Company Registration No. 04558176

ENIC Limited

Report and Financial Statements

31 December 2013

ENIC Limited

Report and financial statements 2013

Contents

ENIC Limited

Report and financial statements 2013

Officers and professional advisers

Directors

D P Levy
M J Collecott

Secretary

M J Collecott

Registered Office

748 High Road
London
N17 0AP

Bankers

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

HSBC Bank plc
70 Pall Mall
London
SW1Y 5EZ

Solicitors

Wallace and Partners
1 Portland Place
London
W1N 3AA

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

ENIC Limited

Strategic report

The Directors present their strategic report for the year ended 31 December 2013Principal activities and performance of the business during the period

During the year the Group continued the policy of rationalising the ENIC Group's portfolio of assets.

The Entertainment division retains the income stream from an assigned lease held 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.

The Group's year end position resulted in a net assets of £21m (31 December 2012: £21m)

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 holding and repaying its debts in a time when financial markets remain unstable. The commercial risks are deemed to mitigated by the group maintaining a diverse portfolio.

Going concern

The Group meets its day to day working capital requirements through service contracts and other operational incomes 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. Despite the current uncertain economic environment, post year end the Group renewed its banking facilities until September 2017. The Group 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 Group is in compliance with all of its covenants and has sufficient headroom for the foreseeable future.

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 profit for the year, after taxation was £146,000 (31 December 2012 loss: £52,000).

No dividend was paid in the period to 31 December 2013 (31 December 2012: £nil).

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

M J Collecott
Director

30/9/ 2014

ENIC Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

Directors

The directors who served throughout the period were as follows:

D P Levy
M J Collecott

Supplier payment policy

It is the Group's payment policy to obtain the best possible terms for all its businesses and therefore there is no single policy as to the terms used. In general, the Group agrees with its suppliers the terms on which business will take place and it is the Group's policy to abide by these terms. At 31 December 2013 the Group had trade creditors of £0.1m (31 December 2012: £0.1m). The company's subsidiaries are free to settle their liabilities in accordance with local trading practices.

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
20/9/2014

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; 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 2013 which comprise the consolidated Profit and Loss Account, the consolidated Balance Sheet, the company Balance Sheet and the consolidated cash flow statement and the related notes 1 to 27. 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 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 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 2013 and of the group's 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 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, 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.

Nigel Mercer

Nigel Mercer (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
30 September 2014

Consolidated profit and loss account
Year ended 31 December 2013

	Notes	2013 £'000	2012 £'000
Turnover	2	1,348	6,329
Cost of sales		(558)	(3,415)
Gross profit		790	2,914
Operating expenses		(1,371)	(2,934)
Operating loss	3	(581)	(20)
Loans written back		-	115
Other income		53	80
(Loss)/profit on ordinary activities before finance charges		(528)	175
Net interest	4	(179)	(227)
Loss on ordinary activities before taxation		(707)	(52)
Tax credit on loss on ordinary activities	6	853	-
Profit/(loss) on ordinary activities after taxation		146	(52)

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 total recognised gains and losses is presented.

ENIC Limited

Consolidated balance sheet
31 December 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Tangible assets	9	6,884	7,769
Investment property	11	3,095	1,050
Goodwill	12	102	113
		10,081	8,932
Current assets			
Stock	13	11,501	11,481
Debtors	14	37,061	47,511
Cash at bank and in hand		650	345
		49,212	59,337
Creditors: amounts falling due within one year	15	(38,002)	(22,624)
Net current assets		11,210	36,713
Total assets less current liabilities		21,291	45,645
Creditors: amounts falling due in more than one year	16	-	(24,500)
Net assets		21,291	21,145
Capital and reserves			
Called up share capital	18	1	1
Revaluation reserve		(97)	(97)
Profit and loss account	19	21,387	21,241
Shareholders' funds	23	21,291	21,145

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 30/9/2014.

Signed on behalf of the Board of Directors

M J Collecott
Director

ENIC Limited

Company balance sheet
31 December 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Investments	10	40,683	40,683
Investment Property		2,045	-
		42,728	40,683
Current assets			
Debtors	14	785	-
Net current assets		785	-
Total assets less current liabilities		43,513	40,683
Creditors: amounts falling due after more than one year	15	(3,391)	-
Net assets		40,122	40,683
Capital and reserves			
Called up share capital	18	1	1
Profit and loss account	19	40,121	40,682
Shareholders' funds		40,122	40,683

The financial statements of the company, registered number, 4558176, were approved by the Board of Directors on 30/9/ 2014.

Signed on behalf of the Board of Directors

M J Collecott
Director

Consolidated cash flow statement
Year ended 31 December 2013

	Notes	2013 £'000	2012 £'000
Net cash inflow/(outflow) from operating activities	20	4,572	(214)
Returns on investments and servicing of finance			
Interest received		-	2
Interest paid		(1,269)	(1,977)
Net cash inflow/(outflow) from return on investments and servicing of finance		3,303	(1,975)
Taxation		853	-
Capital expenditure and financial investments			
Sale of tangible fixed assets		-	80
Purchase of tangible fixed assets – investment property		(2,045)	-
Net cash (outflow)/inflow from capital expenditure and financial investments		(2,045)	80
Financing			
Loan repayment		-	(12,018)
Movement in third party loans		(1,806)	3,480
Movement in loans to parent		-	2,553
Net cash outflow from financing		(1,806)	(5,983)
Increase/(decrease) in cash and cash equivalents	21	305	(8,092)

Notes to the accounts
Year ended 31 December 2013

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 and in accordance with United Kingdom accounting standards.

Going concern

The accounts have been prepared on a going concern basis as discussed in the Director's 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

Goodwill

Goodwill arising on the acquisition of subsidiary and associate undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life (20 years). Provision is made for any impairment.

Notes to the accounts
Year ended 31 December 2013

1. Accounting policies (continued)

Investment property

Investment properties are revalued annually to open market value. Surpluses or deficits on individual properties are transferred to the investment revaluation reserve, except that a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or reversal of such a deficit, is charged (or credited) to the profit and loss account. Depreciation is not provided in respect of freehold investment properties, or in respect of leasehold investment properties where the unexpired term of the lease is more than 20 years. The members consider that this accounting policy, which represents a departure from statutory accounting rules, is necessary to provide a true and fair view as required under SSAP 19 Accounting for investment properties. The financial effect of the departure from the statutory accounting rules cannot be reasonably quantified.

Stock

Stock is valued at the lower of cost and net realisable value.

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.

Notes to the accounts
Year ended 31 December 2013

1. **Accounting policies (continued)**

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.

2. **Segmental information and geographical analysis**

(a) Segmental information

	2013 £'000	2012 £'000
Turnover by division		
ENIC Entertainment	315	301
Property and Group management	132	5,258
Executive airline	901	770
	1,348	6,329
Profit/(loss) on ordinary activities after taxation		
ENIC Entertainment	(9)	306
Property and Group management	222	295
Executive airline	(67)	(653)
	146	(52)
Net assets		
ENIC Entertainment	598	598
Property and Group management	13,588	17,344
Executive airline	7,105	3,203
	21,291	21,145

(b) Geographical analysis

	2013 £'000	2012 £'000
Turnover by origin and destination		
UK	1,033	6,028
Other	315	301
	1,348	6,329
Profit/(loss) on ordinary activities after taxation		
UK	(79)	(240)
Other	225	188
	146	(52)

Notes to the accounts
Year ended 31 December 2013

2. Segmental information and geographical analysis (continued)

Net assets		
UK	20,693	20,547
Other	598	598
	21,291	21,145

3. Group operating loss

The loss on ordinary activities is stated after charging:

	2013 £'000	2012 £'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	885	902
Amortisation of goodwill	11	11

4. Net interest

	2013 £'000	2012 £'000
Interest receivable on related party loans	1,090	1,750
Bank interest payable	(1,269)	(1,977)
	(179)	(227)

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:

	2013 £'000	2012 £'000
Fees	-	1,631

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

	2013 £'000	2012 £'000
Wages and salaries	-	1,671
Social security costs	-	227
Pension and other costs	-	23
	-	1,921

No payments were made in respect of directors' pension schemes. (2012: £nil)

Notes to the accounts
Year ended 31 December 2013

Average number of employees

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

	2013 £'000	2012 £'000
Administrative and central support	3	3

The number of employees at the year end was 3 (2012: 3). No staff drew any emoluments from the Group.

6. Tax on (loss) on ordinary activities

Analysis of tax credit for the current year

	2013 £'000	2012 £'000
Adjustments in respect of prior years	(853)	-
Total current tax (credit)	(853)	-

The tax (credit) which is reconciled as follows:

	2013 £'000	2012 £'000
(Loss) on ordinary activities before tax	(707)	(52)
(Loss) on ordinary activities at standard rate of corporation tax in the UK 23.25% (2012: 24.5%)	164	13
Effects of:		
Expenditure not tax deductible	(17)	(15)
Depreciation in excess of capital allowances	3	(70)
Impairment of investment/loans	-	(49)
Non-taxable income	70	74
Carry forward of tax losses	(341)	-
Utilisation of tax losses brought forward	121	47
Adjustments in respect of prior years	(853)	-
Current tax credit	(853)	-

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 will be no suitable taxable gains 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 20% (2012: 23%) is £2,358,000 (2012: £2,519,000).

Notes to the accounts
Year ended 31 December 2013

6. Tax on loss on ordinary activities (continued)

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 from 24% to 23% with effect from 1 April 2013. Therefore the average corporate tax for the year ended 31 December 2013 is 23.25%. The Finance Act 2013 substantively enacted a rate reduction such that the corporation tax rate was reduced from 23% to 21% with effect from 1 April 2014. The Finance Act 2013 also substantively enacted a rate reduction such that the corporation tax rate was reduced from 21% to 20% with effect from 1 April 2015. Therefore at the balance sheet date the enacted rate of 20% has been applied to the timing differences at the balance sheet date.

The rate change will also impact the amount of the 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 £561,000 (2012: £nil) which is dealt with in the financial statements of the company.

8. Dividends

No dividend was declared and paid during the year £nil (2012: £nil).

9. Tangible assets

Group	Fixtures and Fittings £'000	Embraer Legacy 600 Aircraft £'000	Total £'000
Cost			
At 1 January 2013	155	12,563	12,718
Disposals	(155)	-	-
At 31 December 2013	-	12,563	12,563
Depreciation			
At 1 January 2013	155	4,794	4,949
Charge for the year	-	885	885
Disposals	(155)		
At 31 December 2013	-	5,679	5,679
Net book value			
At 31 December 2013	-	6,884	6,884
At 31 December 2012	-	7,769	7,769

There were no fixed assets held by ENIC Limited at the year end (2012: £nil). There are no assets held under finance leases in both the Group and the company in the current or prior year.

Notes to the accounts
Year ended 31 December 2013

10. Investments

Subsidiary undertakings

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

Undertaking	Country of registration	Nature of business	Effective holding
ENIC			
ENIC Group	England and Wales	Holding company	100%
*Raz Air Limited	England and Wales	Executive airline	100%
ENIC Entertainment			
*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%
ENIC Property			
*ENIC Property Limited	England and Wales	Dormant	100%
*Transglobal Estates Limited	England and Wales	Property company	100%
*Brook Road Limited	England and Wales	Property company	100%

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

The Company's investment at 31 December 2013 and 2012 was £40,683,000 which represents the cost and net book value of the investment made by ENIC Limited to acquire the entire share capital of ENIC Group.

11. Investment property

	Property Investments £'000
Group	
Cost at 1 January 2013	1,050
Additions	2,045
At 31 December 2013	3,095
Company	
Cost at 1 January 2013	-
Additions	2,045
At 31 December 2013	2,045

During the year the Investment properties held by 159-168 Upper Street LLP, of which ENIC Limited is a 25% partner, distributed ENIC Limited's share of the Investment property assets from the LLP to ENIC Limited. ENIC Limited retains its 25% share of the LLP.

Notes to the accounts
Year ended 31 December 2013

12. Goodwill - Group

	Total £'000
Cost	
Cost on acquisition, and at year end	226
Amortisation	
Amortisation at 1 January 2013	113
Charge for year	11
Amortisation at 31 December 2013	124
Net book value at 31 December 2013	102
Net book value at 31 December 2012	113

13. Stock - Group

	2013 £'000	2012 £'000
Finished goods and goods for resale	11,501	13,117

Stock represents a property development which is ready for resale. Current valuations indicate all amounts are recoverable in full.

14. Debtors

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Amounts due from ultimate parent undertaking	28,277	31,733	-	-
Trade debtors	125	4,810	-	-
Other debtors	8,659	10,968	785	-
	37,061	47,511	785	-

Notes to the accounts
Year ended 31 December 2013

15. Creditors: amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Trade creditors	136	220	-	-
Social security and other taxes	-	840	-	-
Other creditors	7,010	10,025	-	-
Accruals and deferred income	356	311	-	-
Bank loan	30,500	6,000	-	-
Amounts due to ultimate parent undertaking	-	5,228	-	-
	38,002	22,624	-	-

16. Creditors: amounts falling due after more than one year - Group

	2013	2012
	£'000	£'000
Bank loans	-	24,500

The bank loan represents a group facility inherited from Bank of Scotland by Lloyds Bank, which was due to mature in December 2014 and bore interest at base +4%. The facility was refinanced with HSBC in September 2014 and the amounts owing to Bank of Scotland were repaid in full. The new HSBC loan matures in September 2017.

17. Deferred taxation

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Deferred taxation assets not recognised are as follows:				
Losses	2,445	2,535	143	33
Accelerated capital allowances	(87)	9	-	-
	2,358	2,544		33

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.

ENIC Limited

Notes to the accounts
Year ended 31 December 2013

18. Called up Share capital

Group and Company	Group 2013 No.	Group 2013 £'000	Company 2013 No.	Company 2013 £'000
Allotted, called up and fully paid				
Ordinary shares of 1p	100,000	1	100,000	1

19. Reserves

Group	Profit and loss account 2013 £'000	Profit and loss account 2012 £'000
At 1 January	21,145	21,197
Retained profit/(loss) for the year	146	(52)
At 31 December	21,291	21,145

Company	Profit and loss account 2013 £'000	Profit and loss account 2012 £'000
At 1 January	40,682	40,862
Retained loss for the year	(561)	(180)
At 31 December	40,121	40,682

20. Net cash inflow/(outflow) from operating activities

	2013 £'000	2012 £'000
Operating (loss) on ordinary activities	(528)	(20)
Depreciation of tangible fixed assets	885	903
Amortisation of goodwill	11	11
(Increase)/decrease in stock	(21)	231
Decrease/(increase) in debtors	5,127	(3,886)
(Decrease)/increase in creditors	(902)	2547
Net cash inflow/(outflow) from operating activities	4,572	(214)

Notes to the accounts
Year ended 31 December 2013

21. Reconciliation of net cash flow to movement in net debt

	2013 £'000	2012 £'000
Increase/(decrease) in cash	305	(8,092)
Net debt at the beginning of the year	(30,155)	(34,081)
Repayment of facilities	-	12,018
Net debt at 31 December	(29,850)	(30,155)

22. Analysis of changes in net debt

	1 January 2013 £'000	Cash flow £'000	31 December 2013 £'000
Cash in hand and at bank	345	305	650
Debt due within one year	(6,000)	(24,500)	(30,500)
Debt due in more than one year	(24,500)	24,500	-
	(30,155)	305	(29,850)

23. Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
Opening shareholders' funds	21,145	21,197
Profit/(loss) for the year	146	(52)
Closing shareholders' funds	21,291	21,145

24. Capital commitments and contingent liabilities

The company has no contracted commitments at 31 December 2013 (2012: £nil).

The company has assigned 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 £7.5m 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.

Notes to the accounts
Year ended 31 December 2013

25. Pensions

The Group operates defined contribution schemes for the benefit of employees. There was no pension cost charged for the year (2012: £nil).

26. Related party transactions

Tottenham Hotspur Limited ("Tottenham")

During the year Tottenham invoiced the company including VAT £nil (2012: £5,702) in respect of reimbursable utility and operating costs. At the balance sheet date £nil was due to Tottenham (2012: £nil).

27. 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.