Financial Statements Allium Lending Group Limited

For the Year Ended 31 December 2019

Registered number: 10028311

Company Information

Directors	Nimesh Kamath (appointed 26 Feb 2016, resigned 21 Aug 2020) James Scott (appointed 13 Jan 2017, resigned 21 Aug 2020) David Rendell (appointed 25 May 2018) Victoria Mary Roskill (appointed 25 May 2018) Jorrit Matthijs Koop (appointed 28 March 2019) Julian Stanley Nutley (appointed 28 March 2019) Paul Henry Owen McGarrigle (appointed 28 March 2019)
Registered number	10028311
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 serves as the holding company of the Group.

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 became non-executive, 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 serves as the holding company of the group, whose principal activity is the financing of Green Deal Plans and HIL loans. The Group is responsible for originating and administering these loans and collecting repayments. For Green Deal Plans, this includes (1) collecting repayments from the billing systems of the major electricity suppliers, who in turn collect these repayments from the energy bill payers of properties with a Green Deal Plan, and (2) administering requirements under the Consumer Credit Act and Energy Act such as the issue of annual statements. For HIL loans, this includes building and managing relationships with origination partners and ensuring the appropriate customer journey is followed and after origination, deployment of direct servicing and collection activities. During 2019, the economic interest of most of the HIL loans originated was sold to Honeycomb Investment Trust PLC. The Group administers these loans, earning a servicing fee.

Going forth, the Directors expect that the origination, administration and management of HIL loans will keep growing significantly.

Results and dividends

The loss for the year, after taxation, amounted to £2.8m (2018: loss of £4.8m). The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

Jorrit Matthijs Koop (appointed 28 March2019)
Paul Henry Owen McGarrigle (appointed 28 March 2019)
Julian Stanley Nutley (appointed 28 March 2019)
David Rendell (appointed 25 May 2018)
Victoria Wilson Roskill (appointed 25 May 2018)
Adam Knight (appointed 25 May 2018 and resigned 6 February 2019)
Nimesh Kamath (appointed 26 Feb 2016 , resigned 21 Aug 2020)
James Scott (appointed 13 Jan 2017, resigned 21 Aug 2020)

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

David Rendell (appointed 25 May 2018)
Victoria Wilson Roskill (appointed 25 May 2018)
Jorrit Koop (appointed 28 March 2019)
Julian Nutley (appointed 28 March 2019)
Paul Jonathan Noble (appointed 28 January 2020)
Paul Henry Owen McGarrigle (appointed 28 March 2019)

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.

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

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.

DocuSigned by:

Paul Noble

Director

Grant Thornton

Independent auditor's report

to the members of Allium Lending Group Limited

Opinion

We have audited the financial statements of Allium Lending Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019, which comprise the consolidated profit and loss account, the consolidated and company balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement 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 group's and of the parent company's affairs as at 31 December 2019 and of the group's 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 group and the parent 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 group'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 group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for group 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 group incurred a net loss of £2,780,845 during the year ended 31 December 2019 and, as of that date, the company's current liabilities exceeded its total assets by £799,855. 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, 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 group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 group's and the parent 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 group or the parent 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
Statutory Auditor, Chartered Accountants
London

Date: 25 September 2020

Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2019

Income Statement

	Note	2019 £	2018 £
Interest income	4	**2,485,257**	2,678,355
Interest expense	4	**(2,800,630)**	(3,486,019)
Gross profit (loss)		**(315,373)**	(807,664)
Allowance for loan impairment	14	**2,617,911**	(3,040,429)
Allowance for receivable impairment	5	**(1,954,387)**	2,888,701
Net interest income after allowance for loan impairment		**348,151**	(959,392)
Administrative expenses	6	**(4,744,197)**	(4,473,125)
Fees, commissions and other income (loss)	5	**615,444**	588,297
Fair value of investments adjustment	13	**1,000,000**	-
Operating loss		**(2,780,602)**	(4,844,220)
Tax on profit / loss		**(243)**	(915)
Total comprehensive profit (loss) for the year		**(2,780,845)**	(4,845,135)

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 35 form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2019

	Note	2019 £	2018 £
Intangible assets	11	**-**	-
Tangible assets	12	**178,643**	272,889
Investments	13	**1,000,000**	
Debtors: amounts falling due after more than 1y	14, 22	**-**	33,637,043
Debtors: amounts falling due within 1y	14	**35,820,614**	3,175,380
Cash at bank and in hand	15	**802,598**	1,977,274
Creditors: amounts falling due within 1y	16	**(37,423,067)**	(390,691)
Net current assets		**(799,855)**	4,761,964
Total assets less current liabilities		**378,789**	38,671,896
Creditors: amounts falling due after more than 1y	16	**-**	(40,893,243)
Net assets		**378,789**	(2,221,348)
Share capital	19, 22	**2,705,014**	2,101,330
Share premium	19, 22	**4,428,461**	4,427,625
Other equity reserves	19	**2,681,174**	2,656,158
Warrant	22	**4,751,447**	-
Profit and loss account		**(14,187,306)**	(11,406,461)
Capital and reserves		**378,789**	(2,221,348)

The notes on pages 18 to 35 form part of these financial statements.

The financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies' regime within part 15 of the Companies Act 2006.

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

Company Statement of Financial Position

As at 31 December 2019

	Note	2019 £	2018 £
Tangible assets	12	-	11,749
Subsidiary undertakings	13	2	2,606,344
Investments	13	**1,000,000**	-
Debtors: amounts falling due after more than 1y	14, 22	-	28,955
Debtors: amounts falling due within 1y	14	**717,126**	-
Cash at bank and in hand		**9,291**	-
Creditors: amounts falling due within 1y	16	-	(14,444)
Net current assets		**726,416**	(14,443)
Total assets less current liabilities		**1,726,419**	2,632,604
Creditors: amounts falling due after more than 1y	16	-	-
Net assets		**1,726,419**	2,632,603
Share capital	19, 22	**2,705,014**	2,101,330
Share premium	19, 22	**4,428,461**	4,427,625
Warrant	22	**4,751,447**	-
Profit and loss account		**(10,158,503)**	(3,896,351)
Capital and reserves		**1,726,419**	2,632,604

The notes on pages 18 to 35 form part of these financial statements.

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income and related notes. The company's loss for the year was £6,262,151 (2018: £41,183).

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within part 15 of the Companies Act 2006.

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

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2019

	Share capital	Share premium	Other Equity Reserves	Profit & Loss account	Total equity
	£	£	£	£	£
At 1 January 2018	2,101,330	4,427,625	2,656,158	(6,561,326)	2,623,787
Share capital issued during the year	-	-	-	-	-
Capital contribution	-	-	-	-	-
Profit for the year	-	-	-	(4,845,135)	(4,845,135)
Total comprehensive profit (loss) for the year	-	-	-	(4,845,135)	(4,845,135)
At 31 December 2018	**2,101,330**	**4,427,625**	**2,656,158**	**(11,406,459)**	**(2,221,346)**
At 1 January 2019	2,101,330	4,427,625	2,656,158	(11,406,459)	(2,221,346)
Share capital issued during the year	603,684	-	4,776,463	-	5,380,146
Capital contribution	-	836	-	-	836
Profit for the year	-	-	-	(2,780,847)	(2,780,845)
Total comprehensive profit (loss) for the year	603,684	836	4,776,463	(2,780,845)	2,600,138
At 31 December 2019	**2,705,014**	**4,428,461**	**7,432,621**	**(14,187,306)**	**378,789**

The notes on pages 18 to 35 form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2019

	Note	2019 £	2018 £
Cashflows from operating activities			
Profit/(loss) for period		(2,780,602)	(4,845,133)
Adjustments for		-	
Interest income	4	(2,485,257)	(2,755,303)
Interest cost	4	2,800,630	3,445,591
Fair value gain from investment	13	(1,000,000)	-
Impairment of fixed investment		-	-
Allowance for receivable impairment	5	1,954,387	(2,888,701)
Allowance for loan impairment		(2,617,911)	2,649,005
Unrealised other operating income		-	2,427,705
Write-off of intangible assets	11	11,749	93,535
Depreciation of tangible fixed assets	12	96,031	41,847
(Increase) / decrease in debtors		1,603,493	509,597
Increase / (decrease) in creditors		(3,216,904)	(156,527)
Tax		(10,845)	914
Net cashflows from operating activities before income tax		**(5,645,229)**	**(1,477,470)**
Interest received		2,485,257	2,755,160
Interest paid		(1,770,330)	(2,962,316)
Net cash from in operating activities		**(4,930,302)**	**(1,684,626)**
Cashflows from investing activities			
Purchase of tangible fixed assets	12	(13,534)	(209,852)
Additional Investments	13	1	-
Net cash used in investing activities		**(13,534)**	**(209,852)**
Cashflows from financing activities			
Proceeds from borrowings		1,217,827	36,257,108
Repayment of borrowings		(2,804,633)	(35,016,947)
Purchase consideration		-	-
Subscription of share capital	19	604,520	-
Proceeds from Warrants	19	4,751,447	-
Net cash used in financing activities		**3,769,161**	**1,240,161**
Net decrease in cash and cash equivalents		**(1,174,675)**	**(654,316)**
Cash and cash equivalents at the beginning of the year		**1,977,274**	**2,631,590**
Cash and cash equivalents at the end of the year	**15**	**802,598**	**1,977,274**

The notes on pages 18 to 35 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2019

1. General information

Allium Lending Group Limited (the "Group") (registered number 10028311) is incorporated and domiciled in England and Wales. The registered office of the Company is Imperial House, 15-16 Kingsway, London, England, WC2B 6UN.

Detail about the nature of the operations can be found in the Principal Activities section of the Directors report.

2. 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 company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual profit and loss account.

The following principal accounting policies have been applied:

2.2 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 Strategic Transaction, 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.

2.3 Basis of consolidation

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings together with the group's share of the results of associates made up to 31 December.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for that entity as a subsidiary.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the group holds a long-term interest and where the group has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the group's interest in the entity.

2.4 Revenue

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

(i) Interest income
Interest receivable from financial assets classified as loans and advances or debt securities is calculated using the effective interest rate, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

When the loan is originated with an upfront discount called 'retailer subsidy', which is deducted from the cash amount payable to the retailer, the fee is classified as deferred revenue and amortised using the effective interest rate. The amortisation of such fee is classified as interest income. When the loan to which such retailer subsidy is sold or otherwise removed from the Group's balance sheet without compensation for the deferred revenue, it is removed from the balance sheet.

When a receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated 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 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

2.9 Financial Instruments

(i) 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) despite having retained some significant risks and rewards of ownership, 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.

(ii) Financial Liabilities – creditors

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.

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.

(iii) Financial Liabilities – securitisation

GDFC Assets has received funding from Citi via a Special Purpose Vehicle, Green Finco Limited, (the "SPV"). Management has concluded that the risks and rewards of ownership of the underlying assets effectively remain with GDFC Assets. From an accounting perspective the underlying loan portfolio is therefore retained in the books of GDFC Assets and the effective loan from Citi (via the SPV) is recognised as being secured on the underlying portfolio of assets.

GDFC Assets recognises the expenses of the SPV and amounts paid over to the SPV as debtors until such time as they are applied as set out below:

- As third party SPV expenses accrue, GDFC Assets recognises the expense (and reduces the SPV debtor balance)
- As SPV funds are used to repay the loan from Citi, GDFC Assets reduces the securitised loan balance
- As any residual funds are returned, GDFC Assets reduces the SPV debtor balance
- Any SPV income (primarily bank interest) is recognised as income of GDFC Assets (increasing the debtors' amount until paid over to GDFC Assets)

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.

2.10 Investments

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

Investment in associate is held at cost less accumulated impairment losses.

2.11 Employee benefits

The group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plan.

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

2.12 Defined contribution pension plan

GDFC Services plc operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which GDFC Services plc pays fixed contributions into a separate entity. Once the contributions have been paid GDFC Services plc 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 Group in independently administered funds.

2.11 Borrowing costs

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

2.12 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.

2.13 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 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.

2.14 Operating lease – the Group 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.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include the loan impairment charge, the potential claims in respect of Green Deal Plans generated by Green Deal Providers who are no longer trading and the ability to make any contractual recovery in respect of those claims and the valuation of the stake held in Hiber Energy Limited.

With respect to the potential claims, management has made a provision of £4.7m (2018: £6.7m) which relies on estimates of potential claims payable taking into account the proportion of customers claiming over the lifetime of the book and the size and validity of such claims. A corresponding asset has also been recognised in these accounts reflecting the Group's ability to recover the value of any claims upheld.

In terms of the potential to make a contractual recovery in respect of such claims, management has applied judgment with regards to its interpretation of the likelihood of success in such recovery.

With respect to the valuation of the stake held in Hiber Energy Limited, the fair value of the investment is not quoted in an active market but is determined by using a revenue multiple observed in the industry, discounted to present value.

4. Interest income and expensc

Interest income

All turnover arose within the United Kingdom.

	2019	2018
	£	£
Interest income from lending activities	**2,475,772**	2,670,145
Interest income from bank deposits	**9,485**	8,210
	2,485,257	2,678,355

Interest expense

	2019	2018
	£	£
Loan Facility I - Honeycomb Investment Trust PLC	-	1,602,880
Loan Facility II - Honeycomb Investment Trust PLC	-	312,733
Abundance creditors	-	632,593
Shareholder Loan	**605,876**	189,042
Senior Holdco Facility	**424,424**	202,426
Bank Loans	**1,770,330**	546,345
	2,800,630	3,486,019

See note 16, where the loans are analysed in further details.

5. Fees, commissions and other income and expenses

	2019	2018
	£	£
Fees and commission income	**151,006**	388,700
Other income	**464,438**	199,597
	615,444	3,476,998
Allowance for receivable impairment	**(1,954,387)**	2,888,701

Allowance for Receivable Impairment in 2018 and 2019 relates to the addition to and reduction of, respectively, a recovery asset against an estimated impairment of loans based on management assessment. Other income includes gains on disposal of investments in Hiber of £122,459.

6. Operating loss

The operating loss is stated after charging:

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

7. Auditor's remuneration

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

8. Employees

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

	2019	2018
	£	£
Wages and salaries	(1,337,277)	(1,186,804)
Social security costs	(169,949)	(157,414)
Employers Pensions	(36,137)	(40,686)
	(1,543,363)	(1,384,903)

Staff numbers, including directors, were as follows:

	2019	2018
Wages and salaries	38	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 2018.

Management consider it prudent not to recognise a tax asset on the tax losses generated until such time as the group is generating profits.

		2019	2018
		£	£
Tax expense included in profit and loss			
	Current Tax		
	- Irrecoverable VAT	**(243)**	(915)
	Total current tax	**(243)**	(915)
	Deferred tax	**-**	-
	Tax on Profit	**(243)**	(915)
Tax expense included in other comprehensive income			
Reconciliation of tax charge			
	Profit before tax	**(2,780,602)**	(4,844,220)
	Standard rate of tax in the UK	**19%**	19%
	Profit multiplied by standard rate of tax in UK	**(528,314)**	(920,402)
	Effects of:		
	- Decision not to recognise tax asset	**528,314**	920,402
	- Irrecoverable VAT	**(243)**	(915)
	Tax on profit	**(243)**	(915)

11. Intangible assets

	£
Cost	
At 1 January 2019	3,154,572
Additions	-
At 31 December 2019	3,154,572
Amortisation	
At 1 January 2019	(3,154,572)
Charge for the period on owned assets	-
At 31 December 2019	(3,154,572)
Net book value	
At 31 December 2019	-
At 31 December 2018	-

12. Tangible fixed assets

	Company £	Group £
Cost		
At 1 January 2018	11,749	342,199
Additions (disposal)	(11,749)	1,785
At 31 December 2019	-	343,984
Depreciation		
At 1 January 2018	-	(69,311)
Charge for the period	-	(96,030)
At 31 December 2019	-	(165,341)
Net book value		
At 31 December 2019	-	178,643
At 31 December 2018	11,749	272,889

13. Investments

i) Subsidiary undertakings

	Company	Group
	£	£
Cost		
At 1 January 2019	6,461,512	-
Additions	4,751,447	-
Reduction	(1)	-
At 31 December 2019	11,212,958	-
Impairment		
At 1 January 2019	(3,855,168)	-
Charge for the period	(7,357,788)	-
At 31 December 2019	(11,212,956)	-
Net book value		
At 31 December 2019	2	-
At 31 December 2018	2,606,344	-

In January 2017, the Company, backed by a consortium of private investors including Honeycomb Investment Trust plc, Greenstone Management LLP, Adam Knight and Aurium GD LLP acquired the Group by a purchase of GDFC Services plc. The Company financed the acquisition through equity investment and funding through Honeycomb Investment Trust plc. The equity investment represents the consideration paid against the issue of shares capital aggregating to £6.5m. The investment was written down with an impairment equal to difference between cost of the investment and net asset value of the subsidiary undertakings at the end of 2019. The subsidiary undertakings are incorporated in the United Kingdom.

During 2019, certain debentures due to external parties from GDFC Services plc were exchanged for warrants in the Company (see note 16 and the Strategic Report). In return, GDFC Services plc issued £4.8m in shares to the Company.

The following were subsidiary undertakings of the Company:

Name	Principal Activity	Class of shares	Ultimate holding by Company (%)
GDFC Services plc	Servicing of loan portfolios within the Group	B	100%
Allium Money Limited	Origination of loans, holding legal title of HIL loans	B	100%
GDFC Holdco Limited	Providing junior financing to the Group	B	100%
GDFC Assets Limited	Holding beneficial ownership of portfolios within the Group	B	100%
Green Deal Finance Company Limited	Dormant entity	B	100%

All the above subsidiaries are included in the consolidation. The Company's investment in GDFC Services plc and Green Deal Finance Company Limited is direct ownership, all other investments are indirect ownership. All subsidiaries are registered at the address shown in the General Information section at the front of this report.

ii) Investments

	Company	Group
	£	£
Cost		
At 1 January 2019	1	1
Addition	-	-
Movement in fair value	1,000,000	1,000,000
Disposal	(1)	(1)
At 31 December 2019	1,000,000	1,000,000

On 30 May 2018 certain assets were divested from GDFC Services plc in order to set up a technology platform to support micro-installers of boilers. These assets, together with former employees, formed a separate business entity funded by new equity investors but in which the Group retained a 9.3% shareholding. This new entity retained the name 'Hiber' and the Group rebranded to GDFC and later Allium. The Group ceded certain capitalised development costs to Hiber as investment (note 11) which were impaired at GDFC Services plc.

On 6 September 2019, the Group sold a part of its shareholding in Hiber to Greenstone Management LLP for £122,460 (see note 5). The sale of this stake was not at fair value, but the remaining stake in Hiber held by the Group is measured at fair value in the 2019 accounts. The total income recognised on these investments in the period was £1m (2018: nil) representing the fair value remeasurements shown above. There has been no change in the fair value of these as a result of changes in risk of the investments.

14. Debtors

	2019 Group	2019 Company	2018 Group	2018 Company
	£	£	£	£
Due after more than 1y				
Loans to customers	-	-	26,894,747	-
Other assets	-	-	6,742,296	28,955
	-	-	33,637,043	28,955
Due in less than 1y				
Loans to customers	29,817,356	-	2,190,936	-
Trade debtors	160,809	-	105,016	-
Accrued income and prepayments	-	-	154,823	-
Other debtors	5,741,792	717,126	640,530	-
Tax recoverable	100,657	-	84,075	-
	35,820,614	717,126	3,175,380	-

Loans to customers represents gross loans to customers of £35,269,485 less allowance for loan impairment amounting to £5,452,130. For the figures at the financial year ended 31 December 2019, all debtors are classified as due within one year due to the business combination with Tandem as described in the Strategic Report and related transactions.

15. Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	**802,598**	1,977,274

16. Creditors: Amounts falling due within / after 1y

	2019 Group	2019 Company	2018 Group	2018 Company
	£	£	£	£
Due within 1y				
Trade creditors	**(408,137)**	-	(197,946)	-
Shareholder loan interest accrued	**(626,849)**	-	-	-
Shareholder loan	**(2,000,000)**	-	-	-
Senior Holdco Facility	**(7,717,112)**	-	-	-
Senior Holdco Facility interest accrued	**(794,918)**	-	-	-
Accruals and Deferred Income	**(601,509)**	-	-	-
Bank loans	**(24,888,505)**	-	-	-
Other creditors	**(386,037)**	-	(192,744)	(14,444)
	(37,423,067)	-	(390,691)	(14,444)
Due after more than 1y				
Abundance creditors	-	-	(4,309,353)	-
Shareholder loan interest accrued	-	-	(202,426)	-
Shareholder loan	-	-	(2,000,000)	-
Senior Holdco Facility	-	-	(7,317,112)	-
Senior Holdco Facility Interest Accrued	-	-	(189,042)	-
Bank loans	-	-	(26,875,311)	-
	-	-	(40,893,244)	-

For the figures at the financial year ended 31 December 2019, all creditors are classified as due within one year due to the business combination with Tandem described in the Strategic Report and related transactions.

Please see note 16 for further detail on the shareholder loan, senior holdco facility, bank loans and Abundance creditors.

Prior to 25 May 2018, the Group was financed through two separate facilities provided by Honeycomb Investment Trust PLC. These facilities were repaid following the entry into a £50m securitisation facility with Citibank by GDFC Assets Limited. As noted in the securitisation policy, for the securitisation facility with Citibank a "bank loan" loan liability has been recognised, secured on the underlying customer loans. The total value of customer loans being used for security on the bank loan referred to above at year end is £32,954,357. The Citi securitisation facility and junior financing facility matures in May 2023.

In addition, on 25 May 2018 GDFC Holdco Limited entered into a £10 junior financing agreement with Honeycomb Investment Trust PLC (Senior Holdco Facility) and drew down £7.3m. During the financial year ended 31 December 2019 the Company drew an additional £400k of the Senior Holdco Facility. The Senior Holdco Facility accrues interest at 7.5% plus LIBOR and was due to mature in May 2020.

At the same time as entering into the Senior Holdco Facility, GDFC Holdco Limited entered into a £2m loan agreement with Group shareholders Honeycomb Investment Trust PLC (HIT) and Adam Knight, for £1m each ("Shareholder Loan"). The Shareholder Loan matures on 31 May 2020 and carries a 20% interest, fully accrued, and a make whole premium of 100% in the event of early repayment. The Shareholder Loan was due to mature in May 2020.

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 £4.8m of share capital in GDFC Services plc.

17. Financial instruments

	2019	2018
	£	£
Financial assets that are debt instruments measured at amortised cost	**36,820,614**	36,812,423
Financial liabilities measured at amortised cost	**(37,423,067)**	(41,283,935)

Financial assets measured at amortised cost comprise loan receivables, trade debtors, other debtors and tax receivable.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, loan facilities and debentures.

18. Financial risk management

The principal risks facing the company are grouped as 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 will be comprised of HIL loans.

Credit quality per class of financial assets

	Neither past due nor impaired	Past due but not impaired	Impaired	Total
	£	£	£	£
31-Dec-19				
Loans to customers	**22,904,061**	7,789,774	4,575,650	35,269,485
Other assets	**10,669,407**	-	-	10,669,407
	33,573,468	**7,789,774**	**4,575,650**	**45,938,893**
31-Dec-18				
Loans to customers	**20,367,688**	12,758,184	4,021,112	37,146,984
Other assets	**9,654,193**	-	-	9,654,193
	30,021,881	**12,758,184**	**4,021,112**	**46,801,177**

Past due loans to customers include those that are only past due by a few days. An analysis of past due loans, by age, is provided below. The majority of the past due loans are not considered to be impaired.

Assessment of loans by arrears bandings was not conducted in prior years and as the data is updated on a daily basis, the information cannot be recreated for comparison purposes.

Aging analysis of past due but not impaired loans

	Less than 29 days	30 to 59 days	60 to 89 days	Total
	£	£	£	£
31-Dec-19				
Loans to customers	4,711,814	1,933,185	1,144,775	7,789,774
Total	**4,711,814**	**1,933,185**	**1,144,775**	**7,789,774**
31-Dec-18				
Loans to customers	7,338,662	3,919,474	1,500,049	12,758,185
Total	**7,338,662**	**3,919,474**	**1,500,049**	**12,758,185**

Impairment assessment

The main considerations for the loan impairment assessment include whether any payments of principal or interest are overdue by more than 90 days or there are any known difficulties in the collection of cash flows from the energy suppliers. The Company addresses impairment assessment on collective basis. During 2019, a significant number of loans were classified as more than 90 days overdue.

Collectively assessed allowances

All loans to customers are assessed on a collective basis as they are not individually significant. Allowances are evaluated on each reporting date with each portfolio receiving a separate review.

The collective assessment takes account of impairment that is likely to be present in the portfolio even though there is not yet objective evidence of the impairment in an individual assessment. Impairment losses are estimated by taking into consideration of the following information: historical losses on the portfolio, current economic conditions, the appropriate delay between the time a loss is likely to have been occurred and the time it will be identified as requiring an individually assessed impairment allowance, and expected receipts and recoveries once impaired.

19. Share capital

	2019	2018
	£	£
Ordinary B class shares of £1, allotted, called up and fully paid	2,700,000	2,100,000
Ordinary C class shares of £0.01, allotted, called up and fully paid	3,684	-
Ordinary D class shares of £0.01, allotted, nil paid	0	-
Shares classified as equity, allotted, called up and paid	**2,703,684**	2,100,000
C-Class Shares, nil paid, nominal value (1p)	1,330	1,330
Shares classified as equity, allotted, nil paid	**1,330**	1,330
Ordinary B class share premium of £4, allotted, called up and fully paid	4,400,000	4,400,000
Ordinary C class shares of £0.01, allotted, called up and fully paid	836	-
C-Class Shares, nil paid, share premium	27,625	27,625
Share Premium	**4,428,461**	4,427,625
Total share capital	**7,133,475**	6,528,955

20. 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.

21. 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
Between 1 and 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 GDFC Services plc still is the main lessor. As part of this transaction, Hiber granted a creditor of the same amount as the rental deposit held by GDFC Services plc's landlord, repayable upon cancellation of the lease and receipt of the deposit by GDFC Services plc. The first permitted break of this lease is in December 2020.

22. Warrant

The outstanding debentures issued by GDFC Services plc through the Abundance platform were acquired by Allium Lending Group Limited and subsequently converted into warrants in July 2019.

23. Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the group financial statements

A consortium of private investors including Honeycomb Investment Trust PLC plc (Company number 09899024), Greenstone Management LLP (Registered number OC413612), Adam Knight (private investor) and Aurium GD LLP (Registered number OC413991) participated in a competitive sale process to acquire GDFC Group Limited and successfully completed the purchase on 13 January 2017. The parties forming the consortium became ultimate owner of GDFC Group Limited.

Related party transactions include transactions with Honeycomb Investment Trust PLC in connection with loan portfolio management service charge received from Honeycomb Investment Trust PLC, loan facilities obtained from Honeycomb Investment Trust PLC and remuneration paid to directors as disclosed in note 5, 16 and 9 respectively

Allium Lending Group Limited 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 party

As of 31 December 2019, the ultimate controlling parties was 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.