

UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MAY 2022

LIVEWIRE DIGITAL LIMITED

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# LIVEWIRE DIGITAL LIMITED

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## COMPANY INFORMATION

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Directors	S Wood T M Wood B L Evans (appointed 17 June 2022) W D Mathieson (appointed 8 September 2022) M M Wood (appointed 8 September 2022)
Company secretary	S Wood
Registered number	02597337
Registered office	25 Groveside Bookham Leatherhead Surrey KT23 4LD
Accountants	Menzies LLP Chartered Accountants Ashcombe House 5 The Crescent Leatherhead Surrey KT22 8DY

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# LIVEWIRE DIGITAL LIMITED

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# LIVEWIRE DIGITAL LIMITED

REGISTERED NUMBER:02597337

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## STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2022

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	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	4	705,725	793,107
Tangible assets	5	1,143	1,455
		<u>706,868</u>	<u>794,562</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	444,731	124,056
Cash at bank and in hand		66,011	88,438
		<u>510,742</u>	<u>212,494</u>
Creditors: amounts falling due within one year	7	(427,452)	(136,230)
<b>Net current assets</b>		<u>83,290</u>	<u>76,264</u>
<b>Total assets less current liabilities</b>		<u>790,158</u>	<u>870,826</u>
Creditors: amounts falling due after more than one year	8	(101,795)	(142,228)
<b>Provisions for liabilities</b>			
Deferred tax		(176,717)	(198,641)
		<u>(176,717)</u>	<u>(198,641)</u>
<b>Net assets</b>		<u><u>511,646</u></u>	<u><u>529,957</u></u>

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# LIVEWIRE DIGITAL LIMITED

REGISTERED NUMBER:02597337

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## STATEMENT OF FINANCIAL POSITION (CONTINUED) AS AT 31 MAY 2022

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	2022 £	2021 £
<b>Capital and reserves</b>		
Called up share capital	500	500
Capital redemption reserve	500	500
Profit and loss account	510,646	528,957
	<u>511,646</u>	<u>529,957</u>

The Directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**T M Wood**

Director

Date: 17 October 2022

The notes on pages 3 to 8 form part of these financial statements.

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# LIVEWIRE DIGITAL LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

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### 1. General information

Livewire Digital Limited is a private company limited by shares and incorporated in England and Wales. The address of the registered office is given in the company information page of these financial statements.

### 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

#### 2.2 Foreign currency translation

##### Functional and presentation currency

The company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

#### 2.3 Revenue

Revenue consists of designing software defined networking solutions and is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

#### 2.4 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, estimated to be 5 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

#### 2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

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# LIVEWIRE DIGITAL LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

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### 2. Accounting policies (continued)

#### 2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

#### 2.8 Pensions

##### Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

#### 2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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# LIVEWIRE DIGITAL LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

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### 2. Accounting policies (continued)

#### 2.10 Intangible assets

Intangible assets in relation to capitalised development expenditure are initially recognised at cost and in accordance with FRS 102. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The directors assessed that the accounting policy to capitalise development expenditure was necessary to better reflect the nature of the business and this has resulted in a prior year adjustment and the impact of this is fully explained in note 9 of these financial statements.

The estimated useful lives range as follows:

Development expenditure	-	5	years
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#### 2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives on the following bases:

Depreciation is provided on the following basis:

Plant and machinery	-	25%	straight line
Motor vehicles	-	25%	reducing balance
Office equipment	-	25%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

#### 2.12 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.

### 3. Employees

The average monthly number of employees, including directors, during the year was 8 (2021 - 8).



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# LIVEWIRE DIGITAL LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

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### 4. Intangible assets

	Development expenditure £
<b>Cost</b>	
At 1 June 2021	2,370,846
Additions	303,992
At 31 May 2022	<u>2,674,838</u>
<b>Amortisation</b>	
At 1 June 2021	1,577,739
Charge for the year on owned assets	391,374
At 31 May 2022	<u>1,969,113</u>
<b>Net book value</b>	
At 31 May 2022	<u><u>705,725</u></u>
<i>At 31 May 2021</i>	<u><u>793,107</u></u>

# LIVEWIRE DIGITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

### 5. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 June 2021	109,038	21,128	-	130,166
Additions	-	-	1,523	1,523
At 31 May 2022	109,038	21,128	1,523	131,689
<b>Depreciation</b>				
At 1 June 2021	108,086	20,625	-	128,711
Charge for the year	951	503	381	1,835
At 31 May 2022	109,037	21,128	381	130,546
<b>Net book value</b>				
At 31 May 2022	1	-	1,142	1,143
<b>At 31 May 2021</b>	<u>952</u>	<u>503</u>	<u>-</u>	<u>1,455</u>

### 6. Debtors

	2022 £	2021 £
Trade debtors	83,471	3,449
Prepayments and accrued income	304,902	13,218
Tax recoverable	56,358	107,389
	<u>444,731</u>	<u>124,056</u>

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# LIVEWIRE DIGITAL LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

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### 7. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	50,669	21,112
Trade creditors	139,399	24,924
Other taxation and social security	13,582	226
Other creditors	116,957	9,013
Accruals and deferred income	106,845	80,955
	<u>427,452</u>	<u>136,230</u>

### 8. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	101,795	142,228
	<u>101,795</u>	<u>142,228</u>

### 9. Commitments under operating leases

At 31 May 2022 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	61,750	61,750
Later than 1 year and not later than 5 years	78,903	140,653
	<u>140,653</u>	<u>202,403</u>

### 10. Related party transactions

At 31 May 2022, included within other creditors is an amount of £113,897 (2021 - £9,013) owed to the directors.

During the year the directors made advances of £130,960 (2021 - Nil) to the company and received repayments of

£26,076 (2021 - £Nil). No interest was charged on this loan.



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