

**Company Registration No. 03531814**

**ENIC Entertainment (Restaurants) Limited**

**Report and Financial Statements**

**31 December 2011**

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# **ENIC Entertainment (Restaurants) Limited**

## **Report and financial statements 2011**

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# **ENIC Entertainment (Restaurants) Limited**

## **Report and financial statements 2011**

### **Officers and professional advisers**

#### **Directors**

Daniel Philip Levy  
Matthew John Collecott

#### **Secretary**

Matthew John Collecott

#### **Registered Office**

748 High Road  
London  
N17 0AP

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London  
United Kingdom

# **ENIC Entertainment (Restaurants) Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2011. This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

### **Principal activity and business report**

The company acts and will continue to act as the holding company for WB/ENIC Entertainment Soundstage Restaurants, which operated the WB Stage 16 restaurant in Las Vegas. The restaurant ceased trading in January 2003 and the leasehold agreement between WB/ENIC Entertainment Soundstage Restaurants and the Venetian hotel was terminated. The company continues to make property related investments in the United States of America.

The directors consider the company is well placed to perform satisfactorily in the future by retaining the current portfolio and seeking to expand its investments in property and related activities.

### **Going concern**

The directors note that the company is loss making and is in a net liability position. However, after making enquiries and taking into consideration the company's trading performance for the year, its forecasted trading performance and the support provided by other group companies, 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.

The financing of the company's activities is provided by amounts owed to the parent company. The continuing support of the parent has been confirmed through the issue of a legally binding letter of support, confirming that it will not seek repayment of these amounts and will continue to provide financial support to the Company to meet its liabilities as they fall due, for at least twelve months from the date of signing of these financial statements on the going concern basis.

### **Results and dividends**

As described on page 7, the loss after taxation for the year to 31 December 2011 was £1,112,451 (2010: Loss of £720,545).

No dividend was paid or declared in the year to 31 December 2011 (2010: £nil).

### **Directors**

The directors who served throughout the year were as follows:

Daniel Philip Levy  
Matthew John Collecott

# ENIC Entertainment (Restaurants) Limited

## Directors' report (continued)

### Auditor

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

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

In accordance with section 418 of the Companies Act 2006, the directors appointed Deloitte LLP as the company's auditor. A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General meeting

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



Matthew J Collecott

Director

27.9.2012

# **ENIC Entertainment (Restaurants) Limited**

## **Directors' responsibilities statement**

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

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

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

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

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

We have audited the financial statements of ENIC Entertainment (Restaurants) Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its 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**

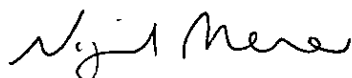
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of ENIC Entertainment (Restaurants) 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 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  
28 SEPTEMBER 2012



## ENIC Entertainment (Restaurants) Limited

### Profit and loss account Year ended 31 December 2011

	Notes	2011 £	2010 £
Operating expenses		-	(6,205)
<b>Operating loss</b>		-	(6,205)
Amounts written off of investments		(1,000,000)	(607,243)
<b>Loss on ordinary activities before interest</b>		(1,000,000)	(613,448)
Interest payable and similar charges	3	(112,451)	(107,097)
<b>Loss on ordinary activities before taxation</b>	2	(1,112,451)	(720,545)
Tax on loss on ordinary activities	10	-	-
<b>Loss on ordinary activities after taxation</b>		<u>(1,112,451)</u>	<u>(720,545)</u>

The accompanying notes are an integral part of this profit and loss account

There are no recognised gains or losses in either period other than the loss as stated above and therefore no statement of total recognised gains and losses is required

All results derive from continuing activities

# ENIC Entertainment (Restaurants) Limited

## Balance sheet 31 December 2011

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Tangible assets	4	-	-
Investments	5	2,200,001	3,200,001
		<u>2,200,001</u>	<u>3,200,001</u>
<b>Current assets</b>			
Debtors	6	2	2
		<u>2</u>	<u>2</u>
<b>Creditors: amounts falling due within one year</b>	7	(4,012,984)	(3,900,533)
		<u>(4,012,984)</u>	<u>(3,900,533)</u>
<b>Net current liabilities</b>		<u>(4,012,982)</u>	<u>(3,900,531)</u>
<b>Net liabilities</b>		<u>(1,812,981)</u>	<u>(700,530)</u>
<b>Capital and reserves</b>			
Called up share capital	8	2	2
Profit and loss account		(1,812,983)	(700,532)
		<u>(1,812,983)</u>	<u>(700,532)</u>
<b>Shareholders' deficit</b>	9	<u>(1,812,981)</u>	<u>(700,530)</u>

The financial statements of ENIC Entertainment (Restaurants) Limited registered number 03531814 were approved by the Board on 27.9.2012



Matthew J Collecott

Director

The accompanying notes are an integral part of this balance sheet

# **ENIC Entertainment (Restaurants) Limited**

## **Notes to the financial statements Year ended 31 December 2011**

### **1. Accounting policies**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The principal accounting policies, which have been applied consistently throughout the current year and prior year, are shown below. The company has taken advantage of the exemption from preparing consolidated financial statements afforded by section 400 of the Companies Act 2006 because it is a wholly-owned subsidiary of ENIC Limited which prepares consolidated financial statements which are publicly available. The company is also, on this basis, exempt from the requirement of FRS 1 (revised) to present a cash flow statement.

#### **Going concern**

The accounts are prepared on a going concern basis as discussed in the Directors' Report.

#### **Investment**

Fixed assets investments are shown at cost less any provisions for impairment. Impairments are charged in the profit and loss account at the point they are recognised.

#### **Taxation**

Current tax is provided at amounts expected to be paid (or received) using the corporate tax rate that has been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided in full on material timing differences based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

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

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation, net of depreciation.

#### **Depreciation**

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

Motor vehicles      5 years

### **2. Loss on ordinary activities before taxation**

The company had no employees during the year under review (2010: none) other than the directors. No director received any emoluments during the year in respect of their services to the company (2010: £nil). Fees payable to the company's auditor for the audit of the company's annual accounts were £1,000 (2010: £1,000). These were borne by ENIC Group, a fellow group company.

# ENIC Entertainment (Restaurants) Limited

## Notes to the financial statements Year ended 31 December 2011

### 3. Interest payable

	2011	2010
	£	£
Group loan interest payable	112,451	107,097

### 4. Fixed assets – tangible assets

	Motor vehicles £
<b>Cost</b>	
At 1 January 2010 and 31 December 2011	41,357
Depreciation at 1 January 2011	41,357
Charged in the year	-
At 31 December 2011	41,357
Net book value at 31 December 2011	-
Net book value at 31 December 2010	-

### 5. Investments

ENIC Entertainment (Restaurants) Limited is the holding company and owns 100% of the share capital in WB/ENIC Entertainment Soundstage Restaurants L P (incorporated in the U S A ) which owned a restaurant venture, WB Stage 16, in Las Vegas. The restaurant was closed in January 2003 and the leasehold agreement was terminated which enabled the lessor to release the site to a third party at a significantly increased rent. As part of this termination, WB/ENIC Entertainment Soundstage Restaurants L P is entitled to annual instalment payments through to 2030.

The company also holds an investment in Classic Building and Design VII LLC, a company set up to design, build and sell residential property in Florida. Given the uncertainty of the American property market and the companies investment through ENIC Entertainment Limited in a US property venture it was considered prudent to impair the companies investment to reflect the directors view of potential future realisations.

	Unlisted investments £
<b>Cost</b>	
At 1 January 2011	12,308,247
Additions to 31 December 2011	-
	12,308,247
<b>Provision for impairment</b>	
At 1 January 2011	9,108,246
<b>Impairment charge in year</b>	1,000,000
At December 2011	10,108,246
<b>Net book value</b>	2,200,001

# ENIC Entertainment (Restaurants) Limited

## Notes to the financial statements Year ended 31 December 2011

### 6 Debtors

	2011 £	2010 £
Amounts owed by parent undertaking	<u>2</u>	<u>2</u>

### 7. Creditors' amounts falling due within one year

	2011 £	2010 £
Amounts owed to Group companies	<u>(4,012,984)</u>	<u>(3,900,533)</u>

All group loans are repayable on demand and attract interest of 5%

### 8. Share capital

	2011 £	2010 £
<b>Authorised.</b>		
1,000 ordinary shares of £1 each (2010 £1)	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and not paid:</b>		
2 ordinary shares of £1 each (2010 £1)	<u>2</u>	<u>2</u>

### 9. Reconciliation of movements in shareholders' deficits

	2011 £	2010 £
Opening shareholders' funds	(700,530)	20,015
Loss for the financial year	<u>(1,112,451)</u>	<u>(720,545)</u>
Closing shareholders' deficit	<u>(1,812,981)</u>	<u>(700,530)</u>

# ENIC Entertainment (Restaurants) Limited

## Notes to the financial statements Year ended 31 December 2011

### 10. Tax on loss on ordinary activities

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

	2011 £	2010 £
Loss on ordinary activities before taxation	(1,112,451)	(720,545)
Loss on ordinary activities at standard rate of corporation tax in the UK of 26.5% (2010: 28%)	(294,800)	(201,753)
Effect of		
Depreciation in excess of capital allowances	-	1,737
Impairment of investment	265,000	170,028
Tax Losses not utilised	29,800	29,988
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 is unlikely to be sufficient taxable income 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 rate of 25% (2010: 28%)) is £64,000 (2010: £38,000).

### FACTORS AFFECTING THE TAX CHARGE FOR FUTURE PERIODS

The Finance Act 2011 substantively enacted a rate reduction such that the corporation tax rate was reduced to 26% with effect from 1 April 2011. Therefore the average corporate tax for the year ended 31 December 2011 is 26.5%. The Finance Act 2011 also substantively enacted a corporation tax rate of 25% with effect from 1 April 2012. Following announcements in the 2012 Budget on 21 March 2012, it was proposed that the full rate of corporation tax be reduced to 24% with effect from 1 April 2012, this rate reduction was substantively enacted on 26 March 2012 and therefore the effect of this reduction will be included in accounts to 31 December 2012. In addition further rate reductions were announced to reduce the corporation tax rate to 22% with effect from 1 April 2014.

The effect of the reduction in the tax rate to 22% on the company's potential deferred tax asset would be to reduce the potential deferred tax asset by £8,000 to £56,000.

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

### 11. Related parties

As a wholly-owned subsidiary undertaking of ENIC Limited, the company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" not to disclose transactions with other members of the group headed by ENIC Limited.

### 12. Ultimate parent undertaking

The directors consider ENIC International Ltd, a company incorporated in the Bahamas, as the ultimate parent undertaking and the ultimate controlling party. The immediate parent company is ENIC Entertainment Limited. ENIC Limited is the parent company of the largest and smallest group of which the company is a member for which group financial statements are being drawn up. Copies of the financial statements of ENIC Limited can be obtained from the company's registered office, 748 High Road, London N17 0AP.