

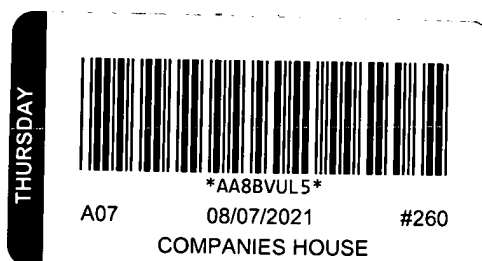
URBAN MASSAGE HOLDING LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2020



URBAN MASSAGE HOLDING LIMITED
REGISTERED NUMBER: 09948725

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	4	4,322,840	761,842
		<u>4,322,840</u>	<u>761,842</u>
Current assets			
Debtors: amounts falling due within one year	5	8,300,853	8,679,464
Current asset investments	6	-	1,131,720
Cash at bank and in hand	7	5,157,048	600,671
		<u>13,457,901</u>	<u>10,411,855</u>
Creditors: amounts falling due within one year	8	(3,250)	(122,580)
Net current assets		<u>13,454,651</u>	<u>10,289,275</u>
Total assets less current liabilities		<u>17,777,491</u>	<u>11,051,117</u>
Net assets		<u><u>17,777,491</u></u>	<u><u>11,051,117</u></u>
Capital and reserves			
Called up share capital	9	39,945	34,596
Share premium account	10	16,536,254	10,708,502
Other reserves	10	1,577,586	738,368
Profit and loss account	10	(376,294)	(430,349)
		<u>17,777,491</u>	<u>11,051,117</u>

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 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 on 21 June 2021.

URBAN MESSAGE HOLDING LIMITED
REGISTERED NUMBER: 09948725

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020



Chunkit Tang
Director

The notes on pages 4 to 10 form part of these financial statements.

URBAN MESSAGE HOLDING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Share premium account £	Share allotment reserve £	Profit and loss account £	Total equity £
At 1 December 2018	22,104	2,271,576	2,723,238	(345,338)	4,671,580
Comprehensive income for the period					
Loss for the period	-	-	-	(85,011)	(85,011)
Total comprehensive income for the period	-	-	-	(85,011)	(85,011)
Shares issued during the year	12,492	8,436,926	(2,686,563)	-	5,762,855
Share based payments	-	-	701,693	-	701,693
At 1 January 2020	34,596	10,708,502	738,368	(430,349)	11,051,117
Comprehensive income for the year					
Profit for the year	-	-	-	54,055	54,055
Total comprehensive income for the year	-	-	-	54,055	54,055
Shares issued during the year	5,349	5,827,752	-	-	5,833,101
Share based payments	-	-	839,218	-	839,218
At 31 December 2020	39,945	16,536,254	1,577,586	(376,294)	17,777,491

The notes on pages 4 to 10 form part of these financial statements.

URBAN MESSAGE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Urban Message Holding Limited is a private company limited by shares 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 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 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 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

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 profit or loss within 'other operating income'.

2.3 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.4 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.

2.5 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

URBAN MESSAGE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.6 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.7 Taxation

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 reporting date in the countries where the Company operates and generates income.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 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.

2.10 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 MESSAGE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.11 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.

2.12 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 ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

3. Employees

The average monthly number of employees, including directors, during the year was 0 (2019 - 0).

URBAN MESSAGE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2020	792,227
Additions	3,560,998
At 31 December 2020	<u>4,353,225</u>
Impairment	
At 1 January 2020	30,385
At 31 December 2020	<u>30,385</u>
Net book value	
At 31 December 2020	<u><u>4,322,840</u></u>
At 31 December 2019	<u><u>761,842</u></u>

The company adopts a policy of measuring the investment in subsidiaries at cost less accumulated impairment.

URBAN MASSAGE HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Urban Massage Ltd	UK	Provision of a booking service for massage therapists.	Ordinary	100%
UM Urban Massage GmbH	Austria	Provision of a booking service for massage therapists.	Ordinary	100%
Urban Massage France SARL	France	Provision of a booking service for massage therapists.	Ordinary	100%
Urban (USA) Inc	USA	Provision of a booking service for massage therapists.	Ordinary	100%
UAB Urban Lithuania	Lithuania	Provision of R&D services to Group Companies	Ordinary	100%

The registered address of Urban Massage Limited is Ground Floor Left, Dorset House, 27-45 Stamford Street, London, England, SE1 9PY; of UM Urban Massage GmbH is Spitalgasse 1/HP, 1010 Wien; of Urban Massage France SARL is 4 rue de Marivaux, 75002 Paris and of UAB Lithuania is Lasvės pr.60, Vilnius 05120, Lithuania.

5. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	8,290,640	8,677,270
Other debtors	2,358	2,194
Prepayments and accrued income	7,855	-
	<u>8,300,853</u>	<u>8,679,464</u>

Amounts owed by group undertakings are interest free and payable on demand.

URBAN MESSAGE HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Current asset investments

	2020 £	2019 £
Unlisted investments	-	1,131,720
	<u>-</u>	<u>1,131,720</u>

Long-term deposit with financial institutions maturing after three months and within six months after the period end are classified within current asset investment. Deposits maturing within three months are recorded within cash balances in the statement of financial position.

7. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	5,157,048	600,671
	<u>5,157,048</u>	<u>600,671</u>

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	-	117,561
Trade creditors	-	1,644
Accruals and deferred income	3,250	3,375
	<u>3,250</u>	<u>122,580</u>

The company's primary lender holds 148,148 warrant share that they are entitled to exercise at any time in the 10 year period from 31 March 2017 at a price of £0.675 per warrant share.

9. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
25,341,083 (2019 - 19,992,140) Ordinary shares of £0.0010 each	25,341	19,992
14,603,500 (2019 - 14,604,000) Series A shares of £0.0010 each	14,604	14,604
	<u>39,945</u>	<u>34,596</u>

URBAN MESSAGE HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Share capital (continued)

A total of 5,348,943 ordinary shares of £0.0010 each were issued within the year. A total of £5,840,142 was paid, with £5,349 recognised in share capital and the remaining £5,834,793 recognised in share premium. There was a total of £7,042 relating to incremental costs of fundraising which have been net off share premium in the year.

10. Reserves

Share premium account

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

Share allotment reserve

The share allotment reserve relates to share options issued in the year.

Profit and loss account

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

11. Controlling party

This entity does not consider there to be one single ultimate controlling party.