

**COMPANY REGISTRATION NUMBER: 02849316**

**LONDON RETREATS LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**30 JUNE 2020**



**LONDON RETREATS LIMITED****BALANCE SHEET** *(continued)***30 June 2020**

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	6	–	4,484
Investments	7	100	100
		100	4,584
<b>CURRENT ASSETS</b>			
Debtors	8	536,042	783,194
Cash at bank and in hand		15,349	15,159
		551,391	798,353
<b>CREDITORS: amounts falling due within one year</b>	9	(3,387,757)	(3,510,382)
<b>NET CURRENT LIABILITIES</b>		(2,836,366)	(2,712,029)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(2,836,266)	(2,707,445)
<b>CREDITORS: amounts falling due after more than one year</b>	10	(46,843)	(48,179)
<b>NET LIABILITIES</b>		(2,883,109)	(2,755,624)
<b>CAPITAL AND RESERVES</b>			
Called up share capital		5,130,177	5,130,177
Profit and loss account		(8,013,286)	(7,885,801)
<b>SHAREHOLDERS FUNDS</b>		(2,883,109)	(2,755,624)

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 Section 1A of 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 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have 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.

These financial statements were approved by the board of directors and authorised for issue on 24 June 2021, and are signed on behalf of the board by:

  
Mr G C Hammer  
Director

Company registration number: 02849316

The notes on pages 2 to 9 form part of these financial statements.

# **LONDON RETREATS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 June 2020**

### **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 £2,883,109 (2019 - £2,755,624) 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 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.

# **LONDON RETREATS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**Year ended 30 June 2020**

### **3. ACCOUNTING POLICIES** *(continued)*

#### **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
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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:

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.

**LONDON RETREATS LIMITED****NOTES TO THE FINANCIAL STATEMENTS** *(continued)***Year ended 30 June 2020****3. ACCOUNTING POLICIES** *(continued)***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.

# **LONDON RETREATS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**Year ended 30 June 2020**

### **3. ACCOUNTING POLICIES *(continued)***

#### **Impairment of fixed assets *(continued)***

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 Nil (2019: 3).

**LONDON RETREATS LIMITED****NOTES TO THE FINANCIAL STATEMENTS** *(continued)***Year ended 30 June 2020****5. INTANGIBLE ASSETS**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 July 2019 and 30 June 2020	<u>891,480</u>
<b>Amortisation</b>	
At 1 July 2019 and 30 June 2020	<u>891,480</u>
<b>Carrying amount</b>	
At 30 June 2020	<u>—</u>
At 30 June 2019	<u>—</u>

**6. TANGIBLE ASSETS**

	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 July 2019	15,318	14,709	13,138	43,165
Disposals	(12,209)	(14,709)	(13,138)	(40,056)
<b>At 30 June 2020</b>	<u>3,109</u>	<u>—</u>	<u>—</u>	<u>3,109</u>
<b>Depreciation</b>				
At 1 July 2019	13,453	14,709	10,519	38,681
Charge for the year	1,865	—	2,244	4,109
Disposals	(12,209)	(14,709)	(12,763)	(39,681)
<b>At 30 June 2020</b>	<u>3,109</u>	<u>—</u>	<u>—</u>	<u>3,109</u>
<b>Carrying amount</b>				
At 30 June 2020	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
At 30 June 2019	<u>1,865</u>	<u>—</u>	<u>2,619</u>	<u>4,484</u>

**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.

**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>At 30 June 2020</b>	<u>—</u>
At 30 June 2019	<u>4,484</u>

**LONDON RETREATS LIMITED****NOTES TO THE FINANCIAL STATEMENTS** *(continued)***Year ended 30 June 2020****7. INVESTMENTS**

	Shares in group undertakings £
<b>Cost</b>	
At 1 July 2019	1,850,561
Disposals	(111,303)
<b>At 30 June 2020</b>	<u>1,739,258</u>
<b>Impairment</b>	
At 1 July 2019	1,850,461
Disposals	(111,303)
<b>At 30 June 2020</b>	<u>1,739,158</u>
<b>Carrying amount</b>	
<b>At 30 June 2020</b>	<u>100</u>
At 30 June 2019	<u>100</u>

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**

	2020 £	2019 £
Trade debtors	9,692	19,245
Other debtors	526,350	763,949
	<u>536,042</u>	<u>783,194</u>

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

	2020 £	2019 £
Bank loans and overdrafts	—	490,127
Trade creditors	130,817	182,354
Amounts owed to group undertakings and undertakings in which the company has a participating interest	2,584,277	2,093,329
Social security and other taxes	58,380	55,656
Other loans	21,836	85,893
Other creditors	592,447	603,023
	<u>3,387,757</u>	<u>3,510,382</u>



**LONDON RETREATS LIMITED****NOTES TO THE FINANCIAL STATEMENTS** *(continued)***Year ended 30 June 2020****9. CREDITORS: amounts falling due within one year** *(continued)*

Included in creditors due after one year is an amount of £881 (2019 - £3,836) due on hire purchase liabilities. Hire purchase and finance lease liabilities are secured upon the assets to which they relate.

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other loans	44,415	44,415
Other creditors	2,428	3,764
	<u>46,843</u>	<u>48,179</u>

Included in creditors due after one year is an amount of £2,428 (2019 - £3,764) due on hire purchase liabilities. 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:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	1,020	1,020
Later than 1 year and not later than 5 years	510	1,530
	<u>1,530</u>	<u>2,550</u>

**12. PENSION COMMITMENTS**

Included within other creditors due within one year is a balance of £nil (2019 - £225) 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:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Directors	<u>578,123</u>	<u>576,520</u>

The loans are interest free and repayable on demand.

**LONDON RETREATS LIMITED****NOTES TO THE FINANCIAL STATEMENTS** *(continued)***Year ended 30 June 2020****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 parties:

	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Debtor</b>	<b>Creditor</b>	<b>Debtor</b>	<b>Creditor</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Related parties	479,783	(2,482,878)	693,145	(1,916,112)

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

	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Sales</b>	<b>Purchases</b>	<b>Sales</b>	<b>Purchases</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Related parties	100,119	11,145	693,145	(1,916,112)

During the period, a total of £162,837 (2019 - £(9,000)) 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.