

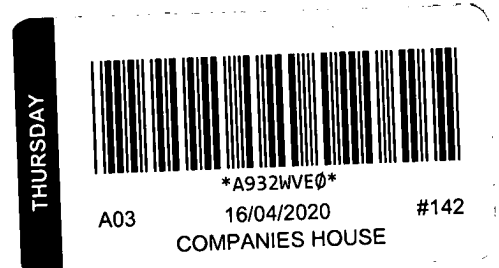
Urban Massage Holding Limited

Unaudited Financial Statements

Period Ended

31 December 2019

Company Number 09948725



Urban Massage Holding Limited

Company Information

Directors	C Tang G Williams A B Nussenbaum
Registered number	09948725
Registered office	Ground Floor Left Dorset House 27-45 Stamford Street London SE1 9PY
Accountants	BDO LLP Chartered accountants 150 Aldersgate Street London EC1A 4AB

Urban Massage Holding Limited

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Urban Massage Holding Limited

Registered number: 09948725

Statement of Financial Position as at 31 December 2019

		31 December 2019 £	30 November 2018 £
	Note		
Fixed assets			
Investments	7	761,842	88,360
Current assets			
Debtors	8	8,679,464	5,167,710
Investments		1,131,720	-
Cash and cash equivalents		600,671	657,433
		<u>10,411,855</u>	<u>5,825,143</u>
Creditors: amounts falling due within one year	10	(122,580)	(1,103,034)
Net current assets		10,289,275	4,722,109
Creditors: amounts falling due after more than one year	11	-	(138,889)
Net assets		11,051,117	4,671,580
Capital and reserves			
Called up share capital	12	34,596	22,104
Share premium	13	10,708,502	2,271,576
Share allotment reserve	13	738,368	2,723,238
Profit and loss account	13	(430,349)	(345,338)
Total Equity		11,051,117	4,671,580

Urban Massage Holding Limited

Registered number: 09948725

Statement of Financial Position (continued) as at 31 December 2019

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
C Tang
Director

Date: 8 April 2020

The notes on pages 4 to 13 form part of these financial statements.

Urban Massage Holding Limited

Statement of Changes in Equity for the Period Ended 31 December 2019

	Share capital £	Share premium account £	Share allotment reserve £	Profit and loss account £	Total equity £
At 1 December 2018	22,104	2,271,576	2,723,238	(345,338)	4,671,580
Comprehensive income for the period					
Loss for the period	-	-	-	(85,011)	(85,011)
Shares to be issued	-	-	701,693	-	701,693
Shares issued during the period	12,492	8,436,926	(2,686,563)	-	5,762,855
At 31 December 2019	34,596	10,708,502	738,368	(430,349)	11,051,117

The notes on pages 4 to 13 form part of these financial statements.

Statement of Changes in Equity for the Year Ended 30 November 2018

	Share capital £	Share premium account £	Share allotment reserve £	Profit and loss account £	Total equity £
At 1 December 2017	22,104	2,271,576	-	(176,168)	2,117,512
Comprehensive income for the year					
Loss for the year	-	-	-	(169,170)	(169,170)
Shares to be issued	-	-	2,723,238	-	2,723,238
At 30 November 2018	22,104	2,271,576	2,723,238	(345,338)	4,671,580

The notes on pages 4 to 13 form part of these financial statements.

Urban Massage Holding Limited

Notes to the Financial Statements for the Period Ended 31 December 2019

1. General information

Urban Massage Holding Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is stated on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The company's financial reporting date was changed from 30 November to 31 December on 8 October 2019.

The following principal accounting policies have been applied:

2.2 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.3 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.4 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Urban Massage Holding Limited

Notes to the Financial Statements for the Period Ended 31 December 2019

2. Accounting policies (continued)

2.5 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.6 Going concern

The directors believe that it is appropriate to prepare the financial statements on a going concern basis. These financial statements do not include adjustments that would be necessary if the company was unable to continue as a going concern.

2.7 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

Urban Massage Holding Limited

Notes to the Financial Statements for the Period Ended 31 December 2019

2. Accounting policies (continued)

2.8 Share based payments

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

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

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

Where equity instruments are granted to persons other than employees, the statement of comprehensive income is charged with fair value of goods and services received.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

2.11 Taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Urban Massage Holding Limited

Notes to the Financial Statements for the Period Ended 31 December 2019

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors have made no key judgements or estimates in preparing these financial statements.

4. Employees

The company has no employees other than the directors, who did not receive any remuneration (2018 - £Nil).

5. Interest payable and similar expenses

	Period Ended 31 December 2019 £	Year Ended 30 November 2018 £
Bank interest payable	33,113	63,955
Other interest payable	-	20,342
	<u>33,113</u>	<u>84,297</u>

Urban Massage Holding Limited

Notes to the Financial Statements for the Period Ended 31 December 2019

6. Taxation

	Period Ended 31 December 2019 £	Year Ended 30 November 2018 £
Current tax on loss for the year/period	-	-

Factors affecting tax charge for the period/year

The tax assessed for the period is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%). The differences are explained below:

	Period Ended 31 December 2019 £	Year Ended 30 November 2018 £
Loss on ordinary activities before tax	(85,011)	(169,170)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	(16,152)	(32,142)
Effects of:		
Expenses not deductible for tax purposes	5,773	5,700
Adjust closing deferred tax to average rate of 19%	7,923	5,026
Adjust opening deferred tax to average rate of 19%	(6,830)	(2,243)
Deferred tax not recognised	9,286	23,659
Total tax charge for the period/year	-	-

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 20% to 19% was substantively enacted in July 2015 and took effect from 1 April 2017. A further reduction in the UK corporation tax rate to 17% from 1 April 2020, was substantively enacted on 6 September 2016. As the withdrawal of the 17% rate has been announced but not substantially enacted, the unprovided deferred tax asset has been calculated at 17%.

Urban Massage Holding Limited

Notes to the Financial Statements for the Period Ended 31 December 2019

7. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 December 2018	88,360
Additions	703,867
At 31 December 2019	<u>792,227</u>
Impairment	
Charge for the period	30,385
At 31 December 2019	<u>30,385</u>
At 31 December 2019	<u><u>761,842</u></u>
At 30 November 2018	<u><u>88,360</u></u>

The company adopts a policy of measuring the investment in subsidiaries at cost less accumulated impairment. As it seems unlikely that the investment is recoverable the full balance with Austria of £30,385 has been impaired.

Urban Massage Holding Limited

Notes to the Financial Statements for the Period Ended 31 December 2019

7. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

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

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

8. Debtors: amounts falling due within one year

	31 December 2019 £	30 November 2018 £
Amounts owed by group undertakings	8,677,270	5,150,475
Other debtors	2,194	6,506
Prepayments	-	10,729
	<u>8,679,464</u>	<u>5,167,710</u>

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

Urban Massage Holding Limited

Notes to the Financial Statements for the Period Ended 31 December 2019

9. Current asset investments

	31 December 2019 £	30 November 2018 £
Investments	1,131,720	-
	<u>1,131,720</u>	<u>-</u>

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

10. Creditors: Amounts falling due within one year

	31 December 2019 £	30 November 2018 £
Bank loans	117,561	339,783
Other loans	-	720,342
Trade creditors	1,644	42,909
Accruals	3,375	-
	<u>122,580</u>	<u>1,103,034</u>

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

The bank loan balance outstanding at 31 December 2019 was fully settled post year-end, in the subsequent reporting period.

11. Creditors: Amounts falling due after more than one year

	31 December 2019 £	30 November 2018 £
Bank loans	-	138,889

Urban Massage Holding Limited

Notes to the Financial Statements for the Period Ended 31 December 2019

12. Share capital

	31 December 2019 £	30 November 2018 £
Allotted, called up and fully paid		
19,992,138 (2018 - 15,458,065) ordinary shares of £0.001 each	19,992	15,458
14,603,500 (2018 - 6,646,083) series A shares of £0.001 each	14,604	6,646
	<u>34,596</u>	<u>22,104</u>

The company issued shares on 18 April 2019 following a successful closing of a Series B funding round. The total number of shares issued was 12,491,489 and the total proceeds were £8,543,540 which was received in two tranches.

13. Reserves

Share premium account

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

Share allotment reserve

Shares for which consideration has been received but which are not issued yet.

Profit and loss account

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

14. Change in Accounting Period

The company has changed its financial reporting date within the year from 30 November to 31 December. It has presented the 2019 financial statements for a longer period of 13 months and therefore the comparative amounts presented in the financial statements are not entirely comparable.

15. Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

16. Post balance sheet events

There are no significant events affecting the company or of material effect to these accounts following the financial reporting date.

Urban Massage Holding Limited

Notes to the Financial Statements for the Period Ended 31 December 2019

17. Controlling party

No one person controls this entity.