

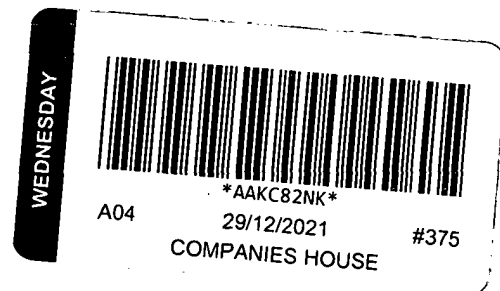
Fluent Lifetime Limited

Directors' Report and Financial Statements

Year Ended

31 March 2021

Company Number 11226852



Fluent Lifetime Limited

Company Information

Directors	K Hindley A M Conlon
Registered number	11226852
Registered office	102 Rivington House Chorley New Road Horwich Bolton England BL6 5UE
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT

Fluent Lifetime Limited

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Fluent Lifetime Limited

Directors' Report For the Year Ended 31 March 2021

The Directors present their report and the audited financial statements for the year ended 31 March 2021.

Principal activity

The principal activity of the Company is that of the provision of technology led brokerage solutions in the equity release market.

Directors

The Directors who served during the year were:

K Hindley
A M Conlon

Going concern

Looking forward to 2022 the board is very optimistic about the prospects for growth and has set some exciting targets for the next financial year.

The Lifetime mortgages business was much less affected by the pandemic and in fact enjoyed some decent results during the year. As the year progressed we successfully increased lead volumes to this business through existing PCW partners and this is expected to continue into the next year.

The Company Statement of Financial Position shows negative net liabilities of £220k driven by continued investment into people, platforms and proposition. The expansion of the company continues to be supported by the wider Fluent Money Group. The Directors believe that the major factors which could impact financial performance have been addressed. At this time, it has adequate liquidity and financial resources, supported by a healthy pipeline of business. The Group has arranged a £2m CBIL's facility & utilised the furlough scheme where appropriate. It also has a proven track record of successful and agile adaptation to rapidly changing environments. The Company 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 group's forecasts and projections, taking into account possible changes in trading performance and consider that the Group has sufficient resources to meet liabilities as they fall due. Consequently, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the Directors have a reasonable expectation that Fluent Lifetime has adequate resources to continue in operational existence for the foreseeable future. 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 Lifetime Limited

Directors' Report (continued) For the Year Ended 31 March 2021

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 Dec 23, 2021 and signed on its behalf.

K J Hindley
K J Hindley (Dec 23, 2021 18:29 GMT)

K Hindley
Director

Fluent Lifetime Limited

Directors' Responsibilities Statement For the Year Ended 31 March 2021

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 Lifetime Limited

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 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.

We have audited the financial statements of Fluent Lifetime Limited ("the Company") for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions relating to going concern

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.

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.

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

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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Fluent Lifetime Limited

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

Other Companies Act 2006 reporting

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 have been prepared in accordance with applicable legal requirements.

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.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Fluent Lifetime Limited

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

Based on our understanding and accumulated knowledge of the Company and the sector in which it operates we considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Company accounting policies, 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) and the UK Companies Act 2006; the taxation legislation; those that relate to the payment of employees. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

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 inappropriate journal entries and management bias in accounting estimates as well as inappropriate revenue cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates particularly in relation to determining the year end work in progress and provision for clawback on commission earned from brokering of insurance policies;
- Review of minutes of Board meetings throughout the period;
- Identifying and testing journal entries, in particular review of manual journal entries posted to revenue and cash accounts, journals posted by specific users, journals posted to cost of sales accounts, review of random journals, and journals including specific keywords;
- Testing a sample of revenue recognised on either side of the year end to ensure that the revenue has been recognised in the correct period;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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.

DocuSigned by:
Julien Rye
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Julien Rye (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom
23 December 2021

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

Fluent Lifetime Limited

Statement of Comprehensive Income For the Year Ended 31 March 2021

	2021 £	2020 £
Turnover	2,144,617	1,082,881
Cost of sales	(1,622,242)	(945,131)
Gross profit	522,375	137,750
Administrative expenses	(268,415)	(323,304)
Other operating income	3,392	-
Operating profit/(loss)	257,352	(185,554)
Interest payable and similar expenses	-	(5)
Profit/(loss) before tax	257,352	(185,559)
Tax on profit/(loss)	-	-
Profit/(loss) for the financial year	257,352	(185,559)

There was no other comprehensive income for 2021 (2020 - £Nil).

The notes on pages 9 to 14 form part of these financial statements.

Fluent Lifetime Limited

Registered number:11226852

Statement of Financial Position As at 31 March 2021

	Note	2021 £	2021 £	2020 £	2020 £
Current assets					
Work in progress		166,709		240,807	
Debtors: amounts falling due within one year	6	529,616		440,041	
Cash at bank and in hand		247,371		13,157	
		<u>943,696</u>		<u>694,005</u>	
Creditors: amounts falling due within one year	7	(1,163,387)		(1,171,048)	
Net current liabilities			(219,691)		(477,043)
Net liabilities			<u>(219,691)</u>		<u>(477,043)</u>
Capital and reserves					
Called up share capital	8		10		10
Profit and loss account			(219,701)		(477,053)
Total deficit			<u>(219,691)</u>		<u>(477,043)</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 Dec 23, 2021

K J Hindley
K J Hindley (Dec 23, 2021 18:29 GMT)

K Hindley
Director

The notes on pages 9 to 14 form part of these financial statements.

Fluent Lifetime Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

1. General information

Fluent Lifetime 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 its operations and its principal activities is given 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 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 presentational currency of the financial statements is GBP and all the figures are rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Going concern

Looking forward to 2022 the board is very optimistic about the prospects for growth and has set some exciting targets for the next financial year.

The Lifetime mortgages business was much less affected by the pandemic and in fact enjoyed some decent results during the year. As the year progressed we successfully increased lead volumes to this business through existing PCW partners and this is expected to continue into the next year.

The Company Statement of Financial Position shows negative net liabilities of £220k driven by continued investment into people, platforms and proposition. The expansion of the company continues to be supported by the wider Fluent Money Group. The Directors believe that the major factors which could impact financial performance have been addressed. At this time, it has adequate liquidity and financial resources, supported by a healthy pipeline of business. The Group has arranged a £2m CBIL's facility & utilised the furlough scheme where appropriate. It also has a proven track record of successful and agile adaptation to rapidly changing environments. The Company 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 group's forecasts and projections, taking into account possible changes in trading performance and consider that the Group has sufficient resources to meet liabilities as they fall due. Consequently, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the Directors have a reasonable expectation that Fluent Lifetime has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the Annual Report and accounts.

Fluent Lifetime Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

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 Government grants

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

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

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 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.

2.7 Taxation

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.

2.8 Work in progress

Work in progress relates to the attributable costs for work completed to date for services provided to lenders in processing loan applications where the outcome and completion of the loan can be foreseen with reasonable certainty.

Fluent Lifetime Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 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.

2.12 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 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

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The items in the financial statements where these judgements and estimates have been made include:

- Valuation of Work in Progress ("WIP")
At the year end date the Company has a number of leads which they have purchased and upon which they have performed varying degrees of work. The Directors have estimated the value of WIP to be the work done to date on services provided to lenders in processing loan applications where the outcome and completion of the loan can be foreseen with reasonable certainty. WIP is only recognised to the extent it is recoverable.

Fluent Lifetime Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

4. Employees

The average monthly number of employees, including Directors, during the year was 16 (2020 - 12).

5. Work in progress

An impairment loss of £Nil (2020 - £Nil) was recognised in cost of sales against work in progress during the year due to uncertainty over recoverability.

6. Debtors

	2021 £	2020 £
Trade debtors	96,591	41,734
Amounts owed by group undertakings	432,357	398,297
Other debtors	10	10
Prepayments and accrued income	658	-
	<u>529,616</u>	<u>440,041</u>

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

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	39,738	18,973
Amounts owed to group undertakings	1,084,902	1,130,328
Other taxation and social security	2,860	1,980
Accruals and deferred income	35,887	19,767
	<u>1,163,387</u>	<u>1,171,048</u>

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

Fluent Lifetime Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

8. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
9 (2020 - 9) A Ordinary shares of £1.00 each	9	9
1 (2020 - 1) B Ordinary share of £1.00	1	1
	<u>10</u>	<u>10</u>

Ordinary A and B shareholders are entitled to one vote per share. The shares rank pari passu in all respects.

9. 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. Contributions totalling £Nil (2020 - £Nil) were payable to the fund at the reporting date and are included in creditors.

10. Related party transactions

The Company has taken advantage of the exemption under FRS 102 Section 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 - a related party through common ownership

During the year, the Company received income of £10,511 (2020 - £7,715) and made purchases of £8,504 (2020 - £Nil). At the year end, there was a debtor balance of £432,357 (2020 - £398,297).

Fluent Money Limited - related party through common ownership

During the year, the Company made purchases of £12,403 (2020 - £164,971). The Company also received income of £8,443 (2020 - £Nil). At the year end, there was a creditor balance of £1,084,859 (2020 - £1,129,585).

Fluent Lifetime Limited - a related party through common ownership

At the year end there was a creditor outstanding of £743 (2020 - £Nil).

Project Finland Bidco Limited - a related party through common ownership

During the year the Company received income of £5,379 (2020 - £Nil).

Fluent Lifetime Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

11. 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.