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**LONGSTEM LIMITED**

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**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**LONGSTEM LIMITED**  
**REGISTERED NUMBER: 08372039**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	4	99,238	140,657
		<u>99,238</u>	<u>140,657</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	5	29,909	29,909
Debtors: amounts falling due within one year	5	200,654	80,485
Cash at bank and in hand	6	416,131	19,804
		<u>646,694</u>	<u>130,198</u>
Creditors: amounts falling due within one year	7	(642,212)	(374,883)
<b>Net current assets/(liabilities)</b>		<u>4,482</u>	<u>(244,685)</u>
<b>Total assets less current liabilities</b>		<u>103,720</u>	<u>(104,028)</u>
<b>Provisions for liabilities</b>			
Other provisions	8	(22,500)	(22,500)
		<u>(22,500)</u>	<u>(22,500)</u>
<b>Net assets/(liabilities)</b>		<u><u>81,220</u></u>	<u><u>(126,528)</u></u>
<b>Capital and reserves</b>			
Called up share capital		1	1
Profit and loss account		81,219	(126,529)
		<u><u>81,220</u></u>	<u><u>(126,528)</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 the 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.

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**LONGSTEM LIMITED**  
**REGISTERED NUMBER: 08372039**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2019**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2020.

**Mr B Rose**  
Director

The notes on pages 3 to 8 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**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 Kemp House, 152-160 City Road London, EC1V 2NX.

**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 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.

**2.3 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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**2. Accounting policies (continued)**

**2.4 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.

**2.5 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.

**2.6 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.

**2.7 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.

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FOR THE YEAR ENDED 31 DECEMBER 2019

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**2. Accounting policies (continued)**

**2.7 Tangible fixed assets (continued)**

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.

**2.8 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.

**2.9 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.

**2.10 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.

**2.11 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.

**2.12 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

LONGSTEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.12 Financial instruments (continued)

third parties, loans to related parties and investments in ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 7 (2018 - 2).

4. Tangible fixed assets

	Short leasehold improvements and commissioning costs £	Fixtures & fittings £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2019	152,207	3,240	54,893	210,340
Additions	-	-	5,023	5,023
At 31 December 2019	152,207	3,240	59,916	215,363
<b>Depreciation</b>				
At 1 January 2019	40,733	1,095	27,856	69,684
Charge for the year on owned assets	32,170	807	13,460	46,437
At 31 December 2019	72,903	1,902	41,316	116,121
<b>Net book value</b>				
At 31 December 2019	79,304	1,338	18,600	99,242
<b>At 31 December 2018</b>	<u>111,475</u>	<u>2,145</u>	<u>27,037</u>	<u>140,657</u>

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LONGSTEM LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2019

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4. Tangible fixed assets (continued)

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

	2019 £	2018 £
Short leasehold	79,305	111,475
	<u>79,305</u>	<u>111,475</u>

5. Debtors

	2019 £	2018 £
<b>Due after more than one year</b>		
Other debtors	29,909	29,909
	<u>29,909</u>	<u>29,909</u>

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	19,393	33,569
Other debtors	110,687	46,916
Prepayments and accrued income	70,574	-
	<u>200,654</u>	<u>80,485</u>

6. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	416,131	19,804
	<u>416,131</u>	<u>19,804</u>

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NOTES TO THE FINANCIAL STATEMENTS  
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7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	7,380	10,979
Corporation tax	66,837	-
Other taxation and social security	93,466	37,511
Other creditors	1,226	320,193
Accruals and deferred income	473,303	6,200
	<u>642,212</u>	<u>374,883</u>

8. Provisions - Decommissioning and dilapidations

	Provision £
At 1 January 2019	22,500
At 31 December 2019	<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.

9. 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 £2,928 (2018: £703). There is an amount of £978 outstanding at the year end.

10. Related party transactions

Included in other debtors at the balance sheet date is an amount due from the director of £107,094 (2018: £320,192 creditor). This amount is in respect of net expenses borne by the company. This amount is unsecured, interest free and repayable on demand.



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