Registration number: 06590299

David Lloyd Leisure Properties No.4 Limited

Annual Report and Financial Statements

for the Year Ended 3 January 2018

David Lloyd Leisure Properties No.4 Limited

Contents

David Lloyd Leisure Properties No.4 Limited

Company Information

Directors	PJ Guyer MA Stephens PJ Burrows
Registered office	The Hangar Mosquito Way Hatfield Business Park Hatfield Hertfordshire AL10 9AX
Registered Number	06590299
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditor St Albans AL1 3JX
Bankers	Bank of Scotland London Chief Office PO BOX 54873 London SW1Y 5WX

David Lloyd Leisure Properties No.4 Limited

Strategic Report for the Year Ended 3 January 2018

The directors present their strategic report for the year ended 3 January 2018.

Principal activities
The principal activity of the company is as a commercial property investment company. The directors consider the financial position at 3 January 2018 to be satisfactory.

Strategy
The Deuce Acquisitions Limited group's (the "Group") vision, values, brand, strategy and business model are disclosed within the annual report of Deuce Acquisitions Limited on pages 2 to 4.

Key performance indicators
The Directors monitor the performance of the business on a Group basis. Key financial and other performance indicators are disclosed within the annual report of Deuce Acquisitions Limited on page 4. The Group's annual report can be obtained from The Hangar, Mosquito Way, Hatfield, Hertfordshire, AL10 9AX. The Company's directors believe that analysis using the key performance indicators for the Company alone is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company.

Review of the business
The Company earns rental income from its investment property (Cheam). Revenue for the year of £1m is consistent against prior year. The Company earned interest of £3.9m (2016: £4.0m) on amount due from group undertakings and incurred interest of £3.4m (2016: £3.8m) on amounts due to group undertakings. The Company achieved a profit for the financial year of £1.4m (2016: £3.0m). The reduction was due to the Company recognising a profit on disposal of £1.4m on the sale of the investment properties in the prior year. Net assets have increased to £23.6m (2016: £22.2m) reflecting the profit recognised in the year. The Company has paid no dividends during the year and the Directors do not recommend the payment of a final dividend (2016: £nil).

Going concern
In preparing the Group's financial statements management has drawn up forecasts based on expected working capital requirements and expected capital projects. 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 Group and Company has adequate resources to continue in operational existence for at least twelve months and for the foreseeable future thereafter. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual reports and financial statements.

Principal risks and uncertainties
The Group is exposed to a variety of financial risks. The board is responsible for identifying financial risks and for agreeing and reviewing policies to manage these risks. The most important components of financial risk impacting the Group are disclosed on pages 11 to 12 of the financial statements of Deuce Acquisitions Limited. The Company's activities expose it to limited financial risks, including market risk. There is limited cash flow or credit risk since the only transactions and balances are with an intercompany party.

Future developments
Going forward the Company will continue to earn rental income from its remaining investment property.

Approved by the Board on 17 August 2018 and signed on its behalf by:

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PJ Burrows
Director

David Lloyd Leisure Properties No.4 Limited

Directors' Report for the Year Ended 3 January 2018

The directors present their annual report and the financial statements for the year ended 3 January 2018. Matters relating to the performance of the Company, principal risks and uncertainties, and future developments are contained in the Strategic Report on page 2.

The Company is a private company limited by shares, registered in England and Wales. The address of the registered office is shown on page 1.

Dividends
The directors do not recommend the payment of a final dividend (2016: £nil).

Political and charitable donations
The company made no political or charitable donations during the financial year (2016: £nil).

Directors of the Company
The directors who held office during the year, except as noted, and up to date of signing the financial statements are given below;

PJ Guyer
MA Stephens
PJ Burrows (appointed 1 December 2017)
SA Lloyd (resigned 31 December 2017)
IMB Harris (resigned 31 December 2017)

None of the directors serving at the year end had an interest in the share capital of the Company.

Directors liabilities
The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the financial year and also at the date of approving the Directors' report.

Statement of Directors' Responsibilities
The directors are responsible for preparing the Annual 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 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.

David Lloyd Leisure Properties No.4 Limited

Directors' Report for the Year Ended 3 January 2018 (continued)

Disclosure of information to the auditors
Each of the persons who is a Director at the date of approval of this report confirms that:

• so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
• the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Reappointment of independent auditors
The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and appropriate arrangements have been put in place concerning their re-appointment in the absence of an Annual General Meeting.

Approved by the Board on 17 August 2018 and signed on its behalf by:

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PJ Burrows
Director

David Lloyd Leisure Properties No.4 Limited

Independent Auditors' Report to the members of David Lloyd Leisure Properties No. 4 Limited

Report on the audit of the financial statements

Opinion

In our opinion, David Lloyd Leisure Properties No.4 Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 3 January 2018 and of its profit for the year 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 Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 3 January 2018; the Income Statement, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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.

Independent Auditors' Report to the members of David Lloyd Leisure Properties No. 4 Limited (continued)

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 year ended 3 January 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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 3, 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.

Independent Auditors' Report to the members of David Lloyd Leisure Properties No. 4 Limited (continued)

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.

Matthew Mullins (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors

St Albans

Date: 17 August 2018

David Lloyd Leisure Properties No.4 Limited

Income Statement for the Year Ended 3 January 2018

	Note	2018 £ 000	2017 £ 000
Revenue	4	1,029	1,059
Administrative expenses	5	(138)	(120)
Gain on disposal	5	-	1,418
Operating profit		891	2,357
Interest receivable and similar income	7	3,934	3,970
Interest payable and similar expenses	8	(3,384)	(3,797)
Profit before taxation		1,441	2,530
Tax on profit	10	2	496
Profit for the financial year		1,443	3,026

The above results were derived from continuing operations.

The Company has no other comprehensive income or expense other than the results above, and therefore no separate Statement of Comprehensive Income is presented.

The notes on pages 11 to 19 form an integral part of these financial statements.

David Lloyd Leisure Properties No.4 Limited

(Registration number: 06590299)
Statement of Financial Position as at 3 January 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Investment properties	11	5,604	5,615
Current assets			
Trade and other receivables	12	116,760	112,002
Lease straight-line asset		1,598	1,501
		118,358	113,503
Total assets		123,962	119,118
Creditors: Amounts falling due within one year			
Trade and other payables	14	(100,127)	(96,724)
Deferred tax liability	10, 13	(202)	(204)
Creditors: Amounts falling due within one year		(100,329)	(96,928)
Net current assets		18,029	16,575
Net assets		23,633	22,190
Capital and reserves			
Called up share capital	15	-	-
Share premium account		776	776
Capital contribution reserve		90,746	90,746
Profit and loss account		(67,889)	(69,332)
Total shareholders' funds		23,633	22,190

Approved by the Board on 17 August 2018 and signed on its behalf by:

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PJ Burrows

Director

The notes on pages 11 to 19 form an integral part of these financial statements.

David Lloyd Leisure Properties No.4 Limited

Statement of Changes in Equity for the Year Ended 3 January 2018

	Called up share capital £ 000	Share premium account £ 000	Capital contribution reserve £ 000	Profit and loss account £ 000	Total shareholders' funds £ 000
At 4 January 2017	-	776	90,746	(69,332)	22,190
Profit for the financial year	-	-	-	1,443	1,443
At 3 January 2018	**-**	**776**	**90,746**	**(67,889)**	**23,633**

	Called up share capital £ 000	Share premium account £ 000	Capital contribution reserve £ 000	Profit and loss account £ 000	Total shareholders' funds £ 000
At 4 January 2016	-	776	90,746	(72,358)	19,164
Profit for the financial year	-	-	-	3,026	3,026
At 3 January 2017	-	776	90,746	(69,332)	22,190

1 General information

The Company is a private company limited by share capital incorporated and domiciled in United Kingdom.

The address of the Company's registered office is shown on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 2.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation
The financial statements have been prepared in accordance with Financial Reporting Standard 101, ''Reduced Disclosure Framework'' (FRS 101) and the Companies Act 2006 as applicable to companies using FRS 101. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The financial statements are presented in pounds sterling, which is the currency of the economic environment in which the Company operates (its functional currency).

As permitted by FRS101, the Company has taken advantage of the disclosure exemptions available in relation to presentation of a cash flow statement, standards not yet effective, business combinations, non-current assets held for sale, presentation of comparative information in respect of certain assets, impairment of assets and related party transactions. Where relevant, equivalent disclosures can be found in the consolidated financial statements of the Group.

Details of the parent company and the availability of the consolidated financial statements are in Note 19.

Going concern
In preparing the Group's financial statements management has drawn up forecasts based on expected working capital requirements and expected capital projects. 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 Group and Company has adequate resources to continue in operational existence for at least twelve months and for the foreseeable future thereafter. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual reports and financial statements.

Revenue recognition
Turnover represents rental income, net of value added tax, which is recognised over the term of the lease on a straight-line basis, allowing for inflationary increases.

2 Accounting policies (continued)

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Tax

The tax expense for the period comprises current tax and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred 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 tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities and there is an intention to settle the balances on a net basis.

Investment property

The property held by the Company is occupied by other group companies, although it still meets the requirements of IAS40 to be classified as investment property as it is held to derive rental income. Property is held at cost, with the buildings element being depreciated over 50 years to a residual value of 80%. The land element is not depreciated.

Financial liabilities

Classification

Financial liabilities can be classified as 'fair value through profit and loss' or held at amortised cost. All are initially recognised at fair value, and in the case of loans and receivables, net of any transaction costs. The Company only holds financial liabilities at fair value.

Recognition and measurement

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

2 Accounting policies (continued)

Financial assets

Classification
All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'Held to maturity' (HTM), 'Available for Sale' (AFS) and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Company holds only loans and receivables.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Recognition and measurement
Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, including finance lease receivables, objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

2 Accounting policies (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3 Critical accounting judgements and key sources of estimation uncertainty

There were no critical judgements applied to the Company during the year (2016: none).

4 Revenue

The analysis of the company's revenue for the year from continuing operations by class of business is as follows:

	Year ended 3 January 2018 £ 000	Year ended 3 January 2017 £ 000
Rental income from investment property	933	939
Lease straight line income	96	120
	1,029	1,059

All revenue is earned in the single country of operation and therefore no geographical split is presented. All revenue is derived from within the David Lloyd Leisure group, of which the Company is a part.

5 Operating profit

Arrived at after charging/(crediting)

	Year ended 3 January 2018 £ 000	Year ended 3 January 2017 £ 000
Depreciation expense	11	12
Gain on disposal	-	(1,418)
Operating lease expense - property	122	124
Monitoring fees	4	5

The Gain on disposal arose on the sale of 125 year leases to both David Lloyd Leisure GR Limited, another group company, and to a third party.

6 Auditors' remuneration

Auditors' remuneration in respect of the Company's annual financial statements for the year ended 3 January 2018 of £5,000 (3 January 2017: £5,000) was borne by another group undertaking.

7 Interest receivable and similar income

	Year ended 3 January 2018 £ 000	Year ended 3 January 2017 £ 000
Interest receivable from other group companies	3,934	3,970

8 Interest payable and similar expenses

	Year ended 3 January 2018 £ 000	Year ended 3 January 2017 £ 000
Interest payable to other group companies	(3,384)	(3,797)

9 Directors' remuneration

The directors did not receive any emoluments in respect of their services to the Company (2016: £nil). The Company has no employees other than the directors.

10 Tax on profit

Tax (credited)/charged in the income statement

	Year ended 3 January 2018 £ 000	Year ended 3 January 2017 £ 000
Current taxation		
	-	-
Deferred taxation		
Prior year adjustment	-	54
Current year credit	(2)	(550)
Total deferred taxation	(2)	(496)
Tax credit in the income statement	(2)	(496)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2016 - lower than the standard rate of corporation tax in the UK) of 19.25% (2016: 20%).

The differences are reconciled below:

10 Tax on profit (continued)

	Year ended 3 January 2018 £ 000	Year ended 3 January 2017 £ 000
Profit before tax	1,441	2,530
Corporation tax at standard rate	277	506
Permanent differences arising on sale of fixed assets	-	(839)
Group relief claimed for no payment	(198)	(186)
Prior year adjustment	-	54
Utilisation of unrecognised losses	(244)	(21)
Effect of change in corporation tax rate	-	(12)
Effect of expense not deductible in determining taxable profit	163	2
Total tax credit	(2)	(496)

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

11 Investment properties

	2018 £ 000
Cost	
At 4 January 2017	5,652
At 3 January 2018	5,652
Accumulated depreciation	
At 4 January 2017	37
Charge for the year	11
At 3 January 2018	48
Carrying amount	
At 3 January 2018	5,604
At 3 January 2017	5,615

12 Trade and other receivables

	2018 £ 000	2017 £ 000
Loans to group undertakings	116,538	111,970
Accrued income	7	11
Prepayments	74	21
Other receivables	141	-
	116,760	112,002

Other receivables are in respect of VAT.

The intercompany debtor is repayable on demand and earns interest on an arm's length basis of 3.45% for the year ended 3 January 2018 (3 January 2017: 3.45%).

13 Deferred tax liability

Deferred tax movement during the prior year:

	At 4 January 2016 £ 000	Recognised in income £ 000	At 3 January 2017 £ 000
Deferred tax liability	(700)	496	(204)

Deferred tax movement during the current year:

	At 4 January 2017 £ 000	Recognised in income £ 000	At 3 January 2018 £ 000
Deferred tax liability	(204)	2	(202)

Deferred tax is recognised on the timing differences between amounts recognised in the financial statements and amounts recognised in the tax computations. Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. There is a deferred tax liability as at 3 January 2018 which relates to future depreciation charges that will not result in tax relief.

There is an unrecognised deferred tax asset of £4.1m (2017: £4.3m) relating to fixtures, property and future corporation tax losses (2017: fixtures, property and future corporation tax losses). This is unrecognised due to the lack of certainty around recoverability within the group at such time as it may be realised.

14 Trade and other payables falling due within one year

	2018 £ 000	2017 £ 000
Accrued expenses	47	33
Amounts due to group undertakings	100,080	96,691
	100,127	96,724

The intercompany creditor is repayable on demand and accrues interest on an arm's length basis of 3.45% for the year ended 3 January 2018 (3 January 2017: 3.45%).

15 Called up share capital

	2018 £	2017 £
10,000 (2017: 10,000) Ordinary shares of £0.0001 each	1	1

16 Obligations under leases and hire purchase contracts

Operating leases

The total future value of minimum lease payments is as follows:

	2018 £ 000	2017 £ 000
Within one year	80	76
In two to five years	319	319
In over five years	4,277	4,292
	4,676	4,687

Operating lease payments represent rentals payable by the Company for certain of its properties.

	2018 £ 000	2017 £ 000
Lease payments under operating leases recognised as an expense in the year:		
Payable in cash	122	124

17 Related party transactions

The remuneration of Directors, analysed under the headings required by company law, is set out in Note 9.

The Company is taking advantage of the exemption provided in FRS101, and not disclosing remuneration for key management personnel. Details of the remuneration of the key management personnel of the Group are disclosed in the consolidated financial statements of the ultimate parent, Deuce Holdco Limited.

The Company has relied on the exemptions under FRS101 from disclosing transactions with other wholly-owned group companies on the basis that the Company is a fully owned subsidiary.

18 Post balance sheet events

There are no post balance sheet events that require disclosure.

19 Parent and ultimate parent undertaking

At the statement of financial position date, the Company's immediate parent undertaking is Deuce Acquisitions Limited, a company incorporated in the United Kingdom and registered in England and Wales. The ultimate parent undertaking of the Company is Deuce Holding S.à r.l and the ultimate controlling party is a group of investment funds managed by TDR Capital LLP (registered in the UK).

Deuce Acquisitions Limited is the smallest and Deuce Holdco Limited the largest group undertaking for which group financial statements are prepared and of which the Company is a member. The financial statements of Deuce Acquisitions Limited and Deuce Holdco Limited can be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.