Registered No: 03059485

Urban Science International Limited

Report and Financial Statements

31 December 2013

TUESDAY

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COMPANIES HOUSE

Registered No: 03059485

Directors
J Anderson
L Kowalchik
P Dillamore

Secretary
R Hansemann
F Copado

Auditors
Grant Thornton UK LLP
1020 Eskdale Road
IQ Winnersh
Wokingham
Berkshire
RG41 5TS

Registered office
The Blade
Abbey Square
Reading
RG1 3BE

Strategic Report

For the year ended 31 December 2013

Introduction

The directors present their strategic report for the year ended 31 December 2013.

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.

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 and credit risk. 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 companies 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.

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 Revenue.

This report was approved by the board on 29 September 2014 and signed on its behalf.

P Dillamore
Director

Directors Report

The directors present their report and financial statements for the year ended 31 December 2013.

Results and dividends

The profit for the year, after taxation, amounted to £231,187 (2012: £76,408). The directors do not recommend the payment of any dividends.

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.

Directors and their interests

The directors who served the company during the year were as follows:

J Anderson
R Widgren (resigned 14 May 2014)
P Dillamore

There are no directors' interests requiring disclosure under the Companies Act 2006.

L Kowalchik was appointed a director post year end on 14 May 2014.

Disclosure of information to auditor's

At the date of making this report each of the company's directors, as set out on page 1, confirm the following:

- so far as each director is aware, there is no relevant information needed by the company's auditor's in connection with preparing their report of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

A resolution to reappoint Grant Thornton UK LLP as auditors of the company will be proposed at the forthcoming Annual General Meeting.

Approval

The report of the directors was authorised and approved by the Board on 29th September 2014 and signed on its behalf by:

P Dillamore
Director

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic Report, Directors Report and 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and 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.

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 2013 which comprise the profit and loss account, the balance sheet and notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 Statement of Directors' Responsibilities set out on page 4, 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 (APB'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/apb/scope/private.cfm

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 2013 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

Opinion on other matter prescribed by the Companies Act 2006
In our opinion 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 the financial statements.

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

Perry Burton
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Reading

30 September 2014

Profit and loss account
for the year ended 31 December 2013

	Notes	2013 £	2012 £
Turnover	2	4,635,310	4,333,166
Cost of sales		(2,060,560)	(1,946,779)
Gross profit		2,574,750	2,386,387
Administrative expenses		(2,352,221)	(2,334,606)
Operating profit	3	222,529	51,781
Interest receivable	6	108,071	115,727
Interest payable and similar charges	6	(7,735)	(13,076)
Exchange Differences		(3,606)	(38,971)
Profit on ordinary activities before taxation		319,259	115,461
Tax on profit on ordinary activities	7	(88,072)	(39,053)
Profit retained for the financial year		231,187	76,408

All operations are continuing.
There are no recognised gains or losses other than the profit of £231,187 attributable to the shareholders for the year ended 31 December 2013 (2012 - profit of £76,408).

The notes on pages 10 to 18 form part of these financial statements.

Balance Sheet
at 31 December 2013
Registered number - 03059485

	Notes	*2013* £	*2012* £
Fixed assets			
Tangible assets	9	322,670	485,591
Intangible Assets	8	307,616	349,093
Current assets			
Debtors	10	7,683,588	7,036,111
Cash at bank		579,003	521,954
		8,262,591	7,558,065
Creditors: amounts falling due within one year	11	(3,900,095)	(3,463,098)
Net current assets		4,362,496	4,094,967
Total assets less current liabilities		4,992,782	4,929,651
Creditors: amounts falling due after one year	11	(113,763)	(197,763)
Provisions	12	-	(84,056)
Net assets		4,879,019	4,647,832
Capital and reserves			
Called up share capital	15	10,000	10,000
Share premium account	16	365,651	365,651
Profit and loss account	16	4,503,368	4,272,181
Equity shareholders' funds	16	4,879,019	4,647,832

The accounts have been authorised and approved by the board on 29 September 2014 and signed on its behalf by:

....
P Dillamore
Director

The notes on pages 10 to 18 form part of these financial statements

Cash Flow Statement

at 31 December 2013

Registered number - 03059485

	Notes	2013 £	2012 £
Net cash inflow from operating activities		11,469	309,657
Returns on investments and servicing of finance		100,335	102,651
Taxation		(36,732)	(129,236)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(18,023)	(377,580)
Net cash inflow/(outflow) before financing		57,049	(94,508)
Financing		-	-
Increase/(decrease) in cash in the year		57,049	(94,508)

Reconciliation of operating profit to net cash inflow from Operating Activities

	2013 £	2012 £
Operating profit	222,529	51,781
Depreciation	172,743	172,355
Foreign exchange gain including fixed asset translation	(3,606)	(38,971)
Loss on disposal of fixed assets	8,200	34,655
Amortisation	41,477	41,476
Increase in debtors	(641,345)	(507,991)
Decrease in creditors	286,471	556,392
Decrease in provisions	(75,000)	-
Net cash inflow from operating activities	11,469	309,657

Cash Flow Statement

at 31 December 2013

Registered number - 03059485

	Notes	2013 £	2012 £
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash in the year		57,000	(94,000)
Net cash outflow from loans		-	-
Movement in net debt in the year		57,000	(94,000)

Analysis of changes in net debt

	At 1 January 2013 £	Cash Flow £	At 31 December 2013 £
Cash in hand and at bank	522,000	57,000	579,000
Overdrafts	-	-	-
	522,000	57,000	579,000
Loan debt	-	-	-
	522,000	57,000	579,000

Notes to the financial statements
at 31 December 2013

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and the going concern basis. Further details of the going concern basis are given in the Strategic Report.

Turnover

Turnover represents amounts receivable for services, net of VAT, in respect of continuing activities. Revenue is recognised when a liability is incurred by the client for services performed. The value of the services booked is assessed by the project manager on a monthly basis and relates to the work achieved in proportion to the total value of the contract.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset over its expected useful life, as follows:

Leasehold improvements	-	on a straight line basis over the period of the lease
Fixtures, fittings and equipment	-	10% - 50% per annum on a straight line basis
Computer hardware and software	-	25% - 50% per annum on a straight line basis

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Non Group Interest

The non group interest relates to interest charged from bank accounts.

Notes to the financial statements
at 31 December 2013

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.

Financial Instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Notes to the financial statements
at 31 December 2013

2. Turnover
An analysis of turnover in respect of continuing services by geographical market is given below:

	2013	2012
	£	£
United Kingdom	4,025,028	2,882,380
Europe	593,297	1,395,709
Rest of World	16,985	55,077
	4,635,310	4,333,166

3. Operating profit
This is stated after charging:

	2013	2012
	£	£
Auditors' remuneration - audit services	27,000	26,250
- non audit services	7,000	7,000
Depreciation of owned fixed assets	172,744	172,355
Operating lease rentals - land and buildings	270,350	270,350

4. Staff costs

	2013	2012
	£	£
Wages and salaries	2,388,048	2,293,652
Social security costs	454,256	502,392
Other pension costs (note 13)	117,333	107,396
	2,959,446	2,903,440

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

	2013	2012
	No.	No.
Production	22	30
Administration	34	24
	56	54

5. Directors' emoluments

	2013	2012
	£	£
Emoluments	114,027	101,196

There is one director for whom retirement benefits are accruing under money purchase pension schemes in 2013 (2012: one).

Notes to the financial statements
at 31 December 2013

6. Interest receivable and payable

	2013 £	2012 £
Interest payable to group undertakings	7,735	13,076
Interest receivable from group undertakings	108,071	115,727

7. Taxation

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2013 £	2012 £
Current tax:		
UK corporation tax	100,875	52,477
Adjustments in respect of prior years	6,236	2,369
Total current tax (note 7(b))	107,111	54,846
Deferred tax:		
Origination and reversal of timing differences	(19,039)	(15,793)
Tax on profit on ordinary activities	88,072	39,053

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 23.25% (2012- 24.5%). The differences are reconciled below:

	2013 £	2012 £
Profit on ordinary activities before taxation	319,259	115,461
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 – 24.5%)	74,228	28,285
Expenses not deductible for tax purposes	41	5,268
Capital allowances in excess of depreciation	24,465	19,238
Adjustments in respect of prior periods	6,236	2,369
Other	2141	(314)
Total current tax	107,111	54,846

Notes to the financial statements
at 31 December 2013

7. Taxation (continued)
(c) Deferred tax

The deferred tax (asset)/liability at 31 December 2013 and the movement for the year is as follows:

	2013	*2012*
	£	*£*
Accelerated capital allowances	(6,391)	11,029
Other timing differences	(3,592)	(1,973)
	(9,983)	9,056
Deferred tax liability at 1 January	9,056	24,849
Change of Tax Rate	(1,181)	(1,874)
Decrease in Deferred tax charge for the year	(17,858)	(13,919)
Deferred tax liability at 31 December	(9,983)	9,056

8. Goodwill

	£
Cost:	
At 1 January 2013 and 31 December 2013	414,763
Amortisation:	
At 1 January 2013	65,670
Charge for the year	41,477
At 31 December 2013	107,147
Net Book Value	
At 31 December 2013	307,616
At 1 January 2013	349,093

Notes to the financial statements
at 31 December 2013

9. Tangible fixed assets

	Short leasehold improvements	*Fixtures, fittings and equipment*	*Computer hardware and software*	*Total*
	£	*£*	*£*	*£*
Cost:				
At 1 January 2013	226,610	410,019	499,738	1,136,367
Additions		3,920	14,103	18,023
Disposals	-	-	(8,200)	(8,200)
At 31 December 2013	226,610	413,939	505,641	1,146,190
Depreciation:				
At 1 January 2013	33,991	335,721	281,064	650,776
Provided during the year	45,322	17,086	110,336	172,744
At 31 December 2013	79,313	352,807	391,400	823,520
Net book value:				
At 31 December 2013	147,297	61,132	114,241	322,670
At 1 January 2013	192,619	74,298	218,674	485,591

10. Debtors

	2013	*2012*
	£	*£*
Trade debtors	1,458,030	1,246,494
Amounts owed by group undertakings	5,486,149	5,123,806
Prepayments and accrued income	729,426	661,960
Deferred Tax	9,983	-
Corporation tax	-	3,851
	7,683,588	7,036,111

Notes to the financial statements
at 31 December 2013

11. Creditors:
Amounts falling due within one year

	2013	*2012*
	£	*£*
Payments received on account	324,844	520,765
Trade creditors	503,571	327,338
Amounts owed to group undertakings	2,302,783	1,876,795
Corporation tax	66,528	-
Other taxation and social security	215,708	199,389
Accruals	384,737	439,566
Deferred Consideration (note 8)	84,000	84,000
Other creditors	17,924	15,245
	3,900,095	3,463,098

Amounts falling due after one year

	2013	*2012*
	£	*£*
Deferred Consideration (note 8)	113,763	197,763

12. Provisions

	Deferred tax	*Other provisions*	*Total*
	£	*£*	*£*
At 1 January 2013	9,056	75,000	84,056
Decrease in the provision during the year	(9,056)	(75,000)	(84,056)
At 31 December 2013	-	-	-

In 2012, the company had recognised a provision for the deferred tax liability as described in Note 7. In 2013, a deferred tax amount is included in debtors. The company had also recognised a provision for 2011 costs for in connection with our office move, which were paid in 2013.

13. Pensions
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 £117,333 (2012- £107,396).

Notes to the financial statements
at 31 December 2013

14. Commitments under operating leases
At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below:

	2013 Land and buildings £	2012 Land and buildings £
Operating leases which expire:		
In over 5 years	249,826	249,826

15. Share capital

	Authorised 2013 £	Authorised 2012 £
Ordinary shares of £1 each	10,000	10,000

	Allotted, called up and fully paid 2013 No.	2013 £	2012 No.	2012 £
Ordinary shares of £1 each	10,000	10,000	10,000	10,000

16. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Share premium account £	Profit and loss account £	Total share-holders' funds £
At 31 December 2012	10,000	365,651	4,272,181	4,647,832
Profit for the year	–	–	231,187	231,187
At 31 December 2013	10,000	365,651	4,503,368	4,879,019

17. Related party transactions
The company has taken advantage of the exemptions conferred by Financial Reporting Standard 8 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.

Notes to the financial statements
at 31 December 2013

18. Ultimate parent company and 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.