

Company Registration No. 03739495 (England and Wales)

**URBAN RHYTHM LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**  
**PAGES FOR FILING WITH REGISTRAR**



**SOMERBYS LIMITED**  
**CHARTERED ACCOUNTANTS**  
**30 NELSON STREET**  
**LEICESTER**  
**LE1 7BA**

# URBAN RHYTHM LIMITED

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# URBAN RHYTHM LIMITED

## BALANCE SHEET

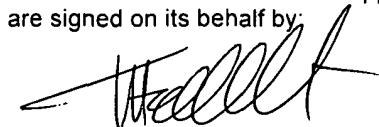
AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
<b>Current assets</b>					
Stocks		4,082,227		6,828,190	
Debtors	3	651,539		538,648	
Cash at bank and in hand		525,301		902,524	
		<u>5,259,067</u>		<u>8,269,362</u>	
<b>Creditors: amounts falling due within one year</b>	4	<u>(2,791,233)</u>		<u>(6,450,644)</u>	
<b>Net current assets</b>			2,467,834		1,818,718
<b>Creditors: amounts falling due after more than one year</b>	5		(70,884)		(106,326)
<b>Net assets</b>			<u>2,396,950</u>		<u>1,712,392</u>
<b>Capital and reserves</b>					
Called up share capital	6		2		2
Profit and loss reserves			<u>2,396,948</u>		<u>1,712,390</u>
<b>Total equity</b>			<u>2,396,950</u>		<u>1,712,392</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 14 May 2019 and are signed on its behalf by:



Mr T.R. Hazelton  
Director

Company Registration No. 03739495

# URBAN RHYTHM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

#### Company information

Urban Rhythm Limited is a private company limited by shares incorporated in England and Wales. The registered office is Estate Office, Rushton Hall, Rushton, Northamptonshire, NN14 1RR.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Turnover in relation to the sale of residential and other properties is recognised on legal completion.

#### 1.3 Stocks

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal levels of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Work in progress includes bank interest on site specific funding.

#### 1.4 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

# URBAN RHYTHM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Classification of financial liabilities**

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 company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### 1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# URBAN RHYTHM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

**1 Accounting policies** (Continued)

**1.7 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

**2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 2 (2017 - 2).

**3 Debtors**

	2018	2017
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	26,134	14,806
Amounts due from companies under common control	592,875	344,989
Other debtors	32,530	178,853
	<u>651,539</u>	<u>538,648</u>

**4 Creditors: amounts falling due within one year**

	2018	2017
	£	£
Bank loans and overdrafts	412,396	2,211,768
Trade creditors	844,336	693,054
Amounts due to group undertakings	121,566	1,041,294
Amounts due to companies under common control	1,025,093	2,127,672
Corporation tax	163,654	143,167
Taxation and social security	-	13,017
Other creditors	224,188	220,672
	<u>2,791,233</u>	<u>6,450,644</u>

Bank loans and overdrafts amounting to £412,396 (2017 - £2,211,768) are secured by fixed and floating charges over the company's assets.

**5 Creditors: amounts falling due after more than one year**

	2018	2017
	£	£
Other creditors	<u>70,884</u>	<u>106,326</u>

# URBAN RHYTHM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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### 6 Called up share capital

	2018	2017
	£	£
<b>Issued and fully paid</b>		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

### 7 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Alexander West FCA.  
The auditor was Somerbys Limited.

### 8 Financial commitments, guarantees and contingent liabilities

The company is party to a cross guarantee on the bank borrowings of companies under common control. At 31 August 2018 the total potential liability under this cross guarantee amounted to £11,985,254 (2017 - £11,659,482).

### 9 Parent company

During the current and preceding year, the ultimate parent company was H.I. Limited.