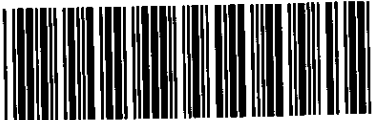


FLEXIMIZE SERVICES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023
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FLEXIMIZE SERVICES LIMITED

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FLEXIMIZE SERVICES LIMITED

BALANCE SHEET

AS AT 31 JULY 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	3		64,742		18,440
Current assets					
Debtors	4	112,599		93,359	
Cash at bank and in hand		5,256		10,897	
		<u>117,855</u>		<u>104,256</u>	
Creditors: amounts falling due within one year	5	<u>(20,684,208)</u>		<u>(16,684,691)</u>	
Net current liabilities			<u>(20,566,353)</u>		<u>(16,580,435)</u>
Net liabilities			<u>(20,501,611)</u>		<u>(16,561,995)</u>
Capital and reserves					
Called up share capital			1		1
Profit and loss reserves			<u>(20,501,612)</u>		<u>(16,561,996)</u>
Total equity			<u>(20,501,611)</u>		<u>(16,561,995)</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 number 08871283 (England and Wales)

FLEXIMIZE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

Company information

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

FLEXIMIZE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

(Continued)

1.3 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, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

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:

Other fixed assets	3 years
Office equipment	4 years
Computer equipment	3 years
Furniture and fixtures	4 years

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.

FLEXIMIZE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

(Continued)

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.

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

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.

FLEXIMIZE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

(Continued)

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.

2 Employees

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

	2023 Number	2022 Number
Total	50	50

3 Tangible fixed assets

	Other fixed assets £	Office equipment £	Computer equipment £	Furniture and fixtures £	Total £
Cost					
At 1 August 2022	1,749	29,418	20,418	-	51,585
Additions	-	3,478	1,481	50,837	55,796
At 31 July 2023	1,749	32,896	21,899	50,837	107,381
Depreciation					
At 1 August 2022	1,322	16,594	15,229	-	33,145
Depreciation charged in the year	394	4,792	2,520	1,788	9,494
At 31 July 2023	1,716	21,386	17,749	1,788	42,639
Carrying amount					
At 31 July 2023	33	11,510	4,150	49,049	64,742
At 31 July 2022	427	12,824	5,189	-	18,440

4 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	112,599	93,359

FLEXIMIZE SERVICES 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	232,411	61,713
Amounts owed to group undertakings	20,249,033	16,414,427
Taxation and social security	65,864	57,758
Other creditors	136,900	150,793
	<u>20,684,208</u>	<u>16,684,691</u>

6 Contingent liabilities

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

7 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.

8 Parent company

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