the director's report for a fuller description of the activities undertaken.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Consolidated financial statements

The Company is a wholly owned subsidiary of GDFC Holdco Limited and of its ultimate parent, Allium Lending Group Limited. It is included in the consolidated financial statements of Allium Lending Group Limited which are publicly available. The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Allium Lending Group Limited. The address of the parent's registered office is Imperial House, 15-19 Kingsway, London, WC2B 6UN. These financial statements are the Company's separate financial statements.

2.3 Going concern

During the period the Group was funded by a combination of equity investment, income for servicing the existing book of loans and loans originated by third parties, interest income from the book of loans and working capital by way of a loan provided by certain shareholders and debentures sold via Abundance Investment Limited, which were converted into warrants during the period.

The overall costs of the Group have historically been too high to be supported from the income that is generated from servicing the loans and the interest income from the book of loans at its current size. The structural changes required to grow the loan book described in the Strategic Report have been largely completed and before the onset of the COVID-19 epidemic, the business was set to grow. This improvement of the business' strategic position has led to the business combination with Tandem, which would assure the Group's access to funding for its operational costs and loan originations to enable it to reach profitability within the strategic partner's group of businesses.

Although the COVID-19 epidemic and its impact on the wider economy have certainly delayed the timescale by which this can be achieved, the directors believe that the Groups' strategic position currently is not jeopardised. As such, with the business combination with Tandem completed, it is expected that the Group's ongoing liabilities can be met. In addition, the principal risks and uncertainties as described in the Strategic Report remain applicable to the Group.

Nevertheless, at the time of approving the financial statements, the medium- and longer-term impact of the COVID-19 epidemic is uncertain and further developments may emerge in the future that constitute a material uncertainty to the Group's ability to continue as going concern.

2.3 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:

(i) Interest income
Interest income from financial assets classified as loans and advances or deposits is calculated using the effective interest rate.

When the receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimate future cash flow discounted at the original effective interest rate of the instrument and continues to unwind the discount as interest income.

(ii) Rendering of services and commissions
Fees earned for services provided are recognised as revenue over the period that the service is provided.

When one act is more significant than all other services provided under an arrangement, recognition of revenue is deferred until all the performance of that act.

2.4 Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Software development costs are recognised as an intangible asset when all the following criteria are demonstrated:
- The technical feasibility of completing the software so that it will be available for use.
- The intention to complete the software and use.
- The ability to use the software.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial, and other resources to complete the development and to use the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Impairment of assets

At each reporting date, intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Amortisation is provided on the following basis:

Software - 20%

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings between 2 – 5 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.6 Investment in subsidiary company

Investment in subsidiary company is held at cost less accumulated impairment losses.

2.7 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.

2.8 Financial Instruments

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting
Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 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.

2.10 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.11 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge the amount of income tax payable in respect of the taxable profit or loss for the year or prior years. It is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.12 Operating lease – As lessee

Leases of assets under which the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognised as expenses on a straight-line basis over the lease term and included into other operating expenses.

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3. Critical accounting judgements and estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. For the year ended 31 December 2019 there have been no such judgements and estimates as all intangible assets had been fully impaired in prior years.

4. Interest income and expense

Interest Income

	2019	2018
	£	£
Interest on loans to group members	-	76,904
Interest income from bank deposits	**1,323**	2,789
	1,323	79,693

All turnover arose within the United Kingdom.

Interest Expense

	2019	2018
	£	**£**
Interest on external debt	**442,094**	632,594
Intercompany loan	-	4
	442,094	**632,598**

The interest on external debt relates to interest due to Abundance and its debenture holders, which exchanged their debentures into warrants during 2019.

5. Operating loss

The operating loss is stated after charging:

	2019	2018
	£	£
Depreciation of tangible fixed assets	**96,031**	41,847
Amortisation of intangible assets	-	-
Write off of intangible assets	-	93,535
Defined contribution pension costs	**36,137**	40,686

6. Fees and commission income

	2019	2018
	£	£
Loan management fees	**(24,237)**	233,742
Plan Maintenance and Reporting charge	**89,202**	94,535
Other operating income	**341,978**	122,650
	406,943	450,927

Loan management fees for the year 2019 include a reversal of previously accrued fees of £64,326. Other operating income for the year 2019 includes recharges of costs incurred by the Company on behalf of a) Hiber Energy Limited ("Hiber") of £179,298 (2018: £122,417) and b) HIT of £160,684 (2018: nil).

7. Auditor's remuneration

	2019	2018
	£	£
Fee payable to the Company's auditor and its associates for the audit of the Company's annual accounts	**75,000**	51,500

As part of the above, the audit fee for the Company was £33,495 (2018: £19,865).

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2019	2018
	£	£
Wages and salaries	**(1,337,277)**	(1,188,133)
Social security costs	**(169,949)**	(157,414)
Employers Pensions	**(36,137)**	(40,686)
	(1,543,363)	(1,386,233)

The average monthly number of employees, including the directors, during the year was as follows:

	2019	2018
	No.	No.
	26	12

9. Directors remuneration

	2019	2018
	£	£
Directors' emoluments	**599,464**	514,790
Company contributions to defined contribution pension schemes	**8,200**	18,730
	607,664	533,520

During the year, retirement benefits were accruing to 5 directors in respect of defined contribution pension schemes.

The highest paid director received remuneration of £ 167,574. The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £0.

10. Tax

The £243 in tax incurred relates to non-recoverable VAT recognised in 2019.

Management consider it prudent not to recognise a Deferred Tax Asset (DTA) on the tax losses generated until such time as the group is generating profits. As GDFC Services PLC forms part of a tax group with GDFC Assets Limited, Allium lending Group Limited and GDFC Holdco Limited, the overall group tax charge is zero.

Tax assessed for the year is the same (2018: lower) as the standard rate of corporation tax in the UK for the year ended 31 December 2019 of 19% (2018: 19%). The differences are explained below:

		2019	2018
		£	£
Tax expense included in profit and loss			
	Current Tax		
	- Irrecoverable VAT	**(243)**	(913)
	Total current tax	**(243)**	(913)
	Deferred tax	**-**	-
	Tax on Profit (Loss)	**(243)**	(913)
Tax expense included in other comprehensive income		**-**	-
Reconciliation of tax charge			
	Profit (loss) before tax	**(5,546,390)**	(4,922,517)
	Standard rate of tax in the UK	**19.0%**	19.0%
	Profit multiplied by standard rate of tax in UK	**(1,053,814)**	(935,278)
	Effects of:		
	- Decision not to recognise tax asset	**1,053,814**	935,278
	- Irrecoverable VAT	**(243)**	(913)
	Tax on profit (Loss)	**(243)**	(913)

11. Intangible assets

	IT software & Capitalised Development Cost
	£
Cost	
At 1 January 2019	2,303,570
Charge in the period	-
At 31 December 2019	2,303,570
Amortisation	
At 1 January 2019	(2,303,570)
Charge in the period	-
At 31 December 2019	(2,303,570)
Net book value	
At 31 December 2019	-
At 31 December 2018	-

Preparation of the financial statements requires management to make significant judgements and estimates which were made in prior years. The items within intangible assets that historically had a carrying value included capitalised costs of the Group's loan origination system.

12. Tangible fixed assets

	Fixtures and fittings
	£
Cost	
At 1 January 2019	330,451
Additions	13,534
At 31 December 2019	343,985
Depreciation	
At 1 January 2019	(69,311)
Charge in the period	(96,031)
At 31 December 2019	(165,342)
Net book value	
At 31 December 2019	178,643
At 31 December 2018	261,140

During 2019, the Group's new operating center was opened in Cardiff, as a result of which investments were made in furniture, IT hardware and other fixed assets. The useful fixed life of these assets is estimated between two to five years.

13. Fixed assets investments

	Investment in subsidiary undertaking
	£
Cost	
At 1 January 2019	25,354,296
Additions	-
At 31 December 2019	25,354,297
Impairment	
At 1 January 2019	(23,428,933)
Charge in the period	(1,030,292)
At 31 December 2019	(24,459,225)
Net book value	
At 31 December 2019	895,072
At 31 December 2018	1,925,363

During the year, £1.0m was impaired to bring the value of the fixed asset investments in line with the net asset value of the fully owned subsidiary GDFC Holdco Limited (£0.9m).

Subsidiary undertakings

The following is subsidiary undertaking of the Company:

Name	Class of shares	Holding	Principal activity
GDFC Holdco Limited	Ordinary	100 %	The Company is an intermediate holding company of GDFC Assets Limited and is primarily a vehicle for the capital financing activities within the group's financing operations.

All subsidiaries are registered at the address shown in the General Information section at the front of this report.

No consolidated accounts are required at this level as GDFC Services PLC is part of a wider group and consolidated accounts have been prepared by the ultimate parent (Allium Lending Group Limited).

14. Debtors

	2019	2018
	£	£
Due after more than one year		
Amounts due within one year	-	-
Due within one year		
Trade debtors	**160,809**	137,517
Accrued income and prepayments	-	48,895
Other debtors	**270,637**	258,813
Amounts owed by group undertakings	**1,850,000**	2,116,414
Tax recoverable	**100,657**	90,249
	2,382,103	2,651,888

The amount owed by group undertaking at the year ended 31 December 2019 includes a £2,000,000 dividend distributed by GDFC Holdco Limited. After management review, the value of this dividend receivable is concluded to be payable on demand by GDFC Holdco Limited to the Company. This dividend payable has been maintained as of 31 December 2019. Management considers the dividend recoverable given that GDFC Holdco Limited owns the share capital of GDFC Assets Limited, which possesses a significant amount of liquid assets.

During August 2019, GDFC Holdco Limited drew a further £400,000 under one of its mezzanine facilities. £150,000 of this was paid to GDFC Services plc as an intercompany debtor.

15. Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	**25,386**	290,329

16. Creditors

	2019	2018
	£	£
Due after more than one year		
Abundance accumulated interest	-	(305,913)
Abundance loan capital	-	(4,003,440)
	-	(4,309,353)
Due within one year		
Trade creditors	**(177,147)**	(46,884)
Accruals and deferred income	**(601,508)**	(110,950)
Other taxation and social security	**(118,413)**	(37,767)
Rent deposit	**(258,790)**	-
Amount owed to group undertaking	**(5,437,378)**	(2,940,853)
	(6,593,236)	(3,136,454)

During 2017, the Company issued unsecured debentures under an agency agreement entered into with Abundance Investment Ltd., as an agent, on 12 May 2017. The debentures were due to mature in full on 30 June 2020 and carried an interest rate of 12% per annum.

During 2019, a proposal for a conversion of the debentures into warrants into Allium Lending Group Limited was made to the holders of the debentures. This proposal was accepted through a vote amongst the holders and in July 2019, the conversion was effected. As a result, Allium Lending Group subscribed to an additional 670,858 shares of GDFC Services plc at a premium of £6.625 each (see note 19).

Over the course of 2019, a further £2.5m in working capital was advanced from GDFC Assets Limited to GDFC Services plc to fund operations of the company (2018: £2.9m). In addition, a sublease contract was signed with Hiber with regards to the offices at Imperial House, of which the Company still is the main lessor. As part of this transaction, Hiber transferred funds to the Company of the same amount as the rental deposit held by the Company's landlord (£258,890), which is repayable upon cancellation of the lease and receipt of the deposit by the Company from the landlord.

17. Financial instruments

	2019	2018
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**3,277,176**	4,393,619
Financial liabilities		
Financial liabilities measured at amortised costs	**(896,826)**	(4,467,187)

Financial assets measured at amortised cost comprise investments, trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors and deferred income.

18. Financial risk management

The principal risks facing the Group are credit, operational and liquidity risks. These are discussed and evaluated by the management on a regular basis.

Credit Risk

As of 2019, the Group's primary financial asset is the receivable related to the repayment of principal and payments of interest arising under Green Deal Plans and HIL loans; Allium is at risk to the extent that billpayers and borrowers respectively default on their obligations to make these payments. This risk is mitigated for new HIL loans through the underwriting of the borrower taking out a new loan. For existing Green Deal Plan holders, the Green Deal payment obligation ranks equally with the obligation to pay the associated electricity bill, and any shortfall in payments is pro-rated between the Green Deal Plan obligation and the amount owed for the supply of electricity. Existing HIL borrowers set up their repayments through regular direct debit repayments at origination.

Allium's current strategy focussing on other forms of home improvement loan implies that as the business grows, a larger percentage of the Group's financial assets managed will be comprised of HIL loans.

Conduct & Operational Risk

For both Green Deal loans and HIL loans, operational risk arises primarily from the process of originating loans through intermediaries at the point of sale. Such risks include product failure, mis-selling and poor installation. Under consumer credit legislation, liabilities arising from such risks attach to both the installer and lender jointly, and in the case of Green Deal loans, the Group may be at risk of a loan being cancelled or reduced through the imposition of sanctions under the Green Deal Framework. These risks are mitigated by all intermediaries being subject to underwriting by the Group to verify financial standing, experience in installation of approved measures and satisfactory experience of selling consumer loan products at point of sale. Intermediaries are required to have appropriate broking or lending approvals from the Financial Conduct Authority and, in the case of Green Deal Providers and Installers, authorisation by the Department for Business, Energy, and Industrial Strategy through the agency of the Green Deal Oversight and Registration Body. Throughout the relationship with Allium, intermediaries have regular contact with relationship managers. The Group's compliance team also advises and visits larger intermediaries to conduct compliance audits.

In addition, other members of the Group have the right to require a GDP to re-purchase Green Deal Plans that are subsequently found to have breached the eligibility criteria for loan purchase by Allium. However, there remains a risk to the Group where the GDP ceases to trade prior to such breach being identified. Where appropriate, Company and its related entities within the Group are involved in assessing and administering claims concerning historic matters relating to the origination of certain loan agreements and account of any remediation required has been taken in the calculation of the Group's loan impairment provision.

Specific operational risks arise under Green Deal Plans where energy suppliers remit payment under the plan to the Company from borrowers. The Group is at risk of delays occurring at the energy suppliers in collecting Green Deal Plan receivables and passing these to the Company within contractual timescales. We will continue to work with the suppliers to ensure that that they collect on Green Deal Plans in a timely manner and subsequently make payments to the Company.

Liquidity Risk

Liquidity risk arises because the Group funds its loan agreements with customers through third party funding facilities. Increases to the funding costs of such facilities would negatively impact the profitability of the business. Limited availability of such facilities would restrict the ability of the Group to grow and trade.

The Group's funders charge interest on the facilities at a variable interest rate. The loans to the consumers are at a fixed rate. Risk arises from the mismatch of fixed interest income and variable interest costs.

Due to the replacement of with funding from- or loan purchases as a result of the business combination with Tandem this risk is projected to largely be mitigated during 2020.

19. Share capital

	2019	2018
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
Ordinary shares of £1 each		
At 1 January 2019	**50,000**	50,000
Issued during the year	**670,858**	-
At 31 December 2019	**720,858**	50,000
Unpaid		
37,499 Ordinary shares of £1	**37,499**	

Ordinary shares have attached voting rights but do not carry any rights as respects to capital to participate in a distribution other than those that exist as a matter of law. The also do not confer any rights in redemption.

20. Other equity reserves

Other reserves are comprised of capital contributions resulting from the completion of a CVA completed by the Company in 2017.

21. Pension commitments

The Group 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 Group to the fund and amounted to £36,137. Contributions totalling £7,145 were payable to the fund at the reporting date.

22. Commitments under operating leases

At 31 December 2019, the Group had future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Not later than 1 year	**258,790**	258,790
Between 1 and 5 years	-	258,790
After 5 years	-	-
	258,790	517,580

During 2019, a sublease contract was signed with Hiber with regards to the offices at Imperial House, of which the Company still is the main lessor. As part of this transaction, Hiber granted a creditor of the same amount as the rental deposit held by the Company's landlord, repayable upon cancellation of the lease and receipt of the deposit by the Company. The first permitted break of this lease is in December 2020.

23. Related party transactions

Related party transactions include remuneration paid to directors as disclosed in note 9. In addition, £65,000 of consultancy fees were paid to Gabichar Enterprises Limited, which is partially owned by a company director. Finally, £42,302 of consultancy fees were paid to ID8, which is partially owned by a company director.

Related party transactions also include servicing fees and costs recharges to Honeycomb Investment Trust PLC and Hiber as disclosed in note 6. Within trade debtors in note 16, there is £131,972 due from Honeycomb Investment Trust PLC and £28,836 from Hiber in relation to the above charges.

Within trade creditors, there is £988 due to the Company Directors in relation to expenses incurred on behalf of the Company. There were £9,514 expenses incurred in total during the year.

The Company has taken advantage of the exemption in FRS 102 'The Reporting Standard applicable in the UK and Ireland" Section 33 and has not disclosed transactions with wholly owned group undertakings.

24. Controlling parties

The immediate and as of 31 December 2019 ultimate parent undertaking is Allium Lending Group Limited. The smallest and largest group to consolidate these financial statements was Allium Lending Group Limited. Copies of Allium Lending Group Limited consolidated financial statements are publicly available and can be obtained from the registered address of Allium Lending Group Limited at Imperial House, 15-19 Kingsway, London, WC2B 6UN.

The ultimate controlling parties were a consortium of private investors made up of Honeycomb Investment Trust plc (Company number 09899024), Adam Knight and Aurium GD LLP (Company number OC413991).

25. Subsequent events

On 14 February 2020, negotiations and due diligence with Tandem were concluded and a subscription and sale and purchase agreement was signed between the Group and Tandem (the "Strategic Transaction"). Since then, various operational workstreams have been commenced between the two parties to plan for a smooth integration of the businesses. Regulatory approvals for completion of the deal from Financial Conduct Authority and Prudential Regulation Authority were received late July and early August respectively and the transaction was completed on 21 August 2020.

Early March 2020 saw the COVID-19 pandemic arriving in the UK. On 16 March 2020, the Group made the decision for all staff to work from home in light of this, ahead of government guidelines. Although the transition of Allium's own operations to home working was achieved with no disruption to the business at all, loan originations reduced strongly and funder's appetite for purchasing or funding the originated loans reduced significantly.

In early April, the Financial Conduct Authority issued guidelines for granting "payment holidays" to customers in financial difficulty due to COVID-19. Allium adopted these guidelines and successive updates and as of the end of the third quarter of 2020 is in frequent dialogue with those customers to which it has granted a payment deferral to best manage their individual circumstances going forward.

Since March 2020, the Group has taken a number of measures to preserve operating cash. It has refrained from making major hiring decisions, renegotiated terms with key suppliers and deferred large investments in software, offices or other significant cost items. In addition, the business has been permitted a deferral of paying PAYE liabilities and received a grant from the Welsh Government and a loan under the Bounce Back Loan Scheme (BBLS).

Since early 2020, the Group has been in discussions with the Vendor Representative from the sale in 2017 of GDFC Services plc to the Group over the settlement of the residual claims under the share purchase agreement. These discussions concluded, leading to a final distribution of the majority of monies held in escrow against the potential claims.