

## Urban Massage Ltd

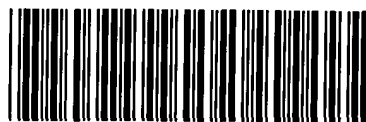
Unaudited Financial Statements

Year Ended

30 November 2017

Company Number 08771289

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# Urban Massage Ltd

## Company Information

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<b>Director</b>	C Tang
<b>Registered number</b>	08771289
<b>Registered office</b>	Annex - Friars Bridge Court 41-43 Blackfriars Road London SE1 8NZ
<b>Accountants</b>	BDO LLP Chartered Accountants 55 Baker Street London W1U 7EU

# Urban Massage Ltd

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**Urban Massage Ltd**  
Registered number: 08771289

**Statement of Financial Position**  
as at 30 November 2017

	Note	2017 £	2017 £	2016 £	2016 £
<b>Fixed assets</b>					
Intangible assets	9		-		1,597
Tangible assets	10		144,939		37,121
			<u>144,939</u>		<u>38,718</u>
<b>Current assets</b>					
Stocks	11	6,110		-	
Debtors	12	1,298,196		152,864	
Cash and cash equivalents		127,948		2,558,501	
		<u>1,432,254</u>		<u>2,711,365</u>	
Creditors: amounts falling due within one year	13	(2,079,299)		(294,702)	
<b>Net current (liabilities)/assets</b>			<u>(647,045)</u>		<u>2,416,663</u>
<b>Net (liabilities)/assets</b>			<u>(502,106)</u>		<u>2,455,381</u>
<b>Capital and reserves</b>					
Called up share capital	14		19,130		19,130
Share premium	15		5,022,489		5,022,489
Profit and loss account	15		(5,543,725)		(2,586,238)
			<u>(502,106)</u>		<u>2,455,381</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.

**Urban Massage Ltd**  
Registered number: 08771289

**Statement of Financial Position (continued)**  
**as at 30 November 2017**

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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 statement of comprehensive income 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:



.....  
**C Tang**  
Director

Date: 3.8.2018

The notes on pages 4 to 14 form part of these financial statements.

## Urban Massage Ltd

### Statement of Changes in Equity for the Year Ended 30 November 2017

	Share capital £	Share premium £	Profit and loss account £	Total equity £
At 1 December 2016	19,130	5,022,489	(2,586,238)	2,455,381
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(2,957,487)	(2,957,487)
<b>Distributions to owners</b>				
<b>At 30 November 2017</b>	<u>19,130</u>	<u>5,022,489</u>	<u>(5,543,725)</u>	<u>(502,106)</u>

The notes on pages 4 to 14 form part of these financial statements.

### Statement of Changes in Equity for the Year Ended 30 November 2016

	Share capital £	Share premium £	Profit and loss account £	Total equity £
At 1 December 2015	13,970	1,544,320	(604,718)	953,572
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(1,981,520)	(1,981,520)
<b>Contributions by owners</b>				
Shares issued during the year	5,160	3,478,169	-	3,483,329
<b>At 30 November 2016</b>	<u>19,130</u>	<u>5,022,489</u>	<u>(2,586,238)</u>	<u>2,455,381</u>

The notes on pages 4 to 14 form part of these financial statements.

# Urban Massage Ltd

## Notes to the Financial Statements for the Year Ended 30 November 2017

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### 1. General information

Urban Massage Ltd is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is stated on the company information page and the nature of the company's operations and its principal activities are set out in the director's report.

### 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 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.

Information on the impact of first-time adoption of FRS 102 is given in note 19.

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 Turnover

Turnover represents amounts receivable for goods and services net of VAT. The total turnover of the company for the year has been derived from its principal activities.

#### 2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Website development	-	50 % on straight line basis
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# Urban Massage Ltd

## Notes to the Financial Statements for the Year Ended 30 November 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.

The estimated useful lives range as follows:

Fixtures and fittings	- 33%
Office equipment	- 20%
Computer equipment	- 33%

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.

#### 2.5 Stocks

Inventory items are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 2.6 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.

#### 2.7 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.



# Urban Massage Ltd

## Notes to the Financial Statements for the Year Ended 30 November 2017

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### 2. Accounting policies (continued)

#### 2.8 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other debtors and creditors, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are 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 statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a 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.

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

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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 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.

# Urban Massage Ltd

## Notes to the Financial Statements for the Year Ended 30 November 2017

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### 2. Accounting policies (continued)

#### 2.10 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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

#### 2.11 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income 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.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 1 December 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

#### 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 Interest income

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

# Urban Massage Ltd

## Notes to the Financial Statements for the Year Ended 30 November 2017

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### 2. Accounting policies (continued)

#### 2.14 Taxation

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.

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

In preparing these financial statements, the director has had to make the following judgements:

- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 10)  
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

# Urban Massage Ltd

## Notes to the Financial Statements for the Year Ended 30 November 2017

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### 4. Turnover

The whole of the turnover is attributable to the provision of a booking service for massage therapists.

All turnover arose within the United Kingdom.

### 5. Operating loss

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible assets	24,676	8,667
Amortisation of intangible assets	-	1,830
Exchange differences	5,478	13,340
Defined contribution pension cost	3,562	-
	<u>33,716</u>	<u>23,837</u>

### 6. Employees

The average monthly number of employees, including directors, during the year was 48 (2016 - 24).

### 7. Director's remuneration

	2017 £	2016 £
Director's emoluments	98,000	138,333
	<u>98,000</u>	<u>138,333</u>

# Urban Massage Ltd

## Notes to the Financial Statements for the Year Ended 30 November 2017

### 8. Taxation

	2017 £	2016 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	-
Adjustments in respect of previous periods	(81,796)	-

#### Factors affecting tax charge for the year

The tax assessed for the year is the same as (2016 - the same as) the standard rate of corporation tax in the UK of 20.00% (2016 - 20.00%) as set out below:

	2017 £	2016 £
Loss on ordinary activities before tax	(3,039,283)	(1,981,520)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.33% (2016 - 20.00%)	(587,539)	(396,304)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	9,089	16,263
Adjustments to tax charge in respect of prior periods	(81,796)	-
Deferred tax not recognised	578,450	380,041
<b>Total tax charge for the year</b>	<b>(81,796)</b>	<b>-</b>

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

# Urban Massage Ltd

## Notes to the Financial Statements for the Year Ended 30 November 2017

### 9. Intangible assets

	Computer software £
<b>Cost</b>	
At 1 December 2016	3,659
Disposals	(3,659)
At 30 November 2017	-
<b>Amortisation</b>	
At 1 December 2016	2,062
On disposals	(2,062)
At 30 November 2017	-
<b>Net book value</b>	
At 30 November 2017	-
At 30 November 2016	1,597

# Urban Massage Ltd

## Notes to the Financial Statements for the Year Ended 30 November 2017

### 10. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 December 2016	-	18,996	28,729	47,725
Additions	75,823	32,608	24,063	132,494
At 30 November 2017	75,823	51,604	52,792	180,219
<b>Depreciation</b>				
At 1 December 2016	-	1,364	9,240	10,604
Charge for the year on owned assets	3,582	7,589	13,505	24,676
At 30 November 2017	3,582	8,953	22,745	35,280
<b>Net book value</b>				
At 30 November 2017	72,241	42,651	30,047	144,939
At 30 November 2016	-	17,632	19,489	37,121

### 11. Stocks

	2017 £	2016 £
Inventory	6,110	-

Stock recognised in cost of sales during the year as an expense was £12,057 (2016 - £Nil).

An impairment loss of £Nil (2016 - £Nil) was recognised in cost of sales against inventory during the year due to slow-moving and obsolete stock.

# Urban Massage Ltd

## Notes to the Financial Statements for the Year Ended 30 November 2017

### 12. Debtors

	2017 £	2016 £
Trade debtors	14,236	2,052
Amounts owed by group undertakings	1,093,096	-
Other debtors	66,252	150,812
Prepayments	124,612	-
	<u>1,298,196</u>	<u>152,864</u>

All amounts fall due for payment within the year.

### 13. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	-	69
Trade creditors	247,092	114,761
Amounts owed to group undertakings	1,555,475	-
Other taxation and social security	93,625	90,211
Other creditors	111,796	89,661
Accruals	71,311	-
	<u>2,079,299</u>	<u>294,702</u>

### 14. Share capital

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
19,130,193 (2016 - 14,608,290) ordinary shares of £0.001 each	19,130	14,608
4,521,900 series A shares of £0.001 each	-	4,522
	<u>19,130</u>	<u>19,130</u>



# Urban Massage Ltd

## Notes to the Financial Statements for the Year Ended 30 November 2017

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### 15. Reserves

#### Share premium

The share premium account includes the premium on issue of equity shares, net of any issue costs.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 16. Pension commitments

The company operates a defined contribution 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 £3,562 (2016 - £Nil). Contributions totalling £3,921 (2016 - £Nil) were payable to the fund at the reporting date and are included in creditors.

### 17. Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

### 18. Controlling party

On 9 January 2017, 100% of share capital of Urban Massage Ltd was transferred to Urban Massage Holding Limited. From this date, Urban Massage Holding Limited is deemed to be the immediate parent company.

### 19. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.