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**FOUR-BY-TWO CONSULTANTS LIMITED**

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**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 MAY 2020**

**BALANCE SHEET**  
**AS AT 31 MAY 2020**

|  | Note | 2020<br>£      | 2019<br>£      |
|--|------|----------------|----------------|
| <b>Fixed assets</b>                            |      |                |                |
| Intangible assets                              | 4    | -              | 1,319          |
| Tangible assets                                | 5    | 41,643         | 63,373         |
|  |      | <u>41,643</u>  | <u>64,692</u>  |
| <b>Current assets</b>                          |      |                |                |
| Stocks   |      | -              | 15,000         |
| Debtors: amounts falling due within one year   | 6    | 134,064        | 161,929        |
| Cash at bank and in hand                       |      | 216,644        | 207,682        |
|  |      | <u>350,708</u> | <u>384,611</u> |
| Creditors: amounts falling due within one year | 7    | (130,948)      | (140,144)      |
| <b>Total assets less current liabilities</b>   |      | <u>261,403</u> | <u>309,159</u> |
| <b>Net assets</b>                              |      | <u>261,403</u> | <u>309,159</u> |
| <b>Capital and reserves</b>                    |      |                |                |
| Called up share capital                        | 8    | 65             | 65             |
| Profit and loss account                        | 9    | 261,338        | 309,094        |
|  |      | <u>261,403</u> | <u>309,159</u> |

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**FOUR-BY-TWO CONSULTANTS LIMITED**  
**REGISTERED NUMBER: SC232282**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MAY 2020**

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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 by

**R B Thwaites**  
Director

Date: 9 November 2020

The notes on pages 3 to 9 form part of these financial statements.

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## **FOUR-BY-TWO CONSULTANTS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020**

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#### **1. General information**

Four-By-Two Limited is a private company limited by shares, incorporated in Scotland, SC232282. Its registered office is 12 Hope Street, Edinburgh, EH2 4DB.

The principal activity of the company is that of an interior, architecture and brand design agency.

The functional currency of the company is pounds sterling as this is the currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest £.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### **2.2 Going concern**

The director's have carefully considered the impact of COVID-19 on the business. The company has taken advantage of Coronavirus Job Retention Scheme (CJRS), have received a Small Business Grant Fund and a Bounce Back Loan. Cashflow is monitored and updated on a weekly basis. Whilst activity has slowed, the directors are confident that the business will continue in the next 12 months.

The financial statements have been prepared on a going concern basis.

##### **2.3 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

##### **Rendering of services**

Turnover 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 turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;

- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### **2.4 Operating leases: the company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

## **2. Accounting policies (continued)**

### **2.5 Government grants**

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

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

### **2.6 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

### **2.7 Pensions**

#### **Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

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

### **2.8 Taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

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.

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 balance sheet date.

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**FOUR-BY-TWO CONSULTANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**

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**2. Accounting policies (continued)****2.9 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.

Amortisation is provided on the following bases:

|          |   |      |               |
|----------|---|------|---------------|
| Software | - | 33 % | straight line |
| Website  | - | 33 % | straight line |

**2.10 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

|                     |   |     |
|---------------------|---|-----|
| Leasehold property  | - | 10% |
| Fixtures & fittings | - | 20% |
| Office equipment    | - | 33% |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.



### **2.11 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

### **2.12 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**

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**2. Accounting policies (continued)**

**2.13 Cash and cash equivalents**

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

**2.14 Creditors**

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

**2.15 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

**2.16 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**3. Employees**

The average monthly number of employees, including directors, during the year was 13 (2019 - 15).

|                       | Software<br>£ | Website<br>£ | Total<br>£ |
|-----------------------|---------------|--------------|------------|
| <b>Cost</b>           |               |              |            |
| At 1 June 2019        | 21,161        | 20,573       | 41,734     |
| Disposals             | (11,661)      | -            | (11,661)   |
| At 31 May 2020        | 9,500         | 20,573       | 30,073     |
| <b>Amortisation</b>   |               |              |            |
| At 1 June 2019        | 19,842        | 20,573       | 40,415     |
| Charge for the year   | 1,319         | -            | 1,319      |
| On disposals          | (11,661)      | -            | (11,661)   |
| At 31 May 2020        | 9,500         | 20,573       | 30,073     |
| <b>Net book value</b> |               |              |            |
| At 31 May 2020        | -             | -            | -          |
| <b>At 31 May 2019</b> | 1,319         | -            | 1,319      |

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**FOUR-BY-TWO CONSULTANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**

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**5. Tangible fixed assets**

|                       | <b>Leasehold<br/>Property</b> | <b>Fixtures &amp;<br/>fittings</b> | <b>Office<br/>equipment</b> | <b>Total</b>   |
|-----------------------|-------------------------------|------------------------------------|-----------------------------|----------------|
|                       | <b>£</b>                      | <b>£</b>                           | <b>£</b>                    | <b>£</b>       |
| <b>Cost</b>           |                               |                                    |                             |                |
| At 1 June 2019        | 85,706                        | 75,818                             | 108,136                     | 269,660        |
| Disposals             | -                             | (75,818)                           | (90,301)                    | (166,119)      |
| At 31 May 2020        | <u>85,706</u>                 | <u>-</u>                           | <u>17,835</u>               | <u>103,541</u> |
| <b>Depreciation</b>   |                               |                                    |                             |                |
| At 1 June 2019        | 35,599                        | 66,876                             | 103,812                     | 206,287        |
| Charge for the year   | 8,570                         | 804                                | 3,611                       | 12,985         |
| Disposals             | -                             | (67,680)                           | (89,694)                    | (157,374)      |
| At 31 May 2020        | <u>44,169</u>                 | <u>-</u>                           | <u>17,729</u>               | <u>61,898</u>  |
| <b>Net book value</b> |                               |                                    |                             |                |
| At 31 May 2020        | <u>41,537</u>                 | <u>-</u>                           | <u>106</u>                  | <u>41,643</u>  |
| <b>At 31 May 2019</b> | <u>50,107</u>                 | <u>8,942</u>                       | <u>4,324</u>                | <u>63,373</u>  |

**6. Debtors**

|               | <b>2020<br/>£</b> | <b>2019<br/>£</b> |
|---------------|-------------------|-------------------|
| Trade debtors | 126,511           | 130,789           |
| Other debtors | 4,373             | 9,495             |
| Prepayments   | 3,180             | 21,645            |
|               | <u>134,064</u>    | <u>161,929</u>    |

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**FOUR-BY-TWO CONSULTANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**

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

|                                    | <b>2020</b>    | <b>2019</b>    |
|------------------------------------|----------------|----------------|
|                                    | <b>£</b>       | <b>£</b>       |
| Trade creditors                    | 41,066         | 57,623         |
| Other taxation and social security | 80,119         | 76,687         |
| Other creditors (note 10)          | 1,648          | 2,849          |
| Accruals                           | 8,115          | 2,985          |
|                                    | <u>130,948</u> | <u>140,144</u> |

**8. Share capital**

|   | <b>2020</b> | <b>2019</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| <b>Authorised, allotted, called up and fully paid</b> |             |             |
| 65 Ordinary shares of £1 each                         | <u>65</u>   | <u>65</u>   |

**9. Reserves****Profit & loss account**

The reserve represents cumulative profits and losses.

**10. 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 charge represents contributions payable by the company to the fund and amounted to £15,597 (2019 - £15,376). Contributions totalling £1,648 (2019 - £2,149) were payable to the fund at the balance sheet date and are included in other creditors.

**11. Post balance sheet events**

The director considers the Coronavirus pandemic and the associated household isolation measures introduced by the UK government to have begun on 23 March 2020. Although this was prior to the year end of the company, the resultant economic deterioration in the United Kingdom is considered to have materialised after year end. Insofar as they are able, the directors will reflect the effects of these developments in the balance sheet of the company as at 31 March 2020. But it is noted that changes to the economy that have been triggered by the pandemic mitigation measures do continue to manifest beyond year end.

**12. Controlling party**

The company is controlled by the director, R B Thwaites, by virtue of his shareholding.

