

FLEXIMIZE LIMITED

UNAUDITED

FINANCIAL STATEMENTS

PAGES FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 JULY 2017

FLEXIMIZE LIMITED

REGISTERED NUMBER:07117447

**BALANCE SHEET
AS AT 31 JULY 2017**

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	60,315	63,342
		<u>60,315</u>	<u>63,342</u>
Current assets			
Debtors: amounts falling due after more than one year	5	-	2,171,587
Debtors: amounts falling due within one year	5	8,807,427	11,034,370
Cash at bank and in hand		3,860	1,338,263
		<u>8,811,287</u>	<u>14,544,220</u>
Creditors: amounts falling due within one year	6	(5,260,824)	(13,929,440)
Net current assets		<u>3,550,463</u>	<u>614,780</u>
Total assets less current liabilities		<u>3,610,778</u>	<u>678,122</u>
Provisions for liabilities			
Deferred tax		(12,035)	(12,035)
		<u>(12,035)</u>	<u>(12,035)</u>
Net assets		<u><u>3,598,743</u></u>	<u><u>666,087</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		3,598,742	666,086
		<u><u>3,598,743</u></u>	<u><u>666,087</u></u>

FLEXIMIZE LIMITED

REGISTERED NUMBER:07117447

BALANCE SHEET (CONTINUED)

AS AT 31 JULY 2017

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 April 2018.

D O'Sullivan

Director

The notes on pages 3 to 9 form part of these financial statements.

FLEXIMIZE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

1. General information

Fleximize Limited is a private company limited by share capital, incorporated in England and Wales; registration number 07117447.

The registered office address is Holbrook house, 51 John Street, Ipswich, Suffolk IP3 0AH.

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 following principal accounting policies have been applied:

2.2 Going concern

Despite the loss making position of the group, the directors have prepared the financial statements on a going concern basis, which they believe to be appropriate for the reasons set out below.

There has been additional funding agreed post year end, which is detailed in the post balance sheet events note and the directors are in advanced discussions with another lender to provide an additional credit line.

In addition to this a substantial portion of spending is discretionary and entirely within the control of the directors which allows the current book to be maintained at its current level without the need for additional funding.

2.3 Turnover

Turnover represents fees and interest receivable in respect of services provided and arising solely in the United Kingdom.

Interest income on loan receivables at amortised cost is calculated using the effective interest rate method which allocates interest over the expected lives of the assets. The effective interest method requires the Company to estimate future cash flows, in some cases based on its experience of customers' behaviour, considering all contractual terms of the financial instrument, as well as the expected lives of trade receivables. Default fees are charged to customers when they fail to make repayments within the agreed loan period, such fees are recognised as turnover when these amounts are expected to be recovered. Fees and expenses related to the loan form part of the interest income and are recognised using the effective interest rate method.

2.4 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.

FLEXIMIZE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

2. Accounting policies (continued)

2.4 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:

Loan platform	-
	3 years
Office equipment	-
	4 years
Computer equipment	-
	3 years
Exhibition equipment	-
	2 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

2.5 Trade debtors

Trade debtors are amounts due from customers for short and medium term loans issued in the ordinary course of business. Trade and other debtors are measured on initial recognition at fair value and subsequently at amortised cost using the effective interest rate method, less provision for impairment. Subsequent recovery of amounts previously impaired is credited to the profit and loss account.

2.6 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

2. Accounting policies (continued)

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 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.

2.9 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

FLEXIMIZE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

2. Accounting policies (continued)

2.10 Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by the UK Generally Accepted Accounting Practice applicable to Smaller Entities.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

3. Employees

The average monthly number of employees, including directors, during the year was 4 (2016 - 4).

FLEXIMIZE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

4. Tangible fixed assets

	Loan platform £	Office equipment £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation					
At 1 August 2016	26,000	25,670	27,584	4,621	83,875
Additions	4,500	-	22,311	-	26,811
At 31 July 2017	30,500	25,670	49,895	4,621	110,686
Depreciation					
At 1 August 2016	4,333	4,185	8,036	3,978	20,532
Charge for the year on owned assets	9,042	6,418	13,735	643	29,838
At 31 July 2017	13,375	10,603	21,771	4,621	50,370
Net book value					
At 31 July 2017	17,125	15,067	28,124	-	60,316
At 31 July 2016	21,667	21,484	19,548	643	63,342

FLEXIMIZE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

5. Debtors

	2017 £	2016 £
Due after more than one year		
Trade debtors	-	2,171,587
	<u>-</u>	<u>2,171,587</u>
	2017 £	2016 £
Due within one year		
Trade debtors	86,863	9,455,499
Amounts owed by group undertakings	3,474,987	1,341,940
Other debtors	5,188,561	40,910
Prepayments and accrued income	57,016	196,021
	<u>8,807,427</u>	<u>11,034,370</u>

6. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	63,821	61,639
Amounts owed to group undertakings	5,111,530	13,855,431
Accruals and deferred income	85,473	12,370
	<u>5,260,824</u>	<u>13,929,440</u>

7. Contingent liabilities

The company has entered into a cross guarantee with its parent company and fellow subsidiary company in respect of third party borrowing arrangements entered into by the group.

8. Related party transactions

The company has taken advantage of the exemption to not disclose the related party transactions as the subsidiaries are wholly owned by the parent company.

FLEXIMIZE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

9. Post balance sheet events

On 25 September 2017 it was agreed that the Hadrian's Wall senior facility be extended by £3,000,000 and on 7 December 2017 the facility was extended again by a further £2,000,000. Of the extended facility, £3,450,000 has been drawn.

There has been an increase in the base interest rate, however we are satisfied that the impact on the business will be minimal. Any changes in interest rates is unlikely to have an impact due to our high margin and the fact that our funding is at a fixed rate.

10. Controlling party

The company is a wholly-owned subsidiary of Alterium Limited, a company registered in England and Wales (registered number 08621989.)

11. First time adoption of FRS 102

As stated in 2.1, these are the first financial statements prepared in accordance with FRS102 1A. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 July 2017 and the comparative information presented in these financial statements for the year ended 31 July 2016.

Income and costs that were recognised separately on inception of a loan under the previous accounting framework are now included in interest income, and recognised using the effective interest rate method. This change resulted in a reduction in the year ended 31 July 2017 of £560,000 to both revenue and expenses (2016: £305,000). It had no impact on net profit in the period, or net assets as at 31 July 2016 to 2017.