Georgica Limited

Financial statements

for the 52 week period ended 31 December 2017

Company registration number: 04039562

Directors, secretary and advisers

Directors:	Nick Basing Graham Blackwell Alan Hand Mark Willis George Sheppard
Company secretary:	George Sheppard
Registered office:	Aragon House Cranfield Technology Park, Cranfield, Bedford, MK43 0EQ Tel: 02034 410 700
Solicitors:	Bircham Dyson Bell LLP, 50 Broadway London, SW1H 0BL
Independent auditors:	PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors 1 Embankment Place, London, WC2N 6RH.
Company registration number:	04039562
Country of registration:	England and Wales

Strategic report

The directors present their Strategic Report for the 52 week period ended 31 December 2017.

Business review and future developments

Principal activities:

Georgica Limited (the "company") is the holding company for Georgica Holdings Limited and was for the tenpin bowling operations of Tenpin Limited before Tenpin Limited was sold to TEG Holdings Limited on 12 April 2017 as detailed in note 12. The gain on disposal of £70,782k has been reflected in the statement of changes in equity.

(Loss)/profit before tax:

The loss before tax for Georgica Limited was £3k (2016: profit of £141k) for the 52 week period ended 31 December 2017 and the financial position of the company as at 31 December 2017 consisted of net assets of £106,605k (1 January 2017: £35,830k).

Finance costs and income:

The finance costs decreased by £43k during the 52 week period ended 31 December 2017 to £1k while the finance income decreased by £187k from £187k in the 53 week ended 1 January 2017 to nil in the 52 week period ended 31 December 2017 due to the decrease in the intercompany receivable with Tenpin Limited.

Future outlook:

The company is an investment and holding company and is expected to assist the group with future acquisitions and investments

Principal risks and uncertainties:

The company has limited operational activity however any such activities rely on the company maintaining its current cash and cash equivalents as well as obtaining any potential funding from the ultimate parent company of the Group, Ten Entertainment Group plc. The company also has large intercompany receivables that gives rise to credit risk if these become impaired. As such, the principal risks and uncertainties which have been identified by management as facing Georgica Limited are the continued availability of its cash balances and funding from the Group as well as the continued strong position and performance of the related parties which the company has receivables with. These risks are mitigated by the new financing facilities with the Royal Bank of Scotland and the support level provided amongst the group companies by their parent companies and the ultimate parent, Ten Entertainment Group plc. Additional risks and uncertainties which are not currently known or are deemed immaterial may also have a material impact on the company.

Key performance indicators (KPI's):

Given the straightforward nature of the business, the directors are of the opinion that analysis using key performance indicators is not necessary in this report for understanding the development, performance, or position of the company.

Aragon House
Cranfield Technology Park,
Cranfield,
Bedford,
MK43 0EQ

07 August 2018

Approved by the board, and signed by order of the board

George Sheppard – Company secretary

Directors' report

The directors present their annual report on the affairs of the company, together with the audited financial statements for the 52 week period ended 31 December 2017.

Results and dividends

The results for the 52 week period ended 31 December 2017 are set out in the statement of comprehensive income. The loss for the year was £7k (2016: profit £141k).

The directors do not recommend the payment of a dividend (2016: do not recommend).

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Nick Basing	
Graham Blackwell	
Mark Carrick	(Resigned 4 December 2017)
Alan Hand	
Charles Freeman	(Resigned 28 February 2017)
Mark Willis	(Appointed 28 February 2017)
George Sheppard	(Appointed 4 December 2017)

There are no special arrangements for compensation payments on termination of any of the directors' contracts. All directors are responsible for their own pension arrangements. The directors are all covered by a Directors' and Officers' Liability Insurance policy maintained by the company with a qualifying third party insurance company which was maintained throughout the financial year and is still in place as at the date of the approval of these financial statements.

The future developments of the company are disclosed under the Strategic Report.

Financial instruments and risk management

The company has no fair value interest rate risk. Further information on risk management is disclosed under note 9 of the financial statements.

Independent Auditors and disclosure of information to auditors

PricewaterhouseCoopers LLP are the auditors of Georgica Limited.

For each of the persons who were directors at the time this report was prepared, the following applies:

(i) so far as the directors are aware, there is no relevant audit information (i.e. information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and

(ii) the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the forthcoming Annual General Meeting.

Going concern

The company has a net asset position that is primarily intercompany balances and therefore the going concern is reliant upon the credit strength of those balances. Credit risk relating to these balances is low due to the support level provided amongst the group companies by their parent companies and the ultimate parent, Ten Entertainment Group plc. The cash and cash equivalents held by the company are reviewed on a daily basis to ensure they have sufficient funds to cover any day to day trade payables that may arise. As the company has limited trading activity the liabilities that are expected to arise remain minimal and thus its going concern is ensured for at least the following 12 months as per current forecasts.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial 52 week period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006.

The directors are 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.

Aragon House
Cranfield Technology Park,
Cranfield,
Bedford,
MK43 0EQ

07 August 2018

Approved by the board, and signed by order of the board

George Sheppard – Company secretary

Report on the audit of the financial statements

Opinion

In our opinion, Georgica Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2017; the Statement of comprehensive income, the Statement of changes in equity for the 52 week period then ended; the accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the period ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

we have not received all the information and explanations we require for our audit; or

adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or

certain disclosures of directors' remuneration specified by law are not made; or

the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

John Ellis (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
07 August 2018

Statement of comprehensive income

for the 52 week period ended 31 December 2017

	Note	**52 weeks to 31 December 2017**	53 weeks to 1 January 2017 £000
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Other administrative expenses		(2)	(2)
Operating loss		(2)	(2)
Finance costs	1	**(1)**	(44)
Finance income	1	-	187
(Loss)/Profit before taxation	2	**(3)**	141
Taxation	2	**(4)**	-
(Loss)/Profit and total comprehensive (loss)/income for the year		(7)	141

The accompanying statements of accounting policies and notes on pages 10 to 19 are an integral part of these financial statements.

Balance sheet
as at 31 December 2017

	Note	31 December 2017 £000	1 January 2017 £000
Assets			
Non-current assets			
Investments	3	-	32,429
Deferred tax asset	8	**153**	157
		153	32,586
Current assets			
Trade and other receivables	4	**107,398**	4,190
Cash and cash equivalents	5	**64**	66
		107,462	4,256
Liabilities			
Current liabilities			
Trade and other payables	7	**(1,010)**	(1,012)
Net current assets		**106,452**	3,244
Net assets		**106,605**	35,830
Equity			
Share capital	6	**5,356**	5,356
Share premium		**27,602**	27,602
Other reserves		**189**	189
Retained earnings		**73,458**	2,683
Total equity		**106,605**	35,830

The accompanying statements of accounting policies and notes on pages 10 to 19 are an integral part of these financial statements. The financial statements on pages 7 to 19 were authorised for issue by the board of directors and authorised for issue on 07 August 2018 and were signed on its behalf by:

George Sheppard
Company registration number: 04039562

Statement of changes in equity
for the 52 week period ended 31 December 2017

	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance at 27 December 2015	**5,356**	**27,602**	**189**	**2,542**	**35,689**
Profit and total comprehensive income for the year	-	-	-	141	141
Balance at 1 January 2017	**5,356**	**27,602**	**189**	**2,683**	**35,830**
Loss and total comprehensive loss for the period	-	-	-	(7)	(7)
Capital contribution* (Note 3)	-	-	-	70,782	70,782
Balance at 31 December 2017	**5,356**	**27,602**	**189**	**73,458**	**106,605**

*The capital contribution relates to the sale of the company's interest in the entire share capital of Tenpin Limited to TEG Holdings Limited on 12 April 2017.

The accompanying statements of accounting policies and notes on pages 10 to 19 are an integral part of these financial statements. The company's other reserves at 31 December 2017 comprise a special capital reserve of £49,000 (2016: £49,000) and a capital redemption reserve of £140,000 (2016: £140,000). None of these reserves is distributable.

Statement of accounting policies

General information

Georgica Limited ("Georgica" or the "company") is a private company limited by shares incorporated and domiciled in the United Kingdom (England & Wales). The address of the registered office is Aragon House, Cranfield Technology Park, Cranfield, Bedford, MK43 0EQ. The company reports for a 52 week period which ended on 31 December 2017 (2016: 1 January 2017). The 52 week periods are determined with each week ending on a Sunday and thus the year end date and number of weeks will vary each year. A 53 week period was chosen last year so that the end date was closer to the end of December.

Statement of compliance

These Financial Statements have been prepared under the historical cost convention and in accordance with FRS 101 "Reduced Disclosure Framework" and in accordance with the Companies Act 2006 as applicable to companies using FRS101.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

a) . IAS 7, 'Statement of cash flows';
b) The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom for the 52 week period ended 31 December 2017.

The company is a subsidiary of Essenden Limited. The ultimate parent of the company is Ten Entertainment Group plc as a result of a re-organisation that completed on 12 April 2017 as per note 12.

The financial statements have been prepared on the going concern basis as explained in the Directors report on page 4. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Changes in accounting policy and disclosures

At the date of authorisation of the financial statements, certain new standards, amendments and interpretations to existing standards have been published and are either effective this period or are not yet effective. The company has not adopted early any of these pronouncements. The new standards, amendments and interpretations that are expected to be relevant to the company's financial statements this period and in the future are as follows:

IAS 7 'Statement of Cash Flows' introduces amendments to disclosures and is effective for periods beginning on or after 1 January 2017. The amendment introduces an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financial activities.

IAS 12 'Income Taxes' introduces amendments on the recognition of deferred tax assets for unrealised losses and is effective for periods on or after 1 January 2017. There has been no impact on the financial statements.

IFRS 12 'Disclosure of interests in other entities' has been amended to clarify the disclosure requirements of IFRS 12 and is effective for periods beginning on or after 1 January 2017. There has been no impact on the financial statements.

Changes in accounting policy and disclosures (continued)

IFRS 9 'Financial Instruments' (2009) and amendment IFRS 9 'Financial instruments' is effective for 1 January 2018 periods commencing on or after 1 January 2018. IFRS 9 is a replacement for IAS 39 'Financial Instruments' and covers 3 distinct areas. Phase 1 contains new requirements for the classification and measurement of financial assets and liabilities. Phase 2 relates to the impairment of financial assets and requires the calculation of impairment on an expected loss basis rather than the current incurred loss basis. Phase 3 relates to less stringent requirements for general hedge accounting. The Directors do not expect the adoption of this standard to have a material impact on the financial statements in future periods.

IFRS 15 'Revenue from Contracts with Customers', replaces IAS 18, 'Revenues', and introduces a 5-step approach to revenue recognition based on performance obligations in customer contracts. The International Accounting Standards Board (IASB) has proposed to issue some clarifications and to defer the standard's effective date of 1 January 2017 to 1 January 2018. The Directors do not expect the adoption of this standard to have a material impact on the financial statements in future periods.

IFRS 16 'Leases' sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer (lessee) and the supplier (lessor). IFRS 16 completes the IASB's project to improve the financial reporting of leases and replaces the previous leases Standard, IAS 17 'Leases', and related interpretations. The effective date for the Group is also subject to EU endorsement. The Directors do not expect the adoption of this standard to have a material impact on the financial statements in future periods.

Critical accounting estimates and judgments

The preparation of financial statements requires the use of accounting estimates, and requires management to exercise judgment in the process of applying the company's accounting policies. Accounting estimates are based on historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily available from other sources.

The principal balance sheet accounts affected by judgment are investments (affected by impairment assessments) and deferred tax. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

Functional currency

The financial information in this report is presented in sterling, the functional currency of the company, rounded to the nearest thousand.

Investments

Investments are stated at cost less any provision for impairment in value.

Trade and other receivables

Trade and other receivables are initially recognised at cost and then subsequently measured at amortised cost.

Financial assets
The company classifies its financial assets as loans and receivables and cash and cash equivalents as they comprise non-derivative financial assets with fixed or determinable payments – loans and receivables are classified as "trade and other receivables" in the balance sheet.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Trade and other payables
Trade and other payables are initially recognised at fair value and subsequently held at amortised cost.

Tax
The tax charge comprises current tax payable and deferred tax. The current tax charge represents an estimate of the tax payable in respect of the company's taxable profits and is based on an interpretation of existing tax laws.

As required by IAS 12 (revised), the company provides deferred income tax using the balance sheet liability method on all temporary differences between the tax bases of assets and liabilities and their carrying values at the balance sheet date. Deferred income tax assets and liabilities so recognised are determined using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are based on the expected manner of realisation or settlement of the carrying amount of the assets or liabilities. Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is not recognised in respect of the initial recognition of an asset or liability acquired in a transaction which is not a business combination and at the time of the transaction does not affect accounting or taxable profits. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Segment reporting
A segment is a distinguishable component of the group that is engaged either in providing products or services (business segment). The company wholly operates within the United Kingdom.

Statement of accounting policies
(Continued)

Dividends

Dividends receivable are recognised when the right to receive the dividend is established, which is generally when the dividend is received. Dividends payable are recognised when the directors declare a dividend.

1 Finance income and costs

	52 week period ended 31 December 2017 £000	53 week period ended 1 January 2017 £000
Finance income		
Related party interest income	-	187
Finance costs		
Related party loans	-	(43)
Bank charges and other finance costs	(1)	(1)
Total finance costs	(1)	(44)

The company's audit fees of £2k in 2017 and 2016 were borne by Tenpin Limited. The directors receive no emoluments and all key management positions are held by executive directors of Ten Entertainment Group plc and accordingly, no further disclosure of key management remuneration is deemed necessary. The company has no employees (2016: nil)

2 Taxation

Recognised in the income statement:

	52 week period ended 31 December 2017 £000	53 week period ended 1 January 2017 £000
Current tax:		
Tax on profits for the year	-	-
Deferred tax:		
Change in tax rate to 19% effective 1 April 2017	4	-
Total tax charge recognised in the income statement (note 8)	4	-

The tax on the company's (loss)/profit before tax differs (2016: differs) from the theoretical amount that would arise using the standard rate of tax in the UK of 19.24% (2016: 20%). The differences are explained below.

	52 week period ended 31 December 2017 £000	53 week period ended 1 January 2017 £000
(Loss)/profit before taxation	(3)	141
Tax using the UK corporation tax rate of 19.24% (2016: 20%)	(1)	28
Utilisation of tax losses	1	(28)
Change in tax rate to 19% effective 1 April 2015	4	-
Total tax charge recognised in the income statement	4	-

The Finance Bill 2015 included legislation to reduce the main rate of corporation tax to 19% for the financial years beginning 1 April 2017, 1 April 2018 and 1 April 2019, and at 17% for the financial year beginning 1 April 2020. These changes had been substantively enacted at the balance sheet date and consequently are included in these financial statements by using a blended rate of 19% which has been used to determine the overall net deferred tax liability, as the temporary differences are expected to reverse at the various rates over those periods.

3 Investments

	Subsidiaries shares £000
At 2 January 2017	32,429
Disposal of investment in Tenpin Limited	(32,429)
At 31 December 2017	-

As part of the Group restructure outlined in note 12, Georgica Limited sold its interest in the entire share capital of Tenpin Limited to TEG Holdings Limited on 12 April 2017.

The capital contribution as reflected in the following table is disclosed under the statement of changes in equity.

	£000
Value of investment in Tenpin Limited	32,429
Consideration for sale of Tenpin Limited	(103,211)
Capital contribution from disposal of investment	**(70,782)**

	Country of registration	Country of incorporation and operation	Principal activity	Percentage of ordinary shares held
Companies owned directly by Georgica Limited				
Georgica Holdings Limited	England & Wales	Great Britain	Holding Company	100%
Companies owned indirectly by Georgica Limited				
Georgica (Lewisham) Limited *	England & Wales	Great Britain	Dormant	100%
GNU 5 Limited *	England & Wales	Great Britain	Dormant	100%

* These companies are all directly held subsidiaries of Georgica Holdings Limited.

The registered office of the company and the companies it has investments in tabled above is Aragon House, Cranfield Technology Park, Cranfield, Bedford, MK43 0EQ.

4 Trade and other receivables

Current receivables	31 December 2017 £000	1 January 2017 £000
Other receivables	**1**	7
Amounts owed by related parties	**107,397**	4,183
	107,398	4,190

All of the above balances are classified as loans and receivables. Amounts owed by Ten Entertainment Group plc undertakings/related parties are commercial loans and are unsecured.

5 Cash and cash equivalents

	31 December 2017 £000	1 January 2017 £000
Cash and cash equivalents	64	66

All floats, cash and bank account balances are classified as cash and cash equivalents.

6 Share capital

	31 December 2017 £000	1 January 2017 £000
Authorised share capital		
130,000,000 (2016: 130,000,000) ordinary shares of 5p each	6,500	6,500
	6,500	6,500
Allotted, called up and fully paid share capital		
107,125,000 (2016: 107,125,000) ordinary shares of 5p each	5,356	5,356
	5,356	5,356

7 Trade and other payables

	31 December 2017 £000	1 January 2017 £000
Amounts owed to related parties	954	954
Accruals	56	58
	1,010	1,012

Amounts due to group undertakings/related parties are commercial loans repayable on demand and are classified as financial liabilities at amortised cost and are unsecured.

8 Deferred tax asset

Deferred tax assets are attributable to the following:

	Assets	
	31 December 2017	1 January 2017
	£000	£000
Capital allowances	**153**	157

The deferred tax asset represents a capital allowance pool in excess of the net book value of property, plant and equipment. The tax effect of the carry forward capital allowances has been recognised as it is expected that there will be future group taxable profits available against which these tax allowances can be group relieved more than twelve months after the reporting period.

Movement in deferred tax during the 52 week period ended 31 December 2017:

	2 January 2017	Recognised in income statement	Recognised in equity	**31 December 2017**
	£000	£000	£000	**£000**
Capital allowances	157	(4)	-	**153**

Movement in deferred tax during the year ended 1 January 2017:

	28 December 2015	Recognised in income statement	Recognised in equity	**1 January 2017**
	£000	£000	£000	**£000**
Capital allowances	157	-	-	**157**

The company is estimated to have carry-forward tax losses of £8.9m (2016: £8.7m). However, no deferred tax asset is recognised in respect of these losses as it is not probable that future taxable profits will be available against which these temporary differences can be utilised. The potential deferred tax asset of £1.7m (2016: £1.7m) on these losses is the only unprovided deferred tax.

9 Financial instruments

The company's principal financial instruments comprise cash and short-term deposits, loans due to and from group companies. The company has various other financial instruments such as receivables and payables that arise directly from its activities. All the company's financial instruments are denominated in £ sterling. The carrying value of all the company's financial instruments approximates fair value and they are classified as bank balances, payables and receivables with the financial liabilities measured at amortised cost

Financial risk management:

Cash flow and fair value interest rate risk

As at the period end, the Ten Entertainment Group plc borrowed in sterling on its Royal Bank of Scotland facilities, which were linked to LIBOR plus a margin of 1.75%. As per note 12, there was a group re-organisation and change in the loan facilities.

9 Financial instruments (continued)

Credit risk

The company is exposed to minimal credit risk. Cash and cash equivalents are held with a bank with a strong financial history and loans and receivables are held with related parties with good credit ratings and thus no balances have been impaired.

Liquidity risk

The company's cash position and cash flow forecasts are reviewed by management on a daily basis.

Currency risk

The company has no material exposure to currency risk.

Capital risk management

The company's capital management objectives are to ensure the company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk. The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the balance sheet.

	31 December 2017 £000	1 January 2017 £000
Total equity	**106,605**	35,830
Cash and cash equivalents (note 5)	**(64)**	(66)
Capital	**106,541**	35,764
Total financing	**106,541**	35,764
Bank borrowings	**-**	-
Overall financing	**106,541**	35,764
Capital to overall financing ratio	**100%**	100%

10 Capital commitments

The company had no capital commitments which were contracted for but not provided for at 31 December 2017 or at 1 January 2017.

11 Related party transactions

The company has taken advantage of the exemptions granted by paragraph 3(c) of FRS 8, Related Party Disclosures, not to disclose transactions with Ten Entertainment Group companies and interests of the Group who are related parties.

12 Group Re-organisation

On 12 April 2017 a group re-organisation was completed where by Ten Entertainment Group plc became the ultimate parent of the company and Indoor Bowling Equity Limited, the previous controlling party, became a subsidiary of Ten Entertainment Group plc. Georgica Limited also sold its interest of the entire share capital of Tenpin Limited to TEG Holdings Limited, a wholly owned subsidiary of Ten Entertainment Group plc. Due to the re-organisation the previous bank financing was paid and a new senior facilities agreement set up with the Royal Bank of Scotland (RBS) under TEG Holdings Limited consisting of a £15m Revolving Credit Facility and a £5m Accordion Facility.

13 Ultimate parent undertaking

As at the period end the immediate parent company was Essenden Limited and the ultimate parent company and controlling party was Ten Entertainment Group plc after a group restructure on 12 April 2017 explained in note 12, prior to this the ultimate parent company and controlling party was Indoor Bowling Equity Limited. Ten Entertainment Group plc is a company incorporated in England and Wales and whose consolidated financial statements are available at Aragon House, Cranfield Technology Park, Cranfield, Bedford, MK43 0EQ. Ten Entertainment Group plc is the only company to prepare consolidated financial statements.