

Company Registration No. 4558176

ENIC Limited

Report and Financial Statements

31 December 2010

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ENIC Limited

Report and financial statements 2010

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ENIC Limited

Report and financial statements 2010

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 Republic Bank (UK) Ltd
31 Hill Street
London
W1J 5LS

Solicitors

Wallace and Partners
1 Portland Place
London
W1N 3AA

Auditor

Deloitte LLP
Chartered Accountant and Registered Auditor
London
United Kingdom

ENIC Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

Principal 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 Sports division is represented by a minority holding in SK Slavia Praha a s which was sold post year end

The Entertainment division retains the income stream from an assigned lease held in the Venetian hotel in Las Vegas Further property-related investments in America have been reviewed during the year

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 has continued to invest through ENIC Property Limited in property related opportunities, within the year an investment property has been added to the portfolio from which the Group received rental income

The Group's performance improved in the year with turnover increasing 66% and it's operating loss decreasing by 65% The Group's year end position resulted in a strong net asset position of £20,814,000 (31 December 2009 £22,142,000)

The key performance indicators for the board relate to building long term investment growth, turnover and operating profit through its investment portfolio

Turnover increased predominantly due to a increase in the service charge to Tottenham Hotspur in line with increased economic conditions, additionally there was an increase in the number of hours the executive jet was chartered within Raz Air Ltd Increased turnover combined with a reduction in operating expenses led to an overall reduction in the Group's operating loss Operating expenses were higher in the prior year due to a one off write down in the loan to Slavia Prague and high foreign exchange losses in regards to the loan on the executive jet within Raz Air Ltd

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, economic conditions affecting the amount of hours the executive jet is chartered within Raz Air Limited and the amount of services provided to fellow subsidiaries The Group has no specific reliance on any division and has focused on consolidating its cash holding and repaying its intercompany debts in a time when financial markets are notably unstable The commercial risks are deemed to mitigated by the group maintaining a balanced portfolio

The Group has exposure to foreign exchange with 75% of its cash holdings held in Dollars and Euros The Dollar holding is held entirely to mitigate dollar loan exposures within the Group and the Euro holding represents a third of the foreign exchange holding

The Board considers Group debt to be recoverable in full and will vigorously pursue any defaults in the current market

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 In the year, the Group renewed its banking facilities for a further two years until December 2013 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

ENIC Limited

Directors' report

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 loss for the year, after taxation was £2,805,000 (31 December 2009 profit £3,465,000)

No dividend was paid in the period to 31 December 2010 (31 December 2009 £nil)

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 2010 the Group had trade creditors of £342,000 (31 December 2009 £143,000). 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
Secretary

31 October 2011

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, 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 2010 which comprise the consolidated Profit and Loss Account, the consolidated Balance Sheet, the company balance sheet and the consolidated cash flow statement, the consolidated statement of total recognized gains and losses and the related notes 1 to 28. 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.

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 2010 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

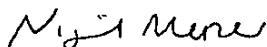
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' 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 (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
31 October 2011

ENIC Limited

Consolidated profit and loss account Year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
Turnover	2	2,302	1,388
Cost of sales		(547)	(458)
Gross Profit		1,755	930
Operating expenses		(2,949)	(5,820)
Group operating loss	3	(1,194)	(4,890)
Amounts Written Off Investments		(607)	-
Loan write down		(5)	-
Other income		274	390
Loss on ordinary activities before interest		(1,532)	(4,500)
Net interest	4	298	1,035
Loss on ordinary activities before taxation		(1,234)	(3,465)
Tax charge on (loss)/profit on ordinary activities	6	-	-
Loss on ordinary activities after taxation		(1,234)	(3,465)

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

All amounts derive from continuing operations

ENIC Limited

Consolidated balance sheet 31 December 2010

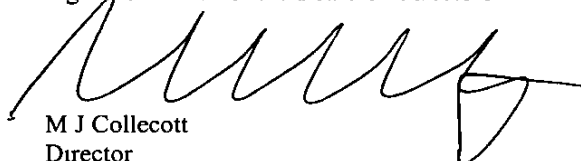
	Notes	2010 £'000	2009 £'000
Fixed assets			
Tangible assets	9	9,604	10,568
Investments	10	1,385	2,226
Investment Property	11	1,050	-
Goodwill	12	135	146
		<u>12,174</u>	<u>12,940</u>
Current assets			
Stock	13	9,560	6,494
Debtors	14	44,901	39,232
Cash at bank and in hand		16,776	27,826
		<u>71,237</u>	<u>73,592</u>
Creditors: amounts falling due within one year	15	<u>(62,600)</u>	<u>(13,715)</u>
Net current assets		<u>8,637</u>	<u>59,877</u>
Total assets less current liabilities		<u>20,811</u>	<u>72,817</u>
Creditors: amounts falling due in more than one year	16	<u>-</u>	<u>(50,675)</u>
Net assets		<u>20,811</u>	<u>22,142</u>
Capital and reserves			
Called up share capital	18	1	1
Revaluation Reserve		(97)	-
Profit and loss account	19	20,907	22,141
Shareholders' funds	22	<u>20,811</u>	<u>22,142</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

31 October 2011

Signed on behalf of the Board of Directors


M J Collecott
Director

ENIC Limited

Company balance sheet 31 December 2010

	Notes	2010 £'000	2009 £'000
Fixed assets			
Investments		40,683	40,683
		<u>40,683</u>	<u>40,683</u>
Current assets			
Debtors	13	180	180
		<u>180</u>	<u>180</u>
Net current assets		<u>180</u>	<u>180</u>
Total assets less current liabilities		40,863	40,863
Creditors: amounts falling due after more than one year	15	(21)	(21)
		<u>(21)</u>	<u>(21)</u>
Net assets		<u>40,842</u>	<u>40,842</u>
Capital and reserves			
Called up share capital	17	1	1
Profit and loss account	18	40,841	40,841
		<u>40,842</u>	<u>40,842</u>
Shareholders' funds		<u>40,842</u>	<u>40,842</u>

The financial statements of the company, registered number, 4558176, were approved by the Board of Directors on 31 October 2011

Signed on behalf of the Board of Directors


M J Collecott
Director

ENIC Limited

Consolidated cash flow statement Year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
Net cash outflow from operating activities	20	(4,358)	(1,872)
Returns on investments and servicing of finance			
Interest received		226	871
Interest paid		(1,313)	(845)
Net cash inflow from return on investments and servicing of finance		(1,087)	26
Taxation		-	-
Capital expenditure and financial investments			
Purchase of tangible fixed assets		(1,289)	(2,730)
Net cash outflow from capital expenditure and financial investments		(1,289)	(2,730)
Financing			
New short term borrowing		-	12,500
New borrowings of loans		1,954	-
Movement in third party loans		(3,922)	5,661
Movement in loans to parent		(2,358)	(28,311)
Net cash outflow from financing		(4,326)	(10,150)
Decrease in cash	21	(11,060)	(14,726)

ENIC Limited

Consolidated statement of total recognised gains and losses Year ended 31 December 2010

	2010	2009
	£'000	£'000
Loss/Profit for the financial year	(1,234)	(3,465)
Currency translation difference on foreign currency net investments	-	-
Unrealised loss on revaluation of investment properties transferred to revaluation reserve	(97)	-
Total recognised loss for the year	<u>(1,331)</u>	<u>(3,453)</u>

ENIC Limited

Notes to the accounts Year ended 31 December 2010

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.

Investments

Except as stated above, fixed asset investments are shown at cost less any provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

Turnover

Turnover 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:

Leasehold improvements	Term of the lease
Buildings	15 years
Motor vehicles	5 years
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.

ENIC Limited

Notes to the accounts Year ended 31 December 2010

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.

Patents and trademarks

Patents and trademarks are capitalised and amortised over their expected useful lives. Provision is made for any impairment.

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.

ENIC Limited

Notes to the accounts Year ended 31 December 2010

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

	2010 £'000	2009 £'000
Turnover by origin and destination		
Media, Property and Group management	1,358	675
ENIC Entertainment	298	288
Executive airline	646	425
	<u>2,302</u>	<u>1,388</u>
(Loss)/Profit on ordinary activities before taxation		
ENIC Sports	37	(630)
ENIC Entertainment	(677)	38
Media, Property and Group management	(175)	(2,920)
Executive airline	(419)	47
	<u>(1,234)</u>	<u>(3,465)</u>
Net assets		
ENIC Sports	2,802	748
ENIC Entertainment	1,597	4,489
Media, Property and Group management	17,258	19,149
Executive airline	(846)	(2,244)
	<u>20,811</u>	<u>22,142</u>

(b) Geographical analysis

	2010 £'000	2009 £'000
Turnover by origin and destination		
UK	2,004	1,100
Other	298	288
	<u>2,302</u>	<u>1,388</u>
Loss on ordinary activities before taxation		
UK	(854)	(630)
Europe – continuing	-	(2,992)
Other	(380)	157
	<u>(1,234)</u>	<u>(3,465)</u>

ENIC Limited

Notes to the accounts Year ended 31 December 2010

2. Segmental information and geographical analysis (continued)

	2010 £'000	2009 £'000
Net assets		
UK	16,211	17,013
Europe	790	3,744
Other	3,810	1,385
	<u>20,811</u>	<u>22,142</u>

3. Group operating loss

The loss on ordinary activities is stated after charging

	2010 £'000	2009 £'000
Fees payable to the company's auditor	10	10
-for the audit of the company's annual accounts	20	23
-for the audit of the company's subsidiary accounts		
Depreciation and amortisation	964	969
- tangible fixed assets	11	11
	<u>995</u>	<u>1,013</u>

4. Net interest

	2010 £'000	2009 £'000
Interest payable	(1,313)	(845)
Interest receivable	1,611	1,880
	<u>298</u>	<u>1,035</u>

ENIC Limited

Notes to the accounts

Year ended 31 December 2010

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

	2010 £'000	2009 £'000
Emoluments	-	-

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

	2010 £'000	2009 £'000
Wages and salaries	-	-
Social security costs	-	-
Pension and other costs	-	-

No payments are made in respect of directors' pension schemes

Average number of employees

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

	2010 £'000	2009 £'000
Media, Gaming and Group management	3	3

The number of employees at the year end was 3 (2010 3)

ENIC Limited

Notes to the accounts Year ended 31 December 2010

6. Tax on (loss)/profit on ordinary activities

There is no current or deferred tax charge/credit for the either the current or prior year, which is reconciled as follows

	2010 £'000	2009 £'000
(Loss) on ordinary activities before tax	(1,234)	(3,465)
(Loss) on ordinary activities at standard rate of corporation tax in the UK 28% (2009 28%)	346	970
Effects of		
Expenditure not tax deductible	(16)	(462)
Capital allowances in excess of depreciation	-	173
Depreciation in excess of capital allowances	(267)	-
Impairment of investment	(170)	-
Non-taxable income	254	(66)
Carry forward of tax losses	(287)	(615)
Utilisation of tax losses brought forward	140	-
Current tax charge	-	-

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 27% (2009 28%)) is £3,757,000 (2009 £3,575,000).

Factors affecting the tax charge for future periods

The Chancellor announced in the budget on 23 March 2011 that the standard rate of UK Corporation Tax will be reduced from 28% to 26% from 1 April 2011, and there will be progressive annual reductions of a further 1% until a rate of 23% is reached with effect from 1 April 2014. The Finance Act (No 2) 2010 which received Royal Assent on 27 July 2010 substantively enacted a rate reduction of 1% to 27% with effect from 1 April 2011. However, the rate reduction from 27% to 26% was not substantively enacted until 29 March 2011 and therefore the effect of this reduction will be included in the accounts to 31 December 2011.

The Chancellor also announced changes to the Capital Allowances regime in the emergency budget on 22 June 2010. The rate of writing down allowances on expenditure on plant and machinery allocated to the main pool will be reduced from 20% to 18%, and the writing down allowances on expenditure allocated to the special rate pool (ie long-life assets and integral features) will be reduced from 10% to 8%. These will have effect from 1 April 2012. In addition, the maximum amount of the annual investment allowance (which provides 100% relief in the year of spend) will be reduced from £100,000 to £25,000 also from 1 April 2012.

Those proposed changes that have not been substantively enacted are not reflected in the company's financial statements as at 31 December 2010 as their impact is considered to be immaterial. The effect of the reduction in the tax rate to 23% on the company's potential deferred tax asset would be to reduce the potential deferred tax asset by £556,000 to £3,201,000. The rate change will also impact the amount of the future cash tax payments to be made by the company. The effect on the company of these proposed changes to the UK tax system will be reflected in the company's financial statements for the year ending 31 December 2011.

ENIC Limited

Notes to the accounts Year ended 31 December 2010

7. Profit 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 profit of £nil (2009 £23,253,000) which is dealt with in the financial statements of the company.

8. Dividends

No dividend was declared and paid during the year £nil (2009 nil)

9. Tangible assets

Group	Embraer Legacy 600 Aircraft £'000	Motor vehicles £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
Cost				
At 1 January 2010	12,563	204	154	12,921
Disposals	-	-	-	-
At 31 December 2010	12,563	204	154	12,921
Depreciation				
At 1 January 2010	2,139	114	100	2,353
Charge for the year	885	38	41	964
At 31 December 2010	3,024	152	141	3,317
Net book value				
At 31 December 2010	9,539	52	13	9,604
At 31 December 2009	10,424	90	54	10,568

There were no fixed assets held by ENIC Limited at the year end (2009 £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 2010

10. Investments

Group	Other investments £'000
Cost	
At 1 January 2010	2,226
Additions	288
Disposals	(163)
Movement to Investment Property	(359)
Written down	(607)
At 31 December 2010	<u>1,385</u>

The Group has invested in a number of properties during the year adding investments to its property portfolio totalling £1.3m

Other Investments

The Group has invested in Classic Building and Design VII LLC within its subsidiary ENIC Entertainment (restaurants) Ltd. The directors do not consider that the Group has significant influence over the operations of this company and so they have accounted for it as an other investment, which is represented by a property held by the company for resale.

Further investments have been made through Transglobal Estates Limited and in other speculative property ventures outside the Group.

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	Restaurant	100%
ENIC Sports			
*ENIC Sports Sarl	Luxembourg	Holding company	100%
*ENIC Sports Limited	England and Wales	Holding company	100%
*ENIC Football Management Sarl	Luxembourg	Holding company	100%

ENIC Limited

Notes to the accounts Year ended 31 December 2010

10. Investments (continued)

ENIC Gaming and Media

*ENIC New Media Investments Inc	Bahamas	Investment company	100%
*Siapita Investments Limited	England and Wales	Investment company	100%
*Siapita Inc	Bahamas	Holding company	100%

ENIC Property

*ENIC Property Limited	England and Wales	Holding company	100%
*Transglobal Estate Limited	England and Wales	Property company	100%
*Brook Road	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 2010 and 2009 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. The company also has a beneficial interest in 100% of the equity of Raz Air Limited and Transglobal Estates Limited and Brook Road Limited.

11. Investment property

	Property Investments £'000
Cost at 1 January 2010	-
Deposit transferred from debtors	359
Additions during the year	788
Loss on revaluation transferred to revaluation reserve	(97)
	<hr/>
At 31 December 2010	1,050 <hr/>

Additions in the year relate to the completion of a purchase of freehold property and enhancements made to this property.

12. Goodwill

	Total £'000
Cost	
Cost on acquisition, and at year end	226 <hr/>
Amortisation	
Amortisation at 1 January 2010	80
Charge for year	11 <hr/>
Amortisation at 31 December 2010	91 <hr/>
Net book value at 31 December 2010	135 <hr/>
Net book value at 31 December 2009	157 <hr/>

ENIC Limited

Notes to the accounts Year ended 31 December 2010

13. Stock

	2010 £'000	2009 £'000
Work in progress	9,560	6,494

Work in progress represents incomplete property developments which are being built or held for resale
Current valuations indicate all amounts are recoverable in full

14. Debtors

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Amounts due from ultimate parent undertaking	34,530	30,746	180	180
Amounts due from associated undertakings	-	2,000	-	-
Trade debtors	342	257	-	-
Other debtors	10,029	6,269	-	-
	<u>44,901</u>	<u>39,232</u>	<u>180</u>	<u>180</u>

Amounts due from ultimate parent undertaking attracts interest at 5%

15. Creditors: amounts falling due within one year

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Trade creditors	342	143	-	-
Social security and other taxes	6	32	-	-
Other creditors	8,381	8,743	-	-
Accruals and deferred income	347	40	-	-
Term loans	6,250	-	-	-
Bank Loan	42,517	-	-	-
Amounts due to ultimate parent undertaking	4,757	4,757	-	-
	<u>62,600</u>	<u>13,715</u>	<u>-</u>	<u>-</u>

ENIC Limited

Notes to the accounts Year ended 31 December 2010

16. Creditors' amounts falling due after more than one year

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Term loan	-	8,158	-	21
Bank loan	-	42,517	-	-
	<u>-</u>	<u>50,675</u>	<u>-</u>	<u>21</u>

The Term loan represents a settlement with Kaupthing Singer & Freidlander for the acquisition of the Embraer Legacy 600 aircraft. The settlement resulted in a two part payment, this being the second and final instalment due in December 2011. It is secured against the aircraft and guaranteed by Rapallo, a related party of the group through common ownership.

The Bank loan is a draw down on a £42 million revolving credit investment facility with the Bank of Scotland. The facility is secured over certain assets and is backed by a corporate guarantee, bearing interest at libor +2.25% and is due to mature in December 2011. The bank has taken a corporate Guarantee over the UK entities and has extended the facility post year end until December 2013.

17. Deferred taxation

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Deferred taxation assets not recognised are as follows	3,513	3,927	41	43
Losses	244	(352)	-	-
Accelerated capital allowances	<u>3,757</u>	<u>3,575</u>	<u>41</u>	<u>43</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.

18. Called up Share capital

	Group		Company	
	2010	2010	2009	2009
	No.	£'000	No.	£'000
Group and Company				
Authorised:				
Ordinary shares of 1p	<u>100,000</u>	<u>1</u>	<u>100,000</u>	<u>1</u>
Allotted, called up and fully paid				
Ordinary shares of 1p	<u>100,000</u>	<u>1</u>	<u>100,000</u>	<u>1</u>

ENIC Limited

Notes to the accounts Year ended 31 December 2010

19. Reserves

Group	Profit and loss account £'000	Total £'000
At 1 January 2010	22,141	25,606
Retained loss for the year	(1,234)	(3,465)
At 31 December 2010	<u>20,907</u>	<u>22,141</u>
	Profit and loss account £'000	Total £'000
Company		
At 1 January 2010	40,841	17,588
Retained profit for the year	-	23,253
At 31 December 2010	<u>40,841</u>	<u>40,841</u>

20 Net cash inflow from operating activities

	2010 £'000	2009 £'000
Operating loss on ordinary activities before associate profits	(1,194)	(3,316)
Depreciation of tangible fixed assets	964	969
Amortisation of goodwill	11	11
Increase in stock	(2,848)	-
(Decrease)/increase in debtors	(942)	1,071
(Decrease)/increase in creditors	657	24
Foreign exchange movements	(1,006)	(631)
Net cash outflow from operating activities	<u>(4,358)</u>	<u>(1,872)</u>

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

	2010 £'000	2009 £'000
Decrease in cash	(11,060)	(14,726)
Net funds at the beginning of the year	(22,849)	(1,205)
Repayment/(drawdown) on facilities	1,908	(6,918)
Net funds at 31 December	<u>(32,001)</u>	<u>(22,849)</u>

ENIC Limited

Notes to the accounts Year ended 31 December 2010

22. Analysis of changes in net debt

	1 January 2010 £'000	Non- Cash flow £'000	Cash flow £'000	31 December 2010 £'000
Cash in hand and at bank	27,826	-	(11,060)	16,766
Debt due within one year	-	(48,767)	-	(48,767)
Debt due in more than one year	(50,675)	48,767	1,908,	-
	<u>(22,849)</u>	<u>-</u>	<u>(9,152)</u>	<u>(32,001)</u>

23. Reconciliation of movements in shareholders' funds

	2010 £'000	2009 £'000
Opening shareholders' funds	22,142	25,607
Loss for the year	(1,234)	(3,465)
Movement of revaluation reserve	(97)	-
Closing shareholders' funds	<u>20,811</u>	<u>22,142</u>

24. Capital commitments and contingent liabilities

At 31 December 2010, the Group had contracted capital commitments, not provided for in these accounts, of £nil (2009 £nil)

A subsidiary of the group, ENIC Group, has assigned a number of leases for which it indemnifies Time Warner Entertainment Limited. These leases were acquired with Warner Bros Studio Stores Limited ("WBSS"), a Group company which has since been liquidated. The contingent liability under the indemnities provided by ENIC Group in respect of these leases at the year end £15.5m (2009 £18.2m) over the full term of such leases. All leases are on stores that have been assigned to third party tenants. The contingent liability will only crystallise in the Group if the third party tenants default on the lease.

25. Pensions

The Group operates defined contribution schemes for the benefit of employees. There was no pension cost charged for the year (2009 £nil)

ENIC Limited

Notes to the accounts

Year ended 31 December 2010

26. Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" not to disclose transactions with other members of the Group headed by ENIC Limited as these are eliminated on consolidation

The Group enters into financing arrangements with PML Group (UK), a company of which the Group's directors are also board members. At the year end, the Group owed £7.7m (2009 £7m creditor)

The group also owes the ultimate parent company ENIC International £4.8m (2009 £4.8m)

At the year end, £2m (2009 £2m) was owed to the Group by Slavia Prague a.s.

During the year Tottenham invoiced the Company £3,756 including VAT (31 December 2009 £11,973) in respect of reimbursable utility and operating costs. At the balance sheet date £3,756 was due to Tottenham (December 2009 £nil)

During the year the Group invoiced Tottenham Hotspur Football club £1,350,000 (31 December 2009 £650,000) in regards to a service fee

27. Subsequent events

The long term loan with Bank Of Scotland of £42m was extended post year end in October 2011, the facility will now mature in December 2013, with the current liability element of the loan being reduced to £6m

28. 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 these accounts are consolidated into