

Five by Five Limited

Financial Statements

For Filing with Registrar

For the year ended 31 December 2020

Company Registration No. 01444820 (England and Wales)

Five by Five Limited

Company Information

Directors	M Lawton N Lawton
Secretary	Mr M Denton
Company number	01444820
Registered office	4 Grosvenor Square Southampton Hampshire SO15 2BE
Auditor	Moore Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL
Business address	4 & 5 Grosvenor Square Southampton Hampshire SO15 2BE
Bankers	National Westminster Bank plc 309 Templars Way Chandlers Ford Hampshire SO53 3RY

Five by Five Limited

Contents

	Page
Balance sheet	1
Notes to the financial statements	2 - 10

Five by Five Limited

Balance Sheet

As at 31 December 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets			54,973		-
Tangible assets	5		301,281		264,792
Current assets					
Debtors	6	3,980,119		3,746,000	
Cash at bank and in hand		10,845		10,637	
		<u>3,990,964</u>		<u>3,756,637</u>	
Creditors: amounts falling due within one year	7	<u>(1,286,389)</u>		<u>(1,353,272)</u>	
Net current assets			<u>2,704,575</u>		<u>2,403,365</u>
Total assets less current liabilities			<u>3,060,829</u>		<u>2,668,157</u>
Provisions for liabilities			<u>(35,347)</u>		<u>(10,020)</u>
Net assets			<u><u>3,025,482</u></u>		<u><u>2,658,137</u></u>
Capital and reserves					
Called up share capital	8		7,500		7,500
Capital redemption reserve			2,500		2,500
Profit and loss reserves			<u>3,015,482</u>		<u>2,648,137</u>
Total equity			<u><u>3,025,482</u></u>		<u><u>2,658,137</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 21 July 2021 and are signed on its behalf by:

N Lawton
Director

Company Registration No. 01444820

Five By Five Limited

Notes to the Financial Statements

For the year ended 31 December 2020

1 Accounting policies

Company information

Five by Five Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4 Grosvenor Square, Southampton, Hampshire, SO15 2BE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have considered the impact of Covid-19 on the business and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The company remains profitable since the year end and the directors have prepared cash flow forecasts that demonstrate the company has sufficient cash flow reserves to continue trading for 12 months from the date of signing of the accounts. As a result the directors are confident that they have the ability to respond effectively to continued uncertainty and meet its liabilities as they fall due. Accordingly, the financial statements have been drawn up on a going concern basis.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Intangible fixed assets other than goodwill

Software	5 years straight line
----------	-----------------------

Five By Five Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the life of the lease
Plant and machinery	3 years straight line
Fixtures, fittings & equipment	3 years straight line
Computer equipment	3 years straight line
Motor vehicles	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.7 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Five By Five Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Five By Five Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Five By Five Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

1 Accounting policies

(Continued)

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 45 (2019 - 54).

3 Directors' remuneration

	2020 £	2019 £
Remuneration paid to directors	108,470	85,000

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).

4 Intangible fixed assets

	Software £
Cost	
At 1 January 2020	-
Additions	54,973
At 31 December 2020	54,973
Amortisation and impairment	
At 1 January 2020 and 31 December 2020	-
Carrying amount	
At 31 December 2020	54,973
At 31 December 2019	-

Five By Five Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2020	187,089	389,202	576,291
Additions	103,895	28,122	132,017
Disposals	-	(25,102)	(25,102)
At 31 December 2020	290,984	392,222	683,206
Depreciation and impairment			
At 1 January 2020	46,804	264,695	311,499
Depreciation charged in the year	16,858	78,670	95,528
Eliminated in respect of disposals	-	(25,102)	(25,102)
At 31 December 2020	63,662	318,263	381,925
Carrying amount			
At 31 December 2020	227,322	73,959	301,281
At 31 December 2019	140,285	124,507	264,792

6 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	484,778	448,819
Amounts due from group undertakings	3,339,632	3,106,990
Other debtors	155,709	190,191
	3,980,119	3,746,000

7 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	39,010	124,768
Corporation tax	174,621	174,154
Other taxation and social security	329,670	194,554
Other creditors	743,088	859,796
	1,286,389	1,353,272

Five By Five Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

8 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
7,500 Ordinary shares of £1 each	7,500	7,500
	<u>7,500</u>	<u>7,500</u>
	<u>7,500</u>	<u>7,500</u>

Five By Five Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Esther Carder
The auditor was Moore Kingston Smith LLP

10 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2020	2019
£	£
382,500	-
<u> </u>	<u> </u>

11 Related party transactions

No guarantees have been given or received.

The company premises at 4 & 5 Grosvenor Square, Southampton are rented from Michael J Lawton. In the year ended 31 December 2020 rent was paid to Michael J Lawton of £105,000 (2019: £nil).

At the balance sheet date, £100,000 (2019: £Nil) is owed to Michael J Lawton and £300,000 (2019: £250,000) is owed to Nicholas M Lawton, both of whom are directors in the company.

At the balance sheet date, £277,292 (2019: £252,308) is owed by Dragonfish Consulting Limited, a fellow group company.

In accordance with FRS 102 33.1A, transactions with members of the group are not disclosed where the counterparty is a wholly owned subsidiary of the ultimate parent company.

During the year, the company had management charges receivable of £132,960 (2019: £184,000) from Dragonfish Consulting Limited, a fellow group company.

12 Controlling party

The ultimate controlling party is Michael J Lawton by virtue of his shareholding in the ultimate parent company.

The immediate parent company and ultimate parent company is Lawton Communications Group Limited, a company registered in England and Wales.

Lawton Communications Group Limited prepares group financial statements and copies can be obtained from - 4 & 5 Grosvenor Square, Southampton, SO15 2BE.

Five By Five Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

13 Prior period adjustment

The prior year financial statements have been restated to disclose the group treasury function, whereby surplus funds are held by the parent company.

Changes to the balance sheet

	At 31 December 2019		
	As previously reported	Adjustment	As restated
	£	£	£
Current assets			
Debtors due within one year	1,941,195	1,804,805	3,746,000
Bank and cash	1,815,442	(1,804,805)	10,637
	<u> </u>	<u> </u>	<u> </u>
Net assets	2,658,137	-	2,658,137
	<u> </u>	<u> </u>	<u> </u>

Changes to the profit and loss account

	Period ended 31 December 2019		
	As previously reported	Adjustment	As restated
	£	£	£
Profit for the financial period	959,058	-	959,058
	<u> </u>	<u> </u>	<u> </u>

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.