

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 29 FEBRUARY 2020**



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**TWENTYSIX LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Gail Dudleston Peter Reid Daniel Yardley Ryan Scott (appointed 22 October 2019)
<b>Company secretary</b>	Ashish Shah
<b>Registered number</b>	03178478
<b>Registered office</b>	90 Tottenham Court Road London W1T 4TJ
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor The Colmore Building 20 Colmore Circus Birmingham West Midlands B4 6AT
<b>Bankers</b>	HSBC UK Bank plc 1 Centenary Square Birmingham B1 1HQ
<b>Solicitors</b>	Berwins Solicitors Ltd 2 North Park Road Harrogate HG1 5PA

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TWENTYSIX LIMITED

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**TWENTYSIX LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

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**Introduction**

The directors present their strategic report for the year ended 29 February 2020.

**Business review**

The results for the year and financial position of the company are as shown in the following statutory accounts. The company measures performance by year on year gross profit growth and EBITDAM, being earnings before interest, tax, depreciation, amortisation and management charges as a measure of performance. Management charges have been disclosed in note 6.

During the year, gross profit on continuing operations increased by 12.6% / £1,175k (2019: increase by 6.1%). After a number of successive years of exceptional growth, the year ended 28 February 2019 saw the now larger business go through an operational reorganisation. This included a restructure of the client facing teams as well as the new business and marketing function. We are delighted to see these changes bear fruit with the return to double digit revenue growth during the year ended 29 February 2020.

EBITDAM for the year was £1,576k (2019: £1,571k). While gross profit growth was strong, the resulting change in profitability was limited due to 3 principal factors. Firstly, the results allowed bonuses to be paid in the year. Secondly, a further £220k of restructuring costs were incurred as the business continued to refine its operational structure. Finally, the business continued to invest in talent to drive further gross profit growth in future years.

**Principal risks and uncertainties**

The directors consider that the principal risks and uncertainties facing the company are:

**Failure to respond to changes in the market or failure to establish marketing and service initiatives which maintain the competitiveness of our services**

The company continues to review its offer and focus on the quality of our products and services to enable us to respond to changes in the market and needs of our clients.

**The company remains exposed to uncertain economic conditions**

The company is currently uncertain about the impact of the UK leaving the European Union. Specifically, we do not know how this will affect the UK economy and the spending patterns of our clients. This could adversely impact the business in the short term.

The company has reviewed its strategy and put in place the foundations for future growth. We consider the company well positioned for future growth and to exploit more favourable trading conditions if and when they arise.

**The company is reliant on its people and critical to its success is the recruitment and retention of skilled sales personnel**

Management review the teams in the company regularly to ensure those high performers are rewarded and retained within the business. The company strive for an actively engaged team which will consequently leave us well placed to deliver the company's strategic objectives.

**The company operates globally and enters into contracts and transactions denominated in currencies other than sterling exposing the company to foreign currency movements**

The company monitors the impact of foreign currency movements and looks to mitigate this where possible.

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**TWENTYSIX LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

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**Financial risk management**

The company is part of a group financing arrangement, operated by its ultimate parent undertaking, Ensco 1314 Limited. The group liabilities comprise external term debt, as well as bank revolving credit and overdraft facilities. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The company does not enter into derivative transactions.

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are interest rate risk, liquidity risk, credit risk and foreign currency risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

**Interest rate risk**

The company's exposure to market risk for changes in interest rates relates primarily to the group's external term debt and bank revolving credit and overdraft facilities. The company exposure to interest rate fluctuations on its borrowings is managed by the use of floating facilities and intercompany guarantees.

**Liquidity risk**

The company operates within the Ensco 1314 Limited group's financing arrangements. The group achieves a balance between continuity of funding and flexibility through use of overdrafts and long term loans.

**Credit risk**

The company trades with only recognised, creditworthy third parties. It is company policy that all customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant.

**Foreign currency risk**

As a result of sales to customers outside the United Kingdom, the company's results can be affected by movements in exchange rates. The company does not seek to hedge the exposure.

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



**Daniel Yardley**  
Director

Date: 10/9/2020

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**TWENTYSIX LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

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The directors present their report and the financial statements for the year ended 29 February 2020.

**Principal activity**

The company's principal activity during the year was that of digital marketing.

**Results and dividends**

The profit for the year, after taxation, amounted to £705k (2019 - £976k).

The directors declared dividends in the year totalling £Nil (2019: £800k).

**Directors**

The directors who served during the year were:

Gail Dudleston  
Ryan Scott (appointed 22 October 2019)  
Peter Reid  
Daniel Yardley

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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**TWENTYSIX LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

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**Non-adjusting post balance sheet events (COVID-19)**

At 29 February 2020 there was no explicit evidence of human to human transmission of COVID-19 within the UK. The subsequent spread of COVID-19 does not provide further evidence of conditions that existed at the year end and is therefore considered to be a non-adjusting post balance sheet event. Accordingly, the development of COVID-19 has not been reflected in the directors' assessment of the measurement of assets and liabilities such as impairment of tangible assets or expected credit losses.

**Going concern**

The company is a subsidiary of MSQ Partners Limited and its ultimate parent company is Ensco 1314 Limited.

Following the impact of COVID-19 on the wider business and economy, the directors have prepared a detailed set of financial forecasts to 2027 to assess the ability of the Group to meet its obligations going forwards. The directors have stress-tested the financial statements for reasonably possible alternative scenarios, including the uncertainty of the impact of COVID-19.

These show that the wider Group has sufficient cash reserves, along with headroom in financial facilities and covenants to support its activities based on both forecasted trading levels (against which the business is currently trading favourably) and in the event of a further significant and extended economic downturn in all markets. The funding is also held for a period of at least 12 months from the date of signing the financial statements, implicit within this is that the Group has sufficient resources to pay all debts as they fall due for the next 12 months. As such, these financial statements have been prepared on a going concern basis.

**Future developments**

The company expects to continue trading under the principal activity of the business.

**Qualifying third party indemnity provisions**

The company has provided qualifying third party indemnity provisions in respect of the directors who were in force during the period and at the date of the report.

**Matters covered in the strategic report**

The business review, financial risk management, objectives and policies have been included in the Strategic Report.

**Disclosure of information to auditor**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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**TWENTYSIX LIMITED**

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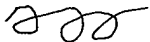
**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

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**Auditor**

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 and signed on its behalf.



**Daniel Yardley**  
Director

Date: 10/9/2020





## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TWENTYSIX LIMITED

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### Opinion

We have audited the financial statements of Twentysix Limited (the 'company') for the year ended 29 February 2020, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 February 2020 and of its profit for the year 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TWENTYSIX LIMITED (CONTINUED)

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### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditor's report is not a guarantee that the company will continue in operation.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Strategic report and Directors' report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TWENTYSIX LIMITED (CONTINUED)**

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors for the financial statements**

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TWENTYSIX LIMITED (CONTINUED)

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### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

### Use of our report

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.

*Grant Thornton UK LLP*

Matthew Buckingham BSc ACA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Birmingham  
Date: 10/9/2020

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**TWENTYSIX LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

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	Note	2020 £000	2019 £000
Turnover	4	14,888	13,468
Cost of sales		(4,351)	(4,106)
<b>Gross profit</b>		<b>10,537</b>	<b>9,362</b>
Administrative expenses		(9,751)	(8,895)
Exceptional administrative expenses	12	(220)	-
Other operating income	5	187	539
<b>Operating profit</b>	6	<b>753</b>	<b>1,006</b>
Interest payable and similar expenses	10	(61)	-
<b>Profit before tax</b>		<b>692</b>	<b>1,006</b>
Tax on profit	11	13	(30)
<b>Profit and total comprehensive income for the financial year</b>		<b>705</b>	<b>976</b>

The notes on pages 13 to 33 form part of these financial statements.

**TWENTYSIX LIMITED**  
**REGISTERED NUMBER:03178478**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 29 FEBRUARY 2020**

	Note	29 February 2020 £000	28 February 2019 £000
<b>Fixed assets</b>			
Intangible assets	13	52	52
Property, plant and equipment	14	498	414
Right of use assets	14	1,193	-
		<u>1,743</u>	<u>466</u>
<b>Current assets</b>			
Work in progress	15	284	110
Debtors	16	4,290	3,065
Cash at bank and in hand	17	178	782
		<u>4,752</u>	<u>3,957</u>
Creditors: amounts falling due within one year	18	(3,112)	(2,876)
<b>Net current assets</b>		<u>1,640</u>	<u>1,081</u>
<b>Total assets less current liabilities</b>		<u>3,383</u>	<u>1,547</u>
Creditors: amounts falling due after more than one year	19	(1,131)	-
		<u>2,252</u>	<u>1,547</u>
<b>Net assets</b>		<u><u>2,252</u></u>	<u><u>1,547</u></u>
<b>Capital and reserves</b>			
Called up share capital		-	-
Share premium account	24	15	15
Profit and loss account	24	2,237	1,532
		<u>2,252</u>	<u>1,547</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10/9/2020

  
**Daniel Yardley**  
 Director

The notes on pages 13 to 33 form part of these financial statements.

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**TWENTYSIX LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 March 2019	-	15	1,532	1,547
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	705	705
<b>Total comprehensive income for the year</b>	-	-	705	705
<b>Total transactions with owners</b>	-	-	-	-
<b>At 29 February 2020</b>	-	15	2,237	2,252

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 28 FEBRUARY 2019**

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 March 2018	-	15	1,356	1,371
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	976	976
<b>Total comprehensive income for the year</b>	-	-	976	976
Dividends declared	-	-	(800)	(800)
<b>Total transactions with owners</b>	-	-	(800)	(800)
<b>At 28 February 2019</b>	-	15	1,532	1,547

The notes on pages 13 to 33 form part of these financial statements.

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**TWENTYSIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

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**1. Company information**

Twentysix Limited is a private limited company and is incorporated in the UK. Its registered office is 90 Tottenham Court Road, London W1T 4TJ. The company's principal activity during the year was that of digital marketing. The financial statements cover the year ended 29 February 2020.

**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 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

**2.2 Financial reporting standard 101 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

The information is included in the consolidated financial statements of Ensco 1314 Limited as at 29 February 2020 and these financial statements may be obtained from Companies House.



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**TWENTYSIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

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**2. Accounting policies (continued)**

**2.3 Going concern**

The company is a subsidiary of MSQ Partners Limited and its ultimate parent company is Ensco 1314 Limited.

Following the impact of COVID-19 on the wider business and economy, the directors have prepared a detailed set of financial forecasts to 2027 to assess the ability of the Group to meet its obligations going forwards. The directors have stress-tested the financial statements for reasonably possible alternative scenarios, including the uncertainty of the impact of COVID-19.

These show that the wider Group has sufficient cash reserves, along with headroom in financial facilities and covenants to support its activities based on both forecasted trading levels (against which the business is currently trading favourably) and in the event of a further significant and extended economic downturn in all markets. The funding is also held for a period of at least 12 months from the date of signing the financial statements, implicit within this is that the Group has sufficient resources to pay all debts as they fall due for the next 12 months. As such, these financial statements have been prepared on a going concern basis.

**2.4 Impact of new international reporting standards, amendments and interpretations**

The company adopted IFRS 16 Leases from 1 March 2019. It has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The company leases offices in cities where it operates. Other lease contracts include motor vehicles.

At inception of the contract, the company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received. The assets are depreciated over the lease term using the straight-line method. The lease term includes periods covered by an option to extend if the company is reasonably certain to exercise that option. Right-of-use assets are reviewed for indicators of impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate for the same term as the underlying lease. The weighted average incremental borrowing rate applied to the lease liabilities on 1 March 2019 was 4.31%. Lease payments included in the measurement of lease liabilities comprise fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate as at the commencement date. Lease modifications results in remeasurement of the lease liability.

Depreciation is recognised in administrative expenses and interest expense is recognised under interest expense in the income statement.

The company has elected to use the exemption not to recognise right-of-use assets and lease liabilities for leases of low-value assets (under £5,000). The payments associated with these leases are recognised as administrative expenses on a straight-line basis over the lease term.

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**TWENTYSIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

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**2. Accounting policies (continued)**

**2.4 Impact of new international reporting standards, amendments and interpretations (continued)**

In prior years, leases held in the company were accounted for per IAS 17 Leases. The following policies were applicable:

**Operating leases**

Operating lease rentals are charged to the income statement on a straight-line basis over the lease term. Any premium or discount on the acquisition of a lease is spread over the life of the lease on a straight-line basis.

**2.5 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, 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;
- 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.

Revenue is recognised for services provided to clients during the year relating to advertising, public relations, design, marketing and related services.

Revenue is recognised in proportion to the stage of completion of the contract at the reporting date. The stage of completion is assessed by measuring the fair value of the work performed during the year as a percentage of the total fair value of the work required to complete the project.

Retainer revenue is recognised evenly across the time period to which it relates. Media commission is recognised when the related job has been successfully completed. Costs which will be directly on-charged to the client at no margin are recognised in Work in Progress and measured at the lower of cost and recoverable amount.

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**TWENTYSIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

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**2. Accounting policies (continued)****2.6 Intangible assets**

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

When a business combination agreement provides for an adjustment to the cost of the combination which is contingent on future events, the company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. However, if the potential adjustment is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination. Changes in the estimated value of contingent consideration arising on business combinations completed as a consequence result in a change in the carrying value of the related goodwill.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life. It has been deemed, however, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view. The effect of this departure has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

**2.7 Property, plant and equipment**

Property, plant and equipment is held under the cost model and is 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.

The estimated useful lives range as follows:

Leasehold improvements	- Period of the lease
Fixtures and fittings	- 10% to 33% per annum
Computer equipment	- Over 3 years

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.

**2.8 Work in progress**

Work in progress comprises costs incurred on behalf of clients not invoiced at the year end, and is stated at the lower of cost and net realisable value.

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**TWENTYSIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)**

**2.9 Debtors**

Short term debtors are classified as financial assets at amortised cost. Short term debtors are measured at transaction price, less any impairment. These 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. Discounting is omitted where the effect of discounting is immaterial.

**2.10 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.

**2.11 Financial instruments**

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

**Financial assets**

The company classifies all of its financial assets as financial assets at amortised cost.

**Financial assets at amortised cost**

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset.

They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of comprehensive income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

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**TWENTYSIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)**

**Financial liabilities**

The company classifies all of its financial liabilities as liabilities at amortised cost.

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of financial position.

**2.12 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2.13 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.

Foreign currency exchange gains and losses are recognised in administrative expenses.

**2.14 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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**TWENTYSIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

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**2. Accounting policies (continued)**

**2.15 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.

**2.16 Exceptional items**

Costs outside of ordinary trading are recognised as exceptional costs and relate to restructuring costs. These are presented separately due to their size or incidence.

**2.17 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 Statement of financial position 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.

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TWENTYSIX LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020

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

Preparation of financial statements requires management to make significant judgements and estimates. The areas where these judgements and estimates have been made include;

**Revenue recognition**

At each reporting period, the company has a number of advertising, marketing and design projects in progress. Management review each project to determine the project's stage of completion and estimate the revenue that should be recognised. Management base this estimate on the best project information available.

**Trade debtors**

Trade debtors consist of amounts due from customers. An allowance for expected credit losses is maintained for estimated losses resulting from the viability of the company's customers to make required payment. The allowance is based on the company's regular assessment of the credit worthiness and financial conditions of customers.

**Intercompany balances**

As a member of a large group the company undertakes a large volume of transactions with associated companies. Management perceive all intercompany balances to be recoverable.

**Goodwill**

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value thereof.

**Deferred tax asset**

In determining the deferred tax asset to be recognised, management carefully review the recoverability of these assets on a prudent basis and reach a judgement based on the best available information. Management assess whether there are likely to be sufficient available taxable profits for which deferred tax assets can be utilised.

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**TWENTYSIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

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**4. Turnover**

The whole of the turnover is attributable to the company's principal activity.

Analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	12,749	11,918
Rest of Europe	1,682	982
Rest of the world	457	568
	<u>14,888</u>	<u>13,468</u>

**5. Other operating income**

	2020 £000	2019 £000
R&D tax credit	<u>187</u>	<u>539</u>

**6. Operating profit**

The operating profit is stated after charging:

	2020 £000	2019 £000
Depreciation of property, plant and equipment	159	144
Depreciation of right of use assets	221	-
Exchange differences	11	11
Management charge	443	421
Other operating lease rentals	<u>101</u>	<u>282</u>



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**TWENTYSIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

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**7. Auditor's remuneration**

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the company:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Fees for the audit of the company	<u>27</u>	<u>26</u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company, Ensco 1314 Limited.

**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>6,232</b>	<b>5,976</b>
Social security costs	<b>729</b>	<b>697</b>
Cost of defined contribution scheme	<b>173</b>	<b>158</b>
	<u><b>7,134</b></u>	<u><b>6,831</b></u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Multimedia professionals	<b>146</b>	<b>139</b>
Administration	<b>9</b>	<b>7</b>
	<u><b>155</b></u>	<u><b>146</b></u>

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**TWENTYSIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

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**9. Directors' remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Directors' emoluments	<b>242</b>	<b>186</b>
Company contributions to defined contribution pension schemes	<b>10</b>	<b>12</b>
	<u><b>252</b></u>	<u><b>198</b></u>

During the year retirement benefits were accruing to 2 directors (2019 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £163k (2019 - £186k).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5k (2019 - £12k).

**10. Interest payable and similar expenses**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Interest on lease liabilities	<b>61</b>	<b>-</b>

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**TWENTYSIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

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**11. Taxation**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	-	54
Adjustments in respect of previous periods	(53)	-
	<u>(53)</u>	<u>54</u>
<b>Total current tax</b>	<u>(53)</u>	<u>54</u>
<b>Deferred tax</b>		
Accelerated capital allowances	46	(28)
Short term temporary differences	(6)	4
<b>Total deferred tax</b>	<u>40</u>	<u>(24)</u>
<b>Taxation on profit on ordinary activities</b>	<u>(13)</u>	<u>30</u>

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**TWENTYSIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

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**11. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Profit on ordinary activities before tax	692	1,006
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	131	191
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4	2
Fixed asset differences	6	(1)
Adjustment in respect of prior periods	(28)	(5)
Non taxable income	(35)	(100)
Deferred tax not recognised	25	(57)
Group relief surrendered/(claimed)	(114)	-
Adjust deferred tax to average rate of 19.00%	(2)	-
<b>Total tax (credit)/charge for the year</b>	<b>(13)</b>	<b>30</b>

**Factors that may affect future tax charges**

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

Deferred tax has been measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. The deferred tax asset at 28 February 2019 has been remeasured accordingly.

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**TWENTYSIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

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**12. Exceptional items**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Restructuring costs	<b>220</b>	<b>-</b>

**13. Intangible assets**

	<b>Goodwill</b>
	<b>£000</b>
<b>Cost</b>	
At 1 March 2019	<b>52</b>
At 29 February 2020	<b>52</b>
<b>Net book value</b>	
At 29 February 2020	<b>52</b>
At 28 February 2019	<b>52</b>

Amortisation on intangible assets is charged to admin expenses.

## TWENTYSIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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## 14. Tangible fixed assets

	Right of use assets £000	Leasehold improvements £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>Cost</b>					
At 1 March 2019	-	232	122	453	807
Impact of change in accounting policy (Note 2.4)	1,414	-	-	-	1,414
At 1 March 2019 (adjusted balance)	1,414	232	122	453	2,221
Additions	-	108	57	78	243
Disposals	-	-	-	(95)	(95)
At 29 February 2020	1,414	340	179	436	2,369
<b>Depreciation</b>					
At 1 March 2019	-	60	26	307	393
Charge for the year	221	33	26	100	380
Disposals	-	-	-	(95)	(95)
At 29 February 2020	221	93	52	312	678
<b>Net book value</b>					
At 29 February 2020	1,193	247	127	124	1,691
At 28 February 2019	-	172	96	146	414

## 15. Work in progress

	29 February 2020 £000	28 February 2019 £000
Work in progress	284	110

The full work in progress balance comprises third-party costs incurred on behalf of clients not yet invoiced at period end. Management assessed that the full amount was recoverable.

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**TWENTYSIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

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**16. Debtors**

	<b>29 February 2020 £000</b>	<i>28 February 2019 £000</i>
Trade debtors	2,097	2,681
Amounts owed by group undertakings	1,983	166
Prepayments and accrued income	178	164
Tax recoverable	18	-
Deferred taxation	14	54
	<u>4,290</u>	<u>3,065</u>

Amounts owed by group companies are repayable on demand and non interest bearing.

Trade debtors are stated after provisions for impairment of £17k (2019: £15k).

**17. Cash and cash equivalents**

	<b>29 February 2020 £000</b>	<i>28 February 2019 £000</i>
Cash at bank and in hand	178	782

**18. Creditors: Amounts falling due within one year**

	<b>29 February 2020 £000</b>	<i>28 February 2019 £000</i>
Trade creditors	775	664
Amounts owed to group undertakings	404	518
Corporation tax	-	54
Other taxation and social security	491	579
Lease liabilities	201	-
Other creditors	23	4
Accruals and deferred income	1,218	1,057
	<u>3,112</u>	<u>2,876</u>

Amounts owed to group undertakings are repayable on demand and are non-interest bearing.

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**TWENTYSIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Creditors: Amounts falling due after more than one year**

	<b>29 February 2020 £000</b>	<b>28 February 2019 £000</b>
Lease liabilities	<u>1,131</u>	<u>-</u>

**20. Lease obligations**

	<b>Land and buildings £000</b>	<b>Motor vehicles £000</b>	<b>Total £000</b>
<b>Right of use assets</b>			
Balance at 1 March 2019	1,402	12	1,414
Additions	-	-	-
Disposals	-	-	-
Depreciation of right-of-use assets	(217)	(4)	(221)
<b>Balance at 29 February 2020</b>	<u>1,185</u>	<u>8</u>	<u>1,193</u>

	<b>Land and buildings £000</b>	<b>Motor vehicles £000</b>	<b>Total £000</b>
<b>Lease liabilities</b>			
Balance at 1 March 2019	1,513	12	1,525
Additions	-	-	-
Interest expenses relating to lease liabilities	61	-	61
Disposals	-	-	-
Repayment of lease liabilities (including interest)	(250)	(5)	(255)
<b>Balance at 29 February 2020</b>	<u>1,324</u>	<u>7</u>	<u>1,331</u>



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**TWENTYSIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Lease obligations (continued)**

The maturity of lease liabilities at 28 February 2020 were as follows:

	Future minimum lease payments £000	Interest £000	Present value of minimum lease payments £000
Less than one year	254	(53)	201
Between one and five years	1,254	(123)	1,131
After five years	-	-	-
Lease liability at 29 February 2020	1,508	(173)	1,332
Short-term lease liability	-	-	201
Long-term lease liability	-	-	1,131

**Measurement of lease liabilities**

Operating lease commitments disclosed at 28 February 2019	1,850
Less: effect of discounting	(325)
Lease liability recognised as at 1 March 2019	1,525
Of which are:	
Current lease liabilities	193
Non-current lease liabilities	1,332

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**TWENTYSIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. Financial instruments**

	29 February 2020 £000	28 February 2019 £000
<b>Financial assets</b>		
Cash and cash equivalents	178	782
Financial assets measured at amortised cost	4,085	2,853
	<u>4,263</u>	<u>3,635</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(1,469)	(1,937)
	<u>(1,469)</u>	<u>(1,937)</u>

Cash and cash equivalents comprise cash in hand and deposits that are readily convertible to known amounts of cash with insignificant risk of change of value.

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group companies, other creditors and accruals.

**22. Deferred taxation**

	2020 £000
At 1 March 2019	54
Charged to profit or loss	(40)
<b>At 29 February 2020</b>	<u>14</u>

The deferred tax asset is made up as follows:

	29 February 2020 £000	28 February 2019 £000
Accelerated capital allowances	5	51
Other short term temporary differences	9	3
	<u>14</u>	<u>54</u>

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**TWENTYSIX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

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**23. Share capital**

	<b>29 February 2020</b>	<i>28 February 2019</i>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
100 (2019: 100) Ordinary shares of £1 each	<u><b>100</b></u>	<u><b>100</b></u>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

**24. Reserves**

**Share premium account**

Share premium consists of the consideration paid on the issue of shares in excess of the shares nominal value. Any transaction costs associated with the issue of shares are deducted from the share premium.

**Profit and loss account**

Profit and loss reserve consists of all current and prior period retained earnings.

**25. Contingent liabilities**

During the year, Ensco 1314 Limited had a £11m working capital facility from HSBC, which expires 10 May 2024. The company and certain other group companies had entered into cross-guarantee and indemnity arrangements with HSBC. There was a fixed and floating charge over the assets of the company in relation to these group banking arrangements.

There were no other contingent liabilities at 29 February 2020 or 28 February 2019.

**26. Capital commitments**

The company had no capital commitments at 29 February 2020 or 28 February 2019.

**27. Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the fund amounted to £173k (2019: £158k). Amounts of £26k were payable to the fund at the year end (2019: £14k).

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**28. Related party transactions**

The company has taken advantage of the exemption available under paragraph 8 (k) of FRS 101 from disclosing transactions with wholly owned members of the group on the grounds that it is a wholly owned subsidiary and its results are consolidated within Ensco 1314 Limited and financial statements are publicly available.

**29. Controlling party**

The immediate parent undertaking is MSQ Partners Limited.

The ultimate parent undertaking is Ensco 1314 Limited, whose registered address is 90 Tottenham Court Road, London, W1T 4TJ. Ensco 1314 Limited's share capital is primarily held by management within the Group and LDC. Management maintain a majority equity stake with LDC acquiring a significant minority equity stake. As a result, the directors do not consider there to be an individual controlling party.

The largest and smallest group of undertakings for which consolidated accounts have been drawn up is that headed by Ensco 1314 Limited. Copies of the group accounts can be obtained from the Company Secretary.

**30. Non-adjusting post balance sheet events (COVID-19)**

At 29 February 2020 there was no explicit evidence of human to human transmission of COVID-19 within the UK. The subsequent spread of COVID-19 does not provide further evidence of conditions that existed at the year end and is therefore considered to be a non-adjusting post balance sheet event. Accordingly, the development of COVID-19 has not been reflected in the directors' assessment of the measurement of assets and liabilities such as impairment of tangible assets or expected credit losses.