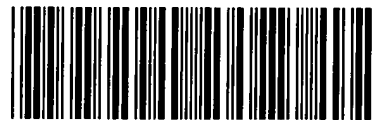


Company Registration No. 05719973 (England and Wales)

SKETCH STUDIOS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021
PAGES FOR FILING WITH REGISTRAR

WEDNESDAY



AAYWT2CQ

A09

02/03/2022

#238

COMPANIES HOUSE

SKETCH STUDIOS LIMITED

CONTENTS

	Page
Statement of financial position	1
Notes to the financial statements	2 - 7

SKETCH STUDIOS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	4		8,192		9,915
Current assets					
Stocks		69,767		55,664	
Debtors	5	1,165,617		1,324,852	
Cash at bank and in hand		21,080		137,608	
		<u>1,256,464</u>		<u>1,518,124</u>	
Creditors: amounts falling due within one year	6	<u>(1,256,599)</u>		<u>(1,368,251)</u>	
Net current (liabilities)/assets			(135)		149,873
Total assets less current liabilities			<u>8,057</u>		<u>159,788</u>
Provisions for liabilities	7		-		(50,000)
Net assets			<u><u>8,057</u></u>		<u><u>109,788</u></u>
Capital and reserves					
Called up share capital			1,000		1,000
Profit and loss reserves			7,057		108,788
Total equity			<u><u>8,057</u></u>		<u><u>109,788</u></u>

The directors of the company have elected not to include a copy of the income statement 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 18/2/22 and are signed on its behalf by:

.....
M J Scott
Director

Company Registration No. 05719973

SKETCH STUDIOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

Company information

Sketch Studios Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Old Post Office, 33 Station Road, Egham, Surrey, TW20 9LA.

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 disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

Given the current trading position and forecasts prepared, the directors believe that the company will have sufficient working capital to continue in operation for at least 12 months from the date of approval and believe that the company is a going concern.

The company is dependent on Area Sq. Limited, a fellow subsidiary undertaking and the directors of this company have expressed a willingness to support the company for a period of at least twelve months following the signing of these financial statements.

Consequently, the directors have prepared the financial statements on a going concern basis.

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably;
- and
- the costs incurred and the costs to complete the contract can be reliably measured.

1.4 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.

SKETCH STUDIOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

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	20% - 50% Straight Line
Plant and equipment	50% 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.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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.

1.6 Stocks

Work in progress represents expenditure incurred on contracts which have not been completed at the year end.

1.7 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 statement of financial position 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. 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.

SKETCH STUDIOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

1.8 Equity instruments

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 income statement, 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.

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

SKETCH STUDIOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

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.

1.12 Retirement benefits

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

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 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.

1.15 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 in the period are included in profit or loss.

2 Exceptional item

	2021 £	2020 £
Restructuring costs	-	115,604
	-	115,604

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	12	20

SKETCH STUDIOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

4 Tangible fixed assets

	Leasehold improvements	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 November 2020	155,347	166,010	321,357
Additions	-	4,525	4,525
At 31 October 2021	155,347	170,535	325,882
Depreciation and impairment			
At 1 November 2020	154,067	157,375	311,442
Depreciation charged in the year	-	6,248	6,248
At 31 October 2021	154,067	163,623	317,690
Carrying amount			
At 31 October 2021	1,280	6,912	8,192
At 31 October 2020	1,280	8,635	9,915

5 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	625,571	837,330
Corporation tax recoverable	-	41,868
Amounts owed by group undertakings	-	115,704
Other debtors	540,046	329,950
	1,165,617	1,324,852

6 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	626,313	215,607
Amounts owed to group undertakings	32,667	189,961
Taxation and social security	209,126	410,654
Other creditors	388,493	552,029
	1,256,599	1,368,251

In other creditors, an amount of £49,839 (2020: £58,433) is secured by fixed and floating charges over the assets of the company and its fellow group undertakings.

SKETCH STUDIOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

7 Provisions for liabilities

	2021 £	2020 £
Dilapidations	-	50,000

During 2020, a property was vacated in which Sketch Studios Limited was liable to perform dilapidation repairs. The dilapidation repairs were completed during 2021 and as such the provision at the year end is £nil.

8 Financial commitments, guarantees and contingent liabilities

At the balance sheet date, there were fixed and floating charges over the assets of the company whereby the company guaranteed all amounts due to Bibby Financial Services Limited by the group. An amount of £750,595 (2020: £427,355) was due to Bibby Financial Services Limited by the group at the balance sheet date.

9 Operating lease commitments

Lessee

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

	2021 £	2020 £
	1,054	5,472

10 Ultimate parent undertaking

The parent undertaking of the smallest and largest group for which consolidated financial statements are drawn up of which the company is a member is Fourfront Holdings Limited. The registered office of Fourfront Holdings Limited is The Old Post Office, 33 Station Road, Egham, Surrey, TW20 9LA.

11 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 Bindi Palmer and the auditor was Rouse Audit LLP.