

Company registration number: 08302549

FLURO PLATFORM LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

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FLURO PLATFORM LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

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FLURO PLATFORM LIMITED

OFFICERS, PROFESSIONAL ADVISORS, AND INDEPENDENT AUDITORS
YEAR ENDED 31 DECEMBER 2022

Directors

Simon Waugh
Nicholas Harding
Matthew Powell (resigned 23 August 2023)
Kawai Chung (appointed 30 June 2023)

Company registration number

08302549

Registered office

55 Old Broad Street
London
EC2M 1RX

Independent auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

FLURO PLATFORM LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2022

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2022.

Principal activities and future developments

The principal activity of the Company throughout the year was the development and provision of a lending platform, which links borrowers to lenders for the provision of consumer loans. This is expected to remain the Company's principal activity in future periods. The Company was authorised to provide this service by the Financial Conduct Authority on 12 October 2016 (firm reference number: 723151). The Company was named Lending Works Limited until 5 September 2022, when it changed its name to Fluro Platform Limited.

Results and dividends

The loss for the year, after taxation, was £6,093,368 (2021: loss of £5,089,906), driven primarily by staff costs and other administrative expenses. The directors are unable to recommend a payment and did not pay a dividend in respect of the current year (2021: nil).

Directors of the Company

The directors who served the Company during the year and up to the date of this report are as listed on page 1. The Directors and their immediate relatives and the company secretary did not hold an interest in any shares, deferred shares or loan stock of the Company as at 31 December 2022 or at anytime during or since the financial year end. Details of share options are included in note 19 to the financial statements.

Donations

The Company made no donations to a political party, organisation, or election candidate in the year (2021: nil). The Company made charitable donations totalling £320 (2021: nil).

Streamlined Energy and Carbon Reporting

The Company is out of scope of the Streamlined Energy and Carbon Reporting as it does not meet the numerical thresholds in relation to turnover and number of employees.

Financial Risk Management

Credit Risk

The Company seeks to mitigate credit risk in relation to its loan portfolio by developing and continuously reviewing its creditworthiness policy, designing comprehensive procedures to assess loan affordability, hiring talented and experienced credit, data and risk professionals, and developing comprehensive staff training programmes.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure it maintains sufficient cash reserves to facilitate its strategic plan. The Company's cash position is monitored regularly by both management and

Financial Risk Management (continued)

Liquidity Risk (continued)

the board of directors. Cash flow forecasting and sensitivity analysis is used to manage the stability of the projected liquidity changes to ensure it has sufficient cash to meet operational needs.

Regulatory Risk

Regulatory risk relates to the risk of financial loss resulting from a change in relevant laws and regulations affecting the Company.

The Company is authorised and regulated by the Financial Conduct Authority and is subject to many regulatory requirements. The regulatory landscape for the peer-to-peer lending industry continues to evolve and the Company closely monitors any changes in the regulatory environment that might affect the business. The Company maintains an open and proactive relationship with the regulator. The Company is subject to a minimum regulatory capital requirement of £157,000 (2021: £97,000).

Going concern

The Directors have assessed the likelihood the Company will be able to meet its debts as they fall due for the foreseeable future, which has been taken as 12 months from the date of approval of the financial statements. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including the current statement of financial position, future projections of profitability, cash flows, capital resources, and the longer-term strategy of the business.

The Company recorded a loss before tax for the year of £6.1m (2021: loss of £5.1) and held cash of £2.3m at 31 December 2022 (2021: £2.8m). Losses in the period were driven by lower than forecast loan origination volumes, as the lending market was disrupted by rising interest rates and the cost-of-living crisis. In response to these disruptions, the Company scaled back new lending, and is working to recalibrate its credit model to ensure it meets the demands of the new market environment.

The Directors believe that the Company will continue to generate a loss in the period following this report as it works through this recalibration and resumes pursuit of higher lending volumes. As such, it will continue to be dependent on the availability of additional funding from its ultimate owner. The Directors are in regular communication with the ultimate owners, and it is their view that the Group's ultimate owners will continue to support the Group and the Company in the period of going concern assessment. The Company's continued operations are critical to the success of the wider Fluro group making the cessation of funding highly unlikely.

As the Company's longer-term strategy, as mentioned above, is reliant on the availability of additional funding, in their going concern assessment the Directors have also considered a hypothetical downside scenario, which assumed that no further funding will be available to the Company. Under such a scenario, new originations would be immediately stopped, and the existing loan book would be placed into run off. In such a scenario, the Company will continue to service the loans originated in exchange for the ongoing servicing fees from Fluro Capital Limited.

Going concern (continued)

Under this scenario, ongoing administrative expenses decline significantly due to a reduction in the required headcount and origination costs. The Director's assessment showed that under such a scenario, the Company would still have sufficient cash available to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements.

The Directors have, therefore, adopted the going concern basis of accounting in preparing the financial statements.

Qualifying third party indemnity provisions

Qualifying third party indemnity provisions for the benefit of the Directors were in force during the year under review and remain in force as at the date of approval of the financial statements.

Directors' confirmations

In the case of each director in office at the date the director's report is approved:

- So far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information and to establish that the company's auditors are aware of that information.

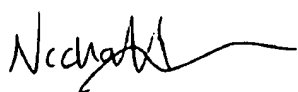
Reappointment of independent auditors

PricewaterhouseCoopers LLP were appointed as the auditors of the Company, in place of Grant Thornton UK LLP. Having expressed their willingness to continue in office, pursuant to section 489 of the Companies Act 2006, a resolution for the re-appointment of PricewaterhouseCoopers LLP will be approved at the next board meeting.

Exemption from the requirement to prepare a strategic report

The directors have taken advantage of the exemption available under section 414B of the Companies Act 2006 from the requirement to prepare a strategic report.

Approved by the board of directors and signed on its behalf by:



Nicholas Harding
Director
29 September 2023

FLURO PLATFORM LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

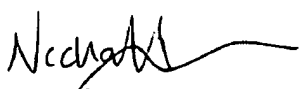
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.



Nicholas Harding

Director

29 September 2023

Company registration number: 08302549

Independent auditors' report to the members of Fluro Platform Limited

Report on the audit of the financial statements

Opinion

In our opinion, Fluro Platform Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: Statement of Financial Position as at 31 December 2022; Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

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

FLURO PLATFORM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLURO PLATFORM LIMITED (CONTINUED)

YEAR ENDED 31 DECEMBER 2022

be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006 and taxation legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journals. Audit procedures performed by the engagement team included:

- Making inquiries with those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Testing journals using a risk-based approach and evaluating whether there was evidence of bias;
- Incorporating unpredictability into the nature, timing and extent of our testing;
- Reviewed minutes of board meetings which occurred during the year; and
- Review of the financial statements' disclosures to underlying supporting documentation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not

FLURO PLATFORM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLURO PLATFORM LIMITED (CONTINUED)

YEAR ENDED 31 DECEMBER 2022

detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Jessica Miller (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 September 2023

FLURO PLATFORM LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2022

		Year ended 31 December 2022 £	Year ended 31 December 2021 £
	Note		
Turnover	5	5,916,202	5,448,144
Cost of sales		(2,618,172)	(4,387,628)
Gross profit		3,298,030	1,060,516
Administrative expenses	6	(9,307,760)	(6,042,882)
Operating loss		(6,009,730)	(4,982,366)
Interest payable and similar expenses	9	(104,390)	(93,205)
Loss before taxation		(6,114,120)	(5,075,571)
Tax on loss	10	20,752	(14,335)
Loss for the financial year	18	(6,093,368)	(5,089,906)
Other comprehensive income		-	-
Total comprehensive loss for the financial year		(6,093,368)	(5,089,906)

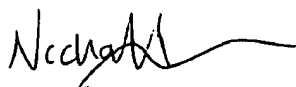
The notes on pages 12 to 26 form an integral part of these financial statements.

FLURO PLATFORM LIMITED
STATEMENT OF FINANCIAL POSITION
YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	136,297	109,234
		136,297	109,234
Current assets			
Debtors	12	1,867,643	1,718,476
Cash at bank and in hand	13	2,316,611	2,848,976
		4,184,254	4,567,452
Creditors: amounts falling due within one year	14	(3,370,963)	(1,822,048)
Net current assets		813,291	2,745,404
Total assets less current liabilities		949,588	2,854,638
Provisions for liabilities	15	(42,614)	(20,754)
Net assets		906,974	2,833,884
Capital and reserves			
Called up share capital	17	141,036	99,463
Share premium account	18	22,443,041	18,327,348
Profit and loss account	18	(21,677,103)	(15,592,927)
Total capital and reserves		906,974	2,833,884

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

The financial statements were approved by the Board and signed on its behalf by:



Nicholas Harding

Director

29 September 2023

Company registration number: 08302549

The notes on pages 12 to 26 form an integral part of these financial statements.

FLURO PLATFORM LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2021	36,963	12,139,848	(10,506,295)	1,670,516
Loss for the year	-	-	(5,089,906)	(5,089,906)
Capital contributions	-	-	3,274	3,274
Issue of shares	62,500	-	-	62,500
Premium on issue of shares	-	6,187,500	-	6,187,500
At 31 December 2021	99,463	18,327,348	(15,592,927)	2,833,884
Loss for the year	-	-	(6,093,368)	(6,093,368)
Capital contributions	-	-	9,192	9,192
Issue of shares	41,573	-	-	41,573
Premium on issue of shares	-	4,115,693	-	4,115,693
At 31 December 2022	141,036	22,443,041	(21,677,103)	906,974

'Capital contributions' represents amounts in relation to shares in Fluro Group Ltd, the parent company, granted to certain employees. Full details of share-based payments are set out in note 19.

The notes on pages 12 to 26 form an integral part of these financial statements.

FLURO PLATFORM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

1. COMPANY INFORMATION

The Company is a private company limited by shares and is registered in England and Wales (company registration number 08302549). The Company is authorised and regulated by the Financial Conduct Authority (firm reference number 723151). The principal activity of the Company throughout the year is set out in the Directors' Report on page 2.

The Company was named Lending Works Limited until 5 September 2022, when it changed its name to Fluro Platform Limited.

The Company's registered office is at 55 Old Broad Street, London, EC2M 1RX.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 section 1A – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland for smaller entities' ('FRS 102 1A'), and with the Companies Act 2006. The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities at fair value.

Consolidated financial statements have not been prepared as the Company has taken the exemption available in section 399 of the Companies Act 2006 applicable to companies subject to the small companies' regime.

The financial statements are presented in Sterling (£).

The Company has taken advantage of the exemption that a small entity that prepares financial statements under FRS 102 is exempt from the requirement to prepare a cash flow statement (FRS 102 para 7.1B).

Going concern

The Directors have assessed the likelihood the Company will be able to meet its debts as they fall due for the foreseeable future, which has been taken as 12 months from the date of approval of the financial statements. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including the current statement of financial position, future projections of profitability, cash flows, capital resources, and the longer-term strategy of the business.

The Company recorded a loss before tax for the year of £6.1m (2021: loss of £5.1) and held cash of £2.3m at 31 December 2022 (2021: £2.8m). Losses in the period were driven by lower than forecast loan origination volumes, as the lending market was disrupted by rising interest rates and the cost-of-living crisis. In response to these disruptions, the Company scaled back new lending, and is working to recalibrate its credit model to ensure it meets the demands of the new market environment.

The Directors believe that the Company will continue to generate a loss in the period following this report as it works through this recalibration and resumes pursuit of higher lending volumes. As such, it will continue to be dependent on the availability of additional funding from its ultimate owner. The Directors are in regular communication with the ultimate owners, and it is their view that the Group's ultimate owners will continue to support the Group and the Company in the period of going concern assessment. The Company's continued operations are critical to the success of the wider Fluro group making the cessation

2. BASIS OF PREPARATION (CONTINUED)

Going Concern (continued)

of funding highly unlikely.

As the Company's longer-term strategy, as mentioned above, is reliant on the availability of additional funding, in their going concern assessment the Directors have also considered a hypothetical downside scenario, which assumed that no further funding will be available to the Company. Under such a scenario, new originations would be immediately stopped, and the existing loan book would be placed into run off. In such a scenario, the Company will continue to service the loans originated in exchange for the ongoing servicing fees from Fluro Capital Limited.

Under this scenario, ongoing administrative expenses decline significantly due to a reduction in the required headcount and origination costs. The Director's assessment showed that under such a scenario, the Company would still have sufficient cash available to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements.

The Directors have, therefore, adopted the going concern basis of accounting in preparing the financial statements.

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires Directors to make judgements, estimates and assumptions in determining the carrying amount of assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the financial year in which the estimates are revised if the revision affects only that year or in the financial year of the revision and future years if the revision affects both current and future financial years.

The Directors have assessed that no judgements and estimates are considered significant for the Financial Statements.

4. PRINCIPAL ACCOUNTING POLICIES

a) Tangible assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight-line method. The rates applicable are:

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

a) Tangible assets (continued)

- Computer equipment: 3 years
- Furniture and other office equipment: 3 years
- Fixtures and fittings: 5 years

Impairment

At each reporting date, fixed 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 carrying 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.

b) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits held at call with banks.

c) Debtors

Debtors comprise amounts due for services performed by the Company. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Debtors are initially recognised at transaction price, and subsequently measured at amortised cost.

d) Creditors

Creditors comprise amounts payable by the Company. Credits are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities. Creditors are initially recognised at transaction price, and subsequently measured at amortised cost.

e) Provisions for liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

e) Provisions for liabilities (continued)

The Company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

f) Financial instruments

The Company has elected to apply the recognition and measurement provisions of IAS 39, the disclosure requirements of Section 11 and 12 of FRS 102 and the presentation requirements of paragraphs 11.38A of FRS 102 in respect of financial instruments.

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are classified as financial assets at fair value through profit or loss, available-for-sale financial assets, loans and receivables, or held-to-maturity investments. The Company determines the classification of its financial assets at initial recognition.

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.

The only financial liabilities held by the Company either during the year or at the reporting date are classified as loan liabilities.

Loan liabilities - Loan liabilities are initially recognised at fair value. They are subsequently stated at amortised cost, using the effective interest method.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

g) Turnover

Turnover arises from the principal activity of the Company and primarily represents the commission charged to borrowers in relation to loans issued via the lending platform, comprised of loan arrangement fees and ongoing service fees. Loan arrangement fees are recognised when the borrower accepts the loan. Ongoing service fees, which arise from the difference between the rate payable by the borrower and the rate receivable by the lender(s), are recognised in line with the loan repayment profile over the life of the loan. Additionally, the Company charges a recurring servicing fee to FCL based on a fixed percentage of the value of loans under management funded by FCL. This fee is recognised as it is charged.

h) Administrative expenses

Expenses are recognised in the Statement of Comprehensive income in the period in which they are incurred on an accruals basis.

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

i) Operating leases

Rent payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Company recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

j) Share capital

Ordinary shares are classified as equity.

k) Share-based payments

Share-based compensation benefits are provided to employees under an equity-settled scheme. The fair value of options granted is recognised an expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value. The total expense is recognised over the expected vesting period, which is the period over which the vesting conditions are expected to be satisfied.

l) Taxation

The tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

5. TURNOVER

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Loan servicing fee income	2,600,377	4,186,076
Loan arrangement fee income	1,719,990	1,220,114
Fees payable by related entities	1,530,401	-
Other income	65,434	41,954
Total turnover	5,916,202	5,448,144

FLURO PLATFORM LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2022

6. ADMINISTRATIVE EXPENSES

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Staff costs	5,098,795	2,838,837
Software and hosting	881,134	534,545
Fees paid to related entities	757,440	551,553
Professional services	442,256	609,311
Operating lease costs	315,426	191,322
Marketing and advertising	161,487	-
Depreciation and amortisation	63,314	33,463
Other administrative expenses	1,587,908	1,283,851
Total administrative expenses	9,307,760	6,042,882

7. AUDITORS' REMUNERATION

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Audit of the financial statements (exclusive of VAT)	66,000	30,000
Report on client assets (CASS) (exclusive of VAT)	-	41,400
Other non-audit services (exclusive of VAT)	102,500	-
Total auditors' remuneration	168,500	71,400

The Company paid a total cost of £205,000 for non-audit services, of which 50% was recharged to Fluro Capital Limited.

FLURO PLATFORM LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2022

8. STAFF COSTS

Staff costs during the year were as follows:

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Wages and salaries	4,143,103	2,341,292
Social security costs	511,603	273,661
Pension and other employee benefits	434,897	220,610
Share-based remuneration cost	9,192	3,274
Total staff costs	5,098,795	2,838,837

The Company operates a stakeholder defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by an independent pension provider. Pension payments, which include both employee and company contributions, recognised as an expense during the year amount to £397,497 (2021: £201,241).

The average number of employees of the Company during the year was 68 (2021: 44)

9. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Interest payable and similar charges	104,390	93,205
Total interest payable and similar charges	104,390	93,205

The Company has an unsecured loan facility in place with its immediate parent undertaking Fluro Group Ltd, for general corporate and working capital purposes. Interest accrues on the loan facility at 12% per annum (2021: 12%) and is rolled up and payable on demand. The total commitment size is £772,644 and has no final maturity date.

FLURO PLATFORM LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2022

10. TAXATION

The tax (credit)/charge is based on the loss for the year and represents:

	2022 £	2021 £
Current tax:		
UK corporation tax at 19% (2021: 19%)	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	(20,203)	14,335
Adjustment in respect of previous periods	5,830	-
Effect of changes in tax rates	(6,379)	-
Total deferred tax	(20,752)	14,335
Tax (credit)/charge on loss for the year	(20,752)	14,335

The tax assessed on the loss for the year is different to the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are reconciled below:

	2022 £	2021 £
Loss before taxation	(6,114,120)	(5,075,571)
Loss before taxation multiplied by small profits rate of corporation tax in the UK of 19% (2021: 19%)	(1,161,683)	(964,358)
Expenses not deductible for tax purposes	266	6,874
Income not taxable	(5,151)	-
Adjustments from prior periods	5,830	14,335
Tax rate changes	(6,379)	-
Deferred tax unrecognised	1,146,365	957,484
Tax (credit)/charge on loss for the year	(20,752)	14,335

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2022

10. TAXATION (CONTINUED)

At 31 December 2022, the Company has tax losses of £19,045,228 (2021: £12,856,888) that are available for offset against future taxable profits of the Company. A deferred tax asset has not been recognised in respect of these losses as the directors consider that it is uncertain that there will be sufficient future taxable profits against which these losses can be offset. Deferred tax balances have been calculated at the rate at which temporary differences are expected to unwind. The proposed further rate reduction may impact future current and deferred tax balances when enacted.

Finance Act 2016 introduced a reduction in the UK corporation tax rate to 17% from 1 April 2020. However, this rate deduction was reversed in the UK Budget in March 2020. Legislation was enacted during that year to confirm the 19% UK corporation tax rate to remain in place until 1 April 2023. The UK corporation tax rate has increased to 25% from 1 April 2023.

11. TANGIBLE ASSETS

	Furniture & other office equipment £	Computer equipment £	Total £
Cost or valuation			
At 31 December 2021	19,600	164,093	183,693
Additions	12,677	77,700	90,377
At 31 December 2022	32,277	241,793	274,070
Depreciation			
At 31 December 2021	5,552	68,907	74,459
Charge for the year	6,623	56,691	63,314
At 31 December 2022	12,175	125,598	137,773
Net book value			
At 31 December 2021	14,048	95,186	109,234
At 31 December 2022	20,102	116,195	136,297

FLURO PLATFORM LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2022

12. DEBTORS

	2022	2021
	£	£
Receivable from related entities	1,466,794	1,491,094
Prepayments and accrued income	291,233	190,606
Other debtors	67,002	36,776
Deferred tax receivable	42,614	-
Total	1,867,643	1,718,476

13. CASH AT BANK AND IN HAND

	2022	2021
	£	£
Unrestricted cash	2,316,552	2,847,310
Restricted cash	59	1,666
Total	2,316,611	2,848,976

Restricted cash relates to subsidies received in respect of interest-free retail finance loans. These funds are held in a segregated account with NatWest and will be used to pay loan interest to participating investors as it falls due.

On 28 December 2022, the Company received a misdirected cash transfer of £1,100,000 that was intended for Fluro Capital Ltd, a related entity. This balance is included in the cash total and was remitted to Fluro Capital Ltd on 3 January 2023.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Payable to related entities	1,100,000	-
Unsecured term loan facility	974,303	869,913
Accruals and deferred income	737,479	407,243
Trade creditors	353,925	413,189
Taxation and social security	165,739	106,957
Other creditors	39,517	24,746
Total	3,370,963	1,822,048

FLURO PLATFORM LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2022

14. CREDITORS (CONTINUED)

Details of the unsecured term loan facility can be found in Note 9. The balance at 31 December 2022 is measured at amortised cost.

15. PROVISIONS FOR LIABILITIES

	Deferred tax (note 16) £
At 31 December 2021	20,754
Adjustment in respect of prior years	5,830
Arising during the year	16,030
At 31 December 2022	42,614

Provisions for liabilities relate to deferred taxation, as detailed in note 16.

16. DEFERRED TAXATION

Deferred taxation provided for at 19% (2021: 19%) in the financial statements is set out below:

	2022 £	2021 £
Accelerated capital allowances (note 15)	42,614	20,754
Total	42,614	20,754

The amount of the net reversal of deferred tax expected to occur next year is £nil, as the amount of reversal of Deferred Tax Liabilities on existing timing differences on tangible fixed assets would be equally offset against recognised Deferred Tax Assets of losses carried forward.

17. CALLED UP SHARE CAPITAL

Authorised, allotted and fully paid:	2022 £	2021 £
14,103,570 ordinary A shares of £0.01 each (2021: 9,946,305)	141,036	99,463
28,314 ordinary B shares of £0.000001 each (2021: 28,314)	-	-
Total	141,036	99,463

The following share issuances were made during the year:

FLURO PLATFORM LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2022

17. CALLED UP SHARE CAPITAL (CONTINUED)

	Price paid (£)
26 January 2022 – 1,360,000 ordinary A shares of £0.01 each	1,360,000
1 April 2022 – 197,265 ordinary A shares of £0.01 each	197,265
29 April 2022 – 480,000 ordinary A shares of £0.01 each	480,000
30 May 2022 – 400,000 ordinary A shares of £0.01 each	400,000
5 July 2022 – 470,000 ordinary A shares of £0.01 each	470,000
3 August 2022 – 410,000 ordinary A shares of £0.01 each	410,000
2 September 2022 – 340,000 ordinary A shares of £0.01 each	340,000
29 December 2022 – 500,000 ordinary A shares of £0.01 each	500,000

18. RESERVES

	Share premium account £	Profit and loss account £	Total £
At 31 December 2021	18,327,348	(15,592,927)	2,734,421
Premium on issue of shares	4,115,693	-	4,115,693
Capital contributions	-	9,192	9,192
Loss for the year	-	(6,093,368)	(6,093,368)
At 31 December 2022	22,443,041	(21,677,103)	765,938

The premium on issue of shares arising during the year reflects the net proceeds of investment after incremental, directly attributable transaction costs and the nominal value of share capital issued.

'Capital contributions' represents amounts in relation to shares in Fluro Group Ltd, the parent company, granted to certain employees. Full details of share-based payments are set out in note 19.

19. SHARE-BASED PAYMENTS

Management Incentive Plan ("MIP") awards

Awards under the MIP comprise of B and C Ordinary Shares in Fluro Group Limited (the Company's direct parent) which management have acquired an immediate beneficial interest in. 2,190 B shares and 2,190 C shares were subscribed for by members of management on 24 August 2021 at a price of £0.01 per share and £0.001 per share respectively.

FLURO PLATFORM LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2022

19. SHARE-BASED PAYMENTS (CONTINUED)

The B shares are ordinary equity in Fluro Group Limited ranking pari passu with A Ordinary Shares on a return of capital. The C Shares are entitled to between 0.0% and 5.0% of distributable proceeds on a return of capital, depending on the return realised by the majority shareholder.

The vesting of B and C Shares is subject to continued employment until a return of capital on a future sale or IPO of the Fluro group.

The key inputs used to calculate the fair value of both the B and C Shares are summarised in the following table:

Grant date	24 August 2021
Equity value at grant	£8,500,000
Expected term	4.0 years
Risk-free interest rate	0.3%
Expected dividend yield	0.0%
Expected volatility	75.0%

Expected volatility was determined by reference to the historical volatility of a group of comparable quoted companies over a period in line with the expected term assumption.

The fair value of the B and C Shares was determined using a Monte Carlo option pricing model taking into account the likelihood that the market-based performance condition relating to the C Shares will be met and consequently the returns payable to the B and C shareholders.

The B and C Shares are accounted for as an equity-settled share-based payment transaction. The total charge for the year for share-based payments was £9,192 (2021: £3,274).

20. LEASING COMMITMENTS

The Company's future minimum operating lease payments are as follows:

	2022 Land and buildings £	2021 Land and buildings £
Within one year	384,426	224,249
Between one year and three years	352,391	738,817
Total	736,817	963,066

The Company entered a three-year lease for new premises which commenced on 3 September 2021.

21. FINANCIAL RISK MANAGEMENT

Credit risk

The Company is not directly exposed to the credit risk of the loans made via the Fluro Platform, as all funding for the loans is provided by third parties. However, the Company does receive servicing fees that are linked to the overall value of the loan portfolio and as such excess losses would lead to a reduction in overall income.

This risk is mitigated through careful management of the credit process through the application of credit models, policies, and collections procedures throughout the entire loan lifecycle. The Company continuously reviews its creditworthiness policy, designs comprehensive procedures to assess loan affordability, hires talented and experienced credit, data, and risk professionals, and develops comprehensive staff training programmes.

Credit risk also arises from trade receivables and cash and cash equivalents. The Company has implemented certain operational processes and policies to address the Company's credit related risks around counterparty risk and transactional bad debt. The credit quality of the financial assets has been assessed and no impairment is required.

Counterparty risk in relation to the cash and cash equivalents held is managed by selecting and working only with appropriate financial institutions. The financial stability of partners is assessed prior to and at regular intervals during the relationship, including an assessment of partners' external credit ratings, where available.

Liquidity risk

Liquidity risk relates to the risk that the Company is unable to meet its financial obligations as they fall due. The risk arises from unexpected (in terms of timing or amount) cash outflows or expected inflows which fail to materialise. The Company manages this risk through regular equity funding received from its direct parent. All creditors balances outstanding at year-end are payable within one year.

22. TRANSACTIONS WITH RELATED PARTIES

During the year, the Company received £4,157,265 (2021: £6,250,000) of equity investment from its immediate parent, Fluro Group Limited. Additionally, the company accrued interest payable of £104,390 (2021: £93,205) on the secured term loan to Fluro Group Limited, with a balance outstanding as at 31 December 2022 of £974,303 (2021: £869,913). The Company incurred £757,440 (2021: £551,553) of management charges from Fluro Group Limited.

During the year, the Company paid certain costs and expenses on behalf of fellow group undertakings. At 31 December 2022, the Company was owed £1,466,794 (2021: £1,382,731) by Fluro Group Limited and £nil (2021: £108,363) by Fluro Capital Limited, a fellow subsidiary undertaking of Fluro Group Limited, in respect of such transactions.

During the year, the Company earned £1,539,230 (2021: £691,608) in loan arrangement fees, £1,423,897 (2021: £22,966) in servicing fees, and £1,530,401 (2021: £nil) in staff cost recharges from Fluro Capital

FLURO PLATFORM LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2022

22. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Limited. At year-end, the Company had a payable of £1,100,000 (2021: £nil) owed to Fluro Capital Limited, related to a misdirected cash transfer.

During the year, the Company paid £1,223,858 (2021: £3,906,568) in contributions to the Lending Works Shield, administered by Lending Works Trustee Limited.

23. ULTIMATE CONTROLLING PARTY

At 31 December 2022, the Company's immediate parent undertaking was Fluro Group Limited, a company incorporated in Jersey which holds the entire share capital of the Company. Fluro Group Limited does not prepare consolidated financial statements. The registered office of Fluro Group Limited is 4th Floor, St Paul's Gate 22-24 New Street, St Helier, JE1 4TR, Jersey.

The ultimate controlling party is Intriva Capital European Principal Investment Fund II L.P.

24. POST BALANCE SHEET EVENTS

In August 2023, the Company implemented a strategic review of the business in response to the evolving economic landscape and changing market dynamics and as a result implemented workforce optimization program aimed at ensuring the long-term sustainability and competitiveness of the business. This review led to a 25% reduction in staffing, affecting all departments within the organisation.

The following equity investments have been made into the Company since the balance sheet date by Fluro Group Ltd, the Company's immediate parent undertaking.

	Price paid (£)
30 January 2023 – 500,000 ordinary A shares of £0.01 each	500,000
28 February 2023 – 300,000 ordinary A shares of £0.01 each	300,000
29 March 2023 – 500,000 ordinary A shares of £0.01 each	500,000
27 April 2023 – 650,000 ordinary A shares of £0.01 each	650,000
25 May 2023 – 550,000 ordinary A shares of £0.01 each	550,000
28 June 2023 – 600,000 ordinary A shares of £0.01 each	600,000
27 July 2023 – 500,000 ordinary A shares of £0.01 each	500,000
24 August 2023 – 1,000,000 ordinary A shares of £0.01 each	1,000,000