Company registration number 03114800 (England and Wales)

COMPANY 3 / METHOD LONDON LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

COMPANY 3 / METHOD LONDON LIMITED

COMPANY INFORMATION

Director	K S Sonnenfeld
Company number	03114800
Registered office	28 Chancery Lane London United Kingdom WC2A 1LB
Auditor	Azets Audit Services 5 Yeomans Court Ware Road Hertford Hertfordshire United Kingdom SG13 7HJ

COMPANY 3 / METHOD LONDON LIMITED

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COMPANY 3 / METHOD LONDON LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The director presents the strategic report for the year ended 31 December 2022.

Change in reporting period

The company changed its financial year end from 31 March to 31 December with effect from the previous financial period 31 December 2021 to align with the rest of the entities within the Infinity Group it sits within. The financial statements for the current financial year are made up from 1 January 2022 to 31 December 2022. The comparative figures are for the nine months from 1 April 2021 to 31 December 2021.

Principal activities

The Company provides creative services and applied technologies to the film, television and advertising communities.

Review of the business and future outlook

The results for the Company show a profit after tax of £46,544 (Period ended 31 December 2021: loss of £244,756) and turnover of £12,600,053 (Period ended 31 December 2021: £6,746,253). The increase in profit after tax for the current year, as compared to the previous period, can be attributed to an increase in turnover partially offset by a rise in administrative expenses and the absence of coronavirus job retention scheme grant, which had contributed to a portion of the profits in the period ending on 31 December 2021. During the year one-off non-recurring items relating to historical related party balances no longer payable were recorded totalling £180,029 (Period ended 31 December 2021: £30,435).

The Company continues to work with major film studios, advertising agencies and large brands on some of their major projects. Despite the WGA and SAG-AFTRA strikes during the 2023 financial year, the Company has performed well and is expected to perform above budget.

It is considered that turnover, gross profit and EBITDA (operating profit adding back depreciation and amortisation) are the key performance indicators of the business. The results for continuing operations are:

KPI	**Year ended 31 December 2022**	Period ended 31 December 2021	Increase/ (decrease)	**Comments**
	£000	£000		
Turnover	12,600	6,746	87%	The increase in turnover is due to the shorter prior period. It's a 40% YoY increase when prior period numbers are annualized. Increase is attributable to a strong pipeline in the second half of the year, this was driven by continued expansion in Advertising revenue.
Gross profit	4,551	1,448	214%	When factoring in the shorter prior period, annualising 2021 costs results in a 14% increase which are in line with increased revenue.
EBITDA	3,593	2,102	71%	Increase in EBITDA is driven by the increase in revenue partially offset by increased administrative expenses.

Principal risks and uncertainties
The Company's performance is impacted by the general economic climate in the UK and North America. This risk is managed by ensuring that the group operates across a range of markets with a broad client base. On 31 January 2021 the UK left the EU, the directors believe that any associated risk is low given the current group operations and locations. However, the Director continues to monitor the situation, particularly with respect to supply chains. The Company has been affected by the COVID-19 pandemic in all the locations it has operations. COVID-19 has impacted our colleagues, operations, customers with the extent dependent on factors including but not limited to, length of lockdowns, virus recurrence, nature and extent of any government interventions, severity of economic effects and the speed and nature of recovery. Employees have successfully been able to work from home which has minimised disruption to the business. Some major productions were impacted during the COVID-19 peaks which has had a knock-on effect on project margin and delivery during the early part of 2022. As with other companies in the film industry, the Company has been affected by the ongoing WGA and SAG-AFTRA strikes, however, the impact of the strikes is not material.

Statement by the Board of directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006
The Board of Directors of Company 3 / Method London Limited ("the Company") has acted in the way it considers, in good faith, would be most likely to promote the success of the Company for the benefit of its employees as a whole and having regard (amongst other matters) to factors (a) to (f) s172 Companies Act 2006, in the decisions taken during the year ended 31 December 2022.

By way of background, the Board is currently comprised of one director, Stefan Sonnenfeld, who is the President & Chief Executive Officer of Company 3 / Method London Limited's parent company. In carrying out his director duties on behalf of the Board and consistent with the points herein, Mr. Sonnenfeld is regularly advised by and consults with his global executive team which includes the presidents of various business units and multiple officers, including, among others, the heads of the technology, legal and human resources departments.

With this in mind, the Board regularly undertakes a review of the Company's strategy including its long-term business plan. This informs the annual budgets, resource plans and investment decisions. In making decisions concerning the future strategy the Board has regard for a variety of matters including the interests of shareholders, clients, staff and the community in which the Company is based and the consequences of our decisions in the long term.

The Board recognises the Company's employees are fundamental to the long-term success of the business. The aim is to be a responsible employer in the Company's approach to the pay and benefits our employees receive. Their health, safety, development, and wellbeing are primary considerations in the way we operate and the support we provide to them.

Our strategy prioritises sustainable growth through selling services to both existing and new clients; this relies on maintaining and developing strong client relationships and finding solutions, often through innovation, to their needs. The Board is briefed on major contract renegotiations and strategy with regards to key customers and suppliers.

The Board considers the impact of the Company's operations on the community and environment and our wider societal responsibilities. Where and when possible, the Company supports local charities in the locations it is based in, enables staff charity events and is an active corporate citizen. As a Company, we are an active organisation in terms of equality, diversity and inclusion. The Company employs a Vice President, Diversity & Organizational Development, who, along with their team, advise the Board and lead the Company's initiatives in this regard. An employee-led collective knowns as "Company 3 For Good" draws from all parts and levels of the Company and also drives this work.

The Board's intention is to behave responsibly and ensure that management operates the business in a responsible manner, upholding a high standard of business conduct and practicing good governance. This commitment is being actively realized through regular training and workshops for both employees and leadership, comprehensive ethical guidelines that are consistently communicated and reinforced, as well as the implementation of compliance mechanisms. The Board remains steadfast in its dedication to maintaining this proactive approach as a fundamental element of the Company's operational philosophy.

It is the Board's intention to behave responsibly towards the Company's employees and treat them fairly and equally.

On behalf of the board

K S Sonnenfeld
Director

20 December 2023

COMPANY 3 / METHOD LONDON LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The director presents his annual report and financial statements for the year ended 31 December 2022.

Dividends
No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Director
The director who held office during the year and up to the date of signature of the financial statements was as follows:

K S Sonnenfeld

Qualifying third party indemnity provisions
The company has made qualifying third party indemnity provisions for the benefit of its director during the year. These provisions remain in force at the reporting date.

Financial risk management
The Company's operations expose it to a variety of financial risks that include the effects of credit risk, interest, exchange rate risk, industry risk and the current risks of rising inflation and global energy crisis. The Company is reliant on its board of directors to actively manage its risk exposure. Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department.

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. Where debt finance is utilised, this is subject to pre-approval by the board of directors and such approval is limited to respected financial institutions.

Interest and exchange rate cash flow risk

The Company has interest bearing liabilities and foreign currency assets. Interest bearing liabilities includes an intercompany loan which accrues interest at a fixed rate. Foreign currency assets include trade receivables in foreign currency.

Industry risk

The Company expects a short-term impact on the revenue pipeline due to the ongoing SAG-AFTRA strike, however, a full recovery is expected once the strike is resolved. Due to the strong local pipeline this impact is not material.

Inflation and global energy crisis

Due to the current economic climate and levels of inflation at the date of issuance of the financial statements, the Company's exposure to inflation risk has resulted in a higher degree of focus by senior management. Inflation levels have not had a significant impact on the majority of the Company's cost base which is largely driven by staff, software and facility costs. We anticipate that these costs would remain stable. To mitigate the risk of inflation, the Company is focusing on creating flexibility in the global staff workforce.

The global energy crisis has not had a direct material impact on the Company's operations.

Employees

Although the Company is in the process of developing a formal performance management program, each of the Company's departments are tasked with appraising and assessing employee performance and career development based on their own internal calendars and as needed. There are a wide range of informal and formal training opportunities available to staff at all levels.

Company-wide staff presentations are held on an as-needed basis.

Pursuant to applicable law, it is the Company's policy that disabled persons or persons who become disabled whilst in the employment of the Company should be considered for employment, training, career development and promotion on the basis of their abilities and aptitudes in common with all employees.

Political Donations

No political donations were made during the year (period ended 31 December 2021: £nil).

Reporting period

The prior period year was 9 months long therefore results are not entirely comparable.

Going concern

The directors have considered that Infinity Group provides financial support to the Company and note that Infinity Group's ability to continue as a going concern is dependent on its ability to refinance or renegotiate maturing debt obligations and covenant levels. Discussions with lenders are ongoing however no agreement to refinance is in place yet and there can be no certainty that the facility will be renewed or that the level of facility will be sufficient to cover cash flow requirements. This matter indicates the existence of a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. Based on their enquiries the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the fair review of the business.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487 (2) of the Companies Act 2006.

On behalf of the board

K S Sonnenfeld
Director

20 December 2023

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

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

The director is 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 enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COMPANY 3 / METHOD LONDON LIMITED

Opinion

We have audited the financial statements of Company 3 / Method London Limited (the 'company') for the year ended 31 December 2022 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit 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.

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 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 the provisions available for small entities, in the circumstances set out in note 1.1 to the financial statements, 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.

Material uncertainty related to Going Concern

We draw attention to note 1.2 in the financial statements, concerning the current position and performance of the company and reliance on group support. As stated in note 1.2, these factors indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception
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 director's 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director
As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

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.

Extent to which the audit was considered 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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud. we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Gary Tamkin (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

22 December 2023

Chartered Accountants
Statutory Auditor

5 Yeomans Court
Ware Road
Hertford
Hertfordshire
United Kingdom
SG13 7HJ

COMPANY 3 / METHOD LONDON LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Year ended 31 Dec 2022 £	Period ended 31 Dec 2021 as restated £
Turnover		12,600,053	6,746,253
Cost of sales		(8,048,640)	(5,298,518)
Gross profit		4,551,413	1,447,735
Administrative expenses		(7,090,580)	(5,383,019)
Other operating income		3,946,262	4,076,955
Operating profit	4	1,407,095	141,671
Interest payable and similar expenses		(1,227,241)	(410,088)
Profit/(loss) before taxation		179,854	(268,417)
Tax on profit/(loss)	6	(133,310)	23,661
Loss for the finacial Period / Year		46,544	(244,756)

COMPANY 3 / METHOD LONDON LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	£	2022 £	£	2021 as restated £
Fixed assets					
Intangible assets	7		-		109,493
Tangible assets	8		3,102,851		3,819,143
			3,102,851		3,928,636
Current assets					
Debtors	9	27,930,229		8,022,263	
Cash at bank and in hand		714,466		738,347	
		28,644,695		8,760,610	
Creditors: amounts falling due within one year	10	(34,137,565)		(15,259,118)	
Net current liabilities			(5,492,870)		(6,498,508)
Total assets less current liabilities			(2,390,019)		(2,569,872)
Provisions for liabilities	11	244,739		111,429	
			(244,739)		(111,429)
Net liabilities			(2,634,758)		(2,681,301)
Capital and reserves					
Called up share capital	13		2		2
Profit and loss reserves			(2,634,760)		(2,681,303)
Total equity			(2,634,758)		(2,681,301)

The financial statements were approved and signed by the director and authorised for issue on 20 December 2023

K S Sonnenfeld
Director

Company Registration No. 03114800

COMPANY 3 / METHOD LONDON LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Profit and loss reserves	Total
	£	£	£
As restated for the period ended 31 December 2021:			
Balance at 1 April 2021	2	(3,190,133)	(3,190,131)
Effect of prior year adjustment	-	753,586	753,586
As restated	2	(2,436,547)	(2,436,545)
Period ended 31 December 2021:			
Loss and total comprehensive income for the period	-	(244,756)	(244,756)
Balance at 31 December 2021 (as restated)	2	(2,681,303)	(2,681,301)
Year ended 31 December 2022:			
Profit and total comprehensive income for the year	-	46,544	46,544
Balance at 31 December 2022	2	(2,634,760)	(2,634,758)

1 Accounting policies

Company information

Company 3 / Method London Limited is a private company limited by shares incorporated in England and Wales. The registered office is 28 Chancery Lane, London, United Kingdom, WC2A 1LB.

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.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;

The financial statements of the company are consolidated in the financial statements of Infinity Bidco US LLC. These consolidated financial statements are available from its registered office, 28 Chancery Lane, London, England, WC2A 1LB.

1.2 Going concern

The company has incurred a net profit during the year, and on 31 December 2022 has a net deficit of £2,634,758 (2021: £2,681,301). The company's continuation as a going concern is dependent upon its ability to develop and attain profitable operations and generate funds therefrom. The parent company have provided a committment that it will financially support the company, if required.

The Directors note that the Group's ability to provide this support is dependent on its ability to refinance or renegotiate the maturing debt obligations and covenant levels. Management have been actively engaged in discussions with lenders and are confident of the Group's ability to successfully refinance or renegotiate these obligations. However, at the date of approving these financial statements no agreement to refinance is in place and there can be no certainty that the facility will be renewed or that the level of facility will be sufficient to cover cash flow requirements.

Based on the expectation that a successful refinancing will occur, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, this matter indicates the existence of a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.3 Reporting period

The prior period year was 9 months long therefore results are not entirely comparable.

1 Accounting policies **(Continued)**

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The point in time that revenue becomes receivable is considered to be the date that the work order on a job is signed off as being complete. Before this point no revenue is recognised, as the director believes it cannot be reliably measured in line with the requirements of FRS102.

The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.5 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.

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	1 to 4 years

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

Leasehold improvements	1 - 50 years
Plant and machinery	1 - 10 years

Included within leasehold improvements are some assets which are under construction and are not depreciated.

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

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies **(Continued)**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 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.

1.9 Trade and other debtors

Trade and other debtors are measured at transaction price less any impairment unless the arrangement constitutes a financing transaction in which case the transaction is measured at the present value of the future receipts discounted at the prevailing market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

1.10 Trade and other creditors

Trade and other creditors are measured at their transaction price unless the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest. Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

1 Accounting policies **(Continued)**

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

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

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

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

1 Accounting policies **(Continued)**

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

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 in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a continuing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The director considers that there are no significant judgements or estimates in the preparation of these financial statements.

3 Turnover and other revenue

The turnover and profit before taxation are attributable to the one principal activity of the company.

	2022	2021
	£	£
Turnover analysed by geographical market		
United Kingdom	12,600,053	6,746,253

3 Turnover and other revenue **(Continued)**

	2022	2021
	£	£
Other revenue		
Grants received	-	31,494
Management charges	2,763,102	4,807,449
Sundry income	87,014	-

4 Operating profit

	2022	2021
Operating profit for the year is stated after charging/(crediting):	£	£
Exchange losses	624,829	357,621
Government grants	-	(31,494)
Fees payable to the company's auditor for the audit of the company's financial statements	40,040	32,035
Depreciation of owned tangible fixed assets	2,076,863	1,927,357
Amortisation of intangible assets	109,493	33,031
Rent charges	1,132,443	1,154,360

5 Employees

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

	2022	2021
	Number	Number
	108	89

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	7,158,447	3,976,275
Social security costs	772,279	380,735
Pension costs	214,253	140,122
	8,144,979	4,497,132

The Director of the company has been remunerated for their services through other group companies.

6 Taxation

	2022	2021
	£	£
Deferred tax		
Origination and reversal of timing differences	133,310	(23,661)

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021 as restated
	£	£
Profit/(loss) before taxation	179,854	(268,417)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	34,172	(50,999)
Tax effect of expenses that are not deductible in determining taxable profit	11,485	1,892
Remeasurement of deferred tax for changes in tax rates	-	(253,647)
Accelerated Capital Allowance	(44,949)	-
Movement in deferred tax not recognised	132,602	279,093
Taxation charge/(credit) for the year	133,310	(23,661)

The company had unrecognised tax losses available of £3,336,862 (2021: £4,116,380).

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

7 Intangible fixed assets

	Software
	£
Cost	
At 1 January 2022 and 31 December 2022	148,690
Amortisation and impairment	
At 1 January 2022	39,197
Amortisation charged for the year	109,493
At 31 December 2022	148,690
Carrying amount	
At 31 December 2022	-
At 31 December 2021	109,493

8 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 January 2022	2,964,447	369,345	38,470	5,553,930	8,926,192
Additions	662,574	13,100	35,094	649,803	1,360,571
At 31 December 2022	3,627,021	382,445	73,564	6,203,733	10,286,763
Depreciation and impairment					
At 1 January 2022	1,513,242	205,975	30,534	3,357,298	5,107,049
Depreciation charged in the year	1,074,297	36,799	6,153	959,614	2,076,863
At 31 December 2022	2,587,539	242,774	36,687	4,316,912	7,183,912
Carrying amount					
At 31 December 2022	1,039,482	139,671	36,877	1,886,821	3,102,851
At 31 December 2021	1,451,205	163,370	7,936	2,196,632	3,819,143

9 Debtors

	2022	As restated 2021
Amounts falling due within one year:	£	£
Trade debtors	1,558,453	2,007,558
Amounts owed by group undertakings	25,295,737	5,305,756
Other debtors	6,901	39,057
Prepayments and accrued income	1,069,138	669,892
	27,930,229	8,022,263

Prior period adjustment

During the audit of the financial statements for the year ended 31 December 2022, management became aware of adjustments required in relation to the existence of a transfer pricing agreement with the Company 3 group. The transfer pricing agreement is designed to ensure that all entities within the group achieve similar profit margins when conducting transactions at arm's length.

Company 3 / Method London Limited has historically incurred losses, and as a result, adjustments are required to account for the income received from the parent company in order to align with the desired profit margin. The agreement was formulated after the close of the financial year 2022, and as a consequence, it has been applied retrospectively, leading to adjustments in the prior year's financials as detailed in note 17.

10 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	136,883	212,675
Amounts owed to group undertakings	32,972,174	12,922,745
Taxation and social security	472,584	641,124
Other creditors	299,172	1,086,177
Accruals and deferred income	256,752	396,397
	34,137,565	15,259,118

At the year end the company owed £78,786 (2021: £38,203) in respect of employer pension contributions.

11 Provisions for liabilities

	2022	2021
	£	£
Deferred tax liabilities	244,739	111,429
	244,739	111,429

The deferred tax liability set out above relates to accelerated capital allowances.

Movements in the year:	**2022**
	£
Liability at 1 January 2022	111,429
Charge to profit or loss	133,310
Liability at 31 December 2022	244,739

12 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	214,253	140,122

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

13 Share capital

	2022	2021	2022	2021
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
of £1 each	2	2	2	2

14 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	-	121,555
Between two and five years	-	-
	-	121,555

15 Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group. There are no related party transactions in the period to disclose.

16 Ultimate controlling party

Company 3 / Method London is a wholly owned subsidiary of C3 UK Holdings Limited.

The ultimate parent company is Infinity Topco Limited, a UK Company.

17 Prior period adjustment

During the audit of the financial statements for the year ended 31 December 2022, management became aware of adjustments required in relation to the existence of a transfer pricing agreement with the Company 3 group. The transfer pricing agreement is designed to ensure that all entities within the group achieve similar profit margins when conducting transactions at arm's length.

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17 Prior period adjustment **(Continued)**

Year ended 31 March 2021

Changes to the balance sheet

	As previously reported	Adjustment	As restated at 31 March 2021
	£	£	£
Current assets			
Debtors due within one year	1,858,643	753,586	2,612,229
Capital and reserves			
Profit and loss reserves	(3,190,133)	753,586	(2,436,547)

Year ended 31 March 2021

Changes to the profit and loss account

	As previously reported	Adjustment	As restated at 31 March 2021
	£	£	£
Other operating income	468,023	753,586	1,221,609
Profit / (loss) for the financial year	(1,913,104)	753,586	(1,159,518)

Period ended 31 December 2021

Changes to the balance sheet

	As previously reported	Adjustment	As restated at 31 Dec 2021
	£	£	£
Current assets			
Debtors due within one year	3,253,651	4,768,612	8,022,263
Capital and reserves			
Profit and loss reserves	(7,449,915)	4,768,612	(2,681,303)

Changes to the profit and loss account

	As previously reported	Adjustment	As restated at 31 December 2021
Period ended 31 December 2021	£	£	£
Other operating income	61,929	4,015,026	4,076,955
Loss for the financial period	(4,259,782)	4,015,026	(244,756)