

COMPANY REGISTRATION NUMBER 02849316

URBAN RETREATS LIMITED

ABBREVIATED ACCOUNTS

29 JUNE 2013

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URBAN RETREATS LIMITED

ABBREVIATED ACCOUNTS

Period from 1 January 2012 to 29 June 2013

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URBAN RETREATS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The director	Mr G C Hammer
Company secretary	Mr E Qadri
Registered office	Cedar House Hazell Drive Newport South Wales NP10 8FY
Auditor	Kilsby & Williams LLP Chartered Accountants & Statutory Auditor Cedar House Hazell Drive Newport NP10 8FY
Bankers	Santander Corporate Banking 5th Floor Davidson House Forbury Square Reading RG1 3EU

URBAN RETREATS LIMITED

DIRECTOR'S REPORT

Period from 1 January 2012 to 29 June 2013

The director presents his report and the accounts of the company for the period from 1 January 2012 to 29 June 2013

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of Urban Retreats Limited, established in 2001, was that of operating hair and beauty salons and the retail of hair and beauty products

During the 18 month period to 29 June 2013 Urban Retreats Limited operated salons in 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.

Turnover for the 18 month period was £18,539,558 (2011 - £11,680,545 for 12 months). Sales at Harrods were 6.7% up on the equivalent prior period, with hair services, the Urban Retreat café, and in particular retail sales performing exceptionally well, being 17% up on the prior year, benefiting from the continued introduction of cutting edge brands with limited distribution in the UK.

On 26 June 2013 the company and related companies undertook a restructure. The share capital of Urban Retreats Limited was acquired by Urban Retreat Ventures Limited. On 27 June 2013 the trade and assets of Beauque UK Limited were acquired by Urban Retreats Limited. This restructure was undertaken in order to create a formal group structure and will improve the synergies between the trading entities.

The contract with Harvey Nichols came up for renewal in early 2012 and it was agreed that this would be extended by another 12 months with a view to investigate the possibility of adding additional areas to the salon. During this period, it became clear that the terms on offer to extend the agreement for an additional 3 year period were not financially viable, so the decision was made not to renew and as a result the salon was closed at the end of March 2013. Turnover for the period January 2012 to March 2013 had increased by 2.3% on the prior period. Closure costs of £26k were incurred and are reflected in exceptional items.

During the period Urban Retreat continued to support the development of the mobile beauty treatment business, Urban Retreat at Home, offering clients the opportunity to experience the high quality beauty services offered at our salons in their own homes. This investment is expected to show positive returns in the long term, however a prudent view was taken to impair the full amount of £227k incurred to date on the project.

In 2012 discussions were opened with Harrods regarding their plans to redevelop the 5th floor in the store, which will see the creation of the largest luxury women's shoe destination in Europe, 'Shoe Heaven'. It was agreed that it would be timely for the Urban Retreat salon to undergo a major upgrade to coincide with these plans. As a result, from August 2013, a full refurbishment of the salon will commence, with additional space being allocated to the salon by Harrods. All the beauty treatment rooms will be relocated and rebuilt by Harrods in order to facilitate their redevelopment plans. Furthermore, the upgrade will include the creation of a Hammam spa concept, a joint venture between Urban Retreat and the brand marocMaroc of Morocco. In addition, there will be a private salon area (replacing the body clinic), a new front of house and retail concept, and a new café. It is the view of the directors that these plans will greatly enhance the Urban Retreat business to make it the ultimate salon and spa destination in the United Kingdom.

The loss on ordinary activities, after exceptional items, amortisation and depreciation, interest and taxation amounted to £156,144 (2011 - £143,257).

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to £156,144. The director has not recommended a dividend.

URBAN RETREATS LIMITED

DIRECTOR'S REPORT *(continued)*

Period from 1 January 2012 to 29 June 2013

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.

DIRECTOR

The director who served the company during the period was as follows:

Mr G C Hammer

DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Director's Report and the accounts in accordance with applicable law and regulations.

Company law requires the director to prepare accounts for each financial period. Under that law the director has elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the accounts 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 accounts, the director is required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 director is 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 him to ensure that the accounts comply with the Companies Act 2006. He is 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.

URBAN RETREATS LIMITED

DIRECTOR'S REPORT *(continued)*

Period from 1 January 2012 to 29 June 2013

AUDITOR

Kilsby & Williams LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

The director at the date of the approval of this report confirms 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 steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

Signed by order of the director



Mr E Qadri
Company Secretary

Approved by the director on 28/03/2014

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

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes, together with the accounts of Urban Retreats Limited for the period from 1 January 2012 to 29 June 2013 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. 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 work, for this report, or for the opinions we have formed.


RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

The director is responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 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 are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

 28th March 2014

Simon Tee (Senior Statutory Auditor)
For and on behalf of
Kilsby & Williams LLP
Chartered Accountants & Statutory Auditor

Cedar House
Hazell Drive
Newport
NP10 8FY

URBAN RETREATS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

Period from 1 January 2012 to 29 June 2013

		18 Month Period to 29 June 2013 £	12 Month Period to 31 December £
TURNOVER	Note	18,539,558	11,680,545
Cost of Sales and Other operating income		(14,488,009)	(9,038,989)
Selling and distribution costs		(97,286)	(81,772)
Administrative expenses excluding exceptional items		(3,611,260)	(2,332,420)
Exceptional administrative expenses	2	(157,181)	(336,412)
Administrative expenses		(3,768,441)	(2,668,832)
OPERATING PROFIT/(LOSS)	2	185,822	(109,048)
Interest receivable		1,300	-
Amounts written off investments	5	(227,450)	-
Interest payable and similar charges	6	(67,182)	(34,209)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(107,510)	(143,257)
Tax on loss on ordinary activities	7	(48,634)	-
LOSS FOR THE FINANCIAL PERIOD		(156,144)	(143,257)
Balance brought forward		(1,432,475)	(1,289,218)
Balance carried forward		(1,588,619)	(1,432,475)

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the period as set out above

The notes on pages 9 to 21 form part of these abbreviated accounts.

URBAN RETREATS LIMITED

ABBREVIATED BALANCE SHEET

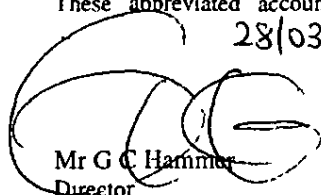
29 June 2013

	Note	29 Jun 13 £	31 Dec 11 £
FIXED ASSETS			
Intangible assets	8	891,480	—
Tangible assets	9	1,859,945	2,059,885
Investments	10	102,257	103,490
		<u>2,853,682</u>	<u>2,163,375</u>
CURRENT ASSETS			
Stocks	11	908,895	919,548
Debtors due within one year	12	2,437,159	1,789,476
Debtors due after one year	12	171,273	850,600
Cash at bank and in hand		11,669	82,588
		<u>3,528,996</u>	<u>3,642,212</u>
CREDITORS: Amounts falling due within one year	13	(4,478,698)	(3,318,210)
NET CURRENT (LIABILITIES)/ASSETS		<u>(949,702)</u>	<u>324,002</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,903,980	2,487,377
CREDITORS: Amounts falling due after more than one year	14	(776,364)	(851,666)
PROVISIONS FOR LIABILITIES			
Deferred taxation	15	(86,058)	(38,009)
		<u>1,041,558</u>	<u>1,597,702</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	2,630,177	3,030,177
Profit and loss account		(1,588,619)	(1,432,475)
SHAREHOLDERS' FUNDS	19	<u>1,041,558</u>	<u>1,597,702</u>

These abbreviated accounts have been prepared in accordance with the special provisions of section 445(3) Companies Act 2006 in regard to medium-sized companies

These abbreviated accounts were approved and signed by the director and authorised for issue on

28/03/2014


Mr G C Hammer
Director

Company Registration Number 02849316

The notes on pages 9 to 21 form part of these abbreviated accounts.

URBAN RETREATS LIMITED

CASH FLOW STATEMENT

Period from 1 January 2012 to 29 June 2013

		18 Month Period to 29 June 2013	12 Month Period to 31 December
	Note	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	20	567,514	253,836
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	20	(65,882)	(34,209)
TAXATION	20	(499)	-
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	20	(111,416)	(52,266)
ACQUISITIONS AND DISPOSALS	20	(226,217)	(103,490)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(163,500)	63,871
FINANCING	20	(469,107)	217,227
(DECREASE)/INCREASE IN CASH	20	<u>(305,606)</u>	<u>281,098</u>

The notes on pages 9 to 21 form part of these abbreviated accounts.

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Period from 1 January 2012 to 29 June 2013

1 ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention

Consolidation

The company was, at the end of the period, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated 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

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its useful economic life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years. Useful economic lives are reviewed at the end of each reporting period and revised if necessary, subject to the constraint that the revised life shall not exceed 20 years from the date of acquisition. The carrying amount at the date of revision is depreciated over the revised estimate of remaining useful economic life.

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

Leaschold Property use	-	straight line over the term of the lease when the asset is brought into use
Fixtures & Fittings use	-	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

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

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Period from 1 January 2012 to 29 June 2013

1. ACCOUNTING POLICIES (*continued*)

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

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.

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting)

	18 Month Period to 29 June 2013	12 Month Period to 31 December
	£	£
Depreciation of owned fixed assets	322,892	198,726
(Profit)/Loss on disposal of fixed assets	(1,500)	16,825
Auditor's remuneration		
- as auditor	9,500	9,500
Net (profit)/loss on foreign currency translation	(940)	200
Provision against group and related company debts	8,220	274,269
Exceptional expenses	148,961	62,143

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Period from 1 January 2012 to 29 June 2013

3. PARTICULARS OF EMPLOYEES

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

	18 Month Period to 29 June 2013	12 Month Period to 31 December
	No	No
Number of sales staff	189	190
Number of administrative staff	14	13
	<u>203</u>	<u>203</u>

The aggregate payroll costs of the above were

	18 Month Period to 29 June 2013	12 Month Period to 31 December
	£	£
Wages and salaries	5,866,541	3,717,486
Social security costs	554,865	355,012
Other pension costs	-	7,770
Directors pensions	48,667	-
	<u>6,470,073</u>	<u>4,080,268</u>

4. DIRECTOR'S REMUNERATION

The director's aggregate remuneration in respect of qualifying services were

	18 Month Period to 29 June 2013	12 Month Period to 31 December
	£	£
Aggregate remuneration	<u>84,667</u>	<u>24,000</u>

5. AMOUNTS WRITTEN OFF INVESTMENTS

	18 Month Period to 29 June 2013	12 Month Period to 31 December
	£	£
Impairment of investments	<u>227,450</u>	<u>-</u>

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Period from 1 January 2012 to 29 June 2013

6. INTEREST PAYABLE AND SIMILAR CHARGES

	18 Month Period to 29 June 2013	12 Month Period to 31 December
	£	£
Interest payable on bank borrowing	446	17,928
Interest on other loans	66,736	16,281
	<u>67,182</u>	<u>34,209</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	18 Month Period to 29 June 2013	12 Month Period to 31 December
	£	£
Current tax		
UK Corporation tax based on the results for the period at 23% (2011 - 26%)	86	-
Over/under provision in prior year	499	-
Total current tax	<u>585</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	48,049	-
Tax on loss on ordinary activities	<u>48,634</u>	<u>-</u>

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 23% (2011 - 26%)

	18 Month Period to 29 June 2013	12 Month Period to 31 December
	£	£
Loss on ordinary activities before taxation	<u>(107,510)</u>	<u>(143,257)</u>
Loss on ordinary activities by rate of tax	(24,728)	(37,247)
Expenses not deductible for tax purposes	13,739	4,902
Capital allowances for period in excess of depreciation	11,634	(10,643)
Utilisation of tax losses	3,625	-
Provision against investments/related party debts	54,204	-
Share of partnership losses	(58,376)	-
Depreciation on non qualifying assets	-	47,427
Sundry tax adjusting items	487	(4,439)
Total current tax (note 7(a))	<u>585</u>	<u>-</u>

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Period from 1 January 2012 to 29 June 2013

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
Additions	891,480
At 29 June 2013	<u>891,480</u>
AMORTISATION	
At 1 January 2012 and 29 June 2013	<u>-</u>
NET BOOK VALUE	
At 29 June 2013	<u>891,480</u>
At 31 December 2011	<u>-</u>

On 27 June 2013 the company acquired the trade and assets of Beautique UK Limited for a consideration of £872,292 satisfied as shown below. Goodwill arising on the acquisition has been capitalised and will be amortised over 20 years.

Analysis of the acquisition of the trade and assets of Beautique UK Limited

	Fair value and book value £
Cash at bank and in hand	9,064
Tangible fixed assets	971
Debtors	176,969
Creditors	(206,192)
	<u>(19,188)</u>
Goodwill	891,480
	<u>872,292</u>

The business did not contribute to the company's operating cash flows as it was acquired on 27 June 2013

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Period from 1 January 2012 to 29 June 2013

9. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Computer Equipment £	Total £
COST					
At 1 January 2012	3,844,677	990,165	-	315,943	5,150,785
Additions	34,993	63,936	6,990	17,032	122,951
Disposals	(161,808)	(107,524)	-	(10,493)	(279,825)
At 29 June 2013	<u>3,717,862</u>	<u>946,577</u>	<u>6,990</u>	<u>322,482</u>	<u>4,993,911</u>
DEPRECIATION					
At 1 January 2012	2,248,428	612,607	-	229,865	3,090,900
Charge for the period	223,902	58,696	428	39,866	322,892
On disposals	(161,809)	(107,524)	-	(10,493)	(279,826)
At 29 June 2013	<u>2,310,521</u>	<u>563,779</u>	<u>428</u>	<u>259,238</u>	<u>3,133,966</u>
NET BOOK VALUE					
At 29 June 2013	<u>1,407,341</u>	<u>382,798</u>	<u>6,562</u>	<u>63,244</u>	<u>1,859,945</u>
At 31 December 2011	<u>1,596,249</u>	<u>377,558</u>	<u>-</u>	<u>86,078</u>	<u>2,059,885</u>

10. INVESTMENTS

	Capital Investment in LLPs £
COST	
At 1 January 2012	103,490
Additions	226,217
At 29 June 2013	<u>329,707</u>
AMOUNTS WRITTEN OFF	
Written off in period	227,450
At 29 June 2013	<u>227,450</u>
NET BOOK VALUE	
At 29 June 2013	<u>102,257</u>
At 31 December 2011	<u>103,490</u>

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Period from 1 January 2012 to 29 June 2013

11. STOCKS

	29 Jun 13	31 Dec 11
	£	£
Stocks for resale	<u>908,895</u>	<u>919,548</u>

12. DEBTORS

	29 Jun 13	31 Dec 11
	£	£
Trade debtors	1,320,131	1,554,919
Amounts owed by related companies	1,100,237	768,692
Other debtors	5,097	10,026
Prepayments and accrued income	<u>182,967</u>	<u>306,439</u>
	<u>2,608,432</u>	<u>2,640,076</u>

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

	29 Jun 13	31 Dec 11
	£	£
Amounts owed by related undertakings	99,493	719,350
Prepayments and accrued income	<u>71,780</u>	<u>131,250</u>
	<u>171,273</u>	<u>850,600</u>

Included within debtors and listed in note 17 are amounts of £99,493 owed by related companies. Those companies are currently loss making and have net liabilities on their balance sheets. These companies are controlled by director George Hammer. The directors have made no provision against these debts as they believe those companies will become profitable and become able to repay these debts. The debts are not due for repayment within the next 12 months. Those companies have prepared forecasts and have a plan in place to repay these debts from future profits. The company is fully supportive of those related companies and will provide continued financial resources to ensure they become profitable.

13 CREDITORS: Amounts falling due within one year

	29 Jun 13	31 Dec 11
	£	£
Other loans	134,545	146,667
Bank loans and overdrafts	514,936	200,249
Trade creditors	1,415,919	1,294,705
Corporation tax	86	—
Other taxation and social security	428,437	684,675
Other creditors	264,441	303,781
Amounts owed to related undertakings	1,033,591	109,971
Directors current accounts	95,323	84,381
Accruals and deferred income	<u>591,420</u>	<u>493,781</u>
	<u>4,478,698</u>	<u>3,318,210</u>

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Period from 1 January 2012 to 29 June 2013

13. CREDITORS: Amounts falling due within one year (*continued*)

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

	29 Jun 13	31 Dec 11
	£	£
Bank loans and overdrafts	234,936	200,249
Other creditors	264,441	303,781
	<u>499,377</u>	<u>504,030</u>

Included in other creditors due within one year is an amount of £264,441 which is secured by means of a personal guarantee given by the director Mr G C Hammer

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

	29 Jun 13	31 Dec 11
	£	£
Bank loans and overdrafts	446,667	533,333
Other loans	329,697	318,333
	<u>776,364</u>	<u>851,666</u>

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

	29 Jun 13	31 Dec 11
	£	£
Bank loans and overdrafts	<u>726,667</u>	<u>533,333</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. Borrowings are also secured over assets of the director, Mr G C Hammer and by means of a personal guarantee.

15. DEFERRED TAXATION

The movement in the deferred taxation provision during the period was

	18 Month Period to 29 June 2013	12 Month Period to 31 December
	£	£
Provision brought forward	38,009	38,009
Profit and loss account movement arising during the period	48,049	-
Provision carried forward	<u>86,058</u>	<u>38,009</u>

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Period from 1 January 2012 to 29 June 2013

15. DEFERRED TAXATION (*continued*)

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

	29 Jun 13	31 Dec 11
	£	£
Excess of taxation allowances over depreciation on fixed assets	86,058	38,009
	<u>86,058</u>	<u>38,009</u>

16. COMMITMENTS UNDER OPERATING LEASES

At 29 June 2013 the company had annual commitments under non-cancellable operating leases as set out below

	Assets other than Land and buildings	
	29 Jun 13	31 Dec 11
	£	£
Operating leases which expire		
Within 1 year	25,986	55,352
Within 2 to 5 years	74,836	150,457
	<u>100,822</u>	<u>205,809</u>

17. RELATED PARTY TRANSACTIONS

On 26 June 2013 the company became a 100% subsidiary of Urban Retreat Ventures Limited

The company was under the control of Mr G C Hammer throughout the current and previous year

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Period from 1 January 2012 to 29 June 2013

17. RELATED PARTY TRANSACTIONS (continued)

The following transactions with group and related companies took place during the period

	Sales £	Purchases £	Debtor £	Creditor £
Beautique UK Limited	617,771	–	874,957	872,292
Daniel Sandler Limited	18,695	22,829	46,310	–
Eat Britt LLP	6,270	–	7,524	–
All for Eve	–	1,944	–	–
Hammer Holdings Limited	42,292	193,675	–	95,951
One Mayfair Apartments LLP	1,208	–	1,449	–
Urban Retreats at Home LLP	109	–	–	–
Urban Retreat Ventures Limited	15	–	99,493	–
UR Beautiful Limited	26,934	(2,490)	70,504	–
UR Beauty & Make-up LLP	12,711	–	–	–
Urban Retreat Products Limited	1,827	–	–	43,023
Vicki Ullah Limited	20,743	151,996	–	22,326
	<u>748,575</u>	<u>367,954</u>	<u>1,100,237</u>	<u>1,033,592</u>

The company also made purchases from the director, Mr G Hammer amounting to £15,325 (2011 - £nil)

On 27 June 2013 the trade, assets and liabilities of Beautique UK Limited were sold to Urban Retreats Limited with the consideration being the market value of £872,292

18. SHARE CAPITAL

Authorised share capital:

	29 Jun 13 £	31 Dec 11 £
1,115,100 (2011 - 1,515,100) Ordinary A shares of £1 each	1,115,100	1,515,100
1,515,077 Ordinary B shares of £1 each	1,515,077	1,515,077
	<u>2,630,177</u>	<u>3,030,177</u>

Allotted, called up and fully paid:

	29 Jun 13		31 Dec 11	
	No	£	No	£
Ordinary A shares (2011 - 1,515,100) of £1 each	1,115,100	1,115,100	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>2,630,177</u>	<u>2,630,177</u>	<u>3,030,177</u>	<u>3,030,177</u>

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Period from 1 January 2012 to 29 June 2013

18. SHARE CAPITAL *(continued)*

During the year the company reduced its issued share capital by 400,000 £1 ordinary 'A' shares

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	29 Jun 13	31 Dec 11
	£	£
Loss for the financial period	(156,144)	(143,257)
Bonus shares	(400,000)	—
Net reduction to shareholders' funds	(556,144)	(143,257)
Opening shareholders' funds	1,597,702	1,740,959
Closing shareholders' funds	<u>1,041,558</u>	<u>1,597,702</u>

20. NOTES TO THE CASH FLOW STATEMENT

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

	18 Month Period to 29 June 2013	12 Month Period to 31 December
	£	£
Operating profit/(loss)	185,822	(109,048)
Depreciation	322,892	198,726
(Profit)/Loss on disposal of fixed assets	(1,500)	16,825
Decrease/(increase) in stocks	10,653	(154,915)
Decrease/(increase) in debtors	208,613	(305,675)
(Decrease)/increase in creditors	(158,966)	607,923
Net cash inflow from operating activities	<u>567,514</u>	<u>253,836</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	18 Month Period to 29 June 2013	12 Month Period to 31 December
	£	£
Interest received	1,300	—
Interest paid	(67,182)	(34,209)
Net cash outflow from returns on investments and servicing of finance	<u>(65,882)</u>	<u>(34,209)</u>

TAXATION

	18 Month Period to 29 June 2013	12 Month Period to 31 December
	£	£
Taxation	<u>(499)</u>	<u>—</u>

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Period from 1 January 2012 to 29 June 2013

20 NOTES TO THE CASH FLOW STATEMENT *(continued)*

CAPITAL EXPENDITURE

	18 Month Period to 29 June 2013	12 Month Period to 31 December
	£	£
Cash balance acquired from Beautique UK Limited	9,064	-
Payments to acquire tangible fixed assets	(121,979)	(52,266)
Receipts from sale of fixed assets	1,499	-
Net cash outflow from capital expenditure	<u>(111,416)</u>	<u>(52,266)</u>

ACQUISITIONS AND DISPOSALS

	18 Month Period to 29 June 2013	12 Month Period to 31 December
	£	£
Acquisition of shares in group undertakings	(226,217)	(103,490)
Net cash outflow from acquisitions and disposals	<u>(226,217)</u>	<u>(103,490)</u>

FINANCING

	18 Month Period to 29 June 2013	12 Month Period to 31 December
	£	£
Issue of equity share capital	(400,000)	-
(Repayment of)/increase in bank loans	(6,666)	33,333
Net inflow/(outflow) from other short-term creditors	(61,683)	(156,106)
Other loans	(12,122)	86,667
Net inflow from other long-term creditors	11,364	253,333
Net cash inflow from financing	<u>469,107</u>	<u>217,227</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	29 Jun 13	31 Dec 11
	£	£
(Decrease)/increase in cash in the period	(305,606)	281,098
Net cash outflow from/(inflow) from bank loans	6,666	(33,333)
Net (inflow) from/outflow from other short-term creditors	61,683	156,106
Other loans	12,122	(86,667)
Net cash (inflow) from other long-term creditors	(11,364)	(253,333)
	<u>(236,499)</u>	<u>63,871</u>
Change in net debt	(236,499)	63,871
Net debt at 1 January 2012	(1,225,965)	(1,289,836)
Net debt at 29 June 2013	<u>(1,462,464)</u>	<u>(1,225,965)</u>

URBAN RETREATS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Period from 1 January 2012 to 29 June 2013

20. NOTES TO THE CASH FLOW STATEMENT *(continued)*

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2012 £	Cash flows £	At 29 Jun 2013 £
Net cash			
Cash in hand and at bank	82,588	(70,919)	11,669
Overdrafts	(249)	(234,687)	(234,936)
	<u>82,339</u>	<u>(305,606)</u>	<u>(223,267)</u>
Debt			
Debt due within 1 year	(456,638)	(452,862)	(909,500)
Debt due after 1 year	(851,666)	521,969	(329,697)
	<u>(1,308,304)</u>	<u>69,107</u>	<u>(1,239,197)</u>
Net debt	<u>(1,225,965)</u>	<u>(236,499)</u>	<u>(1,462,464)</u>

21. ULTIMATE PARENT COMPANY

At 29 June 2013 the ultimate parent company was Urban Retreat Ventures Limited, a company registered in England and Wales