

Company Registration No. 4558176

ENIC Limited

Report and Financial Statements

31 December 2008

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ENIC Limited

Report and financial statements 2008

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ENIC Limited

Report and financial statements 2008

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

Auditors

Deloitte LLP
Chartered Accountants
London

ENIC Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

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.

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 created a holding company 'Enic Property Limited' through which it will look to invest in future property related opportunities.

The board are significantly involved in the operating activities of the Group's key investments and believe that the current portfolio of assets meet 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 and 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. 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 Group has a limited exposure to foreign exchange with only 18% of its cash holdings held in Dollars and Euros. The Dollar holding is held to mitigate dollar loan exposures within the Group and the Euro holding is negligible.

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 dividend income, 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. The Group will open renewal negotiations with the bank in due course and has at this stage not sought any written commitment that the facility will be renewed. However, the Group has held discussion with its bankers about its future borrowings needs and no matter have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms.

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

ENIC Limited

Directors' report

Results and dividends

The Group profit for the period, after taxation was £29,598,000 (31 December 2007 profit: £7,222,000).

A dividend of £39,825,000 was paid in the period to 31 December 2008 (31 December 2007: £nil).

Directors and their interests

The directors who served throughout the period were as follows:

D P Levy

M J Collecott

ENIC Limited

Directors' report (continued)

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 2008 the Group had trade creditors of £320,000 (31 December 2007: £955,000). The company's subsidiaries are free to settle their liabilities in accordance with local trading practices.

Information to auditors

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 auditors are 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Auditors

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

10th Dec 2009

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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the Group as at the end of the financial period and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state where 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 proper accounting records that 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 1985. 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 auditors' report to the members of ENIC Limited

We have audited the Group and parent company financial statements (the "financial statements") of ENIC Limited for the year ended 31 December 2008 which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and the related notes 1 to 26. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report as described in the contents section, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of ENIC Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the parent company's affairs as at 31 December 2008 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP

Chartered Accountants and Registered Auditors

London

10th Dec 2009

ENIC Limited

Consolidated profit and loss account Year ended 31 December 2008

		Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
	Note		
Turnover	2	2,619	1,726
Cost of sales		(1,029)	(390)
Gross Profit		1,590	1,336
Operating expenses		(4,212)	(2,451)
Group operating loss	3	(2,622)	(1,115)
Write back of associate,s operating losses	15	684	-
Share of associate's operating profits		-	991
Loan write down	10	(568)	-
Profit on sale of investments	10	31,155	5,285
Other income		127	876
Profit on ordinary activities before interest		28,776	6,037
Net interest	4	822	1,210
Profit on ordinary activities before taxation		29,598	7,247
Tax charge on profit on ordinary activities	6	-	(25)
Profit on ordinary activities after taxation		29,598	7,222

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 2008

	Note	2008 £'000	2007 £'000
Fixed assets			
Tangible assets	9	11,546	12,372
Investments	10	10,135	9,520
Goodwill	11	157	168
		<u>21,838</u>	<u>22,060</u>
Current assets			
Debtors	12	6,995	19,640
Cash at bank and in hand		42,552	13,267
		<u>49,545</u>	<u>32,907</u>
Creditors: amounts falling due within one year	13	<u>(36,774)</u>	<u>(6,741)</u>
Net current assets		<u>12,771</u>	<u>26,166</u>
Total assets less current liabilities		<u>34,609</u>	<u>48,226</u>
Creditors: amounts falling due in more than one year	14	(9,002)	(11,683)
Provisions for liabilities	15	-	(631)
Net assets		<u>25,607</u>	<u>35,912</u>
Capital and reserves			
Called up share capital	17	1	1
Profit and loss account	18	25,606	35,911
Shareholders' funds	22	<u>25,607</u>	<u>35,912</u>

These financial statements were approved by the Board of Directors on 10th Dec 2009.

Signed on behalf of the Board of Directors

M J Collecott

Finance Director



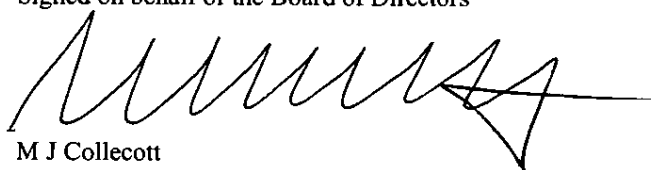
ENIC Limited

Company balance sheet 31 December 2008

	Note	2008 £'000	2007 £'000
Fixed assets			
Investments	10	40,683	40,683
		<u>40,683</u>	<u>40,683</u>
Current assets			
Debtors	12	180	180
		<u>180</u>	<u>180</u>
Net current assets		<u>180</u>	<u>180</u>
Total assets less current liabilities		<u>40,863</u>	<u>40,863</u>
Creditors: amounts falling due after more than one year	14	(23,274)	(22,167)
Net assets		<u>17,589</u>	<u>18,696</u>
Capital and reserves			
Called up share capital	17	1	1
Profit and loss account	18	17,588	18,695
Shareholders' funds		<u>17,589</u>	<u>18,696</u>

The financial statements of the company, registered number, 4558176, were approved by the Board of Directors on 10th Dec 2009.

Signed on behalf of the Board of Directors



M J Collecott

Finance Director

ENIC Limited

Consolidated cash flow statement Year ended 31 December 2008

		Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
	Note		
Net cash inflow/(outflow) from operating activities	19	1,291	1,317
Returns on investments and servicing of finance			
Interest received		2,527	1,201
Interest paid		(1,567)	(805)
Net cash inflow from return on investments and servicing of finance		960	396
Taxation		-	(25)
Capital expenditure and financial investments			
Purchase of tangible fixed assets		(143)	(12,713)
Net cash outflow from capital expenditure and financial investments		(143)	(12,713)
Acquisitions and disposals			
Sale of investments		-	8,285
Net cash inflow/(outflow) from disposals and acquisitions		-	8,285
Financing			
New short term borrowing		24,993	5,000
New Long term loans		-	12,320
Repayment of loans		(1,000)	-
Movement in third party loans		3,184	(8,672)
Net cash inflow from financing		27,177	8,648
Increase in cash	21	29,285	5,908

ENIC Limited

Consolidated statement of total recognised gains and losses Year ended 31 December 2008

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Profit for the financial year/period	29,598	7,222
Loss on foreign exchange	(78)	(70)
Total recognised gain for the year/period	<u>29,520</u>	<u>7,152</u>

ENIC Limited

Notes to the accounts Year ended 31 December 2008

1. Accounting policies

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

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.

Associates

In the Group financial statements investments in associates are accounted for using the equity method. The consolidated profit and loss account includes the Group's share of associate's profits less losses while the Group's share of the net assets or liabilities of the associates is shown in the consolidated balance sheet.

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 or valuation, 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

ENIC Limited

Notes to the accounts Year ended 31 December 2008

1. Accounting policies (continued)

acquired, is capitalised and written off on a straight line basis over its useful economic life (20 years). Provision is made for any impairment.

Patents and trademarks

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

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 substantially 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 substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Contribution to pension funds

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

ENIC Limited

Notes to the accounts Year ended 31 December 2008

2. Segmental information and geographical analysis

(a) Segmental information

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Turnover by origin and destination		
Media, Property & Group management	1,012	975
ENIC Entertainment	248	223
Executive airline	1,359	528
	<u>2,619</u>	<u>1,726</u>
Profit/(Loss) on ordinary activities before taxation		
ENIC Sports –continuing	746	954
ENIC Entertainment	(708)	362
Media, Property and Group management	32,910	6,623
Executive airline	(3,341)	(692)
	<u>29,598</u>	<u>7,247</u>
Net assets/(liabilities)		
ENIC Sports	1,755	(15,981)
ENIC Entertainment	2,775	3,331
Media, Property and Group management	23,441	48,454
Executive airline	(2,364)	108
	<u>25,607</u>	<u>35,912</u>

(b) Geographical analysis

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Turnover by origin and destination		
UK	2,371	1,503
Other	248	223
	<u>2,619</u>	<u>1,726</u>
Profit on ordinary activities before taxation		
UK	28,779	6,069
Europe – continuing	746	954
Other	73	224
	<u>29,598</u>	<u>7,247</u>

ENIC Limited

Notes to the accounts

Year ended 31 December 2008

2. Segmental information and geographical analysis (continued)

Net assets/(liabilities)

UK	17,882	41,689
Europe	4,748	(12,988)
Other	2,977	7,211
	<u>25,607</u>	<u>35,912</u>

3. Group operating loss

The loss on ordinary activities is stated after charging:

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Auditors' remuneration		
- audit	36	25
Depreciation and amortisation		
- tangible fixed assets	969	441
- goodwill	11	11
	<u>1,016</u>	<u>487</u>

Audit and remuneration fee's include's the cost of auditing all uk subsidiaries.

4. Net interest

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Interest payable	(1,707)	(829)
Interest receivable	2,529	2,039
	<u>822</u>	<u>1,210</u>

5. Directors and employees

Total emoluments of directors paid by the Group during the year were as follows:

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Emoluments	<u>1,063</u>	<u>975</u>

The above amount includes emoluments of £1,013,000 (31 December 2007: £975,000) paid in respect of the highest paid director.

ENIC Limited

Notes to the accounts Year ended 31 December 2008

5. Directors and employees (continued)

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

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Wages and salaries	1,013	1,015
Social security costs	141	128
Pension and other costs	12	11
	<u>1,256</u>	<u>1,154</u>

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:

	Year to 31 December 2008	Year to 31 December 2007
ENIC Sports	-	-
ENIC Entertainment	-	-
Media, Gaming and Group management	3	3
	<u>3</u>	<u>3</u>

The number of employees at the period end was 3 (2007: 3).

ENIC Limited

Notes to the accounts Year ended 31 December 2008

6. Tax on profit on ordinary activities

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
The tax on profit on ordinary activities for the period comprises:		
Underprovision for previous periods	-	25
Current tax charge	-	25

The charge to UK and overseas corporation tax is reconciled as follows:

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Profit on ordinary activities before taxation	29,598	7,247
Share of associate's profit before tax	(684)	(991)
Group profit on ordinary activities before tax	28,914	6,256
Profit on ordinary activities at standard rate of corporation tax in the UK 28.5% (2007: 30%)	(8,240)	(1,877)
Effects of:		
Expenditure not tax deductible	(185)	(19)
Depreciation in excess of capital allowance	-	(125)
Capital allowances in excess of depreciation	274	-
Non-taxable income	87	1,621
Carry forward of tax losses	(1,215)	(144)
Utilisation of tax losses brought forward	400	544
Disposal of investment	8,879	-
Underprovision for previous periods	-	25
Current tax charge	-	25

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 the standard rate of 28% (2007: 30%)) is £3,634,000 (2007: £2,612,000).

In late 2007 it was announced that the future corporation tax rate would be reduced to 28% with effect from 1 April 2008. This rate has been applied in calculating the potential deferred tax assets.

ENIC Limited

Notes to the accounts Year ended 31 December 2008

7. Profit for the financial period

The parent company has taken advantage of Section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The Group results for the year include a profit of £38,718,000 (2007: £1,390,000) which is dealt with in the financial statements of the company.

8. Dividends

A dividend of £39,825,000 was declared and paid during the year (2007: £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 2008	12,563	90	225	12,878
Additions	-	139	4	143
Disposals	-	-	-	-
At 31 December 2008	12,563	229	229	13,021
Depreciation				
At 1 January 2008	368	54	84	506
Charge for the year	887	34	48	969
At 31 December 2008	1,255	88	132	1,475
Net book value				
At 31 December 2008	11,308	141	97	11,546
At 31 December 2007	12,195	36	141	12,372

There were no fixed assets held by ENIC Limited at the year end (2007: £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 2008

10. Investments

Group	Other investments £'000	Quoted investments £'000	Total £'000
Cost			
At 1 January 2008	850	8,670	9,520
Additions	9,285	-	9,285
Disposals	-	(8,670)	(8,670)
At 31 December 2008	10,135	-	10,135

The Company investment at 31 December 2008 and 2007 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 (formerly ENIC plc).

Quoted investments

During the year the Group disposed of its entire share holding in Blinkx and Autonomy Plc to Enic International at market value for £42,192,000.

Other Investments

The Group has invested in Classic Building and Design VII LLC. 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 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 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 2008

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.	England and Wales	Holding company	100%

ENIC Property

*ENIC Property Limited	England and Wales	Holding company	100%
*Transglobal Estate Limited	England and Wales	Property company	100%

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

The company has a beneficial interest in 100% of the equity of Raz Air Limited and Transglobal Estates limited.

11. Goodwill

	Group Total £'000
Cost	
Cost on acquisition, and at year end	226
Amortisation	
Amortisation at 1 January 2008	58
Provided in the year	11
Amortisation at 31 December 2008	69
Net book value at 31 December 2008	157
Net book value at 31 December 2007	168

12. Debtors

	Group		Company	
	31 December 2008 £'000	31 December 2007 £'000	31 December 2008 £'000	31 December 2007 £'000
Amounts due from ultimate parent undertaking	1,055	5,059	180	180
Amounts due from associated undertakings	3,558	3,561	-	-
Trade debtors	396	-	-	-
Other debtors	1,986	11,020	-	-
	<u>6,995</u>	<u>19,640</u>	<u>180</u>	<u>180</u>

Included within other debtors are amounts relating to third party loans of £845,000 (2007: £9,730,000) and amounts relating to deferred consideration of £982,000 which is due within one year.

ENIC Limited

Notes to the accounts Year ended 31 December 2008

13. Creditors: amounts falling due within one year

	Group		Company	
	31 December 2008 £'000	31 December 2007 £'000	31 December 2008 £'000	31 December 2007 £'000
Trade creditors	320	955	-	-
Social security and other taxes	32	31	-	-
Other creditors	1,624	65	-	-
Accruals and deferred income	43	29	-	-
Other loans	34,755	5,661	-	-
	<u>36,774</u>	<u>6,741</u>	<u>-</u>	<u>-</u>

Other loans include the current portion (£4,755,000) of the Term loan (see note 14) and a draw down on a £50 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 base +1.5%.

14. Creditors: amounts falling due after more than one year

	Group		Company	
	31 December 2008 £'000	31 December 2007 £'000	31 December 2008 £'000	31 December 2007 £'000
Amounts owed to Group undertakings	-	-	23,274	22,167
Term loan	9,002	11,683	-	-
	<u>9,002</u>	<u>11,683</u>	<u>23,274</u>	<u>22,167</u>

The Term loan represents a loan from Kaupthing Singer & Freidlander for the acquisition of the Embraer Legacy 600. The 10 year loan of \$24,800,000 was secured against the aircraft and guaranteed by Rapallo, a related party of the group through common ownership, bearing interest of Libor + 1.45%. Since then the company has repaid part of the loan and the residual balance above is repayable in two instalments on 31 December 2010 and 31 December 2011.

15. Provisions for liabilities and charges

	Group		Company	
	31 December 2008 £'000	31 December 2008 £'000	31 December 2008 £'000	31 December 2007 £'000
Other provisions	-	631	-	-
	<u>-</u>	<u>631</u>	<u>-</u>	<u>-</u>

The movement in other provision relates to the Group share of associates net liabilities at the year end.

In the current year the provision was released as it is now accounted for as an investment. In the prior year, the expense was recorded within the share of associates profits.

ENIC Limited

Notes to the accounts Year ended 31 December 2008

16. Deferred taxation

	Group		Company	
	31 December	31 December	31 December	31 December
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Deferred taxation assets not recognised are as follows:				
Losses	3,802	2,501	40	-
Benefit of future capital allowances in excess of depreciation	(168)	111	-	-
	<u>3,634</u>	<u>2,612</u>	<u>40</u>	<u>-</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. Share capital

	31 December	31 December	31 December	31 December
Group and company	2008	2008	2007	2007
	No.	£'000	No.	£'000
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 2008

18. Reserves

Group	Profit and loss account £'000	Total £'000
At 1 January 2008	35,911	35,911
Retained profit for the year	29,598	26,095
Currency translation adjustments	(78)	(78)
Dividend paid during the year	(39,825)	(39,825)
	<hr/>	<hr/>
At 31 December 2008	25,606	22,103
	<hr/>	<hr/>
Company	Profit and loss account £'000	Total £'000
At 1 January 2008	18,695	18,695
Retained profit for the year	38,718	38,718
Dividends paid	(39,825)	(39,825)
	<hr/>	<hr/>
At 31 December 2008	17,588	17,588
	<hr/>	<hr/>

19. Net cash inflow from operating activities

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Operating loss on ordinary activities before associate profits	(2,622)	(1,115)
Depreciation of tangible fixed assets	967	441
Amortisation of goodwill	11	11
Decrease in debtors	201	416
Increase in creditors	552	688
Other income	-	876
Foreign exchange movements	2,182	-
	<hr/>	<hr/>
Net cash inflow from operating activities	1,291	1,317
	<hr/>	<hr/>

ENIC Limited

Notes to the accounts Year ended 31 December 2008

20. Reconciliation of net cash flow to movement in net funds

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Increase in cash	29,285	5,908
Net funds at the beginning of the period	(4,077)	7,359
Net draw down on facilities	(26,413)	(17,344)
Net funds at 31 December	<u>(1,205)</u>	<u>(4,077)</u>

21. Analysis of changes in net funds

	1 January 2008 £'000	Cash flow £'000	31 December 2008 £'000
Cash in hand and at bank	13,267	29,285	42,552
	<u>13,267</u>	<u>29,285</u>	<u>42,552</u>
Debt due within one year	(5,661)	(29,094)	(34,755)
Debt due in more than one year	(11,683)	2,681	(9,002)
	<u>(4,077)</u>	<u>2,872</u>	<u>(1,205)</u>

22. Reconciliation of movements in shareholders' funds

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
(Loss)/Profit for the year	(29,598)	7,222
Loss on foreign exchange	(78)	(70)
Dividends paid	(39,825)	-
Net/(decrease)/increase in shareholders' funds	<u>(10,305)</u>	<u>7,153</u>
Shareholders' funds at 31 December	35,912	28,760
Shareholders' funds at 31 December	<u>25,607</u>	<u>35,912</u>

ENIC Limited

Notes to the accounts Year ended 31 December 2008

23. Capital commitments and contingent liabilities

At 31 December 2008, the Group had contracted capital commitments, not provided for in these accounts, of £nil (2007: £350,000).

The company 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 was £21.2m (2007: £24.9m) over the full term of such leases. All leases are on stores that have been assigned to third party tenants. The liability will only crystallise in the Group if the third party tenants default on the lease.

24. Pensions

The Group operates defined contribution schemes for the benefit of employees. There was no pension cost charged for the period (2007: £nil).

25. 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 was owed £5.3m (2007: £5.3m creditor). Net interest of £315,000 was paid to PML Group (UK) in the year (31 December 2007: £44k).

At the year end, £3.6m (2007: £3.6m) was owed to the Group by Slavia Prague a.s.

26. 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.