

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MAY 2023

LIVEWIRE DIGITAL LIMITED

MENZIES

LIVEWIRE DIGITAL LIMITED

COMPANY INFORMATION

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

LIVEWIRE DIGITAL LIMITED

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LIVEWIRE DIGITAL LIMITED

REGISTERED NUMBER:02597337

STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2023

	Note	2023 £	2022 restated £
Fixed assets			
Intangible assets	4	504,172	577,304
Tangible assets	5	31,048	1,143
		<u>535,220</u>	<u>578,447</u>
Current assets			
Debtors: amounts falling due after more than one year	6	130,000	-
Debtors: amounts falling due within one year	6	856,174	283,152
Cash at bank and in hand		383,107	66,012
		<u>1,369,281</u>	<u>349,164</u>
Creditors: amounts falling due within one year	7	(666,187)	(434,654)
Net current assets/(liabilities)		<u>703,094</u>	<u>(85,490)</u>
Total assets less current liabilities		<u>1,238,314</u>	<u>492,957</u>
Creditors: amounts falling due after more than one year	8	(70,806)	(101,795)
Provisions for liabilities			
Deferred tax		(95,806)	(144,612)
		<u>(95,806)</u>	<u>(144,612)</u>
Net assets		<u><u>1,071,702</u></u>	<u><u>246,550</u></u>

LIVEWIRE DIGITAL LIMITED

REGISTERED NUMBER:02597337

STATEMENT OF FINANCIAL POSITION (CONTINUED) AS AT 31 MAY 2023

		2023 £	2022 <i>restated</i> £
Capital and reserves			
Share capital	9	630	500
Share premium account		522,292	-
Capital redemption reserve		500	500
Profit and loss account		548,280	245,550
		<u>1,071,702</u>	<u>246,550</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 comprehensive income 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: 30 November 2023

The notes on pages 4 to 10 form part of these financial statements.

LIVEWIRE DIGITAL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2023

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 June 2021	500	-	500	528,957	529,957
Comprehensive income for the year					
Loss for the year	-	-	-	(283,407)	(283,407)
At 1 June 2022	500	-	500	245,550	246,550
Comprehensive income for the year					
Profit for the year	-	-	-	302,730	302,730
Contributions by and distributions to owners					
Shares issued during the year	130	522,292	-	-	522,422
At 31 May 2023	630	522,292	500	548,280	1,071,702

The notes on pages 4 to 10 form part of these financial statements.

LIVEWIRE DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

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. The trading address of the company is Units 1 & 2, The Axis Centre, Cleeve Road, Leatherhead, Surrey, KT22 7RD.

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 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.

LIVEWIRE DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

2. Accounting policies (continued)

2.6 Borrowing costs

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

2.7 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 Comprehensive Income 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.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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.

2.9 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 estimated useful lives range as follows:

Development expenditure	-	5	years
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

2. Accounting policies (continued)

2.10 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 Comprehensive Income.

2.11 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 9 (2022 - 8).

LIVEWIRE DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

4. Intangible assets

	Development expenditure £
Cost	
At 1 June 2022 (as previously stated)	2,674,838
Prior Year Adjustment	(160,526)
At 1 June 2022 (as restated)	2,514,312
Additions	210,353
At 31 May 2023	2,724,665
Amortisation	
At 1 June 2022 (as previously stated)	1,969,113
Prior Year Adjustment	(32,105)
At 1 June 2022 (as restated)	1,937,008
Charge for the year on owned assets	283,485
At 31 May 2023	2,220,493
Net book value	
At 31 May 2023	504,172
<i>At 31 May 2022 as restated</i>	<i>577,304</i>

LIVEWIRE DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

5. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation				
At 1 June 2022	109,038	21,128	1,523	131,689
Additions	-	-	35,016	35,016
At 31 May 2023	109,038	21,128	36,539	166,705
Depreciation				
At 1 June 2022	109,037	21,128	381	130,546
Charge for the year	1	-	5,110	5,111
At 31 May 2023	109,038	21,128	5,491	135,657
Net book value				
At 31 May 2023	-	-	31,048	31,048
At 31 May 2022	1	-	1,142	1,143

6. Debtors

	2023 £	2022 £
Due after more than one year		
Called up share capital not paid	130,000	-
	<u>130,000</u>	<u>-</u>
Due within one year		
Trade debtors	591,517	83,471
Called up share capital not paid	120,000	-
Prepayments and accrued income	66,529	114,700
Tax recoverable	78,128	84,981
	<u>856,174</u>	<u>283,152</u>

LIVEWIRE DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

7. Creditors: Amounts falling due within one year

	2023 £	2022 <i>restated</i> £
Bank loans	43,008	50,669
Trade creditors	77,856	139,399
Other taxation and social security	131,361	13,582
Other creditors	93,884	116,957
Accruals and deferred income	320,078	114,047
	<u>666,187</u>	<u>434,654</u>

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

	2023 £	2022 £
Bank loans	70,806	101,795
	<u>70,806</u>	<u>101,795</u>

9. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
578,317 Ordinary shares of £0.001 each (2022 - 500 Ordinary shares of £1 each)	<u>578</u>	<u>500</u>
Allotted, called up and partly paid		
51,470 Ordinary shares of £0.001 each (2022 - Nil)	<u>52</u>	<u>-</u>

On 17 June 2022 the company made a subdivision to its Ordinary shares, changing the share structure nominal value from £1 to £0.001.

The Company allotted 129,787 Ordinary shares at a nominal value of £0.001 during the year. The total consideration receivable from this share issue is £522,422, of which £250,000 is unpaid as at 31 May 2023.

LIVEWIRE DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

10. Prior period adjustment

During the course of preparing these financial statements, the directors identified intangible fixed assets in the year ended 31 May 2022 were overstated and the correction of this has resulted in a prior period adjustment.

Intangible fixed assets with a carrying value of £705,725 at 31 May 2022 have been restated to have a carrying value of £577,304. A corresponding entry for these adjustments has been made to reduce the profit and loss reserve by £128,421.

A prior period adjustment has also been made in respect of other debtors and accruals, causing a net reduction of £197,404 to the company's net asset position. A corresponding entry for these adjustments has been made to reduce the profit and loss reserve by £197,404.

These adjustments have resulted in current tax of £28,624 being recoverable and a reduction to the deferred tax provision at 31 May 2022 of £32,105.

The cumulative effect of these adjustments to the profit and loss account at 31 May 2022 is a reduction of £265,096.

11. Commitments under operating leases

At 31 May 2023 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	74,250	61,750
Later than 1 year and not later than 5 years	20,625	78,903
	<u>94,875</u>	<u>140,653</u>

12. Transactions with directors

Included within other creditors are the following transactions with directors.

	2023 £	2022 £
Outstanding at the start of the year	113,897	9,013
Amounts advanced	9,024	130,960
Amounts repaid	(35,451)	(26,076)
	<u>87,470</u>	<u>113,897</u>

Interest accrues on this loan at 4% p.a. Interest accrued during the year was £4,402 (2022 - £Nil). The loan is repayable on demand.

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