

**3SQUARED LTD.**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2019**

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**3SQUARED LTD.**  
**REGISTERED NUMBER: 07207988**

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**BALANCE SHEET**  
**AS AT 30 JUNE 2019**

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	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	4	1,885	2,246
Tangible assets	5	77,532	69,531
		<hr/>	<hr/>
		79,417	71,777
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	1,363,811	1,264,472
Cash at bank and in hand		1,123,127	485,239
		<hr/>	<hr/>
		2,486,938	1,749,711
Creditors: amounts falling due within one year	7	(1,214,584)	(1,152,611)
		<hr/>	<hr/>
<b>Net current assets</b>		1,272,354	597,100
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		1,351,771	668,877
Creditors: amounts falling due after more than one year	8	-	(62,533)
		<hr/>	<hr/>
<b>Net assets</b>		<u>1,351,771</u>	<u>606,344</u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		1,351,671	606,244
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		<u>1,351,771</u>	<u>606,344</u>

**BALANCE SHEET (CONTINUED)**  
**AS AT 30 JUNE 2019**

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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 17 March 2020.

**J Fox**  
Director

**T Jones**  
Director

The notes on pages 3 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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**1. General information**

3Squared Ltd. is a private Company limited by shares, incorporated in England and Wales (registered number: 07207988). Its registered office is 3rd Floor, Fountain Precinct, Balm Green, Sheffield, S1 2JA. The principal activity of the Company throughout the year continued to be that of technology consultancy.

**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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

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2. Accounting policies (continued)

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:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**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 30 JUNE 2019

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**2. Accounting policies (continued)**

**2.4 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, as follows.

The depreciation rates used are:

Plant and machinery	- 15% reducing balance
Fixtures and fittings	- 15% reducing balance
Office equipment	- 15% to 33% reducing balance
Computer equipment	- 33% reducing balance

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.

**2.5 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**2.6 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as bank and cash balances, trade and other accounts receivable and payable, loans from banks and other third parties and loans to and from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the transaction price 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, 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 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

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**2. Accounting policies (continued)**

**2.7 Government grants**

Grants relating to expenditure on tangible fixed assets are credited to the Statement of Income and Retained Earnings 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.

**2.8 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

**2.9 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 Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.10 Current and deferred taxation**

Tax is recognised in the Statement of Income and Retained Earnings.

The current 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet 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.

**3. Employees**

The average monthly number of employees, including directors, during the year was 50 (2018 - 40).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

## 4. Intangible assets

	Trademarks £	Goodwill £	Total £
<b>Cost</b>			
At 1 July 2018	3,600	20,000	23,600
At 30 June 2019	<u>3,600</u>	<u>20,000</u>	<u>23,600</u>
<b>Amortisation</b>			
At 1 July 2018	1,354	20,000	21,354
Charge for the year	361	-	361
At 30 June 2019	<u>1,715</u>	<u>20,000</u>	<u>21,715</u>
<b>Net book value</b>			
At 30 June 2019	<u>1,885</u>	<u>-</u>	<u>1,885</u>
At 30 June 2018	<u>2,246</u>	<u>-</u>	<u>2,246</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**5. Tangible fixed assets**

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 July 2018	25,625	24,621	23,393	118,756	192,395
Additions	509	3,072	2,185	29,562	35,328
Disposals	(1,300)	(830)	-	(1,722)	(3,852)
At 30 June 2019	<u>24,834</u>	<u>26,863</u>	<u>25,578</u>	<u>146,596</u>	<u>223,871</u>
<b>Depreciation</b>					
At 1 July 2018	18,294	12,236	11,361	80,973	122,864
Charge for the year on owned assets	920	2,023	3,422	18,155	24,520
Disposals	(1,045)	-	-	-	(1,045)
At 30 June 2019	<u>18,169</u>	<u>14,259</u>	<u>14,783</u>	<u>99,128</u>	<u>146,339</u>
<b>Net book value</b>					
At 30 June 2019	<u>6,665</u>	<u>12,604</u>	<u>10,795</u>	<u>47,468</u>	<u>77,532</u>
<b>At 30 June 2018</b>	<u>7,331</u>	<u>12,385</u>	<u>12,032</u>	<u>37,783</u>	<u>69,531</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Computer equipment	-	4,624
Furniture and fittings	-	1,830
Office equipment	-	1,114
	<u>-</u>	<u>7,568</u>

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3SQUARED LTD.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

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6. Debtors

	2019 £	2018 £
Trade debtors	651,605	808,241
Other debtors	687,283	451,411
Tax recoverable	5,723	-
Deferred taxation	19,200	4,820
	<u>1,363,811</u>	<u>1,264,472</u>

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	67,400	211,380
Corporation tax	65,500	18,530
Other taxation and social security	175,168	178,119
Obligations under finance lease and hire purchase contracts	-	2,229
Other creditors	906,516	742,353
	<u>1,214,584</u>	<u>1,152,611</u>

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

	2019 £	2018 £
Accruals and deferred income	-	62,533
	<u>-</u>	<u>62,533</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**9. Deferred taxation**

	<b>2019</b> £
At beginning of year	4,820
Charged to profit or loss	14,380
	19,200
<b>At end of year</b>	<b>19,200</b>

The deferred tax asset is made up as follows:

	<b>2019</b> £	2018 £
Accelerated capital allowances	(12,338)	(10,124)
Tax losses carried forward	30,609	14,180
Pension surplus	929	764
	<b>19,200</b>	<b>4,820</b>

**10. 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 £40,073 (2018: £28,979). Contributions totalling £4,889 (2018: £4,020) were payable to the fund at the Balance Sheet date and are included in creditors.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.