

**COMPANY REGISTRATION NUMBER: 02849316**

**LONDON RETREATS LIMITED**

**FILLETED UNAUDITED FINANCIAL STATEMENTS**

**(Formerly urban retreats limited)**

**30 June 2019**

# **LONDON RETREATS LIMITED**

## **FINANCIAL STATEMENTS**

**Year ended 30 June 2019**

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# LONDON RETREATS LIMITED

## BALANCE SHEET

30 June 2019

|  | Note      | 2019<br>£    | 2018<br>£    |
|--|-----------|--------------|--------------|
| <b>FIXED ASSETS</b>  |           |              |              |
| Tangible assets  | <b>6</b>  | 4,484        | 12,634       |
| Investments  | <b>7</b>  | 100          | 2,100        |
|  |           | 4,584        | 14,734       |
| <b>CURRENT ASSETS</b>  |           |              |              |
| Debtors  | <b>8</b>  | 783,194      | 896,628      |
| Cash at bank and in hand                                       |           | 15,159       | 17,672       |
|  |           | 798,353      | 914,300      |
| <b>CREDITORS: amounts falling due within one year</b>          | <b>9</b>  | ( 3,510,382) | ( 3,031,387) |
| <b>NET CURRENT LIABILITIES</b>                                 |           | ( 2,712,029) | ( 2,117,087) |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |           | ( 2,707,445) | ( 2,102,353) |
| <b>CREDITORS: amounts falling due after more than one year</b> | <b>10</b> | ( 48,179)    | ( 172,527)   |
| <b>NET LIABILITIES</b>   |           | ( 2,755,624) | ( 2,274,880) |
| <b>CAPITAL AND RESERVES</b>                                    |           |              |              |
| Called up share capital  |           | 5,130,177    | 5,130,177    |
| Profit and loss account  |           | ( 7,885,801) | ( 7,405,057) |
| <b>SHAREHOLDERS FUNDS</b>                                      |           | ( 2,755,624) | ( 2,274,880) |

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the profit and loss account has not been delivered.

For the year ending 30 June 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 ;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

# **LONDON RETREATS LIMITED**

## **BALANCE SHEET** (continued)

**30 June 2019**

These financial statements were approved by the board of directors and authorised for issue on 29 June 2020 , and are signed on behalf of the board by:

**Mr G C Hammer**

**Director**

**Company registration number: 02849316**

# **LONDON RETREATS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 June 2019**

### **1. GENERAL INFORMATION**

The company is a private company limited by shares, registered in England and Wales. The company's principal place of business is 2 Omega Place, London, N1 9DR.

### **2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. ACCOUNTING POLICIES**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss. The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Going concern**

The company had net liabilities of £2,755,624 (2018 - £2,274,880) at the year end. Consequently the director has considered whether the preparing the financial statements on a going concern basis is appropriate. The company has been able to continue trading due to financial support from its bank, group companies and ultimate owner. The director expects this support to continue and believes that the company has sufficient financial resources to pay its debts as they fall due. The company temporarily ceased trading, following the termination of a concession agreement on 22 April 2018. The company has since been identifying possible new locations and options in order to recommence trading. As such, the director considers it appropriate to prepare the financial statements on a going concern basis.

#### **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.

## **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**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

## **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

## **Goodwill**

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

## **Amortisation**

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

Goodwill - 5% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

## **Tangible assets**

All fixed assets are initially recorded at cost or valuation.

## **Depreciation**

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

|                                 |   |                                    |
|---------------------------------|---|------------------------------------|
| Leasehold property improvements | - | Over the term of the lease         |
| Fixtures and fittings           | - | Over the term of the lease         |
| Motor vehicles                  | - | 25% reducing balance               |
| Computer equipment              | - | 20% on cost - 25% reducing balance |

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional charge on the historical cost is transferred annually from the revaluation reserve to the profit and loss reserve.

## **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

### **Investments in associates**

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses. Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted. Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

### **Investments in joint ventures**

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses. Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted. Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

### **Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

### **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.

### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.



#### 4. EMPLOYEE NUMBERS

The average number of persons employed by the company during the year amounted to 3 (2018: 135 ).

#### 5. INTANGIBLE ASSETS

|                                 | <b>Goodwill</b> |
|---------------------------------|-----------------|
|                                 | <b>£</b>        |
| <b>Cost</b>                     |                 |
| At 1 July 2018 and 30 June 2019 | 891,480         |
|                                 | -----           |
| <b>Amortisation</b>             |                 |
| At 1 July 2018 and 30 June 2019 | 891,480         |
|                                 | -----           |
| <b>Carrying amount</b>          |                 |
| At 30 June 2019                 | —               |
|                                 | -----           |
| At 30 June 2018                 | —               |
|                                 | -----           |

#### 6. TANGIBLE ASSETS

|                                 | <b>Fixtures and fittings</b> | <b>Motor vehicles</b> | <b>Equipment</b> | <b>Total</b> |
|---------------------------------|------------------------------|-----------------------|------------------|--------------|
|                                 | <b>£</b>                     | <b>£</b>              | <b>£</b>         | <b>£</b>     |
| <b>Cost</b>                     |                              |                       |                  |              |
| At 1 July 2018 and 30 June 2019 | 15,318                       | 14,709                | 13,138           | 43,165       |
|                                 | -----                        | -----                 | -----            | -----        |
| <b>Depreciation</b>             |                              |                       |                  |              |
| At 1 July 2018                  | 11,078                       | 13,313                | 6,140            | 30,531       |
| Charge for the year             | 2,375                        | 1,396                 | 4,379            | 8,150        |
|                                 | -----                        | -----                 | -----            | -----        |
| At 30 June 2019                 | 13,453                       | 14,709                | 10,519           | 38,681       |
|                                 | -----                        | -----                 | -----            | -----        |
| <b>Carrying amount</b>          |                              |                       |                  |              |
| At 30 June 2019                 | 1,865                        | —                     | 2,619            | 4,484        |
|                                 | -----                        | -----                 | -----            | -----        |
| At 30 June 2018                 | 4,240                        | 1,396                 | 6,998            | 12,634       |
|                                 | -----                        | -----                 | -----            | -----        |

#### Tangible assets held at valuation

All items classified as treatment equipment were revalued at 28 June 2014, at market rate on the basis that an active second-hand market for such goods exists. These items were included within the fixtures and fittings category. All of these assets were disposed of during the period.

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

|                        | <b>Fixtures and fittings</b> |
|------------------------|------------------------------|
|                        | <b>£</b>                     |
| <b>At 30 June 2019</b> |                              |
| Aggregate cost         | —                            |
| Aggregate depreciation | —                            |
|                        | -----                        |
| <b>Carrying value</b>  | —                            |
|                        | -----                        |
| <b>At 30 June 2018</b> |                              |
| Aggregate cost         | 18,783                       |
| Aggregate depreciation | (17,155)                     |
|                        | -----                        |
| <b>Carrying value</b>  | 1,628                        |
|                        | -----                        |

#### **Finance leases and hire purchase contracts**

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

|                        | <b>Equipment</b> |
|------------------------|------------------|
|                        | <b>£</b>         |
| <b>At 30 June 2019</b> | 4,484            |
|                        | -----            |
| <b>At 30 June 2018</b> | 11,237           |
|                        | -----            |

## **7. INVESTMENTS**

|                        | <b>Shares in group undertakings</b> |
|------------------------|-------------------------------------|
|                        | <b>£</b>                            |
| <b>Cost</b>            |                                     |
| At 1 July 2018         | 1,839,162                           |
| Additions              | 13,398                              |
| Disposals              | ( 1,999)                            |
|                        | -----                               |
| <b>At 30 June 2019</b> | 1,850,561                           |
|                        | -----                               |
| <b>Impairment</b>      |                                     |
| At 1 July 2018         | 1,837,062                           |
| Impairment losses      | 13,399                              |
|                        | -----                               |
| <b>At 30 June 2019</b> | 1,850,461                           |
|                        | -----                               |
| <b>Carrying amount</b> |                                     |
| <b>At 30 June 2019</b> | 100                                 |
|                        | -----                               |
| <b>At 30 June 2018</b> | 2,100                               |
|                        | -----                               |

The above value represents the company's investment in the following entities which are registered in England and Wales:

Urban Retreat at Home LLP;

UR Beauty and Make-Up LLP; and

Joan Collins Beauty Limited.

At the year end, the company held 33.33% of the ordinary shares in Joan Collins Beauty Limited.

## 8. DEBTORS

|               | 2019    | 2018    |
|---------------|---------|---------|
|               | £       | £       |
| Trade debtors | 19,245  | 430,520 |
| Other debtors | 763,949 | 466,108 |
|               | -----   | -----   |
|               | 783,194 | 896,628 |
|               | -----   | -----   |

## 9. CREDITORS: amounts falling due within one year

|   | 2019      | 2018      |
|---|-----------|-----------|
|   | £         | £         |
| Bank loans and overdrafts   | 490,127   | 536,063   |
| Trade creditors   | 182,354   | 277,358   |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | 2,093,329 | 275,910   |
| Social security and other taxes   | 55,656    | 89,302    |
| Other loans   | 85,893    | 82,121    |
| Other creditors   | 603,023   | 1,770,633 |
|   | -----     | -----     |
|   | 3,510,382 | 3,031,387 |
|   | -----     | -----     |

## 10. CREDITORS: amounts falling due after more than one year

|                           | 2019   | 2018    |
|---------------------------|--------|---------|
|                           | £      | £       |
| Bank loans and overdrafts | —      | 34,615  |
| Other loans               | 44,415 | 130,309 |
| Other creditors           | 3,764  | 7,603   |
|                           | -----  | -----   |
|                           | 48,179 | 172,527 |
|                           | -----  | -----   |

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.

Hire purchase and finance lease liabilities are secured upon the assets to which they relate.

## 11. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

|  | 2019  | 2018  |
|--|-------|-------|
|  | £     | £     |
| Not later than 1 year                        | 1,020 | 1,020 |
| Later than 1 year and not later than 5 years | 1,530 | 2,550 |
|  | ----- | ----- |
|  | 2,550 | 3,570 |
|  | ----- | ----- |

## 12. PENSION COMMITMENTS

Included within other creditors due within one year is a balance of £225 (2018 - £459) due in respect of pension commitments.

## 13. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

Included within creditors due within one year is the following balance due to the directors:

|           | 2019    | 2018    |
|-----------|---------|---------|
|           | £       | £       |
| Directors | 576,520 | 435,049 |

The loans are interest free and repayable on demand.

## 14. RELATED PARTY TRANSACTIONS

In accordance with FRS 102, transactions between wholly owned group entities are not disclosed. Included in debtors/ creditors due within one year are the following balances due from/ to other related companies:

|  | 2019   | 2019     | 2018   | 2018     |
|--|--------|----------|--------|----------|
|  | Debtor | Creditor | Debtor | Creditor |
|  | £      | £        | £      | £        |
| Entities in which the company has a participating interest | —      | —        | —      | 100,688  |

During the period the company had the following transactions with the following companies:

|  | 2019  | 2019      | 2018    | 2018      |
|--|-------|-----------|---------|-----------|
|  | Sales | Purchases | Sales   | Purchases |
|  | £     | £         | £       | £         |
| Entities in which the company has a participating interest | —     | —         | 540,726 | 302,828   |

During the period, a total of £(9,000) (2018 - £160,323) was provided against balances due from entities in which the company has a participating interest.

## 15. CONTROLLING PARTY

The immediate and ultimate parent company is Urban Retreat Ventures Limited, a company registered in England and Wales. It's registered office is Cedar House, Hazell Drive, Newport NP10 8FY.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.