

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
FIVE BY FIVE LIMITED

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For The Year Ended 31 December 2022**

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FIVE BY FIVE LIMITED
COMPANY INFORMATION
For The Year Ended 31 December 2022

DIRECTORS:

M J Lawton
N M Lawton

REGISTERED OFFICE:

4 Grosvenor Square
Southampton
Hampshire
SO15 2BE

REGISTERED NUMBER:

01444820 (England and Wales)

AUDITORS:

TC Group
1st Floor
Ocean Village Innovation Centre
Ocean Way
Southampton
Hampshire
SO14 3JZ

BALANCE SHEET
31 December 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	4		55,987		54,973
Tangible assets	5		<u>235,632</u>		<u>264,412</u>
			291,619		319,385
CURRENT ASSETS					
Debtors	6	3,923,734		4,802,229	
Cash at bank and in hand		<u>10,740</u>		<u>10,837</u>	
		3,934,474		4,813,066	
CREDITORS					
Amounts falling due within one year	7	<u>578,705</u>		<u>910,691</u>	
NET CURRENT ASSETS			<u>3,355,769</u>		<u>3,902,375</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,647,388		4,221,760
PROVISIONS FOR LIABILITIES	9		<u>45,133</u>		<u>54,599</u>
NET ASSETS			<u>3,602,255</u>		<u>4,167,161</u>
CAPITAL AND RESERVES					
Called up share capital	10		7,500		7,500
Capital redemption reserve			2,500		2,500
Retained earnings			<u>3,592,255</u>		<u>4,157,161</u>
SHAREHOLDERS' FUNDS			<u>3,602,255</u>		<u>4,167,161</u>

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

In accordance with Section 444 of the Companies Act 2006, the Profit or Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 15 September 2023 and were signed on its behalf by:

N M Lawton - Director

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 December 2022

1. STATUTORY INFORMATION

Five by Five Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

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 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.

Going concern

The financial statements have been prepared on a going concern basis. The directors acknowledge that given the currently rapidly changing business and social environment, there are likely to be significant unknown factors which may present themselves. Such factors are considered by the directors to represent a general inherent level of risk in relation to the going concern assumption albeit not quantifiable at this time. As at the point of authorising the accounts, and for the foreseeable future, the directors consider the going concern assumption to still be appropriate.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2022**2. ACCOUNTING POLICIES - continued****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.

Turnover 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, turnover is recognised only to the extent of the expenses recognised that are recoverable.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

An internally generated intangible asset arising from development is recognised only when all of the following have been demonstrated:

- technical feasibility of completing the intangible so that it is available for use or sale
- intention to complete the development to use it or sell it
- the ability to use the intangible asset
- how the intangible asset will generate probable future economic benefits
- availability of adequate technical, financial and other resources to complete the development.
- the ability to measure reliably the expenditure attribute to the intangible assets during its development

The amount initially recognised for internally generated assets is the sum of the expenditure incurred from the date when the intangible assets meets the recognition criteria listed above. Where no internally generated intangible assets can be recognised, development expenditure is recognised in profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software development 5 years straight line years

At each reporting date the group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2022

2. ACCOUNTING POLICIES - continued**Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- Straight line over 12 years
Plant and machinery	- Straight line over 4 years
Fixtures and fittings	- Straight line over 3 years
Motor vehicles	- Straight line over 4 years
Computer equipment	- Straight line over 3 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the statement of income and retained earnings.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use.

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 bank and other third parties, loan's to related parties and investments in ordinary shares.

Short term debtors and creditors are measured at the transaction price. Other financial instruments, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit or Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2022

2. ACCOUNTING POLICIES - continued**Foreign currencies**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Cash and cash equivalents

Cash at bank and in hand 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.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 54 (2021 - 50) .

4. INTANGIBLE FIXED ASSETS

	Software development £
COST	
At 1 January 2022	54,973
Additions	<u>1,014</u>
At 31 December 2022	<u>55,987</u>
NET BOOK VALUE	
At 31 December 2022	<u>55,987</u>
At 31 December 2021	<u>54,973</u>

As at the year end, capitalised software costs were not yet operational and therefore no amortisation has been charged.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2022

5. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2022	278,892	6,361	69,488	295,015	649,756
Additions	-	-	1,329	37,201	38,530
Disposals	-	-	(415)	(35,307)	(35,722)
At 31 December 2022	<u>278,892</u>	<u>6,361</u>	<u>70,402</u>	<u>296,909</u>	<u>652,564</u>
DEPRECIATION					
At 1 January 2022	71,631	4,184	68,220	241,309	385,344
Charge for year	25,598	990	698	40,024	67,310
Eliminated on disposal	-	-	(415)	(35,307)	(35,722)
At 31 December 2022	<u>97,229</u>	<u>5,174</u>	<u>68,503</u>	<u>246,026</u>	<u>416,932</u>
NET BOOK VALUE					
At 31 December 2022	<u>181,663</u>	<u>1,187</u>	<u>1,899</u>	<u>50,883</u>	<u>235,632</u>
At 31 December 2021	<u>207,261</u>	<u>2,177</u>	<u>1,268</u>	<u>53,706</u>	<u>264,412</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	434,826	392,503
Amounts owed by group undertakings	3,215,221	4,159,935
Other debtors	273,687	249,791
	<u>3,923,734</u>	<u>4,802,229</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	102,748	130,420
Corporation tax	17,081	267,801
Social security and other taxes	175,696	158,926
Other creditors	44,188	44,188
Accruals and deferred income	238,992	309,356
	<u>578,705</u>	<u>910,691</u>

8. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022 £	2021 £
Within one year	201,060	201,060
Between one and five years	112,500	313,560
	<u>313,560</u>	<u>514,620</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2022

9. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Deferred tax	<u>45,133</u>	<u>54,599</u>
		Deferred tax
		£
Balance at 1 January 2022		54,599
Provided during year		<u>(9,466)</u>
Balance at 31 December 2022		<u>45,133</u>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2022	2021
Number:	Class:	Nominal value:	£	£
7,500	Ordinary	£1	<u>7,500</u>	<u>7,500</u>

11. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Richard Gillespie FCCA (Senior Statutory Auditor)
for and on behalf of TC Group

12. RELATED PARTY DISCLOSURES

The company premises at 4 & 5 Grosvenor Square, Southampton are rented from Michael J Lawton. In the year ended 31 December 2022 rent was paid to Michael J Lawton of £90,000 (2021: £90,000).

In accordance with FRS 102 33.1A, transactions with members of the group are not disclosed where the counterparty is a wholly owned subsidiary of the ultimate parent company.

During the year, the company had management charges receivable of £132,036 (2021: £132,036) from Dragonfish Consulting Limited, a fellow group company. At the balance sheet date, £260,039 (2021: £546,752) is owed by Dragonfish Consulting Limited.

13. POST BALANCE SHEET EVENTS

Post year end dividends totalling £280,000 were declared.

14. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Michael J Lawton by virtue of his shareholding in the ultimate parent company.

The immediate parent company and ultimate parent company is Lawton Communications Group Limited, a company registered in England and Wales.

Lawton Communications Group Limited are the parent of the smallest and largest group for which consolidated financial statements are prepared that include the company. Copies of these consolidated accounts can be obtained from 4 & 5 Grosvenor Square, Southampton, SO15 2BE.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.