

The Fluent Money Group Limited

Annual Report and Financial Statements

Year Ended

31 March 2021

Company Number 09774736



The Fluent Money Group Limited

Company Information

Directors	S Almond P Ford K Hindley M Kilgallon S Moore T Wheeldon
Registered number	09774736
Registered office	102 Rivington House Chorley New Road Horwich Bolton England BL6 5UE
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT

The Fluent Money Group Limited

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The Fluent Money Group Limited

Strategic Report For the Year Ended 31 March 2021

The Directors present their Strategic Report for the year ended 31 March 2021.

Business review

The Fluent Money Group Limited is a holding company for four trading companies in the group and these are Fluent Money Limited, Fluent Loans Limited, Fluent Lifetime Limited and Fluent Mortgages Limited.

The Company is a wholly owned subsidiary of Project Finland Topco Limited. A full strategic report, including a fair review of the business, an analysis of principal risks and a summary of future developments has been prepared for the group containing The Fluent Money Group Limited and is disclosed in the consolidated financial statements of Project Finland Topco Limited.

This report was approved by the board on

Dec 23, 2021

and signed on its behalf.



K J Hindley (Dec 23, 2021 18:36 GMT)

K Hindley
Director

The Fluent Money Group Limited

Directors' Report For the Year Ended 31 March 2021

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

Principal activity

The principal activity of the Company continued to be that of a holding company.

The principal activities of its subsidiaries were as follows:

- a. Fluent Money Limited - provision of financial loans
- b. Fluent Loans Limited - financial product advisory services
- c. Fluent Mortgage Holdings Limited - dormant
- d. Fluent Lifetime Limited - technology led brokerage solutions

Results and dividends

The profit for the year, after taxation, amounted to £Nil (2020 - £Nil).

No ordinary dividends were paid in the year (2020 - £Nil). The Directors do not recommend payment of a final dividend.

Directors

The Directors who served during the year were:

S Almond
P Ford
K Hindley
M Kilgallon
S Moore
G Taylor (resigned 31 December 2020)
T Wheeldon

Going concern

Looking forward to 2022 the board is very optimistic about the prospects for growth and has set some exciting targets for the next financial year for all four trading companies within the group.

At this time, Fluent has adequate liquidity and financial resources, supported by a healthy pipeline across all businesses. Since inception the Group has a proven track record of successful and agile adaptation to rapidly changing environments and actually started trading at the height of the credit crunch in 2008. The board has a sound track record of prudent, sensible and responsible management of resources, and the group has a number of levers within its control that it can pull in order to protect itself from other possible changes in market conditions. As we approach the later part of FY22 we are ahead of an ambitious target year to date and the board expects this to continue well into the new year and beyond.

The directors have reviewed the group's forecasts and projections, taking into account all possible changes in trading performance and consider that the group has sufficient resources to meet liabilities as they fall due. The businesses in the group have maintained healthy cash balances throughout the year, and have managed to post healthy profits well into the first three quarters of the FY22 accounting period; this includes the newly formed Fluent Bridging business which has started well and is considered a very good group prospect for the future expansion of the group and its activities. Consequently, the directors believe that the group is well placed to manage its business risks successfully and prudently.

After making enquiries, the directors have a reasonable expectation that Fluent Mortgage Holdings Limited has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

The Fluent Money Group Limited

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

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on Dec 23, 2021 and signed on its behalf.


K J Hindley (Dec 23, 2021 18:36 GMT)

K Hindley
Director

The Fluent Money Group Limited

Directors' Responsibilities Statement For the Year Ended 31 March 2021

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). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Fluent Money Group Limited

Independent Auditor's report to the members of The Fluent Money Group Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Fluent Money Group Limited ("the Company") for the year ended 31 March 2021, which comprise The Statement of Financial Position, The Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

The Fluent Money Group Limited

Independent Auditor's report to the members of The Fluent Money Group Limited (continued)

Other Companies Act 2006 reporting

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

- the information given in the 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 the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The Fluent Money Group Limited

Independent Auditor's report to the members of The Fluent Money Group Limited (continued)

Based on our understanding and accumulated knowledge of the Company and the sector in which it operates we considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. There included but were not limited to those that relate to the form and content of the financial statements, such as the Company accounting policies, United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the UK Companies Act 2006; the taxation legislation; those that relate to the payment of employees. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates as well as inappropriate revenue cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging management's assessment for recoverability of carrying value of investment balance;
- Review of minutes of Board meetings throughout the period;
- Identifying and testing journal entries for the key financial statement areas such as investment, amounts owed to and by group undertakings; and
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Julien Rye

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Julien Rye (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom

23 December 2021

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

The Fluent Money Group Limited

Statement of Comprehensive Income For the Year Ended 31 March 2021

The Company has not traded during the year or the preceding financial year. During these years, the Company received no income and incurred no expenditure and therefore made neither a profit or a loss.

There was no other comprehensive income during the year (2020 - £Nil).

The notes on pages 11 to 15 form part of these financial statements.

The Fluent Money Group Limited

Registered number:09774736

Statement of Financial Position As at 31 March 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Investments	6		1,310,010		1,310,000
			<u>1,310,010</u>		<u>1,310,000</u>
Current assets					
Debtors: amounts falling due within one year	7	-		600,000	
Creditors: amounts falling due within one year	8	(1,200,010)		(1,800,000)	
Net current liabilities			<u>(1,200,010)</u>		<u>(1,200,000)</u>
Net assets			<u>110,000</u>		<u>110,000</u>
Capital and reserves					
Called up share capital	9		110,000		110,000
Total equity			<u>110,000</u>		<u>110,000</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
Dec 23, 2021

K. J Hindley
K J Hindley (Dec 23, 2021 18:36 GMT)

K Hindley
Director

The notes on pages 11 to 15 form part of these financial statements.

The Fluent Money Group Limited

Statement of Changes in Equity For the Year Ended 31 March 2021

	Called up share capital £	Total equity £
At 1 April 2019	110,000	110,000
At 1 April 2020	110,000	110,000
At 31 March 2021	110,000	110,000

The notes on pages 11 to 15 form part of these financial statements.

The Fluent Money Group Limited

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

1. General information

The Fluent Money Group Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activities are set out in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The presentational currency of the financial statements is GBP and all figures are rounded to the nearest £1.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Project Finland Topco Limited as at 31 March 2021 and these financial statements may be obtained from 102 Rivington House, Chorley New Road, Horwich, Bolton, BL6 5UE.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

The Fluent Money Group Limited

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

2. Accounting policies (continued)

2.4 Going concern

Looking forward to 2022 the board is very optimistic about the prospects for growth and has set some exciting targets for the next financial year for all four trading companies within the group.

At this time, Fluent has adequate liquidity and financial resources, supported by a healthy pipeline across all businesses. Since inception the Group has a proven track record of successful and agile adaptation to rapidly changing environments and actually started trading at the height of the credit crunch in 2008. The board has a sound track record of prudent, sensible and responsible management of resources, and the group has a number of levers within its control that it can pull in order to protect itself from other possible changes in market conditions. As we approach the later part of FY22 we are ahead of an ambitious target year to date and the board expects this to continue well into the new year and beyond.

The directors have reviewed the group's forecasts and projections, taking into account all possible changes in trading performance and consider that the group has sufficient resources to meet liabilities as they fall due. The businesses in the group have maintained healthy cash balances throughout the year, and have managed to post healthy profits well into the first three quarters of the FY22 accounting period; this includes the newly formed Fluent Bridging business which has started well and is considered a very good group prospect for the future expansion of the group and its activities. Consequently, the directors believe that the group is well placed to manage its business risks successfully and prudently.

After making enquiries, the directors have a reasonable expectation that Fluent Mortgage Holdings Limited has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 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.

2.7 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 ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

The Fluent Money Group Limited

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

2. Accounting policies (continued)

2.7 Financial instruments (continued)

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 Statement of Comprehensive Income.

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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the Company's fixed asset investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

4. Auditor's remuneration

Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements were £nil (2020 - £nil).

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

5. Employees

The Company has no employees other than the Directors, who did not receive any remuneration (2020 - £Nil). The Directors were remunerated by another group company during the current and previous years, but these were not recharged to this entity.

The Fluent Money Group Limited

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

6. Fixed asset investments

	Investments in subsidiary companies £
Cost and net book value	
At 1 April 2020	1,310,000
Additions	10
At 31 March 2021	<u>1,310,010</u>

In February 2021 the Company acquired 100% of the share capital of Fluent Bridging Limited, a company incorporated in England and Wales.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Fluent Loans Limited	Financial product and advisory services	Ordinary	100%
Fluent Money Limited	Financial loan broker	Ordinary	100%
Fluent Lifetime Limited	Technology led brokerage solutions	Ordinary	90%
Fluent Mortgage Holdings Limited	Holding company	Ordinary	90%
Fluent Mortgages Limited *	Mortgage and finance broker	Ordinary	90%
Fluent Bridging Limited	Financial intermediation	Ordinary	90%

*held indirectly through Fluent Mortgage Holdings Limited.

The registered office of all subsidiary undertakings is 102 Rivington House, Chorley New Road, Horwich, Bolton, Lancashire, BL6 5UE.

7. Debtors

	2021 £	2020 £
Amounts falling due within one year		
Amounts owed by group undertakings	-	600,000

Amounts owed by group undertakings in less than one year are interest free and due on demand.

The Fluent Money Group Limited

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

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings	<u>1,200,010</u>	<u>1,800,000</u>

Amounts owed to group undertakings in less than one year are interest free and due on demand.

9. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
110,000 (2020 - 110,000) Ordinary shares of £1.00 each	<u>110,000</u>	<u>110,000</u>

The £1 Ordinary shares have full voting rights as regards dividends, distributions and the issue of share capital.

10. Contingent liabilities

The Company has given a cross guarantee in respect of loan notes provided to Project Finland Bidco Limited. At 31 March 2021, an amount of £21,414,332 (2020 - £20,525,998) was outstanding in respect of this facility. The maturity date of the loan notes is 28 February 2023.

11. Related party transactions

The Company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

Fluent Mortgage Holdings Limited - related party through common ownership

At the year end the Company owed £1,200,000 (2020 - £Nil) to Fluent Mortgage Holdings Limited.

12. Controlling party

The immediate parent company is Project Finland Bidco Limited, which is incorporated in England and Wales and registered at 102 Rivington House, Chorley New Road, Horwich, Bolton, England, BL6 5UE.

The ultimate parent company, Project Finland Topco Limited, has no individual controlling party, and is incorporated in England and Wales.

The parent undertaking of the smallest and largest group for which consolidated accounts are prepared is Project Finland Topco Limited. Consolidated accounts are available from its registered office, 102 Rivington House, Chorley New Road, Horwich, Bolton, England, BL6 5UE.