

ISLAND STUDIOS LONDON LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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ISLAND STUDIOS LONDON LIMITED

COMPANY INFORMATION

Directors	A J Lifschutz P R Sandilands H J Roe
Company secretary	P R Sandilands
Registered number	05432210
Registered office	16 Great Queen Street Covent Garden London WC2B 5AH
Accountants	Blick Rothenberg Limited Chartered Accountants 16 Great Queen Street Covent Garden London WC2B 5AH

ISLAND STUDIOS LONDON LIMITED

BALANCE SHEET
AS AT 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	5,428	7,238
Investment property	5	12,000,000	12,000,000
		<u>12,005,428</u>	<u>12,007,238</u>
Current assets			
Debtors: amounts falling due within one year	6	210,996	71,100
Cash at bank and in hand		421,285	274,576
		<u>632,281</u>	<u>345,676</u>
Creditors: amounts falling due within one year	7	(1,723,784)	(2,085,241)
Net current liabilities		<u>(1,091,503)</u>	<u>(1,739,565)</u>
Total assets less current liabilities		<u>10,913,925</u>	<u>10,267,673</u>
Creditors: amounts falling due after more than one year	8	(3,619,115)	(3,789,871)
Provisions for liabilities			
Deferred tax	10	(453,412)	(453,134)
Net assets		<u><u>6,841,398</u></u>	<u><u>6,024,668</u></u>
Capital and reserves			
Called up share capital	11	100	100
Revaluation reserve	12	4,476,242	4,476,242
Profit and loss account	12	2,365,056	1,548,326
Total equity		<u><u>6,841,398</u></u>	<u><u>6,024,668</u></u>

ISLAND STUDIOS LONDON LIMITED**BALANCE SHEET (CONTINUED)**
AS AT 30 SEPTEMBER 2022

The directors consider 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 directors acknowledge their 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.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A J Lifschutz

Director

Date: 26 April 2023

P R Sandilands

Director

Date 26 April 2023

The notes on pages 4 to 11 form part of these financial statements.

1. General information

Island Studios Limited is a private company limited by shares incorporated in England and Wales. Its registered address is 16 Great Queen Street, Covent Garden, London, WC2B 5AH.

The financial statements are presented in Sterling (£).

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

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for rent provided in the normal course of business.

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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	25%
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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 profit or loss.

2.5 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.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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. Accounting policies (continued)

2.8 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

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.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

2. Accounting policies (continued)

Financial instruments (continued)

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

2.9 Share capital

Ordinary shares are classified as equity.

2.10 Investment property

Investment property is carried at fair value determined annually by the directors. No depreciation is provided. Changes in fair value are recognised in the profit and loss account.

3. Employees

The average monthly number of employees, including directors, during the year was 3 (2021 -3).

4. Tangible fixed assets

	Plant and machinery £
Cost	
At 1 October 2021	675,286
At 30 September 2022	<u>675,286</u>
Depreciation	
At 1 October 2021	668,048
Charge for the year	1,810
At 30 September 2022	<u>669,858</u>
Net book value	
At 30 September 2022	<u><u>5,428</u></u>
At 30 September 2021	<u><u>7,238</u></u>

5. Investment property

	Freehold investment property £
Valuation	
At 1 October 2021	12,000,000
At 30 September 2022	<u><u>12,000,000</u></u>

The valuation of investment property was made as at 30 September 2022 by the directors, on an open market basis. No depreciation is provided in respect of these properties.

On a historical cost basis the investment properties would have been included at an original cost of £7,068,372 (2021: £7,068,372).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

6. Debtors

	2022 £	2021 £
Trade debtors	63,100	63,100
Other debtors	8,000	8,000
Financial instruments	139,896	-
	<u>210,996</u>	<u>71,100</u>

7. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	189,503	208,250
Other loans	1,411,029	1,411,029
Corporation tax	69,979	68,192
Other taxation and social security	44,723	10,667
Accruals and deferred income	8,550	9,438
Financial instruments	-	377,665
	<u>1,723,784</u>	<u>2,085,241</u>

8. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	3,619,115	3,789,871
	<u>3,619,115</u>	<u>3,789,871</u>

The bank loan is secured by a fixed and floating charge over the assets of the company.

The bank loan is subject to interest of 1.25% p.a. above the bank's base rate. The bank loan is repayable on 30 June 2026.

The interest rate swap is subject to a fixed interest rate of 4.83% and expires in September 2026.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

9. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	189,503	208,250
Other loans	1,411,029	1,411,029
	<u>1,600,532</u>	<u>1,619,279</u>
Amounts falling due after more than 5 years		
Bank loans	3,619,115	3,789,871
	<u>5,219,647</u>	<u>5,409,150</u>

10. Deferred taxation

	2022 £	2021 £
At beginning of year	(453,134)	(346,094)
Charged to profit or loss	(278)	(107,040)
At end of year	<u>(453,412)</u>	<u>(453,134)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Investment property revaluations	(453,134)	(455,386)
Fixed asset timing differences	(278)	2,252
	<u>(453,412)</u>	<u>(453,134)</u>

11. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
100 (2021 -100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

12. Reserves**Revaluation reserve**

Revaluation reserve consists of revaluation gains and losses and their associated deferred tax movements in respect of investment properties.

Profit and loss account

The profit and loss account consists of distributable reserves.

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.