

Financial Statements Urban Science International Limited

For the year ended 31 December 2016



Registered number: 03059485

Urban Science International Limited

Company Information

Directors

James Anderson
Paul Dillamore
Laura Kowalchik

Company secretary

Rene Hansemann
Francisco Copado

Registered number

03059485

Registered office

The Blade, 12th Floor
Abbey Square
Reading
RG1 3BE

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
1020 Eskdale Road
Winnersh
Wokingham
Berkshire
RG41 5TS

Urban Science International Limited

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Urban Science International Limited

Strategic report

For the year ended 31 December 2016

Introduction

The directors present their strategic report for the year ended 31 December 2016.

Principal activities and business review

The principal activity of the company during the year was the provision of market data analysis services through computer decision support systems and consultancy.

The directors consider the result for the year and the position at the end of the year to be satisfactory. The company is strategically well positioned to take advantage of opportunities as they arise within the dynamic market place in which it operates and is focusing on large customers to improve margins and profitability and to develop business leads with them.

The company is a wholly owned subsidiary of Urban Science International Inc. (USI Inc). As such, the company is reliant upon USI Inc for ongoing support and therefore for its going concern basis.

The directors of the company have considered the impact of this on the business and are assured that the parent company is a going concern and have a letter of support to confirm this.

Strategic report

For the year ended 31 December 2016

Principal risks and financial risk management objectives and policies

The company uses various financial instruments. These include amounts owed to group / parent companies, cash and other items, such as trade debtors and trade creditors, which arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are liquidity risk, interest rate risk, credit risk and concentration on key clients. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Liquidity risk - the company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Interest rate risk - the company's cash assets and bank borrowings are all held in floating rate accounts. Trade debtors and creditors do not attract interest and are therefore subject to fair value interest rate risk.

Credit risk - the company's principal financial assets are cash and trade debtors. The credit risk associated with the cash is managed by the company monitoring the financial position of the counterparties involved. The principal credit risk arises from its trade debtors. In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references.

Risk from concentrating on key clients – the company has expanded its customer base to ensure that the company is not reliant on one key client.

The company is expected to continue to generate positive cash flows on its own accounts for the foreseeable future. The company has good financial resources together with long term contracts with a number of customers. As a consequence, the directors believe that the company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

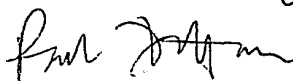
Key performance indicators (KPIs)

The directors utilize various KPIs in order to measure the performance of the business against previous periods and plans, including Turnover, Profit and Profit as a % of Turnover.

KPI	2016	2015
Turnover	£5,125,734	£4,789,657
Profit	£383,471	£631,626
Profit as a % of turnover	7.48%	13.18%

This report was approved by the board on *6th November 2017* and signed on its behalf.

P Dillamore
Director



Directors' report

For the year ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the company during the year was the provision of market data analysis services through computer decision support systems and consultancy.

Results and dividends

The profit for the year, after taxation, amounted to £383,471 (2015 - £631,626).

No dividends were declared in 2016 (2015 - £NIL).

Directors

The directors who served during the year were:

James Anderson
Paul Dillamore
Laura Kowalchik

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Directors' report (continued)

For the year ended 31 December 2016

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on *6th November 2017* and signed on its behalf.



Paul Dillamore
Director



Independent Auditor's Report to the Members of Urban Science International Limited

We have audited the financial statements of Urban Science International Limited for the year ended 31 December 2016, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.



Independent Auditor's Report to the Members of Urban Science International Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Strategic report and the Directors' report been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP

Steven Cenci (Senior statutory auditor)
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Reading
Date: 7/11/2017

Statement of comprehensive income

For the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	4	5,025,734	4,789,657
Cost of sales		(2,937,841)	(2,464,981)
Gross profit		2,087,893	2,324,676
Administrative expenses		(1,688,223)	(1,614,635)
Operating profit	5	399,670	710,041
Interest receivable and similar income	9	110,306	98,064
Interest payable and expenses	10	(8,195)	(2,387)
Profit before tax		501,781	805,718
Tax on profit	11	(118,310)	(174,092)
Profit for the year		383,471	631,626
Other comprehensive income for the year			
Total comprehensive income for the year		383,471	631,626

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

The notes on pages 11 to 23 form part of these financial statements.

All operations are continuing.

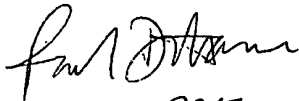
Statement of financial position

As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	12	183,187	224,664
Tangible assets	13	197,608	190,385
		<u>380,795</u>	<u>415,049</u>
Current assets			
Debtors: amounts falling due within one year	14	10,193,297	8,677,076
Cash at bank and in hand	15	351,598	44,426
		<u>10,544,895</u>	<u>8,721,502</u>
Creditors: amounts falling due within one year	16	(4,320,173)	(2,914,505)
Net current assets		<u>6,224,722</u>	<u>5,806,997</u>
Total assets less current liabilities		<u>6,605,517</u>	<u>6,222,046</u>
Net assets		<u><u>6,605,517</u></u>	<u><u>6,222,046</u></u>
Capital and reserves			
Called up share capital	20	10,000	10,000
Share premium account	19	365,651	365,651
Profit and loss account	19	6,229,866	5,846,395
		<u>6,605,517</u>	<u>6,222,046</u>

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

Paul Dillamore
Director



Date: 6th November 2017

The notes on pages 11 to 23 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	10,000	365,651	5,846,395	6,222,046
Comprehensive income for the year				
Profit for the year	-	-	383,471	383,471
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	383,471	383,471
Total transactions with owners	-	-	-	-
At 31 December 2016	10,000	365,651	6,229,866	6,605,517

Statement of changes in equity

For the year ended 31 December 2015

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	10,000	365,651	5,214,769	5,590,420
Comprehensive income for the year				
Profit for the year	-	-	631,626	631,626
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	631,626	631,626
Total transactions with owners	-	-	-	-
At 31 December 2015	10,000	365,651	5,846,395	6,222,046

The notes on pages 11 to 23 form part of these financial statements.

Statement of cash flows

For the year ended 31 December 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	383,471	631,626
Adjustments for:		
Amortisation of intangible assets	41,476	41,476
Depreciation of tangible assets	114,270	107,001
Interest paid	8,195	2,387
Interest receivable and similar income	(110,306)	(98,064)
Taxation charge	118,310	(170,936)
(Increase) in debtors	(1,981,670)	(1,044,431)
Decrease in amounts owed by groups	457,337	149,796
Increase/(decrease) in creditors	517,610	(95,693)
Increase/(decrease) in amounts owed to groups	1,140,385	(128,348)
Corporation tax (paid)/received	(220,465)	174,092
Net cash generated from operating activities	468,613	(431,094)
Cash flows from investing activities		
Purchase of tangible fixed assets	(121,493)	(68,496)
Interest received	110,306	98,064
Net cash from investing activities	(11,187)	29,568
Cash flows from financing activities		
Interest paid	(8,195)	(2,387)
Net cash used in financing activities	(8,195)	(2,387)
Net increase/(decrease) in cash and cash equivalents	449,231	(403,913)
Cash and cash equivalents at beginning of year	(97,633)	306,280
Cash and cash equivalents at the end of year	351,598	(97,633)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	351,598	44,426
Bank overdrafts	-	(142,059)
	351,598	(97,633)

The notes on pages 11 to 23 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2016

1. General information

Urban Science International Limited is a limited liability company incorporated in England and Wales. Its registered head office is located at The Blade, 12th Floor, Abbey Square, Reading, RG1 3BE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The company is a wholly owned subsidiary of Urban Science International Inc. (USI Inc). As such, the company is reliant upon USI Inc for ongoing support and therefore for its going concern basis.

The directors of the company have considered the impact of this on the business and are assured that the parent company is a going concern and have a letter of support to confirm this.

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.

2.4 Goodwill

Goodwill is measured at cost being amounts due to be paid based on expected levels of future revenues received as a result of the acquisition. The goodwill is being amortised on a straight line basis over 10 years.

Notes to the financial statements

For the year ended 31 December 2016

2. Accounting policies (continued)

2.5 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:

Short-term leasehold property	- on a straight line basis over the period of the lease
Fixtures and fittings	- 10% - 50% per annum on a straight line basis
Computer equipment	- 25% - 50% per annum on a straight line basis

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 Statement of comprehensive income.

2.6 Operating leases: Lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the period of the lease.

2.7 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.

2.8 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.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.9 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 2016

2. Accounting policies (continued)

2.10 Foreign currency translation

The company's functional and presentational currency is GBP.

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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.11 Finance costs

Finance costs are charged to the statement of comprehensive income account 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.

2.12 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 statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of financial position date.

2.14 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

Notes to the financial statements

For the year ended 31 December 2016

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, 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 reporting 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 Statement of financial position 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 reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of Revenue

Management assesses the value of the revenue earned in relation to the work that has been carried out to ensure the company books the correct amount of revenue.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment. (see note 13).

Urban Science International Limited

Notes to the financial statements

For the year ended 31 December 2016

4. Turnover

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	4,272,901	3,975,816
Rest of Europe	511,826	594,572
Rest of the world	241,007	219,269
	<u>5,025,734</u>	<u>4,789,657</u>

5. Operating profit

The operating profit is stated after charging/(crediting):

	2016 £	2015 £
Depreciation of tangible fixed assets	114,270	107,001
Amortisation of intangible assets, including goodwill	41,477	41,476
Exchange differences	(54,520)	13,265
Operating lease	<u>97,702</u>	<u>95,605</u>

6. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	29,500	28,500
For other services	<u>7,450</u>	<u>7,450</u>
	<u>36,950</u>	<u>35,950</u>

Notes to the financial statements

For the year ended 31 December 2016

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	2,453,856	2,512,959
Social security costs	284,733	261,690
Cost of defined contribution scheme	118,918	98,821
	<u>2,857,507</u>	<u>2,873,470</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Production	31	31
Administration	26	21
	<u>57</u>	<u>52</u>

8. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	<u>130,409</u>	<u>130,012</u>

During the year retirement benefits were accruing to 1 director (2015 - 1) in respect of defined contribution pension schemes.

There is one director for whom retirement benefits are accruing under money purchase pension schemes in 2016 (2015 - 1). The pension contributions paid during the year were £19,424 (2015 - £18,327).

9. Interest receivable

	2016 £	2015 £
Interest receivable from group companies	<u>110,306</u>	<u>98,064</u>

Notes to the financial statements

For the year ended 31 December 2016

10. Interest payable and similar charges

	2016 £	2015 £
Interest payable to group companies	8,195	2,387

11. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	110,198	172,332
Deferred tax		
Origination and reversal of timing differences	7,498	480
Changes to tax rates	614	1,280
Total deferred tax	8,112	1,760
Taxation on profit on ordinary activities	118,310	174,092

Notes to the financial statements

For the year ended 31 December 2016

11. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the Period is lower than (2015 -higher than) the standard rate of corporation tax in the UK of 20% (2015 -20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>501,781</u>	<u>805,718</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 -20.25%)	100,356	163,130
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	23,388	8,685
Fixed asset differences	1,300	937
Adjustments to tax charge in respect of prior periods	(5,856)	-
Other differences leading to an increase (decrease) in tax charge	-	1,340
Adjust closing deferred tax rate to average rate	518	-
Adjust opening deferred tax rate to average rate	(1,184)	-
Deferred tax not recognised	390	-
Adjustments to brought forward values	(602)	-
Total tax charge for the Period	<u>118,310</u>	<u>174,092</u>

Notes to the financial statements

For the year ended 31 December 2016

12. Intangible assets

	Goodwill £
Cost	
At 1 January 2016	414,763
At 31 December 2016	<u>414,763</u>
Amortisation	
At 1 January 2016	190,099
Charge for the year	41,477
At 31 December 2016	<u>231,576</u>
Net book value	
At 31 December 2016	<u>183,187</u>
At 31 December 2015	<u>224,664</u>

13. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2016	226,610	424,220	599,872	1,250,702
Additions	19,940	23,030	78,523	121,493
At 31 December 2016	<u>246,550</u>	<u>447,250</u>	<u>678,395</u>	<u>1,372,195</u>
Depreciation				
At 1 January 2016	169,957	386,899	503,461	1,060,317
Charge for the period on owned assets	45,655	16,993	51,622	114,270
At 31 December 2016	<u>215,612</u>	<u>403,892</u>	<u>555,083</u>	<u>1,174,587</u>
Net book value				
At 31 December 2016	<u>30,938</u>	<u>43,358</u>	<u>123,312</u>	<u>197,608</u>
At 31 December 2015	<u>56,653</u>	<u>37,321</u>	<u>96,411</u>	<u>190,385</u>

Notes to the financial statements

For the year ended 31 December 2016

14. Debtors

	2016 £	2015 £
Trade debtors	4,204,810	2,171,651
Amounts owed by group undertakings	5,211,033	5,668,370
Prepayments and accrued income	774,520	826,009
Deferred taxation	2,934	11,046
	<u>10,193,297</u>	<u>8,677,076</u>

An impairment loss of £Nil (2015: £Nil) was recognised against trade debtors.

15. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	351,598	44,426
Less: bank overdrafts	-	(142,059)
	<u>351,598</u>	<u>(97,633)</u>

16. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	-	142,059
Payments received on account	398,594	12,751
Trade creditors	61,238	43,415
Amounts owed to group undertakings	3,008,631	1,868,246
Corporation tax	115,531	225,798
Other taxation and social security	496,126	275,292
Other creditors	92,763	111,509
Accruals and deferred income	147,290	235,435
	<u>4,320,173</u>	<u>2,914,505</u>

Notes to the financial statements

For the year ended 31 December 2016

17. Financial instruments

The Company's financial assets measured at amortised cost amount to £9,415,843 (2015 - £7,840,021). This consists of trade debtors and amounts owed by group undertakings.

The Company's financial liabilities measured at amortised cost amount to £3,774,289 (2015 - £2,524,260). This consists of trade creditors, amounts owed to group undertakings, corporation tax, other tax liabilities and other creditors.

18. Deferred taxation

	2016 £
At beginning of year	11,046
Charged to profit or loss	(8,112)
At end of year	2,934

The deferred tax asset is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	2,934	7,672
Other timing differences	-	3,374
	2,934	11,046

19. Reserves

Called up share capital

This represents the nominal value that have been issued.

Share premium

This includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit & loss account

This includes all current and prior period retained profits and losses.

Notes to the financial statements

For the year ended 31 December 2016

20. Share capital

	2016 £	2015 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

21. Capital commitments

The company has no capital commitments at 31 December 2016 or 31 December 2015.

22. Pension commitments

The company operates a group personal pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £118,918 (2015 - £98,821).

23. Financial risk management

The company has exposures to three main areas of risk - liquidity risk, interest rate risk and credit risk.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Interest rate risk

The company's cash assets and bank borrowings are all held in floating rate accounts. Trade debtors and creditors do not attract interest and are therefore subject to fair value interest rate risk.

Credit risk

The company's principal financial assets are cash and trade debtors. The credit risk associated with the cash is managed by the company monitoring the financial position of the counterparties involved. The principal credit risk arises from its trade debtors. In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references.

Notes to the financial statements

For the year ended 31 December 2016

24. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	41,638	229,007
Later than 1 year and not later than 5 years	1,040,940	-
	<u>1,082,578</u>	<u>229,007</u>

25. Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standards which exempts wholly owned subsidiary undertakings from disclosing transactions with entities that are part of the group or investees of the group qualifying as related parties.

26. Controlling party

The directors regard Urban Science Holdings Inc., a company incorporated in the United States of America, as the ultimate parent undertaking. Urban Science Holdings Inc., is the parent of both the smallest and largest groups of which the company is a member.

The ultimate controlling party is J Anderson, a director of the company.

Urban Science Holdings Inc. prepares group financial statements and copies can be obtained from 400 Renaissance Centre, Suite 3000, Detroit, Michigan 48243, USA.