

Company Registration No. 00164062

ENIC Group

Report and Financial Statements

For the year to 31 December 2012



ENIC Group

Report and financial statements December 2012

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ENIC Group

Report and financial statements December 2012

Officers and professional advisers

Directors

Daniel Philip Levy
Matthew John Collecott

Secretary

Matthew John Collecott

Registered Office

748 High Road
London
N17 0AP

Auditor

Deloitte LLP and Statutory Auditor
Chartered Accountants
London
United Kingdom

ENIC Group

Directors' report

The directors present their annual report and the audited financial statements for the year to 31 December 2012. The company is an unlimited company.

Principal activities

ENIC Group is an investment company investing through its divisional subsidiaries in different businesses with the aim to build long term investment growth.

The Entertainment division's operations have been largely wound down and the division continues to review potential US property investments and benefits from long term rental income streams.

The Property division has facilitated loans to joint ventures and property opportunities and continues to develop both long term capital growth and rental income streams.

The directors consider the company to be well placed to perform satisfactorily in the future by retaining the current portfolio and focusing on its Property division.

Going concern

The company meets its day to day working capital requirements through service contracts and other operational incomes. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its facilities. The company has held discussion with its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that future renewals will not be forthcoming on acceptable terms. The company is in compliance with all of its covenants and has sufficient headroom for the foreseeable future. Post year end, the company renewed its banking facilities for the period until December 2013.

The directors note that the company continues to perform satisfactorily and the balance sheet has a strong net asset position. After making enquires and taking into consideration the company's balance sheet position and forecast trading performance, the directors have formed the judgement that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

Results and dividends

The audited financial statements for the year to 31 December 2012 are set out on pages 7 to 15.

The profit for the year, after taxation was £1,051,000 (2011 loss of £374,000).

During the year no dividend was paid (2011 £nil).

Directors

The directors who served throughout the period, were as follows:

D P Levy

M J Collecott

ENIC Group

Directors' report (continued)

Auditor

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 auditor is 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 auditor is aware of that information

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

Approved by the Board of Directors
and signed on behalf of the Board



M J Collecott
Secretary

26 September 2013

ENIC Group

Directors' responsibilities statement

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of ENIC Group

We have audited the financial statements of ENIC Group for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Nigel Mercer (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
26 September 2013

ENIC Group

Profit and loss account Year to 31 December 2012

	Notes	2012 £'000	2011 £'000
Turnover	1	1,237	2,950
Operating expenses		(2,018)	(2,225)
Depreciation of tangible fixed assets		(18)	(48)
Operating expenses		<u>(2,036)</u>	<u>(2,273)</u>
Operating (loss)/profit		(799)	677
Other income		80	325
Loans written back/(down)		1,107	(281)
Impairment of investment		-	(1,708)
Profit/(loss) on ordinary activities before interest		<u>388</u>	<u>(987)</u>
Net interest receivable	3	663	613
Profit on ordinary activities before taxation	2	<u>1,051</u>	<u>(374)</u>
Tax on profit on ordinary activities	5	-	-
Profit on ordinary activities after taxation	12	<u><u>1,051</u></u>	<u><u>(374)</u></u>

The accompanying accounting policies and notes form an integral part of these financial statements

All activities derive from continuing operations

No other gains or losses were recognised in the current or prior year and therefore no statement of total recognised gains and losses is presented. All income and expenses result from operations within the United Kingdom connected to overseeing the company's strategic investments

ENIC Group

Balance sheet Year ended 31 December 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Tangible assets	6	-	17
		-	17
Current assets			
Debtors	8	67,770	74,486
Cash at bank and in hand		305	7,782
		68,075	82,268
Creditors: amounts falling due within one year	9	(7,187)	(10,446)
Net current assets		60,888	71,822
Total assets less current liabilities		60,888	71,839
Creditors: amounts falling due after more than one year	10	(24,500)	(36,500)
Net assets		36,388	35,339
Capital and reserves			
Called up share capital	11	2,518	2,518
Share premium account	12	3,074	3,076
Capital redemption reserve	12	1,417	1,417
Profit and loss account	12	29,379	28,328
Shareholders' funds	13	36,388	35,339

The accompanying accounting policies and notes form an integral part of these financial statements

The financial statements of the company, registered number 00164062, were approved by the Board of Directors on 26 Sept 2013

Signed on behalf of the Board of Directors



M J Collecott
Director

ENIC Group

Notes to the accounts Year ended 31 December 2012

1. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the current and preceding period.

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom law and accounting standards. The company has taken advantage of the exemption from preparing consolidated financial statements afforded by section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of ENIC Ltd which prepares consolidated financial statements which are publicly available. Accordingly, these financial statements present information about the company as an individual undertaking and not as a Group. The company is also, on this basis, exempt from the requirement of FRS1 (revised 1996) to present a cashflow statement.

Going concern

As per the Directors' Report, the accounts have been prepared on a going concern basis.

Turnover

Turnover represents services provided to companies within the football sector and are stated net of VAT. Income is recognised on an accruals basis when the service is provided.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write down the cost less estimated residual value of all tangible fixed assets on a straight-line basis over their expected useful lives. The periods generally applicable are:

Motor vehicles	4 years
Fixtures, fittings and equipment	4 to 10 years

Deferred taxation

Deferred taxation is provided in full on material timing differences at the rate of taxation anticipated to apply when these differences crystallise. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

A deferred tax asset is only recognised where it is more likely than not that it will be recoverable in the future. Deferred tax assets and liabilities recognised have not been discounted.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the corporate tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Contribution to pension funds

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contribution payable in the period. Differences between contributions payable in the period and those actually paid are accounted for in the balance sheet.

ENIC Group

Notes to the accounts Year ended 31 December 2012

2. Profit/(loss) before taxation

This is stated after charging/(crediting)

	2012 £'000	2011 £'000
Fees payable to the company's auditor for the audit of company's annual accounts	25	25
Depreciation	18	48
Profit on disposal of tangible fixed assets	(80)	-
Foreign exchange gain	(6)	(104)
	<u>25</u>	<u>(131)</u>

3. Net interest receivable

	2012 £'000	2011 £'000
Interest payable on Group loans	-	(39)
Interest receivable on Group and associate loans	1,946	1,932
Bank interest receivable	-	14
Bank and other interest payable	(1,977)	(1,420)
Other interest receivable	694	126
	<u>663</u>	<u>613</u>

4. Directors and employees

Total emoluments of directors paid by the company during the period were as follows

	2012 £'000	2011 £'000
Fees	1,631	1,538
	<u>1,631</u>	<u>1,538</u>

The above amount includes emoluments of £1,631,000 (December 2011 £1,537,500) paid in respect of the highest paid director. No director received any pension benefit (2011: £nil).

Total cost of employees (including directors) during the year was as follows

	2012 £'000	2011 £'000
Wages and salaries	1,671	1,578
Social security costs	228	213
Pension and other costs	25	21
	<u>1,924</u>	<u>1,812</u>

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Notes to the accounts Year ended 31 December 2012

4 Directors and employees (continued)

Average number of employees

	2012	2011
The average number of persons employed by the company during the period was		
Administrative and Central Support	<u>3</u>	<u>3</u>

5 Tax on profit/(loss) loss on ordinary activities

There is no charge to UK and overseas corporation tax, which is reconciled as follows

	2012 £'000	2011 £'000
Profit/(loss) on ordinary activities before taxation	<u>1,051</u>	<u>(374)</u>
Profit on ordinary activities at standard rate of corporation tax in the UK of 24.5% (2011 26.5%)	257	(99)
Effects of		
Non-deductible expenditure	12	13
Release of intercompany balance	(193)	-
Provision for intragroup balances	-	74
Impairment of investments	-	453
Capital allowances in excess of depreciation	(29)	-
Depreciation in excess of capital allowances	-	10
Tax losses brought forward utilised	<u>(47)</u>	<u>(451)</u>
Current tax charge	<u>-</u>	<u>-</u>

There are no deferred tax liabilities in the company. Deferred tax assets on losses carried forward, accelerated capital losses are not provided. The total potential deferred tax asset that has not been recognised in respect of tax losses and other timing differences at the rate of 23% (2011 25%) is £1,491,000 (2011 £1,840,000).

Factors affecting the tax charge for future periods

The Finance Act 2012 substantively enacted a rate reduction such that the corporation tax rate was reduced to 24% with effect from 1 April 2012. Therefore the average corporate tax for the year ended 31 December 2012 is 24.5%. The Finance Act 2012 also substantively enacted a corporation tax rate of 23% with effect from 1 April 2013. The Finance Act 2013 substantively enacted a rate reduction such that the corporation tax rate is reduced to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015.

The effect of the reduction in the tax rate to 20% on the company's potential deferred tax asset would be to reduce the potential deferred tax asset by £195,000 to £1,296,000.

The rate change will also impact the amount of the future cash tax payments to be made by the company.

ENIC Group

Notes to the accounts Year ended 31 December 2012

6 Tangible assets

	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost at 1 January 2012	161	155	316
Disposals in year	(161)	-	(161)
At 31 December 2012	-	155	155
Depreciation at 1 January 2012	144	155	299
Provided in the year	17	-	17
Disposal in the year	(161)	-	(161)
At 31 December 2012	-	155	155
Net book value at 31 December 2012	-	-	-
Net book value at 31 December 2011	17	-	17

7 Subsidiary undertakings

Interests in subsidiary undertakings are as follows

Undertaking	Country of incorporation	Nature of business	Effective holding
ENIC Entertainment			
ENIC Entertainment Limited*	Great Britain	Holding company	100%
ENIC Entertainment (Restaurants) Limited	Great Britain	Holding company	100%
WB/ENIC Soundstage Restaurants L P	USA	Restaurant	100%
ENIC Sports			
ENIC Sports Limited*	Great Britain	Holding company	100%

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Notes to the accounts Year ended 31 December 2012

7 Investments (continued)

ENIC Gaming and Media

SiapitaInc*	Bahamas	Holding company	100%
Siapita Investments Limited	Great Britain	Holding company	100%

ENIC Property

ENIC Property Limited*	Great Britain	Holding company	100%
Compton Avenue Ltd	Great Britain	Holding company	100%
Debt Collect London Limited	Great Britain	Holding company	100%
Brook Road Limited	Great Britain	Holding company	100%

* Companies held directly by ENIC Group

The company has a beneficial interest in 100% of the equity of Raz Air Limited, Transglobal Estates Limited and Brook Road Limited

All investments held have been fully written down in a previous period, as such the opening and closing investment balance held in the balance sheet is £nil

8 Debtors

	2012 £'000	2011 £'000
Amounts owed by Group undertakings	64,285	70,134
Other debtors	3,485	4,352
	<u>67,770</u>	<u>74,486</u>

All amounts owed by Group undertakings to the company are due in less than one year (2011 all amounts due in less than one year) Interest was charged at arm's length on intra Group loans

9. Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Bank loans	6,000	6,018
Amounts owed to Group undertakings	786	812
Social security and other taxes	60	29
Accruals and deferred income	311	476
Other creditors	30	3,111
	<u>7,187</u>	<u>10,446</u>

10. Creditors: amounts falling due in greater within one year

	2012 £'000	2011 £'000
Bank loans	<u>24,500</u>	<u>36,500</u>

The bank loan represents a group facility with Lloyds, the majority of which is repayable in December 2014 and bears interest at base +4% The bank has taken a corporate guarantee over the UK entities

ENIC Group

Notes to the accounts Year ended 31 December 2012

11. Share capital

	Number	2012 £'000	Number	2011 £'000
Allotted, called up and fully paid				
Ordinary shares of 2.5p	100,722,914	2,518	100,722,914	2,518

12. Share premium account and reserves

	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2012	3,076	1,417	28,328	32,821
Retained profit for the year	-	-	1,051	1,051
At 31 December 2012	3,076	1,417	29,379	33,872

13. Reconciliation of movements in shareholders' funds

	2012 £'000	2011 £'000
Shareholders' funds brought forward	35,339	35,713
Profit/(loss) for the year	1,051	(374)
Shareholders' funds carried forward	36,390	35,339

14. Capital commitments and contingent liabilities

The company has no contracted commitments at 31 December 2012 (2011: £nil)

The company has assigned two residual leases for which it indemnifies Time Warner Entertainment Limited. These leases were acquired with Warner Bros Studio Stores Limited ("WBSS"). The contingent liability under the indemnities provided by ENIC Group in respect of these leases at the end of the year was £10.2m over the full term of such leases. All leases are on stores that have been assigned to third party tenants. WBSS has been liquidated.

ENIC Group

Notes to the accounts Year ended 31 December 2012

15 Related party transactions

Tottenham Hotspur plc ("Tottenham")

During the year Tottenham invoiced the company including VAT £5,702 (2011 £6,048) in respect of reimbursable utility and operating costs. At the balance sheet date £nil was due to Tottenham (2011 £6,048)

16 Ultimate parent undertaking

The directors consider ENIC International Limited, a company incorporated in the Bahamas, as the ultimate parent undertaking and the ultimate controlling party. ENIC Limited is the immediate parent company and is the parent company of the largest and smallest group of which the Company's accounts are consolidated into. The account of ENIC Limited can be obtained from 748 High Road, London, N17 0AP