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**LONGSTEM LIMITED**

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**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	4	135,807	14,410
		<u>135,807</u>	<u>14,410</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	5	29,909	-
Debtors: amounts falling due within one year	5	82,382	16,476
Cash at bank and in hand	6	27,123	248,885
		<u>139,414</u>	<u>265,361</u>
Creditors: amounts falling due within one year	7	(427,150)	(260,975)
<b>Net current (liabilities)/assets</b>		<u>(287,736)</u>	<u>4,386</u>
<b>Total assets less current liabilities</b>		<u>(151,929)</u>	<u>18,796</u>
<b>Provisions for liabilities</b>			
Deferred tax	8	-	(2,882)
Other provisions		(22,500)	-
		<u>(22,500)</u>	<u>(2,882)</u>
<b>Net (liabilities)/assets</b>		<u><u>(174,429)</u></u>	<u><u>15,914</u></u>
<b>Capital and reserves</b>			
Called up share capital		1	1
Profit and loss account		(174,430)	15,913
		<u><u>(174,429)</u></u>	<u><u>15,914</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

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

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2017**

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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 on 30 April 2018.

**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 2017**

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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 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 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 2017

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**2. Accounting policies (continued)**

**2.4 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.

**2.5 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.

**2.6 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.

**2.7 Financial instruments**

The Company only enters into basic financial instruments 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.

**2.8 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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**2. Accounting policies (continued)**

**2.9 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.

**2.10 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**2.11 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.

**2.12 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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**2. Accounting policies (continued)**

**2.13 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. 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.

**3. Employees**

The average monthly number of employees, including directors, during the year was 3 (2016 - 2)

LONGSTEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

4. Tangible fixed assets

	Short leasehold improvements and commissioning costs £	Fixtures & fittings £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2017	-	-	21,240	21,240
Additions	128,441	1,129	7,973	137,543
At 31 December 2017	128,441	1,129	29,213	158,783
<b>Depreciation</b>				
At 1 January 2017	-	-	6,829	6,829
Charge for the year on owned assets	8,563	282	7,303	16,148
At 31 December 2017	8,563	282	14,132	22,977
<b>Net book value</b>				
At 31 December 2017	119,878	847	15,081	135,806
<b>At 31 December 2016</b>	-	-	14,410	14,410

	2017 £	2016 £
Short leasehold	119,878	-
	119,878	-

5. Debtors

	2017 £	2016 £
<b>Due after more than one year</b>		
Other debtors	29,909	-



LONGSTEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

5. Debtors (continued)

	2017	2016
	£	£
<b>Due within one year</b>		
Trade debtors	35,469	16,469
Other debtors	46,913	7
	<u>82,382</u>	<u>16,476</u>

6. Cash and cash equivalents

	2017	2016
	£	£
Cash at bank and in hand	27,123	248,885
	<u>27,123</u>	<u>248,885</u>

7. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	170	-
Corporation tax	-	46,913
Other taxation and social security	10,715	20,551
Other creditors	415,104	193,511
Accruals and deferred income	1,161	-
	<u>427,150</u>	<u>260,975</u>

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FOR THE YEAR ENDED 31 DECEMBER 2017

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8. Deferred taxation

	2017 £
At beginning of year	(2,882)
Charged to profit or loss	<u>2,882</u>

Provisions - Decommissioning and dilapidations

	Provision £
Charged to profit or loss	22,500
<b>At 31 December 2017</b>	<u><b>22,500</b></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. Related party transactions

During the year dividends of £Nil (2016: £170,000) were paid to the director in his capacity as shareholder of the company.

Included in creditors at the balance sheet date is an amount due to the director of £415,104 (2016: £193,511). This amount is in respect of net expenses borne on behalf of the company. This amount is unsecured, interest free and repayable on demand.