

TTS Properties Limited

Report and Financial Statements

31 December 2018

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COMPANIES HOUSE

Directors

I Mahoney
J Penny
S Shah
C Waggett

Registered Number

04055091

Registered Office

16-19 Canada Square
London
E14 5ER

Auditor

Ernst & Young LLP
1 More London Place
London SE1 2AF

Directors' report

The directors present their report and financial statements for the year ended 31 December 2018.

The principal activity of the Company is acting as a landlord.

Results and dividends

The profit for the year after taxation amounted to £77,338 (2017: loss of £35,399). The directors do not recommend a dividend (2017: £nil).

Directors

The directors who served the company during the year and to the date of approving these financial statements for issue are stated on page 1.

Going concern

Going concern is assessed at a group level as treasury is managed on a group basis. In preparing the Group and the Company's financial statements management has drawn up forecasts based on expected working capital requirements and expected capital projects of the Group as a whole. These indicate that the Group will have sufficient cash and operate with a satisfactory level of headroom against the covenants in its loan facilities.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months and for the foreseeable future thereafter. In reaching this conclusion the directors note that the balances due to related parties will not be called upon within the next twelve months. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual reports and financial statements.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, the directors have taken all the steps they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to reappoint Ernst & Young LLP as auditor will be put to the members at the Annual General Meeting.

Qualifying third party indemnity provisions

Qualifying third party indemnity provisions for the benefit of the directors were in force during the year and since the year end.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the Board



Samir Shah

Director

Date 24 May 2019

Directors' responsibilities statement

The directors are responsible for preparing the report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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. They 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.

Independent auditors' report

to the members of TTS Properties Limited

Opinion

We have audited the financial statements of TTS Properties Limited (the 'company') for the year ended 31 December 2018, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditors' report (continued)

to the members of TTS Properties Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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.

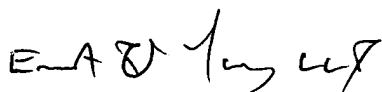
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditors' report (continued)

to the members of TTS Properties Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Zishan Nur Mohamed (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date

26/05/2019

Statement of Comprehensive Income

for the year ended 31 December 2018

	Notes	2018 £	2017 £
Turnover	4	909,288	775,488
Administrative expenses		(797,950)	(792,089)
Operating Profit/(loss)	5	111,338	(16,601)
Interest payable and similar charges		(24,000)	(24,000)
Profit/(loss) before taxation		87,338	(40,601)
Tax	9	(10,000)	76,000
Profit for the year		77,338	35,399
Other comprehensive income		-	-
Total comprehensive income		<u>77,338</u>	<u>35,399</u>

Results of the current and prior years were generated from continuing operations.

Balance Sheet

at 31 December 2018

		2018		2017	
	Notes	£	£	Restated	£
Fixed assets					
Tangible assets	10	<u>1,163,365</u>		<u>1,260,603</u>	
		1,163,365		1,260,603	
Current assets					
Debtors	11	<u>1,253,311</u>	<u>958,180</u>		
		1,253,311	958,180		
Creditors: amounts falling due within one year	12	<u>(1,272,820)</u>	<u>(988,265)</u>		
Net current liabilities			<u>(19,509)</u>		<u>(30,085)</u>
Total assets less current liabilities			1,143,856		1,230,518
Creditors: amounts falling due after one year	13		(155,885)		(329,885)
Provisions for liabilities					
Deferred taxation	9	(72,000)	(62,000)		
Other	14	<u>(160,000)</u>	<u>(160,000)</u>		
			(232,000)		(222,000)
Net assets			<u>755,971</u>		<u>678,633</u>
Capital and reserves					
Called up share capital	15		2		2
Profit and loss account			<u>755,969</u>		<u>678,631</u>
Shareholders' funds			<u>755,971</u>		<u>678,633</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 May 2019



Samir Shah
Director

Statement of Changes in Equity

for the year ended 31 December 2018

	<i>Called up share capital</i>	<i>Profit and loss account</i>	<i>Total equity</i>
	£	£	£
At 1 January 2017	2	643,232	643,234
Profit for the year	-	35,399	35,399
At 31 December 2017	2	678,631	678,633
Profit for the year	-	77,338	77,338
At 31 December 2018	2	755,969	755,971

Notes to the financial statements

at 31 December 2018

1. General information

TTS Properties Limited is a private company limited by shares and incorporated in England and Wales, with registration number 04055091.

The address of its registered office is 16-19 Canada Square, London, E14 5ER.

The principal activity of the Company during the year was the operation of health clubs.

2. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with 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 FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The comparative balance sheet was restated by £172,561 to reflect a reclassification between amounts owed by group companies and accruals and deferred income. There was no impact to results for the year or net assets.

The following principal accounting policies have been applied:

Financial reporting standard 102 – reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”:

- the requirement of Section 3 Financial Statement Presentation paragraph 3.17 (d);
- the requirement of Section 4 Statement of Financial Position paragraph 4.12 (a) (iv);
- the requirement of Section 7 Cash Flows;
- the requirement of Section 11 Financial Instruments paragraphs 11.41(b), 11.41 (c), 11.41 (e), 11.41 (f), 11.42, 11.44, 11.45, 11.47, 11.48 (a)(iii), 11.48(a)(iv), 11.48 (b), and 11.48 (c);
- the requirement of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29 (a), 12.29 (b) and 12.29A;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Gordons96 Limited for the year ended 31 December 2018 and these financial statements may be obtained from Companies House.

Notes to the financial statements

at 31 December 2018

2. Accounting policies (continued)

Going concern

Going concern is assessed at a group level as treasury is managed on a group basis. In preparing the Group and the Company's financial statements management has drawn up forecasts based on expected working capital requirements and expected capital projects of the Group as a whole. These indicate that the Group will have sufficient cash and operate with a satisfactory level of headroom against the covenants in its loan facilities.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months and for the foreseeable future thereafter. In reaching this conclusion the directors note that the balances due to related parties will not be called upon within the next twelve months. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual reports and financial statements.

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from the provision of services represents rent receivable and is recognised on a straight-line basis over the term of the underlying lease.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Long term leasehold property – Over the duration of the lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Notes to the financial statements

at 31 December 2018

2. Accounting policies (continued)

Impairment

At each reporting date, the Company reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are immediately recognised in the statement of comprehensive income.

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.

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.

Creditors

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

Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Notes to the financial statements

at 31 December 2018

2. Accounting policies (continued)

Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

3. Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The key judgement as determined by the directors is:

Useful economic lives of non-current assets

The annual depreciation and amortisation charges for non-current assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The assessment of useful economic lives and residual values is determined to be a critical accounting judgement and is re-assessed annually. They are amended when necessary to reflect current estimates based on technological advancements, future investments, economic utilisation and the physical condition of the assets. Tangible fixed assets are set-out in note 10.

Notes to the financial statements

at 31 December 2018

4. Turnover

An analysis of turnover by geographical market is given below:

	2018	2017
	£	£
Rent receivable	<u>909,288</u>	<u>775,488</u>

All turnover arose within the United Kingdom.

5. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets	97,238	98,759
Operating lease rentals	<u>668,015</u>	<u>631,157</u>

6. Employees

The Company has no employees other than directors.

7. Directors' emoluments

No remuneration was paid or is payable to the directors in their capacity as directors of the Company (2017: £Nil). The directors are also directors of a fellow group undertaking, The Third Space Group Limited, who paid the directors emoluments and pension contribution of £651,731 (2017: £622,090) in respect of services to the Group of which the Company is a member.

It is not possible to identify the proportion of these emoluments that relate to services to this company.

Amounts paid on a group basis are summarised below:

	2018	2017
	£	£
Directors' emoluments	633,050	605,090
Company contributions to defined contribution pension schemes	18,681	17,000
	<u>651,731</u>	<u>622,090</u>

During the year retirement benefits were accruing to 2 directors (2017: 1) in respect of defined contributions.

The highest paid director received remuneration of £236,200 (2017: £204,078).

No pension contributions were made in respect of the highest paid director (2017: £Nil).

Notes to the financial statements

at 31 December 2018

8. Interest payable and similar charges

	2018	2017
	£	£
Other loan interest payable	<u>24,000</u>	<u>24,000</u>

9. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2018	2017
	£	£
Corporation tax:		
Current tax on profit for the year	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	10,000	3,980
Adjustments in respect of previous periods	-	(79,980)
Total deferred tax	<u>10,000</u>	<u>(76,000)</u>
Taxation on profit/(loss) on ordinary activities	<u>10,000</u>	<u>(76,000)</u>

(b) Factors affecting the current tax charge for the year

The tax assessed for the year is lower than (2017: higher than) the standard rate of corporation tax in the UK of 19 (2017: 19.25%). The differences are explained below:

	2018	2017
	£	£
Profit/(loss) on ordinary activities before tax	<u>87,338</u>	<u>(40,601)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	16,595	(7,815)
Effects of:		
Expenses not deductible for tax purposes	1,466	2,020
Adjustments to tax charge in respect of prior periods	-	(79,980)
Rate change adjustment	(1,257)	(9,020)
Group relief	(6,804)	18,795
Total tax charge for the year	<u>10,000</u>	<u>(76,000)</u>

Notes to the financial statements

at 31 December 2018

9. Tax (continued)

(a) Deferred tax

	2018	2017
		£
At 1 January	62,000	138,000
Prior year adjustment	-	(79,980)
Charged to profit or loss	10,000	3,980
At 31 December	<u>72,000</u>	<u>62,000</u>

The provision for deferred taxation is made up as follows:

	2018	2017
	£	£
Accelerated capital allowances	<u>72,000</u>	<u>62,000</u>

No significant net reversal of the above amounts is expecting during the following accounting period.

(b) Factors that may affect future tax charges

The Finance Act 2016, which was enacted on 15 September 2016 included legislation to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017. A further reduction in the UK corporation tax rate to 17% from 1 April 2020 was also included in the Finance Act 2017 and consequently deferred tax has been recognised at a rate of 17%.

10. Tangible fixed assets

	<i>Long term leasehold property</i>
	£
Cost or valuation:	
At 1 January 2018	1,542,753
Additions	-
At 31 December 2018	<u>1,542,753</u>
Depreciation:	
At 1 January 2018	282,150
Charge for the year	97,238
At 31 December 2018	<u>379,388</u>
Net book value:	
At 31 December 2018	<u>1,163,365</u>
At 1 January 2018	<u>1,260,603</u>

Notes to the financial statements

at 31 December 2018

11. Debtors

	2018	2017
	£	£
Due after more than one year		
Other debtors	328,701	352,701
Due within one year		
Trade debtors	-	5,500
Amounts owed by group undertakings	699,513	390,573
Other debtors	58,093	24,000
Prepayments and accrued income	167,004	185,406
	<u>1,253,311</u>	<u>958,180</u>

12. Creditors: amounts falling due within one year

	2018	2017
	£	<i>Restated</i> £
Other loans	174,000	174,000
Trade creditors	14,638	51,231
Amounts owed to group undertakings	781,334	561,135
Accruals and deferred income	302,848	201,899
	<u>1,272,820</u>	<u>988,265</u>

13. Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Other loans	<u>155,885</u>	<u>329,885</u>

Other loans are repayable in equal quarterly instalments of £43,500, resulting in an effective interest rate of 5.2% on the initial sum.

14. Provisions

	<i>Dilapidation</i> £
At 1 January 2018	160,000
At 31 December 2018	<u>160,000</u>

Dilapidation provision

The provision represents the estimated cost of rectifications under the full repairing leases.

Notes to the financial statements

at 31 December 2018

15. Issued share capital

	2018	2017
<i>Allotted, called up and fully paid</i>	£	£
1 Ordinary L share of £1	1	1
1 Ordinary S share of £1	1	1
	<u>2</u>	<u>2</u>

Ordinary L and S shares carry full voting, dividends and capital distribution (including winding up) rights. There are no material differences in rights attaching to both types of share.

16. Other financial commitments

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£	£
Not later than 1 year	668,015	668,015
Later than 1 year and not later than 5 years	2,672,060	2,672,060
Later than 5 years	5,678,128	6,346,143
	<u>9,018,203</u>	<u>9,686,218</u>

17. Related party transactions

In accordance with the exemption under Section 33 of Financial Reporting Standard 102, the company does not disclose transactions with other wholly-owned companies within the Encore VIII group.

18. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is The Third Space Group Limited.

The parent undertaking of the smallest group for which consolidated financial statements are drawn up that include the results of the Company is Third Space Holdings Limited, incorporated in England and Wales. The parent undertaking of the largest group for which consolidated financial statements are drawn up that include the results of the Company is Gordons96 Limited, incorporated in England and Wales. Copies of these group financial statements are available from Companies House.

The directors consider the ultimate parent and controlling party of the Company to be Encore Capital VIII Limited.