Financial Statements
M5 Associates Limited

For the Period Ended 31 May 2016

Registered number: 05549542

Company Information

Director	P L Jeffreys
Company secretary	G E Thomas
Registered number	05549542
Registered office	12 Gold Tops Newport NP20 4PH
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 11/13 Penhill Road Cardiff South Glamorgan CF11 9UP

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M5 Associates Limited

Director's Report

For the Period Ended 31 May 2016

The director presents his report and the financial statements for the period ended 31 May 2016.

Director's responsibilities statement

The director is responsible for preparing the Director's 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the director must not approve the financial statements unless he is satisfied that he gives 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 for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The 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 him 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.

Results and dividends

The company commenced trading on 28 October 2015.

The loss for the period, after taxation, amounted to £80,302.

Director

The director who served during the period was:

P L Jeffreys

Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

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

M5 Associates Limited

Director's Report (continued)

For the Period Ended 31 May 2016

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

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

This report was approved by the board on 20 January 2017 and signed on its behalf.

P L Jeffreys
Director

GrantThornton

Independent Auditor's Report to the Shareholders of M5 Associates Limited

We have audited the financial statements of M5 Associates Limited for the period ended 31 May 2016, which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Director's responsibilities statement on page 1, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2016 and of its profit or loss for the period 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.

GrantThornton

Independent Auditor's Report to the Shareholders of M5 Associates Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's report for the financial period for which the financial statements are prepared is consistent with those financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Grant Thornton UK LLP

Rhian Owen (Senior statutory auditor)

for and on behalf of
Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor

11/13 Penhill Road
Cardiff
South Glamorgan
CF11 9UP
Date: 20 January 2017

M5 Associates Limited

Profit and Loss Account

For the Period Ended 31 May 2016

	Note	Period ended 31 May 2016 £
Turnover	4	1,860
Cost of sales		(5,280)
Gross (loss)		(3,420)
Administrative expenses		(76,882)
Operating (loss)	5	(80,302)
(Loss) for the period		(80,302)

The notes on pages 8 to 14 form part of these financial statements.

M5 Associates Limited

Registered number:05549542

Balance Sheet

As at 31 May 2016

	Note	£	31 May 2016 £
Fixed assets			
Tangible assets	7		16,392
			16,392
Current assets			
Debtors: amounts falling due within one year	8	181,535	
Cash at bank and in hand	9	4,557,265	
		4,738,800	
Creditors: amounts falling due within one year	10	(4,835,394)	
Net current (liabilities)			(96,594)
Total assets less current liabilities			(80,202)
Net liabilities			(80,202)
Capital and reserves			
Called up share capital	12		100
Profit and loss account	13		(80,302)
			(80,202)

The Company's financial statements have been prepared in accordance with the 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 on 28/1/17

P L Jeffreys
Director

The notes on pages 8 to 14 form part of these financial statements.

Statement of Changes in Equity
For the Period Ended 31 May 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 September 2015	100	-	100
Comprehensive income for the period			
Loss for the period	-	(80,302)	(80,302)
At 31 May 2016	100	(80,302)	(80,202)

Notes to the Financial Statements
For the Period Ended 31 May 2016

1. General information

M5 Associates Limited is incorporated in Wales, with its registered office at 12 Gold Tops, Newport, NP20 4PH.

M5 Associates Limited's principal activity is short term lending to businesses and individuals.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Information on the impact of first-time adoption of FRS 102 is given in note 16.

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

The company, being a subsidiary undertaking of a group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement, in accordance with FRS 102.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue 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. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 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.

Notes to the Financial Statements

For the Period Ended 31 May 2016

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	15%

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 Income Statement.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable 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.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.
Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the

Notes to the Financial Statements
For the Period Ended 31 May 2016

2. Accounting policies (continued)

2.6 Financial instruments (continued)

asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.7 Creditors

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

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Depreciation
The company exercises judgement to determine useful lives and residual values of tangible fixed assets. The assets are depreciated down to their residual values over their estimated lives.

Provisions
A provision has been made for trade debtors. This provision is an estimate and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

4. Turnover

All turnover arose within the United Kingdom.

Notes to the Financial Statements

For the Period Ended 31 May 2016

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	Period ended 31 May 2016 £
Depreciation of tangible fixed assets	3,318
Fees payable to the Company's auditor and its associates for the audit of the company's annual financial statements	3,600

During the period, no director received any emoluments.

6. Employees

Staff costs were as follows:

	Period ended 31 May 2016 £
Wages and salaries	29,852
	29,852

Remuneration of key management personnel included in the above disclosure amounted to £21,253.

The average monthly number of employees, including the director, during the period was as follows:

	Period ended 31 May 2016 No.	Year ended 31 August 2015 No.
Administrative staff	4	-

Notes to the Financial Statements
For the Period Ended 31 May 2016

7. Tangible fixed assets

	Office equipment £
Cost or valuation	
Additions	19,710
At 31 May 2016	19,710
Depreciation	
Charge owned for the period	3,318
At 31 May 2016	3,318
Net book value	
At 31 May 2016	16,392

8. Debtors

	31 May 2016 £
Other debtors	173,147
Prepayments	8,388
	181,535

9. Cash and cash equivalents

	31 May 2016 £
Cash at bank and in hand	4,557,265
	4,557,265

Notes to the Financial Statements
For the Period Ended 31 May 2016

10. Creditors: Amounts falling due within one year

	31 May 2016 £
Trade creditors	14,078
Amounts owed to group undertakings	4,800,000
Taxation and social security	3,536
Accruals	17,780
	4,835,394

11. Financial instruments

	31 May 2016 £
Financial assets	
Financial assets measured at amortised cost	4,730,412
	4,730,412
Financial liabilities	
Financial liabilities measured at amortised cost	(4,831,858)
	(4,831,858)

Financial assets measured at amortised cost comprise of cash and other debtors.

Financial Liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings and accruals.

12. Share capital

	31 May 2016 £	31 August 2015 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

Notes to the Financial Statements

For the Period Ended 31 May 2016

13. Reserves

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

14. Related party transactions

In accordance with the exemptions offered by FRS 102 Section 33, the Company has not disclosed within the financial statements any transactions with entities that form part of the group headed by M Group Holdings Limited.

15. Controlling party

M5 Associates is wholly owned by M Group Holdings Limited. The registered office of M Group Holdings Limited is the same as for this company and the group accounts are available from this addresss.

16. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.