

Fluent Loans Limited

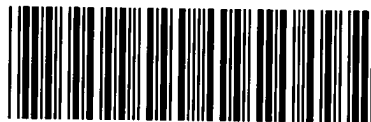
Directors' Report and Financial Statements

Year Ended

31 March 2020

Company Number 06890680

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Fluent Loans Limited

Company Information

Directors	S Almond P Ford K Hindley M Kilgallon S Moore G Taylor T Wheeldon
Company secretary	T Wheeldon
Registered number	06890680
Registered office	102 Rivington House Chorley New Road Horwich Bolton England BL6 5UE
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT

Fluent Loans Limited

Contents

	Page
Directors' Report	1 - 2
Directors' Responsibilities Statement	3
Independent Auditor's Report	4 - 6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Notes to the Financial Statements	9 - 15

Fluent Loans Limited

Directors' Report For the Year Ended 31 March 2020

The Directors present their report and the audited financial statements for the year ended 31 March 2020.

Principal activity

The principal activity of the Company is that of financial product advisory services.

Directors

The Directors who served during the year were:

S Almond
P Ford
K Hindley
M Kilgallon
S Moore
G Taylor
T Wheeldon

Going concern

Despite difficult trading conditions, the business has sufficient net assets & cash reserves to meet all foreseeable financial commitments.

Fluent Loans is supported by the wider Fluent Group. The directors believe that the major factors which could impact financial performance have been addressed. Fluent is in a good position to absorb the impact of Covid-19. At this time, Fluent has adequate liquidity and financial resources, supported by a healthy pipeline of business. The group has arranged a £2m CBILs facility and utilised the furlough scheme where appropriate. It also has a proven track record of successful and agile adaptation to rapidly changing environments. Fluent has a number of levers within its control that it can pull in order to protect itself from severe worsening of market conditions. On this basis, the directors have modelled several scenarios and are confident that they can withstand the impact of Covid-19.

The directors have reviewed the company's forecasts and projections, taking into account possible changes in trading performance and consider that the company has sufficient resources to meet liabilities as they fall due. Fluent has largely maintained its cash balances, excluding bank loan, throughout the six months post the first lockdown and the balance has steadily increased from then to the time of writing this report.

Consequently, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

Disclosure of information to auditor

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

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

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.


Fluent Loans Limited

Directors' Report (continued) For the Year Ended 31 March 2020

Small companies note

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

This report was approved by the board on 17 December 2020 and signed on its behalf.

A handwritten signature in black ink, consisting of a stylized 'K' followed by several vertical strokes, all underlined by a long horizontal line.

K Hindley
Director

Fluent Loans Limited

Directors' Responsibilities Statement For the Year Ended 31 March 2020

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

Fluent Loans Limited

Independent Auditor's report to the members of Fluent Loans Limited

Opinion

We have audited the financial statements of Fluent Loans Limited ("the Company") for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the 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 March 2020 and of its profit 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.

Conclusions relating to going concern

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

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

Fluent Loans Limited

Independent Auditor's report to the members of Fluent Loans Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Fluent Loans Limited

Independent Auditor's report to the members of Fluent Loans Limited (continued)

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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: <https://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.



Julien Rye (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom

17 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Fluent Loans Limited

Statement of Comprehensive Income For the Year Ended 31 March 2020

	2020 £	2019 £
Turnover	702,747	944,944
Cost of sales	(368,722)	(471,366)
Gross profit	334,025	473,578
Administrative expenses	(187,212)	(345,099)
Profit before tax	146,813	128,479
Tax on profit	240	1,838
Profit for the financial year	147,053	130,317

There was no other comprehensive income for 2020 (2019 - £Nil).

The notes on pages 9 to 15 form part of these financial statements.

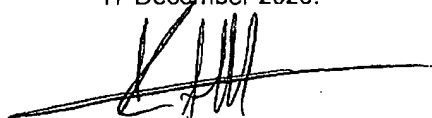
Fluent Loans Limited
Registered number: 06890680

Statement of Financial Position
As at 31 March 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	5		-		954
Current assets					
Debtors: amounts falling due within one year	6	75,307		111,521	
Cash at bank and in hand		320,274		98,828	
		<u>395,581</u>		<u>210,349</u>	
Creditors: amounts falling due within one year	7	(90,620)		(53,155)	
Net current assets			<u>304,961</u>		<u>157,194</u>
Total assets less current liabilities			<u>304,961</u>		<u>158,148</u>
Provisions for liabilities					
Deferred tax	8		(158)		(398)
Net assets			<u><u>304,803</u></u>		<u><u>157,750</u></u>
Capital and reserves					
Called up share capital			100		100
Profit and loss account			304,703		157,650
Total equity			<u><u>304,803</u></u>		<u><u>157,750</u></u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 December 2020.



K Hindley
Director

The notes on pages 9 to 15 form part of these financial statements.

Fluent Loans Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

1. General information

Fluent Loans Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activities are set out in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The presentational currency in the financial statements is GB Pounds and all figures are rounded to the nearest £1.

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 Going concern

Despite difficult trading conditions, the business has sufficient net assets & cash reserves to meet all foreseeable financial commitments.

Fluent Loans is supported by the wider Fluent Group. The directors believe that the major factors which could impact financial performance have been addressed. Fluent is in a good position to absorb the impact of Covid-19. At this time, Fluent has adequate liquidity and financial resources, supported by a healthy pipeline of business. The group has arranged a £2m CBILs facility and utilised the furlough scheme where appropriate. It also has a proven track record of successful and agile adaptation to rapidly changing environments. Fluent has a number of levers within its control that it can pull in order to protect itself from severe worsening of market conditions. On this basis, the directors have modelled several scenarios and are confident that they can withstand the impact of Covid-19.

The directors have reviewed the company's forecasts and projections, taking into account possible changes in trading performance and consider that the company has sufficient resources to meet liabilities as they fall due. Fluent has largely maintained its cash balances, excluding bank loan, throughout the six months post the first lockdown and the balance has steadily increased from then to the time of writing this report.

Consequently, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts

Fluent Loans Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business when the Company has fulfilled its obligations and earned its right to consideration. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover comprises commissions and fees earned during the year.

2.4 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.6 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.

Fluent Loans Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

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	-	25%
Office equipment	-	25%

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 profit or loss.

2.7 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each year end date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each year end date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Debtors

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

2.9 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.

2.10 Creditors

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

2.11 Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The Company's cash at bank and in hand and trade and other debtors and its trade and other

Fluent Loans Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.11 Financial instruments (continued)

creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

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

The Directors have made no significant judgements in preparing these financial statements.

4. Employees

The average monthly number of employees, including Directors, during the year was 12 (2019 - 16).

5. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost			
At 1 April 2019	2,336	43,498	45,834
At 31 March 2020	2,336	43,498	45,834
Depreciation			
At 1 April 2019	2,285	42,595	44,880
Charge for the year on owned assets	51	903	954
At 31 March 2020	2,336	43,498	45,834
Net book value			
At 31 March 2020	-	-	-
At 31 March 2019	51	903	954

Fluent Loans Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

6. Debtors

	2020 £	2019 £
Trade debtors	46,686	76,466
Amounts owed by group undertakings	27,558	28,216
Other debtors	270	100
Prepayments and accrued income	793	6,739
	<u>75,307</u>	<u>111,521</u>

Amounts owed by group undertakings are interest free and due on demand.

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	8,026	21,768
Amounts owed to group undertakings	67,595	-
Other taxation and social security	4,178	4,016
Other creditors	1,128	1,787
Accruals and deferred income	9,693	25,584
	<u>90,620</u>	<u>53,155</u>

Amounts owed to group undertakings are interest free and due on demand.

8. Deferred taxation

	2020 £
At beginning of year	398
Credited to profit or loss	(240)
At end of year	<u>158</u>

Fluent Loans Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

8. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Fixed asset timing differences	372	594
Short term timing differences	(214)	(196)
	<u>158</u>	<u>398</u>

9. Contingent liabilities

The Company has given a cross guarantee in respect of loan notes provided to Project Finland Bidco Limited. At 31 March 2020, an amount of £20,525,998 (2019 - £20,588,491) was outstanding in respect of this facility. The maturity date of the loan notes is 28 February 2022.

10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £7,516 (2019 - £6,915). Contributions totalling £1,128 (2019 - £1,787) were payable to the fund at the reporting date and are included in creditors.

11. Related party transactions

The Company has taken advantage of the exemption under FRS 102 1AC.35 from disclosing intra group transactions on the basis that any subsidiary which is a party to the transaction is wholly-owned by such a member.

Fluent Mortgages Limited - related party through common ownership

During the year, the Company made purchases of £Nil (2019 - £1,200). The Company also received income of £11,308 (2019 - £11,000). At the year end there was a debtor balance of £8,815 (2019 - £Nil).

Fluent Lifetime Limited - related party through common ownership

At the year end there was a debtor balance of £743 (2019 - £Nil).

Fluent Loans Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

12. Controlling party

The immediate parent company is The Fluent Money Group Limited which is registered at 102 Rivington House, Chorley New Road, Horwich, Bolton, England, BL6 5UE.

The ultimate parent company, Project Finland Topco Limited, has no individual controlling party, and is incorporated in England and Wales.

The parent undertaking of the smallest and largest group for which consolidated accounts are prepared is Project Finland Topco Limited. Consolidated accounts are available from its registered office, 102 Rivington House, Chorley New Road, Horwich, Bolton, England, BL6 5UE.