REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

FOR

DEVONSHIRE CLUB (HOLDINGS) LIMITED

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

DIRECTORS:	P A F Harris M R Carrington M N Mansur E A Mansur Ms J Robertson Ms A E Entwistle
REGISTERED OFFICE:	21 Marina Court Hull HU1 1TJ
REGISTERED NUMBER:	09476135 (England and Wales)
AUDITORS:	BDO LLP 55 Baker Street London W1U 7EU

Results

The consolidated income statement for the year is set out on page 7. Revenues amounted to £8,131,000 (2016 - £3,338,000) and the loss after taxation amounted to £4,213,000 (2016 - £5,393,00).

The consolidated statement of financial position at 31 December 2017 showed net assets of £3,317,000 (2016 - £2,293,000).

Principal activities, review of the business and future developments

The principal activities of Devonshire Club (Holdings) Limited ("the company") and its subsidiaries ("the group") comprise the operation of a high quality 68-bedroom private members club, with restaurant and bar facilities. The club opened in early summer 2016 and the results for the year ended 31 December 2017 reflect the first full year of trading.

Business review

The consolidated income statement for the year is set out on page 7. Revenues amounted to £8,131,000 (2016 - £3,338,000).

Gross Profit amounted to £2,721,000 (2016 - £69,000).

The operating loss before interest, depreciation and amortisation amounted to £4,112,000 (2016 - £5,678,000).

The directors consider these measures to be the key performance indicators of the Group.

Principal risks and uncertainties

Economic climate

The economic environment, particularly with regard to consumer confidence and spending, remains very uncertain. However, there are many other factors involved in the ability of the club to attract members and customers and the Group continues to work to enhance the offering of the club to members.

Information technology

The daily operation of the group is reliant on information technology for accounting, reporting and communications. There is a risk that serious disruption could occur if any of these systems were to fail for a significant period of time. The risk is mitigated by business continuity plans to allow the business to function in the event of a major systems failure. The Group has controls in place to protect data including off site back up of data.

Approval

This strategic report was approved by order of the Board on

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M R Carrington - Director

Date: 28/9/2018

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2017.

PRINCIPAL ACTIVITY
The principal activity of the Group is that of a high quality 68-bedroom private members club, with restaurant and bar facilities. The club opened in early summer 2016.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The directors shown below have held office during the period from 1 January 2017:

P A F Harris
M N Mansur
E A Mansur
Ms J Robertson
Ms A E Entwistle
M R Carrington - appointed 17 November 2017
B M Clivaz – resigned 11 September 2017
I G Robinson -resigned 17 November 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group 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 accounting estimates that are reasonable and prudent;
- 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 and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

AUDITORS
BDO LLP have been appointed as the auditors of the company. Under section 487(2) of the Companies Act 2006, BDO LLP will be deemed to have been reappointed as auditors 28 days after these financial statements have been sent to members or 28 days after the latest date prescribed for filing the financial statements, whichever is the earlier.

DEVONSHIRE CLUB (HOLDINGS) LIMITED (REGISTERED NUMBER: 09476135)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017

This report has been prepared in accordance with the provisions of the Companies Act 2006 relating to small companies.

FOR AND ON BEHALF OF THE BOARD:

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M R Carrington - Director

Date: ....28/09/2018...........

Opinion
We have audited the financial statements of Devonshire Club (Holdings) Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, 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 Financial Reporting Standard 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 state of the Group's and of the Parent Company's affairs as at 31 December 2017 and of the Group's loss 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. We are independent of the Group and the Parent 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 Group or the Parent 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 Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Report of the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Report of the Directors 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 Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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' exemption from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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 Group's and the Parent 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 Group or the Parent 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 at the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Geraint Jones (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London

Date 28 September 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £'000	2016 £'000
TURNOVER		**8,131**	3,338
Cost of sales		(5,410)	(3,269)
GROSS PROFIT		**2,721**	69
Administrative expenses		(7,935)	(6,257)
		(5,214)	(6,188)
Other operating income		-	-
OPERATING LOSS	4	(5,214)	(6,188)
Interest receivable and similar income		-	1
		(5,214)	(6,187)
Interest payable and similar expenses	5	460	248
LOSS BEFORE TAXATION		(5,674)	(6,435)
Tax on loss	6	1,461	1,042
LOSS FOR THE FINANCIAL YEAR		(4,213)	(5,393)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(4,213)	(5,393)
Loss attributable to: Owners of the parent		(4,213)	(5,393)
Total comprehensive income attributable to: Owners of the parent		(4,213)	(5,393)

The notes form part of these financial statements

DEVONSHIRE CLUB (HOLDINGS) LIMITED (REGISTERED NUMBER: 09476135)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2017

		2017		2016	
	Notes	£'000	£'000	£'000	£'000
NON CURRENT ASSETS					
Tangible assets	7		21,179		21,799
Deferred tax	16		3,019		1,558
			24,198		23,357
CURRENT ASSETS					
Stocks	9	101		96	
Debtors	10	275		147	
Cash at bank		374		534	
		750		777	
CREDITORS					
Amounts falling due within one year	11	6,182		7,398	
NET CURRENT (LIABILITIES)/ASSETS			**(5,432)**		(6,621)
TOTAL ASSETS LESS CURRENT LIABILITIES			18,766		16,736
CREDITORS					
Amounts falling due after more than one year	12		15,449		14,442
NET ASSETS			**3,317**		2,293
CAPITAL AND RESERVES					
Called up share capital	17		1		-
Share premium	18		14,486		9,250
Merger reserve	18		500		500
Retained earnings	18		(11,670)		(7,457)
SHAREHOLDERS' FUNDS			**3,317**		2,293

The financial statements were approved by the Board of Directors on 28/09/2018 and were signed on its behalf by:

M R Carrington - Director

The notes form part of these financial statements

DEVONSHIRE CLUB (HOLDINGS) LIMITED (REGISTERED NUMBER: 09476135)

COMPANY STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2017

		2017		2016	
	Notes	£'000	£'000	£'000	£'000
FIXED ASSETS					
Investments	8		-		-
			-		-
CURRENT ASSETS					
Debtors	10	14,477		9,250	
NET CURRENT ASSETS			**14,477**		9,250
TOTAL ASSETS LESS CURRENT LIABILITIES			14,477		9,250
CAPITAL AND RESERVES					
Called up share capital	18		1		-
Share premium	18		14,486		9,250
Retained earnings			(10)		-
SHAREHOLDERS' FUNDS			**14,477**		9,250
Company's profit for the financial year			(10)		-

The financial statements were approved by the Board of Directors on 28/09/2018 and were signed on its behalf by:

M. [signature]

M R Carrington - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Merger reserve £'000	Total equity £'000
Changes in equity					
Issue of share capital	-	-	2,750	-	2,750
Total comprehensive income	-	(5,393)	-	-	(5,393)
Balance at 31 December 2016	-	(7,457)	9,250	500	2,293
Changes in equity					
Issue of share capital	1	-	5,236	-	5,237
Total comprehensive income	-	(4,213)	-	-	(4,213)
Balance at 31 December 2017	1	(11,670)	14,486	500	3,317

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Total equity £'000
Changes in equity				
Issue of share capital	-	-	2,250	2,250
Balance at 31 December 2016	-	-	9,250	9,250
Changes in equity				
Issue of share capital	1	-	5,236	5,237
Total comprehensive income	-	(10)	-	(10)
Balance at 31 December 2017	1	(10)	14,486	14,477

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities			
Cash generated from operations	1	(4,325)	(536)
Interest paid		(440)	(233)
Interest element of hire purchase payments paid		(20)	(15)
Net cash from operating activities		(4,785)	(784)
Cash flows from investing activities			
Purchase of tangible fixed assets		(382)	(9,513)
Interest received		-	1
Net cash from investing activities		(382)	(9,512)
Cash flows from financing activities			
Loan advances in year		-	7,377
Hire purchase advances in year		-	697
Capital repayments in year		(231)	(180)
Share issue		5,238	2,750
Share issue by subsidiary		-	-
Net cash from financing activities		5,007	10,645
Increase in cash and cash equivalents		(160)	349
Cash and cash equivalents at beginning of year	2	534	185
Cash and cash equivalents at end of year	2	374	534

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016
	£'000	£'000
Loss before taxation	(5,674)	(6,437)
Depreciation charges	1,102	510
Other contributions	-	523
Finance costs	460	248
Finance income	-	(1)
	(4,112)	(5,155)
Increase in stocks	(5)	(96)
Decrease in trade and other debtors	(128)	865
Increase in trade and other creditors	(80)	3,850
Cash generated from operations	(4,325)	(536)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2017

	2017	2016
	£'000	£'000
Cash and cash equivalents	374	534

The notes form part of these financial statements

1. STATUTORY INFORMATION

Devonshire Club (Holdings) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation
Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the purchase method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of the minority interest. The excess of the cost of acquisition over the fair value of the Group's share of identifiable assets is recorded as goodwill.

Transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed (where necessary) to ensure consistency with the policies adopted by the Group.

Going concern
The Directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. In addition the Group has received an undertaking from its shareholders to confirm continued financial support statements and therefore, the financial statements have been prepared on a going concern basis.

Related party exemption
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group. Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets
Tangible fixed assets 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. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the following rates and basis:

Long leasehold buildings	-	33 years straight line
Fixtures and fittings	-	5 years straight line
Computer equipment	-	3 years straight line

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. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated Statement of Comprehensive Income.

2. **ACCOUNTING POLICIES - continued**

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, the directors have made the following judgements:

- Considering the recoverability of deferred tax assets for evidence of impairment given expected cash flows.
- Determine whether there are indicators of impairment of the group's tangible asset. Factors taken into consideration in reaching such a decision include the expected future financial performance of the asset.

Other key sources of estimation uncertainty

- Tangible fixed assets

  Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

3. EMPLOYEES AND DIRECTORS

	2017	2016
	£'000	£'000
Wages and salaries	3,875	2,775
Social security costs	346	270
	4,221	3,045

	2017	2016
The average monthly number of employees during the year was as follows	139	99
	139	99

	2017	2016
	£'000	£'000
Directors' remuneration	161	98

4. OPERATING LOSS

The operating loss is stated after charging:

	2017	2016
	£'000	£'000
Hire of plant and machinery	27	7
Other operating leases	2,932	2,982
Depreciation	1,102	510
Auditors' remuneration	18	9

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£'000	£'000
Bank loan interest	440	232
Hire purchase	20	16
	460	245

6. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2017 £'000	2016 £'000
Deferred tax and tax on loss	(1,461)	(1,042)

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2017 £'000	2016 £'000
Loss before tax	(5,674)	(6,435)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%)	(1,078)	(1,287)
Effects of:		
Expenses not deductible for tax purposes	255	163
Capital allowances	(638)	-
Effect of reduction in tax rate on deferred tax asset	-	82
Total tax credit	(1,461)	(1,042)

The Group has approximately £15.9m (2016 - £9.6m) of losses available, subject to the agreement of HM Revenue & Customs, to offset future taxable profits. Based on the expected utilisation of these losses, a deferred tax asset has been provided as set out in note 16.

7. TANGIBLE FIXED ASSETS

Group

	Long leasehold buildings £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST				
At 1 January 2017	20,183	1,851	275	22,309
Additions	131	271	81	483
At 31 December 2017	20,314	2,122	356	22,792
DEPRECIATION				
At 1 January 2017	294	176	41	511
Charge for year	600	402	100	1,102
At 31 December 2017	894	578	141	1,613
NET BOOK VALUE				
At 31 December 2017	19,420	1,544	215	21,179
At 31 December 2016	19,890	1,675	234	21,799

Fixtures and fittings included in the above which are held under hire purchase contracts amount to £677,501.

8. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings
	£
COST	
At 1 January 2017	
and 31 December 2017	3

The Group or the Company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiary

Devonshire Club Limited
Registered office: 21 Marina Court, Hull, East Yorkshire, HU1 1TJ
Nature of business: Private members club

Class of shares:	% holding
Ordinary	100.00

	2017	2016
	£'000	£'000
Aggregate capital and reserves	(11,159)	(6,957)
Loss for the year/period	(4,202)	(5,393)

9. STOCKS

	Group	
	2017	2016
	£'000	£'000
Stocks	101	96

10. DEBTORS

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	87	12	-	-
Amounts owed by group undertakings	-	-	14,477	9,250
Other debtors	-	11	-	-
Prepayments and accrued income	188	124	-	-
	275	147	14,477	9,250

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2017	2016
	£'000	£'000
Bank loans and overdrafts	1,000	1,000
Hire purchase contracts	231	231
Trade creditors	729	753
Social security and other taxes	421	371
Other creditors	9	29
Accruals and deferred income	3,792	5,014
	6,182	7,398

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2017	2016
	£'000	£'000
Bank loans	10,281	10,182
Hire purchase contracts	56	286
Accruals and deferred income	5,112	3,974
	15,449	14,442

13. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2017	2016
	£'000	£'000
Amounts falling due within one year or on demand:		
Bank loans	1,000	1,000
Amounts falling due between one and two years:		
Bank loans - 1-2 years	2,250	2,250
Amounts falling due between two and five years:		
Bank loans - 2-5 years	8,031	7,932

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2017	2016
	£'000	£'000
Net obligations repayable:		
Within one year	231	231
Between one and five years	56	286
	287	517

Group

	Non-cancellable operating leases	
	2017	2016
	£'000	£'000
Within one year	1,753	1,753
Between one and five years	8,275	7,646
In more than five years	91,358	94,659
	101,386	104,057

15. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2017	2016
	£'000	£'000
Bank loans	11,500	11,500
Hire purchase contracts	287	517
Unamortised finance costs	(219)	(318)
	11,568	11,699

Bank loans are secured by a debenture over all the Group's current and future leased and freehold property, and intellectual property rights.

The bank loan matures in March 2020 and interest is charged at 3.5% plus LIBOR.

Amounts advanced under hire purchase agreements are secured on the assets to which they relate.

16. DEFERRED TAX

The components of the deferred tax asset are set out below:

	2017 £'000	2016 £'000
Deferred tax asset		
Expenses allowable against future taxable profits	3,019	1,558
	3,019	1,558

The increase in the deferred tax asset in the period of £1,461,000 (2016 - £1,042,000) arises from a credit to the profit and loss account.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017	2016
12,565,079	Ordinary	£0.0001	1,257	14
11,250	Non-participating	£0.0001	1	1
			1,258	15

During the period, 12,431,329 shares have been issued in aggregate for a total consideration of £5,237,595. Ordinary shares have the right to vote and receive a dividend if declared. Non-participating shares do not confer a right to be paid a dividend or attend or vote at the company's annual general meeting.

18. RESERVES

Group

	Retained earnings £'000	Share premium £'000	Merger reserve £'000	Totals £'000
At 1 January 2017	(7,457)	9,250	500	2,293
Deficit for the year	(4,213)			(4,213)
Premium on allotment	-	5,236		5,236
At 31 December 2017	(11,670)	14,486	500	3,316

Company

	Retained earnings £'000	Share premium £'000	Totals £'000
At 1 January 2017	-	9,250	9,250
Profit for the year	(10)		(10)
Premium on allotment	-	5,236	5,236
At 31 December 2017	(10)	14,486	14,476

20. RELATED PARTY DISCLOSURES

SUSD Limited
A shareholder in the company

SUSD Limited provided project management, design and related consultancy services to the Group on normal commercial terms. During the year the Group was billed £3,532 (2016 - £42,711) by SUSD Limited in respect of these services. There were no amounts outstanding to SUSD Limited at 31 December 2017.

Clivaz Palmer Green Limited
A company of which Mr B Clivaz, a director of the Company for part of the year, is a shareholder and director.

During the period, Clivaz Palmer Green Limited has provided services to the Group to the value of £nil (Period to 31 December 2016 - £30,000). There were no amounts outstanding to Clivaz Palmer Green Limited at 31 December 2017.

Gusbourne Estate Limited
Michael Ashcroft is the ultimate controlling party of Gusbourne Estate Limited. During the period Gusbourne Estate Limited has provided goods to the company to the value of £10,534 (2016 - £25,918). As at 31 December 2017, £1,254 was outstanding to Gusbourne Estate Limited.

LT Management Services Limited
Michael Ashcroft is the ultimate controlling party of LT Management Services Limited. During the period LT Management Services Limited has provided services to the company to the value of £341,971 (2016 - £165,750). As at 31 December 2017, £9,600 was outstanding to LT Management Services Limited.

21. POST BALANCE SHEET EVENTS

Subsequent to the period end, the company has issued further Ordinary Shares for an aggregate consideration of £1,162,403.

Subsequent to the period end, the company has issued bonds to DSC Investment Holdings Limited, a shareholder of the Company, amounting to £2,700,000. The bonds are secured behind the bank loans and attract a coupon of 15% per annum which is payable on redemption of the bonds. The redemption date of the Bonds is in March 2020.

22. CONTROLLING PARTY

The ultimate controlling party is Michael Ashcroft.