

**Company Registration No. 04558176**

**ENIC Limited**

**Report and Financial Statements**

**31 December 2016**

FRIDAY



\*L6G0TV2G\*

L14

29/09/2017

#18

COMPANIES HOUSE

## **ENIC Limited**

### **Report and financial statements 2016**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>3</b>
<b>Strategic report</b>	<b>2</b>
<b>Directors' report</b>	<b>3</b>
<b>Statement of directors' responsibilities</b>	<b>6</b>
<b>Independent auditor's report</b>	<b>7</b>
<b>Consolidated profit and loss account</b>	<b>9</b>
<b>Consolidated balance sheet</b>	<b>10</b>
<b>Company balance sheet</b>	<b>11</b>
<b>Consolidated cash flow statement</b>	<b>12</b>
<b>Consolidated statement of changes in equity</b>	<b>11</b>
<b>Notes to the accounts</b>	<b>12</b>

# **ENIC Limited**

## **Directors' report**

### **Directors**

D P Levy  
M J Collecott

### **Secretary**

M J Collecott

### **Registered Office**

748 High Road  
London  
N17 0AP

### **Bankers**

HSBC Bank plc  
70 Pall Mall  
London  
SW1Y 5EZ

### **Auditor**

Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

# ENIC Limited

## Directors' report

The Directors present their strategic report of ENIC Limited and its subsidiaries ('the Group') for the year ended 31 December 2016.

### Principal activities and performance of the business during the period

The Entertainment division retains the deferred income from a lease assignment in the Venetian hotel in Las Vegas.

The Group continued to operate Raz Air Limited, which owns an Embraer Legacy 600 executive jet. The jet is operated through a chartering company, running a commercial executive airline business.

Transglobal Estates Limited continues to hold a luxury residential property which it will hold until the market is favourable, whilst Brook Road Ltd owned a property which was sold in the year.

The Group's year end position resulted in net assets of almost £25m (31 December 2015: £23m). The key performance indicators for the board relate to building long term investment growth through its investment portfolio.

The board are significantly involved in the operating activities of the Group's key investments and believe that the current portfolio of assets meets the board's expectations. Investment opportunities are frequently reviewed by the board and assessed as to their viability and fit within the Group's current structure. Where appropriate the Group will continue to invest where it sees potential for long term growth.

### Principal risks and uncertainties

Each sector of the business retains its own commercial risks which include property valuation within the property division and economic conditions affecting the amount of hours the executive jet is chartered. The Group has no specific reliance on any division and continues to focus on consolidating its cash holdings. The commercial risks are deemed to be mitigated by the group maintaining a diverse portfolio.

### Going concern

The Group meets its day to day working capital requirements through operating profits and revenue streams from throughout the Group. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its facilities. The Group largely repaid its banking facilities during the year. The Group has held discussions with its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that further debt funding is necessary. The Group is in compliance with all of its covenants and has sufficient headroom for the foreseeable future, having repaid most of its debt in early 2017.

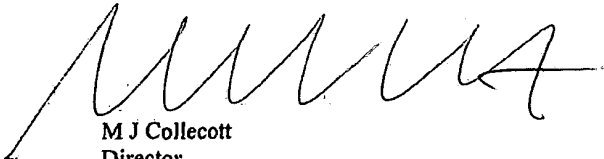
After making enquires and taking into consideration the Group balance sheet position and forecasted trading performance, the directors have formed the judgement that there is a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

### Results and dividends

The Group made a profit of 4.1m for the year, after taxation (31 December 2015: loss £0.7m).

A dividend was declared in the year to 31 December 2016 of £5.8m (31 December 2015: £nil) in order to settle an intercompany debt.

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



M J Collecott  
Director

## **ENIC Limited**

### **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

#### **Directors**

The directors who served throughout the period and to the date of this report were as follows:

D P Levy  
M J Collecott

#### **Information to auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

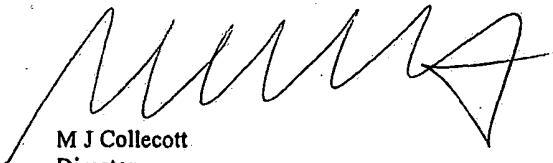
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's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

#### **Auditor**

A resolution to re-appoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

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



M J Collecott  
Director

20 September 2017

## **ENIC Limited**

### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## **Independent auditor's report to the members of ENIC Limited**

We have audited the financial statements of ENIC Limited for the year ended 31 December 2016 which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the consolidated cash flow statement, the statement of changes in equity and the related notes 1 to 23. 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), including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 auditors**

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 Group's and the parent company's affairs as at 31 December 2016 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

## **Independent auditor's report to the members of ENIC Limited (continued)**

### **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 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.

*Kevin Thompson*

Kevin Thompson (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
20 September 2017



## ENIC Limited

### Consolidated profit and loss account Year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Turnover	2	1,416	1,580
Cost of sales		(656)	(665)
Gross profit		760	915
Operating expenses		(750)	(1,329)
Operating profit/(loss)	3	10	(414)
Other income		4,890	33
Sale of investment property		1,653	-
Loans written down		(596)	(606)
Stock written down		(2,027)	-
Profit/(loss) on ordinary activities before finance charges		3,930	(987)
Net interest receivable	4	57	256
Profit/(loss) on ordinary activities before taxation		3,987	(731)
Tax charge on loss on ordinary activities	6	120	-
Profit/(loss) on ordinary activities after taxation		4,107	(731)

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

All amounts derive from continuing operations.

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

# ENIC Limited

## Consolidated balance sheet 31 December 2016

	Notes	2016 £'000	2015 £'000
<b>Fixed assets</b>			
Tangible assets	9	5,132	5,646
Investment property	11	4,899	6,324
		<u>10,031</u>	<u>11,970</u>
<b>Current assets</b>			
Stock	12	9,000	11,000
Debtors	13	10,485	20,202
Cash at bank and in hand		8,096	345
		<u>27,581</u>	<u>31,547</u>
<b>Creditors: amounts falling due within one year</b>	14	(12,489)	(9,224)
<b>Net current assets</b>		<u>15,092</u>	<u>22,323</u>
<b>Total assets less current liabilities</b>		<u>25,123</u>	<u>34,293</u>
<b>Creditors: amounts falling due in more than one year</b>	15	(2,729)	(10,831)
<b>Net assets</b>		<u>22,394</u>	<u>23,462</u>
<b>Capital and reserves</b>			
Called up share capital	17	1	1
Profit and loss account		19,555	20,623
Investment Property Reserve		2,838	2,838
<b>Shareholders' funds</b>		<u>22,394</u>	<u>23,462</u>

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

The financial statements of the company, registered number, 4558176, were approved by the Board of Directors on  
20 September 2017

Signed on behalf of the Board of Directors

  
M J Collecott  
Director


# ENIC Limited

## Company balance sheet 31 December 2016

	Notes	2016 £'000	2015 £'000
<b>Fixed assets</b>			
Investments	10	42,680	43,055
Investment Property	11	-	-
		<u>42,680</u>	<u>43,055</u>
<b>Current assets</b>			
Debtors	13	14,552	9,778
Cash at bank and in hand		7,940	193
		<u>22,492</u>	<u>9,971</u>
<b>Creditors : amounts falling due within one year</b>	14	<u>(28,545)</u>	<u>(3,062)</u>
<b>Net current (liabilities)/assets</b>		<u>(6,053)</u>	<u>6,909</u>
<b>Total assets less current liabilities</b>		<u>36,627</u>	<u>49,964</u>
<b>Creditors: amounts falling due after more than one year</b>	15	<u>-</u>	<u>(8,000)</u>
<b>Net assets</b>		<u>36,627</u>	<u>41,964</u>
<b>Capital and reserves</b>			
Called up share capital		1	1
Profit and loss account		<u>36,626</u>	<u>41,963</u>
<b>Shareholders' funds</b>		<u>35,326</u>	<u>41,964</u>

The financial statements of the company, registered number, 4558176, were approved by the Board of Directors on 20 September 2017

Signed on behalf of the Board of Directors

  
M J Collecott  
Director

## ENIC Limited

### Consolidated statement of cash flow Year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Net cash inflow/(outflow) from operating activities	18	2,207	(494)
Returns on investments and servicing of finance			
Interest paid		(389)	(633)
Net cash inflow/(outflow) from return on investments and servicing of finance		1,818	(139)
Taxation		(349)	-
Capital expenditure and financial investments			
Sale of assets		10,534	-
Net cash inflow from capital expenditure and financial investments		12,003	-
Financing			
Bank loan repayment		(5,102)	(2,085)
Bank loan advances		-	2,800
Other loans		850	(755)
Net cash (outflow) from financing		(4,252)	(40)
Increase/(decrease) in cash and cash equivalents		7,751	(179)

# ENIC Limited

## Consolidated statement of changes in equity Year ended 31 December 2016

	Called-up share capital £ 000's	Investment Property reserve £ 000's	Profit and loss reserve £ 000's	Total £ 000's
At 1 January 2015	1	2,805	21,837	24,193
Profit for the financial year		33	(764)	(731)
At 31 December 2015	1	2,838	20,623	23,462

	Called-up share capital £ 000's	Investment Property reserve £ 000's	Profit and loss reserve £ 000's	Total £ 000's
At 1 January 2016	1	2,838	20,623	23,462
Profit for the financial year		-	4,107	4,107
Dividend paid			(5,175)	(5,175)
At 31 December 2016	1	2,838	19,555	22,394

## **ENIC Limited**

### **Notes to the accounts Year ended 31 December 2016**

#### **1. Accounting policies**

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

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 issued by the Financial Reporting Council.

##### **Going concern**

The accounts have been prepared on a going concern basis as discussed in the Strategic Report on page two.

##### **Basis of consolidation**

The Group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiary undertakings acquired or sold during the period are consolidated to or from the date on which control passed. Acquisitions are accounted for under the acquisition method.

##### **Turnover**

Turnover is recognised on the accruals basis and represents invoiced services net of related sales taxes.

Executive jet charter income arises wholly in the UK, and is recognised on an accruals basis, based on when the charter takes place.

##### **Tangible fixed assets**

Tangible fixed assets are stated at cost net of depreciation and any provisions for impairment.

##### **Depreciation**

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The periods generally applicable are:

Aircraft engines	5,000 flying hours
Aircraft frames	20 years
Fixtures, fittings, tools and equipment	4 to 10 years

## **ENIC Limited**

### **Notes to the accounts Year ended 31 December 2016**

#### **1. Accounting policies (continued)**

##### **Investment property**

Investment properties are revalued annually to fair value. Surpluses or deficits on individual properties are recognised in the profit and loss account.

##### **Stock**

Stock is valued at the lower of cost and estimated selling price less costs to sell.

##### **Foreign currencies**

Transactions in foreign currencies are translated at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates of exchange ruling at that date. The results of foreign subsidiaries are translated at the closing rates for the balance sheet date and the average exchange rate for the period for the profit and loss account. The exchange differences arising from the re-translation of the opening net assets of subsidiaries are reported in the statement of total recognised gains and losses. All other exchange differences are included in the profit and loss account.

##### **Taxation**

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

# ENIC Limited

## Notes to the accounts

Year ended 31 December 2016

### 2. Segmental information and geographical analysis

#### (a) Segmental information

	2016 £'000	2015 £'000
<b>Turnover by division</b>		
ENIC Entertainment	370	344
Property and Group management	236	359
Executive airline	810	877
	<u>1,416</u>	<u>1,580</u>
<b>Profit/(loss) on ordinary activities after taxation</b>		
ENIC Entertainment	(157)	344
Property and Group management	4,498	(369)
Executive airline	(234)	(706)
	<u>4,107</u>	<u>(731)</u>
<b>Net assets</b>		
ENIC Entertainment		596
Property and Group management	17,118	17,022
Executive airline	5,276	5,844
	<u>22,394</u>	<u>23,462</u>

#### (b) Geographical analysis

	2016 £'000	2015 £'000
<b>Turnover by origin and destination</b>		
UK	1,046	1,236
Other	370	344
	<u>1,416</u>	<u>1,580</u>
<b>Profit/(loss) on ordinary activities after taxation</b>		
UK	4,476	(938)
Other	(369)	207
	<u>6,701</u>	<u>(731)</u>



# ENIC Limited

## Notes to the accounts Year ended 31 December 2016

### 2. Segmental information and geographical analysis (continued)

	2016 £'000	2015 £'000
Net assets		
UK	22,394	22,866
Other	-	596
	<u>22,394</u>	<u>23,462</u>

### 3. Group operating loss

The loss on ordinary activities is stated after charging:

	2016 £'000	2015 £'000
Fees payable to the company's auditor		
-for the audit of the company's annual accounts	10	10
-for the audit of the company's subsidiary accounts	20	20
Depreciation of tangible fixed assets	514	918
	<u>544</u>	<u>948</u>

### 4. Net interest

	2016 £'000	2015 £'000
Interest receivable on Group loans	-	307
Bank interest payable	(390)	(529)
Other interest receivable	333	478
	<u>(57)</u>	<u>256</u>

### 5. Directors and employees

Total emoluments of directors and the emoluments of the highest paid director of the Group during the year were as follows:

	2016 £'000	2015 £'000
Fees	-	-

Total cost of employees, including directors, during the year was as follows:

	2016 £'000	2015 £'000
Wages and salaries	-	-
Social security costs	-	-
Pension and other costs	-	-
	<u>-</u>	<u>-</u>

No payments were made in respect of directors' pension schemes. (2015: £nil)

## ENIC Limited

### Notes to the accounts

Year ended 31 December 2016

#### 5. Directors and employees (continued)

##### Average number of employees

The average number of employees, including directors during the year was as follows:

	2016 £'000	2015 £'000
Directors	2	2

The number of employees at the year end was 2 (2014:2). No employees drew any emoluments from the Group.

#### 6. Tax on Profit/(Loss) on ordinary activities

The tax charge comprises:

	2016 £'000	2015 £'000
UK corporation tax	229	-
Adjustment in respect of prior years	(349)	-
Total current tax	(120)	-
Total tax on profit on ordinary activities		

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2016 £'000	2015 £'000
Profit/(Loss) on ordinary activities before tax	3,987	(731)
Profit/(Loss) on ordinary activities at standard rate of corporation tax in the UK 20% (2015: 20.25%)	797	(148)
Effects of:		
Expenses not deductible for tax purposes	11	55
Capital allowances in excess of depreciation	(43)	-
Depreciation in excess of capital allowances	-	185
Other timing differences	(26)	(28)
Income not taxable in determining taxable profit	(74)	(70)
Waiver of loans with other group undertakings	119	-
Carry forward of tax losses not recognised	-	238
Utilisation of capital losses not previously recognised	(327)	-
Utilisation of tax losses not previously recognised	(228)	(232)
Adjustment in respect of prior periods	(349)	-
Group total tax (credit) charge for period	(120)	-

## **ENIC Limited**

### **Notes to the accounts Year ended 31 December 2016**

There are no provided deferred tax liabilities in the current year or prior year. The tax charge in future periods may be affected by losses carried forward which are not recognised by the Group. A deferred tax asset for tax losses and other timing differences has not been recognised because in the opinion of the directors there is unlikely to be sufficient taxable income available in the foreseeable future. The total potential deferred tax asset that has not been recognised in respect of tax losses and other timing differences at a tax rate of 17% (2015: 18%) is £1,395,000 (2015: £2,188,000).

There is no expiry date on timing differences, unused tax losses or tax credits.

#### **Factors that may affect future tax charges**

The standard rate of UK Corporation Tax reduced from 21% to 20% on 1 April 2015 and therefore the average standard rate of corporation tax for the year ended 31 December 2016 was 20% (2015: 20.25%).

The Finance (No 2) Act 2015 substantively enacted reductions in the standard rate of UK corporation tax from 20% to 19% from 1 April 2017, and 18% from 1 April 2020. Subsequently The Finance Act 2016 further reduced the standard rate of corporation tax to 17% with effect from 1 April 2020. Therefore deferred tax calculations are based on the enacted rate of 17% (2015: 18%) as at the balance sheet date.

The above changes to the rate of corporation tax will impact the amount of future cash tax payments to be made by the company.

#### **7. Result for the financial year**

The parent company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The Group results for the year include a loss of £6.8M (2015: loss of £0.4m) which is dealt with in the financial statements of the company.

#### **8. Dividends**

A dividend of £5.2m was declared and finalised to settle an intercompany amount due to the parent company during the year (2015: £nil).

## ENIC Limited

### Notes to the accounts Year ended 31 December 2016

#### 9. Tangible fixed assets

	Embraer Legacy 600 Aircraft £'000
Group	
Cost:	
At 1 January 2016	13,145
Additions	
At 31 December 2016	13,145
Depreciation	
At 1 January 2016	7,499
Charge for the year	514
At 31 December 2016	8,013
Net book value	
At 31 December 2016	5,132
At 31 December 2015	5,646

There were no fixed assets held by ENIC Limited at the year end (2015: £nil). There are no assets held under finance leases in both the Group and the company in the current or prior year.

## ENIC Limited

### Notes to the accounts Year ended 31 December 2016

#### 10. Investments

##### Subsidiary undertakings

Interests in subsidiary undertakings held by the Company are as follows:

Undertaking	Country of registration	Nature of business	Effective holding
<b>ENIC</b>			
ENIC Group	England and Wales	Holding company	100%
*Raz Air Limited	England and Wales	Executive airline	100%
<b>ENIC Entertainment</b>			
*ENIC Entertainment Limited	England and Wales	Holding company	100%
*ENIC Entertainment (Restaurants) Limited	England and Wales	Holding company	100%
*WB/ENIC Soundstage Restaurants L.P.	USA	Property company	100%
<b>ENIC Property</b>			
*Transglobal Estates Limited	England and Wales	Property company	100%
*Brook Road Limited	England and Wales	Property company	100%
*Upper Street Investments LLP	England and Wales	Property company	95%

Investments marked with an asterisk (\*) are investments of the company which are held indirectly.

The Company's investment at 31 December 2016 was £43m (2015: £43m) which represents the cost of the investment made by ENIC Limited to acquire Upper Street Investments LLP and the ENIC Group.

#### 11. Investment property

	Property Investments £'000
<b>Group</b>	
Cost at 1 January 2015	6,324
Disposals	(1,425)
At 31 December 2015	4,899
<b>Company</b>	
Cost at 1 January 2016 & 31 December 2016	-

#### 12. Stock - Group

	2016 £'000	2015 £'000
Finished goods and goods for resale	9,000	11,000

Stock represents a property development which is ready for resale. Current valuations indicate the revised value is recoverable in full.

# ENIC Limited

## Notes to the accounts Year ended 31 December 2016

### 13. Debtors

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Amounts due from Group companies	-	9,083	10,600	5,171
Trade debtors	367	285	206	-
Other debtors	10,118	10,834	3,746	4,607
	<u>10,485</u>	<u>20,202</u>	<u>14,552</u>	<u>9,778</u>

### 14. Creditors: amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Trade creditors	105	74	1,431	-
Other creditors	7,006	6,995	23,545	1,062
Corporation tax	229	-	-	-
Accruals and deferred income	149	155	-	-
Bank loan	5,000	2,000	5,000	2,000
	<u>12,489</u>	<u>9,224</u>	<u>28,545</u>	<u>3,062</u>

### 15. Creditors: amounts falling due after more than one year

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Bank loans	2,729	10,831	-	8,000

A £5m facility was in place and is due to mature in June 2017 (The loan was repaid in full prior to maturity in 2017), bearing interest at Libor +3%.

A further bank loan of £2.8m is also in place. The loan is due to mature in 2019, bearing interest at Libor + 2.5%. The facility is secured on the properties held by Upper Street Investments LLP.

# ENIC Limited

## Notes to the accounts Year ended 31 December 2016

### 16. Deferred taxation

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Deferred taxation assets not recognised are as follows:				
Losses	761	1,747	73	-
Accelerated capital allowances	34	410	-	262
Other timing differences	8	32	8	32
	<u>803</u>	<u>2,188</u>	<u>81</u>	<u>294</u>

No deferred tax asset has been recognised in relation to losses since they arise in companies where there are presently limited taxable profits against which they may be offset. Tax relief in relation to other short term timing differences will be available only if there are taxable profits in other Group companies.

### 17. Called up Share capital

	Group		Company	
	2015	2015	2015	2015
	No.	£'000	No.	£'000
Group and Company				
Allotted, called up and fully paid				
Ordinary shares of 1p	<u>100,000</u>	<u>1</u>	<u>100,000</u>	<u>1</u>

### 18. Net cash inflow/(outflow) from operating activities

	2016	2015
	£'000	£'000
Profit/Loss on ordinary activities before interest	10	(414)
Depreciation of tangible fixed assets	514	918
Increase in stock	-	(57)
Increase in debtors	1,660	(33)
Increase in creditors	<u>23</u>	<u>80</u>
Net cash inflow from operating activities	<u>2,207</u>	<u>494</u>

## ENIC Limited

### Notes to the accounts Year ended 31 December 2016

#### 19. Reconciliation of net cash flow to movement in net debt

	2016 £'000	2015 £'000
Increase (decrease) in cash	7,757	(179)
Net debt at the beginning of the year	(12,486)	(14,391)
Net repayment of facilities	5,102	2,084
Net cash/(debt) at 31 December	<u>367</u>	<u>(12,486)</u>

#### 20. Analysis of changes in net debt

	1 January 2016 £'000	Cash flow £'000	31 December 2016 £'000
Cash in hand and at bank	345	7,751	8,096
Debt due within one year	(2,000)	(3,000)	(5,000)
Debt due in more than one year	(10,831)	8,102	(2,729)
	<u>(12,486)</u>	<u>12,853</u>	<u>367</u>

#### 21. Capital commitments and contingent liabilities

The company has no contracted commitments at 31 December 2016 (2015: £nil).

The company has one residual lease for which it indemnifies Time Warner Entertainment Limited. The lease was acquired with Warner Bros. Studio Stores Limited ("WBSS"). The contingent liability under the indemnities provided by ENIC Group in respect of the lease at the end of the year was £2.6m (2015: £4.3m) over the full term of such leases. The lease is on a store in Regent Street, London, and has been assigned to Esprit. WBSS has been liquidated.

Whilst a contingent liability has been noted, the view of the Directors is that should the lease revert it is unlikely to be a liability.

#### 22. Related party transactions

As at the balance sheet date, ENIC Limited was owed £4.1m (2015: £4.6m) by Transglobal Estates Limited and £6m (2015: £6.3m) by Raz Air Limited. Both companies are wholly owned subsidiaries.

#### 23. Ultimate parent undertaking

The directors consider ENIC International Limited, a company incorporated in the Bahamas, as the ultimate and immediate parent undertaking and the ultimate controlling party. ENIC Limited is both the largest and smallest group that these accounts are consolidated into.