

Registered number: 05549542

M5 ASSOCIATES LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MAY 2022



M5 ASSOCIATES LIMITED
REGISTERED NUMBER: 05549542

BALANCE SHEET
AS AT 31 MAY 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	8,376	13,238
		<u>8,376</u>	<u>13,238</u>
Current assets			
Debtors: amounts falling due after more than one year	5	-	2,279
Debtors: amounts falling due within one year	5	13,869,921	20,669,899
Cash at bank and in hand	6	1,957,342	2,698,965
		<u>15,827,263</u>	<u>23,371,143</u>
Creditors: amounts falling due within one year	7	(1,018,803)	(8,801,201)
Net current assets		<u>14,808,460</u>	<u>14,569,942</u>
Total assets less current liabilities		<u>14,816,836</u>	<u>14,583,180</u>
Creditors: amounts falling due after more than one year	8	(15,368,394)	(14,871,827)
Net liabilities		<u>(551,558)</u>	<u>(288,647)</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		(551,658)	(288,747)
		<u>(551,558)</u>	<u>(288,647)</u>

M5 ASSOCIATES LIMITED
REGISTERED NUMBER: 05549542

BALANCE SHEET (CONTINUED)
AS AT 31 MAY 2022

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 on Jan 6, 2023


Peter Jeffreys (Jan 6, 2023 12:28 GMT)

P L Jeffreys
Director

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

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

1. General information

M5 Associates Limited is a private company limited by shares and is incorporated in England & Wales, registered number 05549542. Its registered office is 12 Gold Tops, Newport, NP20 4PH.

The principal activity of the company is short term lending to businesses.

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 Going concern

The Covid-19 pandemic and associated economic downturn has had a significant impact on many businesses. The directors have considered the impact of the pandemic and general economic environment when assessing going concern. There are a number of operating uncertainties for the company. Building and construction work has slowed due to working restrictions and this has led to projects taking longer to complete. In addition, completed projects have taken longer to sell as a result of both economic uncertainty dampening demand. These factors impact the company's ability to recover debt extended to property developers, increases the risk of default and creates uncertainty around the timings of repayment. The directors' assessment is that while these factors remain challenging, the company has the financial resilience to manage the impact of a range of reasonably possible scenarios that the current environment has created and as a result have prepared the financial statements on a going concern basis.

2.3 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.

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

2. Accounting policies (continued)**2.4 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.5 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.6 Taxation

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 balance sheet date in the countries where the Company operates and generates income.

2.7 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, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures & fittings	-	25%
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 profit or loss.

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

2. Accounting policies (continued)

2.8 Debtors

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.

2.9 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.

2.10 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.

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.

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 debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Statement of Income and Retained Earnings.

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 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

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

2. Accounting policies (continued)**2.11 Financial instruments (continued)**

net basis or to realise the asset and settle the liability simultaneously.

3. Employees

The average monthly number of employees, including directors, during the year was 8 (2021 - 9).

4. Tangible fixed assets

	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation			
At 1 June 2021	59,928	34,456	94,384
At 31 May 2022	59,928	34,456	94,384
Depreciation			
At 1 June 2021	59,928	21,218	81,146
Charge for the year on owned assets	-	4,862	4,862
At 31 May 2022	59,928	26,080	86,008
Net book value			
At 31 May 2022	-	8,376	8,376
At 31 May 2021	-	13,238	13,238

M5 ASSOCIATES LIMITED

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

5. Debtors

	2022 £	2021 £
Due after more than one year		
Prepayments and accrued income	-	2,279
	<u>-</u>	<u>2,279</u>
	2022 £	2021 £
Due within one year		
Trade debtors	328	-
Other debtors	8,468,151	13,442,900
Prepayments and accrued income	5,401,442	7,226,999
	<u>13,869,921</u>	<u>20,669,899</u>

6. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	1,957,342	2,698,965
	<u>1,957,342</u>	<u>2,698,965</u>

7. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	-	273
Amounts owed to group undertakings	1,000,000	7,700,000
Other taxation and social security	5,958	18,619
Other creditors	1,007	884
Accruals and deferred income	11,838	1,081,425
	<u>1,018,803</u>	<u>8,801,201</u>

M5 ASSOCIATES LIMITED

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

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

	2022 £	2021 £
Amounts owed to group undertakings	15,368,394	14,871,827
	<u>15,368,394</u>	<u>14,871,827</u>

The amount owed to group undertakings is an interest free revolving facility that is renewed annually.

9. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £3,828 (2021 - £3,979). Contributions totalling £762 (2021 - £884) were payable to the fund at the balance sheet date and are included in creditors.

10. Related party transactions

In accordance with the exemption offered by FRS 102 Section 1A, 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.

11. Controlling party

The immediate parent company is M Group Holdings Limited and the ultimate parent company is M Group Topco Limited. The group is under the control of P L Jeffreys who owns 100% of the issued share capital of M Group Topco Limited.