Registered number 08621989

Alterium Limited

Annual report and financial statements
31 July 2023

These re-issued financial statements replace the original financial statements for the year ended 31 July 2023, which were issued on 12 December 2023. Thesc re-issued financial statements are now the statutory accounts of the Group for the year ended 31 July 2023. These re-issued financial statements have been prepared as if they had been issued on 12 December 2023 and not at the date of the revision (being 11 April 2024) and accordingly do not deal with any events between those dates. See the accounting policy note on page 17 of the re-issued financial statements for further details.

Contents

Strategic report

The Directors present the Group Strategic Report for Alterium Limited and its subsidiary companies ("the Group") for the year ended 31 July 2023.

Principal activity

The principal activity of the Group, headed by Alterium Limited, is to offer an innovative online financing solution dedicated to supporting small and medium sized businesses across the UK. Alterium Limited is a holding company.

Business review

The Group had a successful year, making profit before tax of £4,054,578 by continuing to lend to UK SME businesses. Lending has grown year on year and the Group anticipate this continuing, with the funding from loan facilities which were refinanced in July 2023. This saw the available total facility increase, which will support the continued growth forecasted by the business. The terms negotiated within the new facility provider are at lower rates than previously, enabling the Group to offer more favourable terms to their customers and further increase in lending.

Principal risks and uncertainties

The principal risks to the Group are the performance of its loans and the risk that a borrower defaults by failing to make their contractual payments in accordance with their agreement. The Group seeks to manage this risk by employing a range of credit assessment checks on all applications prior to any funds being advanced together with ongoing monitoring, both on a loan level and through portfolio KPIs.

The is also a risk of continued inflation and potential economic recession. With our customers being impacted by increased business expenses, such as significantly higher energy prices, increased cost of raw materials and labour costs, this could impact the default rate. This would impact financial performance as well as potentially breach covenants on the senior loan facility. As a result, the Group considers the impact on their customers and is assessed during the underwriting and loan decision processes. It also stress tests their forecasts, where significant increase in defaults would not cause cashflow issues or breach of covenants. The Group maintains sufficient capital and liquidity and so is well positioned to continue to meet its covenant targets.

The risk of the increase in SONIA rate would result in the increase of cost of funding for the Group and negatively affect cashflow. The Group is confident that interest rates charged to customers can be adjusted where necessary and it can also absorb increases as it is paying a lower rate of interest to its senior lender.

Further explanation on the risks faced by the Group is detailed within the notes.

Financial key performance indicators

The Groups key performance indicators are as follows:

	2023	2022	% change 2023/2022
	£m	£m	
Gross loan book	**93.9**	70.4	33%
Total income	**24.8**	14.9	66%
Gross margin	**17.1**	11.2	53%
Provision net of recovered amounts on previously impaired loans	**5.6**	2.4	133%
Headcount – number of employees	**65**	50	30%

Approved by the board of directors

and signed on behalf of the board

PTuvey
Peter Tuvey (Apr 11, 2024 10:56 GMT+1)

Mr Peter Tuvey
Director
Date: 11th April 2024

Directors' report

Principal activity

The principal activity of the Group, headed by Alterium Limited, is to offer an innovative online financing solution dedicated to supporting small and medium sized businesses across the UK. Alterium Limited is a holding company.

Directors

The directors who held office during the year and subsequent to the year end:

Mr Nimesh Raghavendra Kamath
Mr Adam Knight
Mr Peter Tuvey
Mr Navjyot Singh Dhillon
Mr Daniel McPherson

Proposed Dividend

The directors do not recommend the payment of a dividend for the financial year ended 31 July 2023 (2022: £Nil).

Subsequent events and future developments

Details of important events affecting the Group which have occurred since the end of the financial year are given in note 22 to the financial statements.

As a result of the recent increase in loan facilities, the group will have sufficient funds to achieve their growth plans over the next few years.

Employee engagement

The Group values the vital contribution that its employees make to its success; and recognizes the importance of maintaining the supportive and flexible learning culture which recognizes individual differences and encourages everyone to fulfil their potential. Succession planning and successful career development within the Group demonstrate the success of this approach.

The Group always ensures fair treatment of all employees, including at the recruitment stage. Policies follow best practice and ensure that there is zero discrimination against those with protected characteristics. This has led to a diverse, cohesive and motivated workforce free to concentrate on maximizing their contribution to personal and Group goals.

Employee voice is sought out through employee surveys, and also less formally with a day-to-day open-door policy, physical presence and availability of directors. Likewise, employees are kept informed of company performance and information relevant to them via regular in-house newsletters written from the CEO, as well as information cascaded via senior management.

Disclosure of information to the auditors

In the case of each person who was a director at the time this report was approved:

- so far as that director was aware there was no relevant audit information of which the Company and Group's auditor was unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company and Group's auditor was aware of that information.

Directors' report *(continued)*

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

Pursuant to Section 485 of the Companies Act 2006, CLA Evelyn Partners Limited will be proposed for reappointment.

Approved by the board of directors

and signed on behalf of the board

Peter Tuvey (Apr 11, 2024 10:56 GMT+1)

Mr Peter Tuvey
Director
Date: 11th April 2024

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 Group and of the profit or loss of the group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 the Group and 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Alterium Limited

Opinion

We have audited the revised financial statements of Alterium Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2023 which comprise the consolidated profit and loss account, the consolidated and parent company balance sheet, the consolidated and parent company statement of changes in equity, the consolidated statement of cash flows and the notes to the revised financial statements, including significant accounting policies. These revised financial statements replace the original financial statements approved by the directors on 12 December 2023.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

The revised financial statements have been prepared under the Companies (Revision of Defective Accounts and Reports) Regulations 2008 and accordingly do not take account of events which have taken place after the date the original financial statements were approved.

In our opinion, the financial statements:

- give a true and fair view, seen as at the date of the original financial statements were approved, of the state of the group's and of the parent company's affairs as at 31 July 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice seen as at the date the original financial statements were approved; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008.

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 revised financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the revised financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – revision of subsidiary undertakings disclosure

We draw attention to note 2 and note 25 to these revised financial statements which describes the need for revision to include required disclosures under section 479A of the Companies Act 2006.

The original financial statements were approved on 12 December 2023 and our previous audit report was signed on that date. We have not performed a subsequent events review for the period from the date of our previous auditor's report to the date of this report. Our opinion is not modified in this respect.

Conclusions relating to going concern

In auditing the revised financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the revised 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 group and the parent company's ability to continue as a going concern for a period of at least twelve months from when the original 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.

Independent auditor's report to the members of Alterium Limited *(continued)*

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the revised financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. Our opinion on the revised 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 revised 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 revised 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In our opinion, the original financial statements for the year ended 31 July 2023 failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors in note 25 to the revised financial statements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the revised 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 revised financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the revised financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Alterium Limited *(continued)*

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the revised 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 revised 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:

We obtained a general understanding of the parent company's and the group's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the parent company's and the group's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of the parent company's and the group's industry and regulation.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the parent company's and the group's ability to conduct its business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the parent company and the group:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements

To gain evidence about compliance with the significant laws and regulations above we reviewed board meeting minutes, made enquiries of the management, reviewed the legal expense account, and obtained written management representations regarding the adequacy of procedures in place.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the parent company's and the group's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through manual journal entries, incorrect recognition of revenue and bias in accounting estimates. These areas were communicated to the other members of the engagement team who were not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments based on the parent company's and the group's processes and controls surrounding manual journal entries;
- Testing of a sample of revenue transactions to underlying documentation; and
- Assessing the appropriateness of the methodology and key assumptions applied in the determination of the impairment loss provisions.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

We are also required to report whether in our opinion the original financial statements failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors. The audit of revised financial statements includes the performance of procedures to assess whether the revisions made by the directors are appropriate and have been properly made.

Independent auditor's report to the members of Alterium Limited *(continued)*

Use of our report

This report is made solely to the parent company's members, as a body, in accordance with the Companies (Revision of Defective Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Guy Swarbreck
Guy Swarbreck (Apr 11, 2024 11:24 GMT+1)

Guy Swarbreck

Senior Statutory Auditor, for and on behalf of
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants
45 Gresham Street
London
EC2V 7BG

Date: 11/04/2024

Consolidated Profit and Loss Account

for the year ended 31 July 2023

	Note	**2023** **£**	2022 £
Turnover	*4*	**24,806,337**	14,926,375
Interest payable and similar charges	*9*	**(7,379,957)**	(3,437,331)
Other cost of sales		**(319,125)**	(329,535)
Gross profit		**17,107,255**	11,159,509
Administrative expenses		**(13,052,677)**	(7,967,953)
Operating profit	*5*	**4,054,578**	3,191,556
Profit on ordinary activities before taxation		**4,054,578**	3,191,556
Tax on ordinary activities	*10*	**(1,150,426)**	284,189
Profit for the year		**2,904,152**	3,475,745

The above results were derived entirely from continuing operations.

There are no recognised gains or losses except as shown above.

The accompanying notes on pages 17 to 33 form an integral part of the financial statements.

Consolidated Balance Sheet
At 31 July 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	*11*		**119,521**		82,201
			119,521		82,201
Current assets					
Debtors (including £33,487,991 (2022 : £27,265,256) due after more than one year	*13*	**93,955,898**		70,402,666	
Cash at bank and in hand	*20*	**9,635,729**		4,499,679	
		103,591,627		74,902,345	
Creditors: amounts falling due within one year	*14*	**(5,754,940)**		(1,344,342)	
Net current assets			**64,348,696**		46,292,747
Total assets less current liabilities			**97,956,208**		73,640,204
Creditors: amounts falling due after more than one year	*15*		**(86,581,273)**		(65,169,421)
Net assets			**11,374,935**		8,470,783
Capital and reserves					
Called up share capital	*17*		**1,230,802**		1,230,802
Share premium account	*18*		**9,404,418**		9,404,418
Profit and loss account	*18*		**739,715**		(2,164,437)
Equity			**11,374,935**		8,470,783

These financial statements were approved by the board of directors on 11th April 2024 and were signed on its behalf by:

PTuvey
Peter Tuvey Apr 11 2024 10:56 GMT+1

Mr Peter Tuvey
Director

Company registered number: 08621989

The accompanying notes on pages 17 to 33 form an integral part of the financial statements.

Company Balance Sheet
At 31 July 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Investments	*12*		**5**		5
			5		5
Current assets					
Debtors	*13*	**695,311**		707,535	
Cash at bank and in hand		**2,349**		1,130,532	
		697,660		1,838,067	
Creditors: amounts falling due within one year	*14*	**(3,558,986)**		(125,666)	
Net current (liabilities)/assets			**(2,861,326)**		1,712,401
Total assets less current liabilities			**(2,861,321)**		1,712,406
Creditors: amounts falling due after more than one year	*15*		**(3,282,319)**		(6,654,272)
Net (liabilities)			**(6,143,640)**		(4,941,866)
Capital and reserves					
Called up share capital	*17*		**1,230,802**		1,230,802
Share premium account	*18*		**9,404,418**		9,404,418
Profit and loss account	*18*		**(16,778,860)**		(15,577,086)
Equity			**(6,143,640)**		(4,941,866)

These financial statements were approved by the board of directors on 11th April 2024 and were signed on its behalf by:

PTuvey
Peter Tuvey (Apr 11, 2024 10:56 GMT+1)

Mr Peter Tuvey
Director

Company registered number: 08621989

The accompanying notes on pages 17 to 33 form an integral part of the financial statements.

Consolidated Statement of Cash Flows
For the year ended 31 July 2023

	Note	2023 £	2022 £
Net cash generated from operating activities	*19*	**9,109,771**	6,102,372
Cash flows from investing activities			
Purchase of fixed assets		**(86,101)**	(63,412)
Movement in loan book	*13*	**(28,671,425)**	(34,761,042)
Net cash used in investing activities		**(28,757,526)**	(34,824,454)
Cashflow from financing activities			
Issue of ordinary shares		**-**	925,007
Repayment of financing facilities		**(60,012,500)**	-
Proceeds from financing facilities		**84,796,305**	28,970,847
Net cash generated from financing activities		**24,783,805**	29,895,854
Net increase in cash and cash equivalents		**5,136,050**	1,173,772
Cash and cash equivalents at the beginning of the year		**4,499,679**	3,325,907
Cash and cash equivalents at the end of the year		**9,635,729**	4,499,679

Consolidated Statement of Changes in Equity

For the year ended 31 July 2023

	Called up share capital £	Share premium £	Profit and loss account £	Total equity £
Balance at 31 July 2021	**1,167,314**	**8,542,899**	**(5,640,182)**	**4,070,031**
Profit for the year	-	-	3,475,745	**3,475,745**
Share issue	63,488	861,519	-	**925,007**
Balance at 31 July 2022	**1,230,802**	**9,404,418**	**(2,164,437)**	**8,470,783**
Profit for the year	-	-	2,904,152	2,904,152
Balance at 31 July 2023	**1,230,802**	**9,404,418**	**739,715**	**11,374,935**

Company Statement of Changes in Equity
For the year ended 31 July 2023

	Called up share capital £	Share premium £	Profit and loss account £	Total equity £
Balance at 31 July 2021	**1,167,314**	**8,542,899**	**(13,254,584)**	**(3,544,371)**
Profit for the year	-	-	(2,322,502)	**(2,322,502)**
Share issue	63,488	861,519	-	**925,007**
Balance at 31 July 2022	**1,230,802**	**9,404,418**	**(15,577,086)**	**(4,941,866)**
Profit for the year	-	-	(1,201,774)	(1,201,774)
Balance at 31 July 2023	**1,230,802**	**9,404,418**	**(16,778,860)**	**(6,143,640)**

Notes to the financial statements for year ended 31 July 2023
(forming part of the financial statements)

1 General information

Alterium Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 08621989). The registered office address is Holbrook, 51 John Street, Ispwich, IP3 0AH.

2 Accounting policies

Re-issued Financial statements – general information

The directors have chosen to re-issue the Financial Statements for the year ended 31 July 2023 under Companies Act 2006.

The revised report replaces the original report of the directors for the year, which was issued on 12 December 2023 (the Original Report). This revised report has been prepared as at 12 December 2023 and not as at the date of the revision (being 11 April 2024) and accordingly does not deal with events between those dates.

The directors of the Parent Company have identified that there was a disclosure revision required to the original accounts prepared and signed on 12 December 2023. The revision to note 25 was made to include required disclosures under Section 479A of the Companies Act 2006.

The purpose of re-issuing the financial statements is to include the required disclosures in these financial statements following the remedying of the error in the previously presented financial statements signed on 12 December 2023.

The Act requires that where revised financial statements are issued, a revised auditors' report is issued and this is attached.

Under the Act the directors have authority to review annual financial statements and directors report if they do not comply with the Act. The revised financial statements must be amended in accordance with the Companies (Revision and Defective accounts and Reports) Regulations 2008 and in accordance therewith do not take account of events which have taken place after the date on which the original financial statements were approved. The regulations require that the revised financial statements show a true and fair view as if they were prepared and approve by the directors as at the date of the original financial statements.

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 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 Group's accounting policies.

The Parent Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the Group and the Parent Company would be identical;
- No Statement of Cash Flows has been presented for the Parent Company;
- Disclosures in respect of the Parent Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

Notes to the financial statements for year ended 31 July 2023 *(continued)*

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 July 2023. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

The shares in Flexible Loan Receivables Limited are held by the legal parent company, Wilmington Trust SP Services (London) Limited, and although Alterium Limited has no direct ownership interest, it is considered to benefit from the risks and rewards of its activities, and as such meets the criteria for Alterium Limited to include Flexible Loan Receivables Limited within the consolidated accounts.

2.3 Going concern

The Group has made a profit before taxation for the period of £4,054,578 (2022: £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 financing facilities 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 Parent Company's and 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 and reviewing the covenants with regard to the financing facilities. 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 financing facilities whilst continuing to meet the 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 be able to meet their debts as they fall due over a period of at least twelve months from the date of approval of these financial statements.

The directors have considered it's appropriate to prepare these financial statements on a going concern basis.

2.4 Financial Instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Loan receivables, other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank which are an integral part of the group's cash management.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Notes to the financial statements for year ended 31 July 2023 *(continued)*

2.5 Tangible fixed assets and depreciation

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:

Computer equipment and software	-	3 years
Office equipment, furniture and fixtures	-	4 years
Exhibition equipment	-	2 years

2.6 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.

2.7 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 in respect of all timing differences between taxable profits and total comprehensive income that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

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

2.8 Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

2.9 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 Group 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 related to the loan are recognised when the service is provided and ability to collect cash is established. Interest income is recognised on performing loans only.

2.10 Loan receivables

Loan receivables are amounts due from customers for short and medium term loans issued in the ordinary course of business. Loan receivables 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.

2.11 Share Based Payments

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured based on using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Notes to the financial statements for year ended 31 July 2023 *(continued)*

2.12 Employee benefits

Short term employee benefits including holiday pay and annual bonuses are accrued as services are rendered. Contributions to defined contribution pension schemes are charged to profit or loss as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the balance sheet.

3 Key sources of estimation, uncertainty and judgements

Key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates.

In the application of the accounting policies management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historic experience and other factors that are considered to be relevant and are reviewed on an on-going basis.

Management have considered the key assumptions used to estimate the Company and the Group's assets and liabilities as at the balance sheet date and believe these assumptions to be entirely appropriate. The estimates and judgements most likely to have a significant effect are in the following areas:

Parent Company:

- Impairment provision relating to amounts due from entities in the Group

  Impairment provisions are made in respect of amounts due from entities in the Group. Management review balances individually and an assessment of the recoverability of the balance is made based upon the operating activities of the Group entity.

- Deferred tax asset

  The Parent Company recognises deferred tax assets on carried forward tax losses to the extent that there are sufficient estimated future taxable profits which these losses can be utilised against. In evaluating these forecasts, management have determined that it is highly likely that the asset will be utilised in full.

Group:

- Impairment loss provisions

  Impairment provisions are made in respect of agreements where a loss event has occurred. The impairment provisions are deducted from the loan receivable balance. Management review agreements individually and an assessment of the recoverability of the aggregate loan book balance is made based upon management's experience and knowledge of the customer and asset. The charge in the profit and loss account comprises write offs, recoveries and the movement in the impairment provision in the period.

  The main elements of the judgement are the likelihood of recovery of the balances which are overdue at year end and the potential for impairment to emerge as a result of past events. The most significant assumption is the probability of default ("PD"), a movement of +/- 10% in the PD on the performing loan receivables would be £340,000 (2022: £196,000).

- Deferred tax asset

  The Group recognises deferred tax assets on carried forward tax losses to the extent that there are sufficient estimated future taxable profits which these losses can be utilised against. In evaluating these forecasts, management have determined that it is highly likely that the asset will be utilised in full.

Notes to the financial statements for year ended 31 July 2023 *(continued)*

4 Turnover

The Group's revenue is derived from its operations in the United Kingdom.

	Year ended 31 July 2023	Year ended 31 July 2022
	£	£
Interest income	**24,754,270**	14,917,252
Fees	**52,067**	9,123
Total	**24,806,337**	14,926,375

5 Operating profit

Operating profit for the period is stated after charging:

	Year ended 31 July 2023	Year ended 31 July 2022
	£	£
Depreciation	**48,781**	50,915
Operating lease rentals	**60,522**	59,103
Impairment provision; net of recovered amounts on previously impaired loans	**5,661,551**	2,420,385

6 Auditor's remuneration

	Year ended 31 July 2023	Year ended 31 July 2022
	£	£
Fees payable to the Company's Auditor for the audit of the Company's financial statements	**120,200**	78,450

Notes to the financial statements for year ended 31 July 2023 *(continued)*

7 Remuneration of directors

	Year ended 31 July 2023	Year ended 31 July 2022
	£	£
Directors' emoluments	**334,536**	279,026

The average number of persons (including directors) employed by the Company during the year was 1 (2022: 1). Only one of the 5 directors disclosed in the Directors' report was employed and remunerated by the Company.

8 Payroll costs

The aggregate payroll costs were as follows:

	Year ended 31 July 2023	Year ended 31 July 2022
	£	£
Wages and salaries	**2,543,590**	1,997,221
Social security costs	**258,075**	213,259
Cost of defined contribution scheme	**42,660**	36,229
	2,844,325	2,246,709

The average number of persons (including directors) employed by the Group during the year was 65 (2022: 50).

9 Interest payable and similar charges

	Year ended 31 July 2023	Year ended 31 July 2022
	£	£
Financing facilities	**7,379,957**	3,437,331

Interest paid on finance facilities is included within gross profit.

Notes to the financial statements for year ended 31 July 2023 *(continued)*

10 Taxation

	Year ended 31 July 2023	Year ended 31 July 2022
	£	£
Current period tax		
Current tax - R&D Credit	**60,000**	41,088
Current tax	**(1,048,306)**	-
Deferred tax	**(162,120)**	243,101
	(1,150,426)	284,189

The Group has unrelieved UK tax losses of £2,592,405 (2022: £2,592,405) which can be recovered against UK tax profits in the future.

A receivable of £60,000 has been recognised for the current year in relation to R&D credits (2022: £162,120).

The tax assessed for the year is higher (2022: lower) than the standard rate of corporation tax in the UK of 20.9% (2022: 19%). The differences are explained below:

	Year ended 31 July 2023	Year ended 31 July 2022
	£	£
Profit before taxation	**4,054,578**	3,191,556
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.9% (2022: 19%)	**847,182**	606,396
Effects of:		
Expenses not allowable for taxation	**7,308**	3,370
Capital allowances	**(28,424)**	(29,706)
Re-measurement of deferred tax	**162,120**	(284,189)
Adjustment in respect of prior periods	**222,240**	-
Research and development	**(60,000)**	(631,952)
Utilisation of b/f tax losses	**-**	51,892
Total tax charge for the year	**1,150,426**	(284,189)

Notes to the financial statements for year ended 31 July 2023 *(continued)*

10 Taxation *(continued)*

	Year ended 31 July 2023 £	Year ended 31 July 2022 £
Deferred tax		
At 1 August	**(810,221)**	(525,728)
Debited / (credited) to profit or loss	**102,120**	(284,493)
At 31 July	**708,101**	(810,221)

Finance Act 2022 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. The full anticipated effect of these changes is reflected in the above deferred tax balances.

11 Tangible fixed assets

Group	Computer equipment and software £	Fixtures and fittings £	**Total £**
Cost			
At 31 July 2022	292,144	97,190	**389,334**
Additions	25,505	60,596	**86,101**
At 31 July 2023	317,649	157,786	**475,435**
Depreciation			
At 31 July 2022	(234,984)	(72,149)	**(307,133)**
Charge for year	(35,892)	(12,889)	**(48,781)**
At 31 July 2023	(270,876)	(85,038)	**(355,914)**
Net book value			
At 31 July 2022	57,160	25,041	**82,201**
At 31 July 2023	46,773	72,748	**119,521**

Notes to the financial statements for year ended 31 July 2023 *(continued)*

12 Investments

Company	Investments in subsidiaries £
Cost	
At 31 July 2022	5
At 31 July 2023	5
Net book value	
At 31 July 2022	5
At 31 July 2023	5

Notes to the financial statements for year ended 31 July 2023 *(continued)*

The principal undertakings in which the Parent Company's interest at the period end is more than 20% are as follows. All of the following companies are included within these consolidated accounts.

Subsidiary undertaking

Company name	Registered address	Country of incorporation	Registered number	Principal activity	Class and percentage of shares held	Amount of capital and reserves £	Profit/(loss) for the period £
Fleximize Limited	Holbrook House, 51 John Street, Ipswich, Suffolk, IP3 0AH	England and Wales	07117447	Offer an innovative online financing solution dedicated to supporting small and medium sized businesses across the UK	100% of ordinary shares	(24,311,121)	(5,900,736)
Fleximize Services Limited	Holbrook House, 51 John Street, Ipswich, Suffolk, IP3 0AH	England and Wales	08871283	Provides operational and administrative support to companies within the group	100% of ordinary shares	(20,441,611)	(4,031,392)
Fleximize Capital Limited	Holbrook House, 51 John Street, Ipswich, Suffolk, IP3 0AH	England and Wales	09485920	Offer an innovative online financing solution dedicated to supporting small and medium sized businesses across the UK	100% of ordinary shares	17,522,056	4,316,758
Flexicard Limited	Holbrook House, 51 John Street, Ipswich, Suffolk, IP3 0AH	England and Wales	10223497	Dormant company	100% of ordinary shares	1	-
Fleximize Technology Services Limited	Holbrook House, 51 John Street, Ipswich, Suffolk, IP3 0AH	England and Wales	10381710	Dormant company	100% of ordinary shares	1	-
Flexible Loan Receivables Limited	C/O Wilmington Trust Sp Services (London) Limited 1 Kings Arms Yard, Third Floor, London, EC2R 7AF	England and Wales	12357409	Special purpose vehicle *	0% of ordinary shares	3,672	872

* The shares in Flexible Loan Receivables Limited are held by the legal parent company, Wilmington Trust SP Services (London) Limited, a company incorporated in England and Wales, in a Declaration of Trust for charitable purposes. Although Alterium Limited has no direct ownership interest in Flexible Loan Receivables Limited, it is considered to benefit from the risks and rewards of its activities.

Notes to the financial statements for year ended 31 July 2023 *(continued)*

13 Debtors

	Group As at 31 July 2023 £	**Company As at 31 July 2023 £**	Group As at 31 July 2022 £	Company As at 31 July 2022 £
Loan receivables	**92,603,107**	**-**	69,357,983	-
Amounts owed from subsidiaries	**-**	**-**	-	-
Other debtors	**9,424**	**-**	5,742	-
Prepayments	**635,266**	**47,210**	228,720	59,434
Deferred taxation	**648,101**	**648,101**	648,101	648,101
R&D tax receivable	**60,000**	**-**	162,120	-
	93,955,898	**695,311**	70,402,666	707,535

Of the above Loan receivables amount, £33,487,991 (2022: £27,265,256) is due after more than one year.

An impairment provision of £15,859,247 (2022: £10,432,946) was recognised against the loan receivable. The following table shows the movement in the impairment provision:

	Note	**As at 31 July 2023 £**	As at 31 July 2022 £
At 1 August		**10,432,946**	8,051,037
Loan impairment net of recovered amounts of previously impaired loans	*5*	**5,661,551**	2,420,385
Amounts written off from provision		**(235,250)**	(38,476)
At 31 July		**15,859,247**	10,432,946

At the year end 3.8% of the performing loan book (2022: 4.7%) was in arrears and 16.5% of the loans (2022: 12.3%) have had repayment holidays.

14 Creditors: amounts falling due within one year

	Note	**Group 2023 £**	**Company 2023 £**	Group 2022 £	Company 2022 £
Trade creditors		**443,726**	**366**	265,779	366
Social security and other taxes		**74,851**	**8,987**	66,149	8,329
Auto-enrolment pension		**9,228**	**257**	7,928	257
Accruals		**1,444,947**	**149,376**	1,004,486	116,714
Corporation tax		**382,188**	**-**	-	-
Financing facilities	*20*	**3,400,000**	**3,400,000**	-	-
		5,754,940	**3,558,986**	1,344,342	125,666

Notes to the financial statements for year ended 31 July 2023 *(continued)*

15 Creditors: amounts falling due after more than one year

	Group 2023 £	**Company 2023 £**	Group 2022 £	Company 2022 £
Finance facilities	**86,073,956**	**2,775,000**	64,690,151	6,175,000
Preference shares classed as financial liability	**507,317**	**507,317**	479,270	479,270
Amounts owed to subsidiary	**-**	**2**	-	2
	86,581,273	**3,282,319**	65,169,421	6,654,272

Security is provided for £83,298,956 (2022: £58,515,151) of the finance facilities of the finance facilities above by way of a fixed and floating charge over the company and some of its subsidiaries.

The balance is comprised of £83,298,956 drawn from a senior financing provider, who have a fixed charge and floating charge over Flexible Loan Receivables Limited and its loan books as well as other subsidiaries in the group. The total facility being £136,000,000 of which the repayment date is 3 July 2029. The remaining £2,775,000 of the finance facilities relates to junior debt holdings, of which for £2,250,000 the repayment date is 25 March 2026, and for £525,000 the repayment date is 26 July 2026. Details on the risks faced by the Group on the issued finance facilities is disclosed within note 16.

16 Financial instruments

The Group's financial instruments comprise cash and cash equivalents, loan facilities and items such as trade creditors and loan receivables which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

The Group's operations expose it to a variety of financial risks including credit risk, liquidity risk and interest rate risk.

Credit risk

The Group is exposed to credit risk on loans made to underlying borrowers. The risk is that a borrower defaults by failing to make their contractual payments in accordance with their agreement, meaning the Group is not being able to make any further recoveries, leading to a financial loss.

Heightened credit risk could occur as the performance of the portfolio is affected by the macroeconomic environment and individual circumstances of the borrower. The Group manages this risk by employing a range of credit assessment checks on all applications prior to any funds being advanced together with ongoing monitoring, both on a loan level and through portfolio KPI's. Concentration risks are monitored, and the Group ensures that the credit exposures are diversified in terms of industry sector, loan size, trading time, origination source and risk category.

The Group obtains a personal guarantee from directors and/or shareholders for all loans. In some cases additional security is taken by way of debenture, cross company guarantee or secured over property.

Liquidity risk

Liquidity risk reflects the risk that the Group may encounter difficulty meeting its obligations associated with its financial liabilities.

With our customers being impacted by increased business expenses, such as significantly higher energy prices, increased cost of raw materials and labour costs, this could impact the default rate. This would impact financial performance as well as potentially breach covenants on the financing facilities. As a result, the Group considers the impact on their customers and is assessed during the underwriting and loan decision processes as well as maintaining sufficient cash buffers. It also stress tests their forecasts, where significant increase in defaults would not cause cashflow issues or breach of covenants.

The Group ensures that cash expected to be generated from current assets is sufficient to at least cover all amounts due within one year.

Notes to the financial statements for year ended 31 July 2023 *(continued)*

16 Financial instruments *(continued)*

Interest rate risk

The business is financed by loan facilities with interest charged at a fixed rate plus SONIA. The risk of the increase in SONIA rate would result in the increase of cost of funding for the Group and negatively affect cashflow. The Group has the ability to pass on increases in SONIA.

17 Called up share capital

Company

	2023	2022
	£	£
Allotted, called up and fully paid		
1,230,702 (2022: 1,230,702) Ordinary A shares of £1 each	**1,230,702**	1,230,702
100 (2022: 100) Ordinary B shares of £1 each	**100**	100
	1,230,802	1,230,802

Each ordinary A share has full rights in the company in respect to voting, dividends and distributions.

Each ordinary B share carries no voting rights and no rights to a dividend. Each share carries a right to a distribution of assets or proceeds of sale in accordance with the provisions of the company's articles.

18 Reserves

A description of each reserve is set out below.

Share premium

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Retained earnings
This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

Notes to the financial statements for year ended 31 July 2023 *(continued)*

19 Net cash generated from operating activities

	2023	2022
	£	£
Profit for the year	**2,904,152**	3,475,745
Depreciation	**48,781**	50,915
Taxation	**1,150,426**	(284,189)
(Increase) in debtors	**(308,108)**	(58,775)
Decrease in creditors	**656,457**	536,767
Movement in provision	**5,426,301**	2,381,909
Income tax paid	**(768,238)**	-
Cash generated from continuing operations	**9,109,771**	6,102,372

20 Analysis of changes in net debt

	At 1 August 2022 £	Cashflows £	Other non-cash changes £	At 31 July 2023 £
Cash and cash equivalents	4,499,679	5,136,050	-	9,635,729
Shareholder loans due within 1 year	-	-	(3,400,000)	(3,400,000)
Shareholder loans due in more than 1 year	(6,175,000)	-	3,400,000	(2,775,000)
Financing facilities due in more than 1 year	(58,515,151)	(24,783,805)	-	(83,298,956)
Total borrowings	(64,690,151)	(24,783,805)	-	(89,473,956)
Net debt	(60,190,472)	(19,647,755)	-	(79,838,227)

Within the above cash and cash equivalents, £1,250,000 is restricted as part of the financing facilities covenants.

Notes to the financial statements for year ended 31 July 2023 *(continued)*

21 Related party disclosures

Group and Parent Company

With regards to finance facilities made available to the Company, included within creditors amounts falling due after more than one year as at 31 July 2023, the following amounts were owed to:

	Relationship to the company	**2023**	2022
		£	£
Adinal McGregor Ltd	Shareholder	-	250,000
6 Knights Investments Limited (100% owner: Mr A Knight)	Shareholder	-	2,550,000
Maybridge Limited	Shareholder	-	200,000
Mr P Tuvey	Shareholder and Director	-	100,000
Angular Capital Limited (100% owner: Mr M Chmyshuk)	Shareholder	-	100,000
Mr P Beatty	Shareholder	-	200,000
Adinal McGregor Ltd	Shareholder	**862,500**	862,500
Mr P Tuvey	Shareholder and Director	**75,000**	75,000
6 Knights Investments Limited (100% owner: Mr A Knight)	Shareholder	**750,000**	750,000
6 Knights Limited (100% owner: Mr A Knight)	Shareholder	**562,500**	562,500
Adinal McGregor Ltd	Shareholder	**187,500**	187,500
6 Knights Investments Limited (100% owner: Mr A Knight)	Shareholder	**187,500**	187,500
Mr P Beatty	Shareholder	**150,000**	150,000

The Parent Company is exempt from disclosing related party transactions with other companies that wholly owned with the Group.

Key management are those persons having authority and responsibility for planning and directing the activities of the Group. Key management is deemed to be the directors and the Company's management team. Total compensation to key management was £591,351 (2022: £516,131).

With regards to finance facilities made available to the Company, included within creditors amounts falling due within one year as at 31 July 2023, the following amounts were owed to:

	Relationship to the company	**2023**	2022
		£	£
Adinal McGregor Ltd	Shareholder	**250,000**	-
6 Knights Investments Limited (100% owner: Mr A Knight)	Shareholder	**2,550,000**	-
Maybridge Limited	Shareholder	**200,000**	-
Mr P Tuvey	Shareholder and Director	**100,000**	-
Angular Capital Limited (100% owner: Mr M Chmyshuk)	Shareholder	**100,000**	-
Mr P Beatty	Shareholder	**200,000**	-

Notes to the financial statements for year ended 31 July 2023 *(continued)*

21 Related party disclosures *(continued)*

Interest is accrued at 15%, and the following amounts have been paid during the year:

	Relationship to the company	**2023** £	2022 £
Adinal McGregor Ltd	Shareholder	**181,110**	71,337
6 Knights Investments Limited (100% owner: Mr A Knight)	Shareholder	**485,861**	387,000
Maybridge Limited	Shareholder	**27,370**	27,403
Mr P Tuvey	Shareholder and Director	**23,949**	16,703
Angular Capital Limited (100% owner: Mr M Chmyshuk)	Shareholder	**13,931**	13,931
Mr P Beatty	Shareholder	**47,897**	27,403
6 Knights Limited (100% owner: Mr A Knight)	Shareholder	**78,365**	23,810

Interest has been accrued but not yet paid, the following amounts are included in accruals at 31 July 2023:

	Relationship to the company	**2023** £	2022 £
Adinal McGregor Ltd	Shareholder	**13,890**	12,349
6 Knights Investments Limited (100% owner: Mr A Knight)	Shareholder	**37,264**	35,723
Maybridge Limited	Shareholder	**2,630**	2,597
Mr P Tuvey	Shareholder and Director	**2,301**	2,273
Angular Capital Limited (100% owner: Mr M Chmyshuk)	Shareholder	**1,069**	1,069
Mr P Beatty	Shareholder	**4,603**	2,967
6 Knights Limited (100% owner: Mr A Knight)	Shareholder	**6,010**	6,010

Group

During the year a group company incurred expenses amounting to £65,456 (2022: £71,479) with Archie Property Limited, a company in which Mr D McPherson, a shareholder of Alterium Limited, is a director and shareholder. The amounts included in creditors at the year-end were £nil (2022: £nil).

22 Post Balance Sheet Events

Group

Between 1st August and 12th December 2023, Utilisation requests totalling £10,000,000 and capital repayments totalling £1,113,272 were made under the financing facilities, taking the total balance of the facilities to £92,185,684.

Notes to the financial statements for year ended 31 July 2023 *(continued)*

23 Operating lease arrangements

Group

Non-cancellable operating lease rentals are payable as follows:

	2023	2022
	£	£
Within one year	**42,705**	46,139
In the second to fifth years, inclusive	-	-
	42,705	46,139

24 Control

In the opinion of the directors, there is no ultimate controlling party.

25 Subsidiaries claiming audit exemption

The following companies which are included within the consolidated accounts have claimed the audit exemption available under Section 479A of the Companies Act 2006, and their individual company accounts have not been audited as at 31 July 2023:

Company name	**Registered number**	**Country of incorporation**
Fleximize Limited	07117447	England and Wales
Fleximize Services Limited	08871283	England and Wales
Fleximize Capital Limited	09485920	England and Wales