

FLEXIMIZE LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023
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FLEXIMIZE LIMITED

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FLEXIMIZE LIMITED

BALANCE SHEET

AS AT 31 JULY 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	3		54,780		63,762
Current assets					
Debtors	4	765,120		621,640	
Cash at bank and in hand		45,488		82,425	
		<u>810,608</u>		<u>704,065</u>	
Creditors: amounts falling due within one year	5	<u>(25,176,509)</u>		<u>(19,188,553)</u>	
Net current liabilities			<u>(24,365,901)</u>		<u>(18,484,488)</u>
Total assets less current liabilities			<u>(24,311,121)</u>		<u>(18,420,726)</u>
Provisions for liabilities			<u>(13,024)</u>		<u>(15,248)</u>
Net liabilities			<u><u>(24,324,145)</u></u>		<u><u>(18,435,974)</u></u>
Capital and reserves					
Called up share capital			1		1
Profit and loss reserves			<u>(24,324,146)</u>		<u>(18,435,975)</u>
Total equity			<u><u>(24,324,145)</u></u>		<u><u>(18,435,974)</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

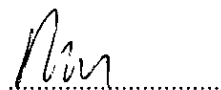
For the financial year ended 31 July 2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 02/04/2024 and are signed on its behalf by:



D O'Sullivan
Director

Company Registration No. 07117447

FLEXIMIZE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

Company information

Fleximize Limited is a private company limited by shares incorporated in England and Wales. The registered office is Holbrook House, 51 John Street, Ipswich, Suffolk, England, IP3 0AH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The group has made a profit before taxation for the period of £4,054,579 (2022: profit of £3,191,556) and has continued to see increased demand for its products leading to record levels of deployment. Cash and cash equivalents at the year end amount to £9,635,729 (2022: £4,499,679). The group also had undrawn funding from its senior financing facility totalling £52,701,044 (2022: £16,484,849) that can be utilised to finance new lending until July 2029.

The board have carried out a review of the group's ability to continue in operation for the foreseeable future, including assessing the risks arising from the increasing cost of living and higher borrowing costs due to increases in the SONIA rate, reviewing the covenants with regard to the senior financing facility. There is regular and proactive engagement with borrowers to determine their financial position and the arrears position of the loan book is regularly monitored, and appropriate forbearance is offered to customers where necessary. In addition, the board believes that it is in a strong position to continue to grow the business with further new loans supported by the senior financing facility whilst continuing to meet the senior financing covenants. The group has in place sufficient capital and liquidity facilities. Furthermore, in assessing the appropriateness to adopt the going concern basis of preparation, the directors have stress tested the financial forecasts through the modelling of several downside scenarios for a period to July 2025. The scenarios considered include an increase in bad debt write-offs, a reduction in new lending volumes and increased SONIA rates over the period of the forecast. In all scenarios considered to be severe and plausible by the directors, the Company and the group maintains sufficient capital and liquidity to continue as a going concern and will continue to meet the senior financing covenants.

The board are therefore satisfied that the group has a reasonable expectation of continuing in operation for the foreseeable future and it can meet its liabilities as they fall due. The financial statements have therefore been prepared on a going concern basis.

1.3 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.

FLEXIMIZE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Loan Platform	3 years
Office equipment	4 years
Computers equipment	3 years
Other Fixed Assets	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

The carrying amount of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

1.6 Cash and cash equivalents

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

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

FLEXIMIZE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

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.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 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.

FLEXIMIZE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Total	2	2

3 Tangible fixed assets

	Loan Platform £	Office equipment £	Computers equipment £	Other Fixed Assets £	Total £
Cost					
At 1 August 2022	30,500	46,031	203,727	19,994	300,252
Additions	-	6,281	24,024	-	30,305
At 31 July 2023	30,500	52,312	227,751	19,994	330,557
Depreciation and impairment					
At 1 August 2022	30,500	34,811	151,756	19,423	236,490
Depreciation charged in the year	-	5,487	33,372	428	39,287
At 31 July 2023	30,500	40,298	185,128	19,851	275,777
Carrying amount					
At 31 July 2023	-	12,014	42,623	143	54,780
At 31 July 2022	-	11,220	51,971	571	63,762

4 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	18,192	15,173
Other debtors	746,928	606,467
	765,120	621,640

Of the trade debtors amount (loan book), Nil (2022: Nil) is due after more than one year.

FLEXIMIZE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

5 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	208,035	195,390
Amounts owed to group undertakings	24,508,156	18,610,728
Other creditors	460,318	382,435
	<u>25,176,509</u>	<u>19,188,553</u>

6 Related Party Transactions

The company has taken advantage of the exemption to not disclose the related party transactions as it is a subsidiary wholly owned by the parent company.

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 Controlling party

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