

EATG (Debtco) Limited

Annual report and financial statements

for the year ended 31 October 2017

Registered number: 06612356



EATG (Debtco) Limited

Directors' report for the year ended 31 October 2017 (continued)

Statement of directors' responsibilities in respect of the financial statements

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 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 102, 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 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.

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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Nicholas Goodwin
Director
9 November 2018

EATG (Debtco) Limited

Company information

Directors

C Taylor
M Hofert
N Goodwin

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Abacus House
Castle Park
Cambridge
CB3 0AN

Solicitors

DLA Piper
3 Noble Street
London
EC2V 7EE

Registered office

9-10 Savile Row
London
W1S 3PF

EATG (Debtco) Limited

Directors' report for the year ended 31 October 2017 (continued)

Statement of directors' responsibilities in respect of the financial statements

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 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 102, 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 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.

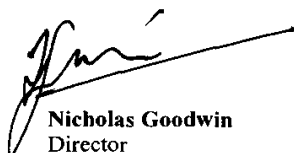
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Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Nicholas Goodwin
Director
9 November 2018

EATG (Debtco) Limited

Directors' report for the year ended 31 October 2017

The directors present their report and the audited financial statements for the year ended 31 October 2017.

Results and dividends

The loss for the year amounted to £9,445,000 (2016: £9,363,000). The directors are unable to recommend a dividend (2016: £nil).

Going concern

Given the directors' intentions to liquidate the business in the next six months, as discussed further in the Strategic Report on page 3, the financial statements have been prepared on a basis other than going concern. No adjustments were required to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Financial risk

Given the directors' intention to liquidate the business, the key financial risk relates to liquidity.

The company had net liabilities of £157,081,000 at 31 October 2017, of which £157,149,000 relates to loan notes and accrued interest thereon. The holders of the loan notes have confirmed their current intention to waive the amounts due in respect of the loan notes during the Members' Voluntary Liquidation process. The ultimate controlling party, aPriori Capital Partners LP., has similarly confirmed their current intention to fund any remaining upon the completion of the Members' Voluntary Liquidation.

Directors

The directors, who held office throughout the year and up to the date of signing the financial statements, were as follows:

C Taylor
M Hofert
N Goodwin
L Chan (resigned 31 December 2016)

Directors' and officers' indemnity insurance

The company maintains liability insurance for its directors and officers, with a cover limit for each claim or series of claims against them in that capacity. The directors have also been granted a qualifying third party provision under sections 234 and 235 of the Companies Act 2006.

EATG (Debtco) Limited

Directors' report for the year ended 31 October 2017 (continued)

Statement of directors' responsibilities in respect of the financial statements

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 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 102, 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 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.


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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Nicholas Goodwin
Director
9 November 2018

EATG (Debtco) Limited

Independent auditors' report to the members of EATG (Debtco) Limited

Report on the audit of the financial statements

Opinion

In our opinion, EATG (Debtco) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2017 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 31 October 2017; the statement of comprehensive income, the statement of cash flows, and 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, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 3 to the financial statements concerning the basis of preparation. The Directors have decided that the entity will be liquidated. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 3 to the financial statements. No adjustments were required to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Our audit approach

Overview



- Overall materiality: £2,000 (2016: £23,000), based on 1% of total assets.
- The entity is a stand alone holding company, as such the audit has been scoped such that all material financial statement line items have been tested.
- We have no key audit matters to report.

EATG (Debtco) Limited

Independent auditors' report to the members of EATG (Debtco) Limited (continued)

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We determined that there were no key audit matters applicable to the company to communicate in our report.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The entity is a stand alone holding company, as such the audit has been scoped such that all material financial statement line items have been tested.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	1	£2,000 (2016: £23,000).
How we determined it	2	1% of total assets.
Rationale for benchmark applied	3	Total assets is deemed appropriate measure given the entity is a non-trading holding company.

We agreed with the those charged with governance that we would report to them misstatements identified during our audit above £100 (2016: £1,150) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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.

EATG (Debtco) Limited

Independent auditors' report to the members of EATG (Debtco) Limited (continued)

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 31 October 2017 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 in respect of the financial statements set out on page 5, 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.



Christopher Maw (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge

14 November 2018

EATG (Debtco) Limited

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2017

		Year ended 31 October 2017	Year ended 31 October 2016
	Note	£'000	£'000
Administrative expenses		-	(137)
Impairment of investment	5,9	(2,000)	-
Impairment of amounts owed by group undertakings	5	(38)	(51)
Waiver of related party balances	5	-	1,524
Operating (loss)/profit	5	(2,038)	1,336
Distributions received		2,975	-
Interest payable and similar charges	7	(10,382)	(10,699)
Loss before taxation		(9,445)	(9,363)
Tax on loss	8	-	-
Loss and total comprehensive expense for the year		(9,445)	(9,363)

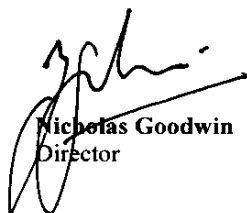
The company had no items of other comprehensive income in either the current or prior year.

EATG (Debtco) Limited

STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2017

	Note	31 October 2017 £'000	31 October 2016 £'000
Current assets			
Investments	9	-	2,000
Debtors: amounts falling due within one year	10	-	58
Cash at bank and in hand		196	197
		196	2,255
Creditors: amounts falling due within one year	11	(157,277)	(149,891)
Net current liabilities		(157,081)	(147,636)
Total assets less current liabilities		(157,081)	(147,636)
Net liabilities		(157,081)	(147,636)
Capital and reserves			
Called up share capital	12	900	900
Retained earnings		(157,981)	(148,536)
Total equity		(157,081)	(147,636)

The financial statements on pages 9 to 18 were approved by the board of directors on 9 November 2018 and were signed on its behalf by:


Nicholas Goodwin
 Director

EATG (Debtco) Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2017

	Called up Share capital	Retained Earnings	Total
	£'000	£'000	£'000
At 1 November 2015	900	(139,173)	(138,273)
Loss and total comprehensive expense for the financial year	-	(9,363)	(9,363)
At 31 October 2016	900	(148,536)	(147,636)
At 1 November 2016	900	(148,536)	(147,636)
Loss and total comprehensive expense for the financial year	-	(9,445)	(9,445)
At 31 October 2017	900	(157,981)	(157,081)

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 OCTOBER 2017

	Notes	2017 £'000	2016 £'000
Cash from operating activities	13	(122)	1,265
Taxation paid		-	-
Net cash generated from operating activities		(122)	1,265
Cash flow from investing activities			
Distributions received		2,975	-
Net cash generated from investing activities		2,975	-
Cash flow from financing activities			
Repayment of loan notes	11	(2,854)	(1,500)
Net cash used in financing activities		(2,854)	(1,500)
Net decrease in cash and cash equivalents		(1)	(235)
Cash and cash equivalents at beginning of year		197	432
Cash and cash equivalents at end of year		196	197
Cash and cash equivalents consist of:			
Cash at bank and in hand		196	197

EATG (Debtco) Limited

Notes to the financial statements for the year ended 31 October 2017

1. Company information

EATG (Debtco) Limited is a private company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 2. The nature of the company's principal activities are set out in the strategic report on page 3.

2. Statement of compliance

The individual financial statements of EATG (Debtco) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting policies

The principal accounting policies, which have been applied consistently throughout the year, are set out below and, where necessary, have been updated to include any policies which are now considered significant given the presentation of the financial statements as at 31 October 2017 on a basis other than going concern.

Basis of preparation

These financial statements are prepared under the historical cost convention and in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

The preparation of financial statements in conformity with FRS 102 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 4.

Going Concern

The directors have determined that the company will be liquidated by way of a Members' Voluntary Liquidation, following the Members' Voluntary Liquidation of its investment. Subject to the approval of the creditors, this will result in certain balances due to related parties being waived. It is the intention of the directors that the company will continue to meet its legal obligations as they arise until liquidation has occurred.

Accordingly, the going concern basis of preparation is no longer appropriate as at 31 October 2017 and the financial statements have been prepared on a basis other than going concern. No adjustments were required to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities. The principal accounting policies, which have been applied consistently throughout the year, are set out below and, where necessary, have been updated to include any policies which are now considered significant given the presentation of the financial statements as at 31 October 2017 on a basis other than going concern. The prior period financial statements were also prepared on a basis other than going concern.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

EATG (Debtco) Limited

Notes to the financial statements for the year ended 31 October 2017 (continued)

3. Accounting policies (continued)

Taxation (continued)

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the profit and loss account for the amount by which the assets' carrying amount exceeds its recoverable amount.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Investments

Investments in subsidiary undertakings are included at cost less any impairment losses.

Cash and cash equivalents

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

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

EATG (Debtco) Limited

Notes to the financial statements for the year ended 31 October 2017 (continued)

3. Accounting policies (continued)

Financial instruments (continued)

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Share capital

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

Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with its' parent or with members of the same group that are wholly owned.

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical judgements in applying the company's accounting policies

The directors believe that there are no critical judgements involved in applying the company's accounting policies that warrant disclosure.

b) Key accounting estimates and assumptions

The directors believe that there are no key accounting estimates and assumptions involved in applying the Company's accounting policies that warrant disclosure.

5. Operating (loss)/profit

The operating (loss)/profit was arrived at after charging/(crediting):	2017	2016
	£'000	£'000
Auditors' remuneration	-	34
Impairment of investment	2,000	-
Impairment of amounts owed by group undertakings	38	51
Waiver of related party balances	-	(1,524)

Given the adoption of a basis of accounting other than going concern, auditors' remuneration in respect of the year ended 31 October 2017 was accrued for in the preceding period.

6. Directors' emoluments

Directors emoluments of £nil (2016: £20,000) were accrued for in the period.

EATG (Debtco) Limited

Notes to the financial statements for the year ended 31 October 2017 (continued)

7. Interest payable and similar charges

The loan note interest charge was comprised of:-	2017	2016
	£'000	£'000
Interest on loan notes	10,382	10,699

8. Tax on loss

Tax expense included in profit or loss

No current or deferred tax charges arose in the year under review (2016: £nil).

Reconciliation of tax charge

The current tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.4% (2016: 20.0%). The differences are explained below

	2017	2016
	£'000	£'000
Loss before taxation	(9,445)	(9,363)
Loss multiplied by rate of tax 19.4% (2016: 20%)	1,832	1,873
Effects of:		
Unutilised losses carried forward	(1,832)	(1,873)
Total tax charge for the year	-	-

The company has cumulative losses of £23,077,000 at 31 October 2017. No deferred tax asset has been recognised in respect of these losses given the intention to liquidate the company.

9. Investments

Company	£'000
Cost as at 1 November 2016	2,000
Write off investment	(2,000)
Cost as at 31 October 2017	-

At 31 October 2017 the company held a 9.97% (2016: 9.97%) holding in the following company, owned and incorporated in England and Wales. During the year ended 31 October 2016, EATG (Newco) Limited was subject to a Members' Voluntary Liquidation. As a result of this, EATG (Newco) Limited made an initial distribution of proceeds to EATG (Debtco) Limited, as a shareholder, on 3 November 2016 of £2,853,000 and a final distribution of £122,000 on 26 September 2017. As a result of the completion of the Members' Voluntary Liquidation, the directors have written down the value of the investment as at 31 October 2017 to £nil.

EATG (Debtco) Limited

Notes to the financial statements for the year ended 31 October 2017 (continued)

9. Investments (continued)

Entity name	Principal activity
EATG (Newco) Limited	Non trading holding company
Registered address	
9-10 Savile Row	
London	
W1S 3PF	

10. Debtors

	2017	2016
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by related parties	-	58
	-	58

Amounts owed by related parties are unsecured, interest free, have no fixed date of repayment, and are repayable on demand.

11. Creditors: amounts falling due within one year

	31 October 2017	31 October 2016
	£'000	£'000
Trade creditors	-	9
Loan notes - principal	72,678	75,532
Loan notes – accrued interest	84,471	74,089
Accruals and deferred income	128	261
	157,277	149,891

The loan notes (Eurobonds 'A' and 'B') are listed on The International Stock Exchange, mature on 8 July 2038 and carry interest at 14.125% on the principal.

During the year under review £2,854,000 of loan notes were redeemed at par (2016: £1,500,000). The movement in the year in accrued interest relates to the unpaid interest of £10,382,000 on the loan notes arising in the year.

Given the intention to liquidate the company by way of a Members' Voluntary Liquidation, the amounts due in respect of the loan notes are presented as falling due within one year. The holders of the loan notes have confirmed their current intention to waive the amounts due in respect of the loan notes during the Members' Voluntary Liquidation process. The ultimate controlling party, aPriori Capital Partners LP., has similarly confirmed their current intention to fund any remaining shortfall upon the completion of the Members' Voluntary Liquidation.

EATG (Debtco) Limited

Notes to the financial statements for the year ended 31 October 2017 (continued)

12. Called up share capital

	2017 £'000	2016 £'000
Authorised		
90,000,000 (2016: 90,000,000) Ordinary shares of 1p each (2016: 1p)	900	900
Allotted and fully paid:		
89,987,175 (2016: 89,987,175) Ordinary shares of 1p each (2016: 1p)	900	900

13. Notes to the statement of cash flows

	2017 £'000	2016 £'000
Loss for the financial year	(9,445)	(9,363)
Net interest expenses	10,382	10,699
Distributions received	(2,975)	-
Operating (loss)/profit	(2,038)	1,336
Impairment of investment	2,000	-
Working capital movements		
(Increase)/decrease in debtors	58	(58)
(Decrease)/increase in creditors	(142)	(13)
Cash flow from operating activities	(122)	1,265

14. Financial instruments

The company has the following financial instruments

	Note	2017 £'000	2016 £'000
Financial instruments that are debt instruments measured at amortised cost			
- Amounts owed by related parties	10	-	58
		-	58
Financial liabilities measured at amortised cost			
- Trade creditors	11	-	(9)
- Accruals and deferred income	11	(128)	(261)
- Loan notes	11	(157,149)	(149,621)
		(157,277)	(149,891)

EATG (Debtco) Limited

Notes to the financial statements for the year ended 31 October 2017 (continued)

15. Related party transactions and ultimate controlling party

EATG Sarl., incorporated in Luxembourg, is the ultimate parent undertaking for EATG (Debtco) Limited and is the holder of the loan notes. As at 31 October 2017, the company was owed £38,000 by EATG Sarl. This was written off as at the balance sheet date on the basis that the amount was unlikely to be settled. During the year under review interest accrued on the loan notes of £10,382,000 and £2,854,000 of loan notes were redeemed at par. At 31 October 2017, the balance owing to EATG Sarl in respect of the loan notes totalled £157,149,000, of which £72,678,000 is the principal and £84,471,000 relates to the accrued interest. EATG Sarl have confirmed their current intention to waive the amounts due in respect of the loan notes during the Members' Voluntary Liquidation process.

The company is controlled by funds managed by aPriori Capital Partners LP.