
LONGSTEM LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2018

LONGSTEM LIMITED
REGISTERED NUMBER: 08372039

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	140,658	135,805
		<u>140,658</u>	<u>135,805</u>
Current assets			
Debtors: amounts falling due after more than one year	5	29,911	29,911
Debtors: amounts falling due within one year	5	80,482	82,382
Cash at bank and in hand	6	19,804	27,123
		<u>130,197</u>	<u>139,416</u>
Creditors: amounts falling due within one year	7	(374,883)	(427,150)
Net current liabilities		<u>(244,686)</u>	<u>(287,734)</u>
Total assets less current liabilities		<u>(104,028)</u>	<u>(151,929)</u>
Provisions for liabilities			
Other provisions		(22,500)	(22,500)
		<u>(22,500)</u>	<u>(22,500)</u>
Net liabilities		<u><u>(126,528)</u></u>	<u><u>(174,429)</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		(126,529)	(174,430)
		<u><u>(126,528)</u></u>	<u><u>(174,429)</u></u>

The director considers 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 Companies Act 2006.

The director acknowledges his 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 profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

LONGSTEM LIMITED
REGISTERED NUMBER: 08372039

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 October 2019.

Mr B Rose
Director

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. General information

Longstem Limited is a private company limited by share capital, incorporated in England and Wales, registration number 08372039. The address of the registered office is 30 Market Place, London, W1W 8AP.

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

At the balance sheet date, the company's liabilities exceeded its assets. The company has received assurance from the director that he will continue to give financial support to the company for a period of at least twelve months from the date of signing of these financial statements. On this basis, the director has considered it appropriate to prepare the financial statements on a going concern basis.

However, should the financial support mentioned above not be forthcoming, the going concern basis used in preparing the company's financial statements may be invalid and adjustments would have to be made to reduce the value of assets to their realisable amount and to provide for any further liabilities which might arise. The financial statements do not include any adjustment to the company's assets or liabilities that might be necessary should this basis not continue to be appropriate.

2.3 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.4 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, rebates, 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;
- 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.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 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 Profit and loss account 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.7 Taxation

Tax is recognised in the Profit and loss account, 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.

2.8 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:

S/Term Leasehold improvements	-	20%	over the lease term
Fixtures & fittings	-	25%	straight line
Office equipment	-	25%	straight line

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 Profit and loss account.

2.9 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 DECEMBER 2018

2. Accounting policies (continued)

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. 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.

2.11 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.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.13 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 non-puttable ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2017 - 2)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

4. Tangible fixed assets

	Short leasehold improvements and commissioning costs £	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation				
At 1 January 2018	128,441	1,129	29,213	158,783
Additions	23,766	2,111	25,680	51,557
At 31 December 2018	152,207	3,240	54,893	210,340
Depreciation				
At 1 January 2018	8,563	282	14,133	22,978
Charge for the year on owned assets	32,170	810	13,723	46,703
At 31 December 2018	40,733	1,092	27,856	69,681
Net book value				
At 31 December 2018	111,474	2,148	27,037	140,659
At 31 December 2017	119,878	847	15,080	135,805

The net book value of land and buildings may be further analysed as follows:

	2018 £	2017 £
Short leasehold	111,475	119,878
	111,475	119,878

5. Debtors

	2018 £	2017 £
Due after more than one year		
Other debtors	29,911	29,911

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

5. Debtors (continued)

	<u>2018</u>	<u>2017</u>
	<u>£</u>	<u>£</u>
Due within one year		
Trade debtors	33,569	35,469
Other debtors	46,913	46,913
	<u>80,482</u>	<u>82,382</u>

6. Cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	19,804	27,123
	<u>19,804</u>	<u>27,123</u>

7. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	10,979	170
Other taxation and social security	37,511	10,715
Other creditors	320,193	415,104
Accruals and deferred income	6,200	1,161
	<u>374,883</u>	<u>427,150</u>

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FOR THE YEAR ENDED 31 DECEMBER 2018

Provisions - Decommissioning and dilapidations

	Provision £
At 1 January 2018	22,500
At 31 December 2018	<u>22,500</u>

The company's lease provides that the premises are returned to the landlord in the same condition as when the lease commenced. Provision has therefore been made for the removal of the partitioning erected by the company and for general wear and tear. Professional advice has been taken in assessing the amounts.

8. Pension commitments

The company contributes to a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge for the year was £703 (2017: £Nil). There are no amounts outstanding at the year end.

9. Related party transactions

Included in creditors at the balance sheet date is an amount due to the director of £320,192 (2017: £415,104). This amount is in respect of net expenses borne on behalf of the company. This amount is unsecured, interest free and repayable on demand.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.