

COMPANY REGISTRATION NUMBER 02849316

URBAN RETREATS LIMITED

ABBREVIATED ACCOUNTS

30 DECEMBER 2008

THURSDAY



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URBAN RETREATS LIMITED

ABBREVIATED ACCOUNTS

Year ended 30 December 2008

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URBAN RETREATS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

G C Hammer
Mr B A Dahl
Mr S N Osseiran

Company secretary

Siu Shu Gregory

Registered office

Holy Trinity Church
1 Marylebone Road
London
NW1 4AQ

Auditor

Kilsby & Williams LLP
Chartered Accountants
& Registered Auditors
Cedar House
Hazell Drive
Newport
NP10 8FY

Bankers

Royal Bank of Scotland
175-177 Kensington High Street
London
W8 6SH

URBAN RETREATS LIMITED

THE DIRECTORS' REPORT

Year ended 30 December 2008

The directors present their report and the accounts of the company for the year ended 30 December 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was that of operating a hair and beauty salon and the retail of hair and beauty products.

Urban Retreats Limited currently operates salons on Harrods, London, and Harvey Nichols, Manchester under concession arrangements. They offer hair styling and colour services, manicure and pedicure, and various beauty treatments, as well as having a large selection of premium beauty and cosmetic brands for sale.

The company returned a loss on ordinary activities before taxation, however this improved by 23%. The concession agreements with both Harrods and Harvey Nichols were each extended by 3 years. In addition, both sites underwent refurbishment works, which included the creation of new beauty rooms in Harvey Nichols which will broaden the scope of treatments on offer.

A new concept in Harrods called Glamour 2 Go was opened on the ground floor in November 2008. This will offer express manicure, brow and lashes, and retail services, and is viewed a method of introducing new customers to Urban Retreat on the 5th floor.

During the period, great effort was made to control costs, with various cost cutting measures introduced during the second half of the year. The last quarter saw a drop in the number of customer appointments, which was a result of the challenging economic environment.

During 2009, Harrods will see the introduction of a new Body Clinic treatment room to assist clients with weight and general health management. In addition, it's existing call centre will be relocated to an outside location in order to improve customer service. New stock and customer management IT systems will be implemented in all locations to assist in managing the business and increase efficiency in managing working capital.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £361,045. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The company's principal financial instruments comprise related company loans, bank loans, bank overdrafts, trade creditors and supplier loans. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

Related company loans, bank loans, supplier loans and trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

In respect of the bank overdraft, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

DIRECTORS

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

G C Hammer
Mr B A Dahl
Mr S N Osseiran

URBAN RETREATS LIMITED

THE DIRECTORS' REPORT *(continued)*

Year ended 30 December 2008

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to 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 accounts, 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 accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

A resolution to re-appoint Kilsby & Williams LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors


B A Dahl
Directors

Approved by the directors on 17 March 2009

**INDEPENDENT AUDITOR'S REPORT TO URBAN RETREATS
LIMITED**

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts, together with the accounts of Urban Retreats Limited for the year ended 30 December 2008 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Kilsby & Williams LLP

KILSBY & WILLIAMS LLP
Chartered Accountants & Registered Auditors

Cedar House
Hazell Drive
Newport
NP10 8FY

25th March 2009

URBAN RETREATS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

Year ended 30 December 2008

		Year Ended 2008	18 Month Period Ended 2007 (restated)
	Note	£	£
GROSS PROFIT		1,282,273	2,107,850
Selling and distribution costs		(213,020)	(488,978)
Administrative expenses		(1,402,991)	(2,048,336)
OPERATING LOSS	3	(333,738)	(429,464)
Interest receivable		15	10,364
Interest payable and similar charges	6	(20,589)	(42,051)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(354,312)	(461,151)
Tax on loss on ordinary activities	7	(6,733)	859
LOSS FOR THE FINANCIAL YEAR		(361,045)	(460,292)
Original balance brought forward		(886,939)	(482,177)
Prior year adjustment	23	—	55,530
Restated balance brought forward		(886,939)	(426,647)
Balance carried forward		<u>(1,247,984)</u>	<u>(886,939)</u>

All of the activities of the company are classed as continuing.

The notes on pages 9 to 19 form part of these abbreviated accounts.

URBAN RETREATS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 30 December 2008

	Year Ended 2008 £	18 Month Period Ended 2007 (restated) £
Loss for the financial year attributable to the shareholders	(361,045)	(460,292)
Total recognised gains and losses relating to the year	(361,045)	(460,292)
Prior year adjustment	—	55,530
Total gains and losses recognised since the last annual report	(361,045)	(404,762)

The notes on pages 9 to 19 form part of these abbreviated accounts.

URBAN RETREATS LIMITED

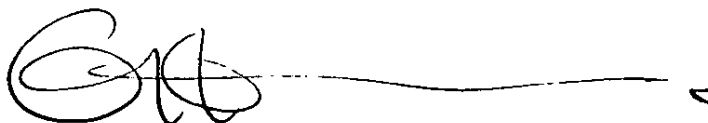
ABBREVIATED BALANCE SHEET

30 December 2008

	Note	2008 £	2007 (restated) £
FIXED ASSETS			
Tangible assets	8	2,840,062	2,586,511
Investments	9	—	1
		<u>2,840,062</u>	<u>2,586,512</u>
CURRENT ASSETS			
Stocks	10	577,157	541,459
Debtors	11	1,147,667	1,319,248
Cash at bank		46,492	35,857
		<u>1,771,316</u>	<u>1,896,564</u>
CREDITORS: Amounts falling due within one year	12	<u>(2,298,290)</u>	<u>(2,027,763)</u>
NET CURRENT LIABILITIES		<u>(526,974)</u>	<u>(131,199)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,313,088</u>	<u>2,455,313</u>
CREDITORS: Amounts falling due after more than one year	13	<u>(442,874)</u>	<u>(230,787)</u>
		<u>1,870,214</u>	<u>2,224,526</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	15	<u>(88,021)</u>	<u>(81,288)</u>
		<u>1,782,193</u>	<u>2,143,238</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	3,030,177	3,030,177
Profit and loss account		<u>(1,247,984)</u>	<u>(886,939)</u>
SHAREHOLDERS' FUNDS	19	<u>1,782,193</u>	<u>2,143,238</u>

These abbreviated accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors and authorised for issue on 17 March 2009 and are signed on their behalf by:

G HAMMER


The notes on pages 9 to 19 form part of these abbreviated accounts.

URBAN RETREATS LIMITED

CASH FLOW STATEMENT

Year ended 30 December 2008

		Year Ended 2008	18 Month Period Ended 2007 (restated)
	Note	£	£
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	20	(234,270)	168,958
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	20	(20,574)	(31,687)
TAXATION	20	—	(300,554)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	20	(657,367)	(203,040)
CASH OUTFLOW BEFORE FINANCING		(912,211)	(366,323)
FINANCING	20	947,311	(93,925)
INCREASE/(DECREASE) IN CASH	20	<u>35,100</u>	<u>(460,248)</u>

The notes on pages 9 to 19 form part of these abbreviated accounts.

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 30 December 2008

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

The turnover shown in the profit and loss account is derived from ordinary activities and represents the wholesale and retail distribution of health and beauty products and the operation of hair and beauty salons, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	straight line over the term of the lease when the asset is brought into use
Fixtures & Fittings	-	straight line over the term of the lease when the asset is brought into use
Motor Vehicles	-	25% reducing balance
Computer Equipment	-	25% reducing balance/20% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 30 December 2008

2. PRIOR YEAR ADJUSTMENT

The accounts have been adjusted for a related company's sales and expenses that were previously reported in the accounts. Consequently sales and cost of sales have been reduced by £800,644.

The adjustment does not result in any adjustment to profit or net assets.

3. OPERATING LOSS

Operating loss is stated after charging:

	Year Ended 2008	18 Month Period Ended 2007 (restated)
	£	£
Depreciation of owned fixed assets	339,087	572,351
Depreciation of assets held under hire purchase agreements	—	9,698
Loss on disposal of fixed assets	64,730	3,634
Auditor's remuneration - as auditor	9,500	9,500

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	Year Ended 2008	18 Month Period Ended 2007 (restated)
	No	No
Number of sales staff	154	137
Number of administrative staff	11	15
	<u>165</u>	<u>152</u>

The aggregate payroll costs were:

	Year Ended 2008	18 Month Period Ended 2007 (restated)
	£	£
Wages and salaries	2,841,970	3,977,110
Social security costs	254,360	370,805
	<u>3,096,330</u>	<u>4,347,915</u>

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 30 December 2008

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	Year Ended 2008	18 Month Period Ended 2007 (restated)
	£	£
Aggregate emoluments	<u>66,990</u>	<u>191,372</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 2008	18 Month Period Ended 2007 (restated)
	£	£
Interest payable on bank borrowing	15,926	18,067
Finance charges	719	3,935
Interest on other loans	3,944	20,036
Other interest payable	—	13
	<u>20,589</u>	<u>42,051</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	Year Ended 2008	18 Month Period Ended 2007 (restated)
	£	£
Current tax:		
Corporation tax	—	—
Over/under provision in prior year	—	(13,743)
Total current tax	—	(13,743)
Deferred tax:		
Origination and reversal of timing differences	(4,178)	12,884
Adjustment in respect of previous years:		
Deferred tax	10,911	—
Total deferred tax (note 15)	<u>6,733</u>	<u>12,884</u>
Tax on loss on ordinary activities	<u>6,733</u>	<u>(859)</u>

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 30 December 2008

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2007 - 30%).

	Year Ended 2008	18 Month Period Ended 2007 (restated)
	£	£
Loss on ordinary activities before taxation	(354,312)	(461,151)
Loss on ordinary activities by rate of tax	(106,294)	(138,345)
Expenses not deductible for tax purposes	14,554	152,224
Capital allowances for period in excess of depreciation	91,740	(5,822)
Utilisation of tax losses	-	(8,057)
Adjustments to tax charge in respect of previous periods	-	(13,743)
Total current tax (note 7(a))	-	(13,743)

8. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Computer Equipment £	Total £
COST					
At 31 December 2007	3,450,571	767,046	37,560	225,414	4,480,591
Additions	429,120	173,666	-	59,970	662,756
Disposals	(199,961)	(5,390)	-	-	(205,351)
At 30 December 2008	<u>3,679,730</u>	<u>935,322</u>	<u>37,560</u>	<u>285,384</u>	<u>4,937,996</u>
DEPRECIATION					
At 31 December 2007	1,386,626	328,455	29,657	149,342	1,894,080
Charge for the year	250,289	64,434	1,765	22,599	339,087
On disposals	(133,584)	(1,649)	-	-	(135,233)
At 30 December 2008	<u>1,503,331</u>	<u>391,240</u>	<u>31,422</u>	<u>171,941</u>	<u>2,097,934</u>
NET BOOK VALUE					
At 30 December 2008	<u>2,176,399</u>	<u>544,082</u>	<u>6,138</u>	<u>113,443</u>	<u>2,840,062</u>
At 30 December 2007	<u>2,063,945</u>	<u>438,591</u>	<u>7,903</u>	<u>76,072</u>	<u>2,586,511</u>

Hire purchase agreements

Included within the net book value of £2,840,062 is £Nil (2007 - £36,638) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £Nil (2007 - £9,698).

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 30 December 2008

9. INVESTMENTS

	Shares in Group Undertakings £
COST	
At 31 December 2007	1
Disposals	(1)
	<u>-</u>
At 30 December 2008	<u>-</u>
NET BOOK VALUE	
At 30 December 2008	-
	<u>1</u>
At 30 December 2007	<u>1</u>

10. STOCKS

	2008 £	2007 (restated) £
Stocks for resale	<u>577,157</u>	<u>541,459</u>

11. DEBTORS

	2008 £	2007 (restated) £
Trade debtors	931,676	880,136
Amounts owed by group undertakings	-	95,495
Tax recoverable	-	46,350
Amounts owed by related undertakings	161,846	259,348
Other debtors	333	200
Prepayments and accrued income	53,812	37,719
	<u>1,147,667</u>	<u>1,319,248</u>

The debtors above include the following amounts falling due after more than one year:

	2008 £	2007 (restated) £
Amounts owed by group undertakings	<u>-</u>	<u>49,999</u>

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 30 December 2008

12. CREDITORS: Amounts falling due within one year

	2008	2007 (restated)
	£	£
Other loans	75,000	76,945
Bank loans and overdrafts	82,230	83,510
Trade creditors	638,122	962,688
Other taxation and social security	278,341	358,253
Hire purchase agreements	—	16,382
Other creditors	3,013	—
Amounts owed to related undertakings	690,245	159,879
Directors current accounts	14,561	5,812
Accruals and deferred income	516,778	364,294
	<u>2,298,290</u>	<u>2,027,763</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2008	2007 (restated)
	£	£
Bank loans and overdrafts	<u>82,230</u>	<u>83,510</u>

13. CREDITORS: Amounts falling due after more than one year

	2008	2007 (restated)
	£	£
Bank loans and overdrafts	257,874	14,439
Other loans	185,000	216,348
	<u>442,874</u>	<u>230,787</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2008	2007 (restated)
	£	£
Bank loans and overdrafts	<u>257,874</u>	<u>14,439</u>

The bank loan and overdraft is secured by a debenture over the assets of the company and those of Hammer Holdings Limited with a cross guarantee between Hammer Holdings Limited and the company. A further personal guarantee has been given by the director, Mr G C Hammer.

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 30 December 2008

14. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2008	2007 (restated)
	£	£
Amounts payable within 1 year	-	16,382
	<u>-</u>	<u>16,382</u>

15. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	Year Ended 2008	18 Month Period Ended 2007 (restated)
	£	£
Provision brought forward	81,288	68,404
Profit and loss account movement arising during the year	6,733	12,884
Provision carried forward	<u>88,021</u>	<u>81,288</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2008	2007 (restated)
	£	£
Excess of taxation allowances over depreciation on fixed assets	88,021	92,031
Tax losses available	-	(10,743)
	<u>88,021</u>	<u>81,288</u>

16. COMMITMENTS UNDER OPERATING LEASES

At 30 December 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings 2008	2007 (restated)
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>130,000</u>	<u>100,000</u>

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 30 December 2008

17. TRANSACTIONS WITH THE DIRECTORS

	Sales £	Purchases £	Debtor £	Creditor £
Beautique UK Limited	283,993	10,617	138,861	–
DM Distributions Limited	–	17,882	–	1,530
Fairford Holdings Limited	–	–	–	200,000
Hammer Holdings Limited	(4,779)	664,956	–	421,952
Renew Medica Limited	1,000	257,506	–	34,725
The Refinery Limited	27,191	692	–	40
UR Beautiful Limited	216,782	5,844	22,985	–
Urban Retreat Products Limited	187,944	82,172	–	31,998
Urban Retreat Wellness Limited	242,374	7,204	–	–
	<u>954,505</u>	<u>1,046,873</u>	<u>161,846</u>	<u>(690,245)</u>

At 31 December 2008 an amount of £45,630 was due from Urban Retreat Wellness Limited. This balance is deemed as irrecoverable by the directors and has been provided against in full during the year.

18. SHARE CAPITAL

Authorised share capital:

	2008 £	2007 (restated) £
1,515,100 Ordinary A shares of £1 each	1,515,100	1,515,100
1,515,077 Ordinary B shares of £1 each	1,515,077	1,515,077
	<u>3,030,177</u>	<u>3,030,177</u>

Allotted, called up and fully paid:

	2008		2007 (restated)	
	No	£	No	£
Ordinary A shares of £1 each	1,515,100	1,515,100	1,515,100	1,515,100
Ordinary B shares of £1 each	1,515,077	1,515,077	1,515,077	1,515,077
	<u>3,030,177</u>	<u>3,030,177</u>	<u>3,030,177</u>	<u>3,030,177</u>

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 30 December 2008

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007 (restated)
	£	£
Loss for the financial year	(361,045)	(460,292)
Opening shareholders' funds	2,143,238	2,548,000
Prior year adjustment	—	55,530
Closing shareholders' funds	<u>1,782,193</u>	<u>2,143,238</u>

20. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	Year Ended 2008	18 Month Period Ended 2007 (restated)
	£	£
Operating loss	(333,738)	(429,464)
Depreciation	339,087	582,049
Loss on disposal of fixed assets	64,730	3,634
Increase in stocks	(35,698)	(212,970)
Decrease/(increase) in debtors	171,581	(122,497)
(Decrease)/increase in creditors	(440,232)	348,206
Net cash (outflow)/inflow from operating activities	<u>(234,270)</u>	<u>168,958</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	Year Ended 2008	18 Month Period Ended 2007 (restated)
	£	£
Interest received	15	10,364
Interest paid	(19,870)	(38,116)
Interest element of hire purchase	(719)	(3,935)
Net cash outflow from returns on investments and servicing of finance	<u>(20,574)</u>	<u>(31,687)</u>

TAXATION

	Year Ended 2008	18 Month Period Ended 2007 (restated)
	£	£
Taxation	<u>—</u>	<u>(300,554)</u>

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 30 December 2008

20. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	Year Ended 2008	18 Month Period Ended 2007 <i>(restated)</i>
	£	£
Payments to acquire tangible fixed assets	(662,756)	(205,290)
Receipts from sale of fixed assets	5,388	2,250
Disposal of fixed asset investments	1	—
Net cash outflow for capital expenditure and financial investment	<u>(657,367)</u>	<u>(203,040)</u>

FINANCING

	Year Ended 2008	18 Month Period Ended 2007 <i>(restated)</i>
	£	£
Increase in/(repayment of) bank loans	266,620	(87,473)
Net inflow from other short-term creditors	530,366	157,570
Other loans	(1,945)	(17,770)
Capital element of hire purchase	(16,382)	(23,333)
Net outflow from other long-term creditors	(31,348)	(122,919)
Net inflow from short term amounts due to group undertakings	200,000	—
Net cash inflow/(outflow) from financing	<u>947,311</u>	<u>(93,925)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2008	2007 <i>(restated)</i>
	£	£
Increase/(decrease) in cash in the period	35,100	(460,248)
Net cash (inflow) from/outflow from bank loans	(266,620)	87,473
Net (inflow) from other short-term creditors	(330,366)	(157,570)
Net inflow from short term amounts due to group undertakings	(200,000)	—
Other loans	1,945	17,770
Cash outflow in respect of hire purchase	16,382	23,333
Net cash outflow from other long-term creditors	31,348	122,919
	<u>(712,211)</u>	<u>(366,323)</u>
Change in net debt	<u>(712,211)</u>	<u>(366,323)</u>
Net debt at 31 December 2007	<u>(531,646)</u>	<u>(165,323)</u>
Net debt at 30 December 2008	<u>(1,243,857)</u>	<u>(531,646)</u>

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 30 December 2008

20. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

ANALYSIS OF CHANGES IN NET DEBT

	At 31 Dec 2007 £	Cash flows £	At 30 Dec 2008 £
Net cash:			
Cash in hand and at bank	35,857	10,635	46,492
Overdrafts	(25,195)	24,465	(730)
	<u>10,662</u>	<u>35,100</u>	<u>45,762</u>
Debt:			
Debt due within 1 year	(295,139)	(551,606)	(846,745)
Debt due after 1 year	(230,787)	(212,087)	(442,874)
Hire purchase agreements	(16,382)	16,382	—
	<u>(542,308)</u>	<u>(747,311)</u>	<u>(1,289,619)</u>
Net debt	<u>(531,646)</u>	<u>(712,211)</u>	<u>(1,243,857)</u>

21. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the accounts amounted to £Nil (2007 - £267,739).