

Company registration number 05719973 (England and Wales)

**SKETCH STUDIOS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2023**  
**PAGES FOR FILING WITH REGISTRAR**

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# SKETCH STUDIOS LIMITED

## CONTENTS

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

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# SKETCH STUDIOS LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	5		1		1,031
<b>Current assets</b>					
Work in progress	6	1,494,539		351,568	
Debtors	7	1,046,498		899,682	
Cash at bank and in hand		1,344,243		479,928	
		<u>3,885,280</u>		<u>1,731,178</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(3,874,267)</u>		<u>(2,162,680)</u>	
<b>Net current assets/(liabilities)</b>			<u>11,013</u>		<u>(431,502)</u>
<b>Net assets/(liabilities)</b>			<u>11,014</u>		<u>(430,471)</u>
<b>Capital and reserves</b>					
Called up share capital			1,000		1,000
Profit and loss reserves			10,014		(431,471)
<b>Total equity</b>			<u>11,014</u>		<u>(430,471)</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 15/03/24 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 2023**

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### **1 Accounting policies**

#### **Company information**

Sketch Studios Limited is a private company limited by shares incorporated in England and Wales. The registered office is Two Windsor Dials, Arthur Road, Windsor, Berkshire, SL4 1RS.

#### **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 2023

### 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 machinery	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 Work in progress

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 2023

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#### 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 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.

#### 1.9 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.

#### 1.10 Retirement benefits

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

#### 1.11 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.

#### 1.12 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.

# SKETCH STUDIOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2023

#### 2 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	13,700	13,700
<b>For other services</b>		
All other non-audit services	2,400	2,400

#### 3 Employees

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

	2023 Number	2022 Number
Total	19	15

#### 4 Taxation

	2023 £	2022 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	132,862	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	12,157	-
Total tax charge	145,019	-

# SKETCH STUDIOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2023

#### 4 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit/(loss) before taxation	586,504	(438,528)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 22.52% (2022: 19.00%)	132,081	(83,320)
Tax effect of expenses that are not deductible in determining taxable profit	1,635	676
Change in unrecognised deferred tax assets	-	(1,691)
Effect of change in corporation tax rate	94	-
Group relief	-	82,395
Deferred tax adjustments in respect of prior years	11,209	1,940
Taxation charge for the year	145,019	-

#### 5 Tangible fixed assets

	Leasehold improvements £	Plant and machinery etc £	Total £
<b>Cost</b>			
At 1 November 2022 and 31 October 2023	155,347	170,535	325,882
<b>Depreciation and impairment</b>			
At 1 November 2022	155,347	169,504	324,851
Depreciation charged in the year	-	1,030	1,030
At 31 October 2023	155,347	170,534	325,881
<b>Carrying amount</b>			
At 31 October 2023	-	1	1
At 31 October 2022	-	1,031	1,031

#### 6 Work in progress

	2023 £	2022 £
Contract work in progress	1,494,539	351,568



# SKETCH STUDIOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023

### 7 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	538,664	750,378
Amounts owed by group undertakings	46,010	-
Other debtors	461,824	149,304
	<u>1,046,498</u>	<u>899,682</u>

### 8 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	675,991	296,726
Amounts owed to group undertakings	234,436	74,146
Corporation tax	95,361	-
Other taxation and social security	208,860	133,579
Other creditors	2,659,619	1,658,229
	<u>3,874,267</u>	<u>2,162,680</u>

In other creditors, an amount of £129,648 (2022: £83,059) is secured by fixed and floating charges over the assets of the company and its fellow group undertakings.

### 9 Audit report information

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

The auditor's report was unqualified.

Senior Statutory Auditor:	Leighton Bower
Statutory Auditor:	Rouse Audit LLP
Date of audit report:	18 March 2024

### 10 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 £255,158 was due from (2022: £1,082,935 owed to) Bibby Financial Services Limited by the group at the balance sheet date.

### 11 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 Windsor Two, Arthur Road, Windsor, England, SL4 1RS.