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**SPEARMINT RHINO VENTURES (UK) LIMITED**

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**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2008**

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30/10/2009

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## **SPEARMINT RHINO VENTURES (UK) LIMITED**

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### **COMPANY INFORMATION**

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<b>DIRECTORS</b>	J Gray S Warr (resigned 14 August 2009)
<b>COMPANY SECRETARY</b>	Spearmint Rhino Secretarial Services Limited
<b>COMPANY NUMBER</b>	3914051
<b>REGISTERED OFFICE</b>	161 Tottenham Court Road London W1T 7NN
<b>AUDITORS</b>	Hillier Hopkins LLP Chartered Accountants & Registered Auditor 64 Clarendon Road Watford Herts WD17 1DA

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**SPEARMINT RHINO VENTURES (UK) LIMITED**

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The following pages do not form part of the statutory financial statements:

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## **SPEARMINT RHINO VENTURES (UK) LIMITED**

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### **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2008**

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The director presents his report and the financial statements for the year ended 31 December 2008.

#### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was that of an investment holding company.

#### **BUSINESS REVIEW**

The results for the year and the financial position at the year end were considered satisfactory by the directors given the prevailing economic conditions.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £3,933,845 (2007 - loss £23,209).

The directors do not recommend payment of an ordinary dividend.

#### **DIRECTOR**

The director who served during the year were:

J Gray  
S Warr (resigned 14 August 2009)

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**SPEARMINT RHINO VENTURES (UK) LIMITED**

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**DIRECTOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**PROVISION OF INFORMATION TO AUDITORS**

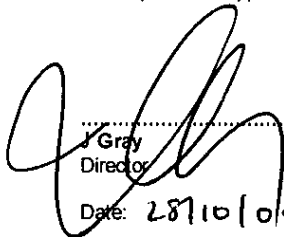
The director at the time when this Director's report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

**AUDITORS**

Under section 487 of the Companies Act 2006, Hillier Hopkins LLP will be deemed to have been reappointed as auditor(s) 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.



.....  
J Gray  
Director  
Date: 28/10/09

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## **SPEARMINT RHINO VENTURES (UK) LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO SPEARMINT RHINO VENTURES (UK) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts of Spearmint Rhino Ventures (UK) Limited for the year ended 31 December 2008 set out on pages 5 to 20, together with the financial statements of the company for the year ended 31 December 2008 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS**

The director is responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

#### **BASIS OF OPINION**

We conducted our work in accordance with Bulletin 2006/3 'The special Auditors' report on abbreviated accounts in the United Kingdom' issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

#### **OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 20 have been properly prepared in accordance with that provision.

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**SPEARMINT RHINO VENTURES (UK) LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO SPEARMINT RHINO VENTURES (UK) LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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**OTHER INFORMATION**

On 30 October 2009 we reported as auditors to the company on the financial statements prepared under section 226 of the Companies Act 1985 and included the following statement:

**EMPHASIS OF MATTER**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1.2 to the financial statements concerning the collection of the amounts due from subsidiary undertakings totalling £4,031,835; the collection of £833,506 from connected company Spearmint Rhino JSUK Limited; and the payment of £2,085,481 owed to other subsidiary companies.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

  
HILLIER HOPKINS LLP

Chartered Accountants  
Registered Auditor

64 Clarendon Road  
Watford  
Herts  
WD17 1DA

30 October 2009

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**SPEARMINT RHINO VENTURES (UK) LIMITED**

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**ABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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	Note	2008 £	2007 £
<b>GROSS PROFIT</b>	2	1,051,861	1,015,990
Administrative expenses		5,280,074	(1,007,189)
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>	2	6,331,935	8,801
<b>EXCEPTIONAL ITEMS</b>	6		
Other exceptional items	6	(2,374,678)	-
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		3,957,257	8,801
Interest receivable		-	504
Interest payable	5	(40,692)	(33,724)
		<hr/>	<hr/>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		3,916,565	(24,419)
Tax on profit/(loss) on ordinary activities	7	17,280	1,210
		<hr/>	<hr/>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>3,933,845</u>	<u>(23,209)</u>

All amounts relate to continuing operations.

The notes on pages 9 to 20 form part of these financial statements.



**SPEARMINT RHINO VENTURES (UK) LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 £	2007 £
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>3,933,845</b>	<b>(23,209)</b>
Unrealised surplus on revaluation of investment properties		<u>166,306</u>	<u>-</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		<u><b>4,100,151</b></u>	<u><b>(23,209)</b></u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 £	2007 £
<b>REPORTED PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u><b>3,916,565</b></u>	<u><b>(24,419)</b></u>
<b>HISTORICAL COST PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u><b>3,916,565</b></u>	<u><b>(24,419)</b></u>
<b>HISTORICAL PROFIT/(LOSS) FOR THE YEAR AFTER TAXATION</b>	<u><b>3,933,845</b></u>	<u><b>(23,209)</b></u>

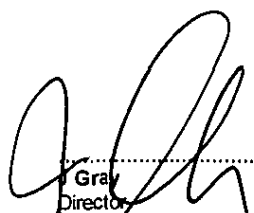
The notes on pages 9 to 20 form part of these financial statements.

**SPEARMINT RHINO VENTURES (UK) LIMITED**  
**REGISTERED NUMBER: 3914051**

**ABBREVIATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2008**

	Note	£	2008 £	£	2007 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	8		79,645		331,467
Investment property	10		375,000		-
Fixed asset investments	9		606		2,375,284
			<u>455,251</u>		<u>2,706,751</u>
<b>CURRENT ASSETS</b>					
Debtors	11	5,186,393		5,688,146	
Cash at bank		-		217,642	
		<u>5,186,393</u>		<u>5,905,788</u>	
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(3,060,001)</u>		<u>(10,042,238)</u>	
<b>NET CURRENT ASSETS/(LIA BILITIES)</b>			<u>2,126,392</u>		<u>(4,136,450)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,581,643</u>		<u>(1,429,699)</u>
<b>CREDITORS: amounts falling due after more than one year</b>	13		<u>(109,548)</u>		<u>(198,357)</u>
<b>NET ASSETS/(LIA BILITIES)</b>			<u>2,472,095</u>		<u>(1,628,056)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		1,000		1,000
Revaluation reserve	16		166,306		-
Profit and loss account	16		2,304,789		(1,629,056)
<b>SHAREHOLDERS' FUNDS/(DEFICIT)</b>	17		<u>2,472,095</u>		<u>(1,628,056)</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf by:

  
 .....  
 Gray  
 Director  
 Date: 28/10/09

The notes on pages 9 to 20 form part of these financial statements.

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**SPEARMINT RHINO VENTURES (UK) LIMITED**

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**ABBREVIATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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	Note	2008 £	2007 £
Net cash flow from operating activities	18	100,759	64,765
Returns on investments and servicing of finance	19	(40,692)	(33,220)
Taxation		(3,834)	-
Capital expenditure and financial investment	19	(1,968)	-
<b>CASH INFLOW BEFORE FINANCING</b>		<b>54,265</b>	<b>31,545</b>
Financing	19	(111,923)	(113,516)
<b>DECREASE IN CASH IN THE YEAR</b>		<b>(57,658)</b>	<b>(81,971)</b>

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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	2008 £	2007 £
Decrease in cash in the year	(57,658)	(81,971)
Cash outflow from decrease in debt and lease financing	111,923	113,516
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>54,265</b>	<b>31,545</b>
Net debt at 1 January 2008	(290,376)	(321,921)
<b>NET DEBT AT 31 DECEMBER 2008</b>	<b>(236,111)</b>	<b>(290,376)</b>

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The notes on pages 9 to 20 form part of these financial statements.

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## **SPEARMINT RHINO VENTURES (UK) LIMITED**

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### **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008**

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#### **1. ACCOUNTING POLICIES**

##### **1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of investment property and in accordance with applicable accounting standards.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### **1.2 GOING CONCERN**

In the year ended 31 December 2008 the subsidiary companies, Spearmint Rhino Companies (Europe) Limited and Spearmint Rhino Companies (Birmingham) Limited provided support to fellow subsidiary companies via the ultimate parent company.

At the balance sheet date the parent company was owed £4,031,835 from subsidiary companies, but owed Spearmint Rhino Companies (Europe) Limited £1,797,327, Spearmint Rhino Companies (Birmingham) Limited £288,151. The parent company will require significant repayment of the amounts due from subsidiary companies and the £933,506 due from connected company Spearmint Rhino JSUK Limited in order to meet its liabilities to Spearmint Rhino (Europe) Limited, Spearmint Rhino Companies (Birmingham) Limited.

The continued support of these two subsidiary companies is critical to the parent company's ability to continue to provide cashflow assistance to its other subsidiary companies. The performance of the subsidiaries is more fully disclosed in note 9.

At the balance sheet date the company also owed a director £511,197 and his continued support is essential going forward. The directors consider it appropriate to prepare the financial statements on a going concern basis on the basis of the expected continued support from the directors and other group companies for the foreseeable future.

##### **1.3 TURNOVER**

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

##### **1.4 INVESTMENTS**

Investments held as fixed assets are shown at cost less provision for impairment.

##### **1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	over the period of the lease
Plant & machinery	-	20% straight line
Motor vehicles	-	20% straight line
Fixtures & fittings	-	20% straight line

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## **SPEARMINT RHINO VENTURES (UK) LIMITED**

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### **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008**

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#### **1. ACCOUNTING POLICIES (continued)**

##### **1.6 LEASING AND HIRE PURCHASE**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### **1.7 DEFERRED TAXATION**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### **1.8 FOREIGN CURRENCIES**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

##### **1.9 INVESTMENT PROPERTIES**

Investment properties are included in the Balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No.19 and are not depreciated. This treatment is contrary to the Companies Act 1985 which states that fixed assets should be depreciated but is, in the opinion of the director, necessary in order to give a true and fair view of the financial position of the company.

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**SPEARMINT RHINO VENTURES (UK) LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**2. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2008 £	2007 £
Depreciation of tangible fixed assets:		
- owned by the company	3,864	7,561
- held under finance leases	41,232	41,232
Auditors' remuneration	11,081	10,590
Difference on foreign exchange	(161,754)	-
	<u>                    </u>	<u>                    </u>

Operating profit includes an exceptional write off of intercompany balances of £6,074,377. See note 25 for further information.

**3. STAFF COSTS**

Staff costs, including director's remuneration, were as follows:

	2008 £	2007 £
Wages and salaries	678,121	682,411
Social security costs	42,597	47,511
	<u>                    </u>	<u>                    </u>
	<u>720,718</u>	<u>729,922</u>

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

	2008 No.	2007 No.
Administration	<u>          6          </u>	<u>          6          </u>

**4. DIRECTOR'S REMUNERATION**

	2008 £	2007 £
Emoluments	<u>404,000</u>	<u>404,000</u>

The highest paid director received remuneration of £315,539 (2007 - £315,539).

**5. INTEREST PAYABLE**

	2008 £	2007 £
On bank loans and overdrafts	<u>40,692</u>	<u>33,724</u>

**SPEARMINT RHINO VENTURES (UK) LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**6. EXCEPTIONAL ITEMS**

	2008 £	2007 £
Impairment of fixed asset investments	<u>2,374,678</u>	<u>-</u>

**7. TAXATION**

	2008 £	2007 £
<b>ANALYSIS OF TAX CHARGE/(CREDIT) IN THE YEAR</b>		
<b>CURRENT TAX</b> (see note below)		
UK corporation tax charge/(credit) on profit/loss for the year	-	(302)
	<u>-</u>	<u>(302)</u>
Group taxation relief	3,834	-
	<u>3,834</u>	<u>(302)</u>
<b>TOTAL CURRENT TAX</b>	<u>3,834</u>	<u>(302)</u>
<b>DEFERRED TAX</b> (see note 14)		
Origination and reversal of timing differences	(21,114)	(908)
	<u>(17,280)</u>	<u>(1,210)</u>
<b>TAX ON PROFIT/LOSS ON ORDINARY ACTIVITIES</b>	<u>(17,280)</u>	<u>(1,210)</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2007 - *lower than*) the standard rate of corporation tax in the UK (28%). The differences are explained below:

	2008 £	2007 £
Profit/loss on ordinary activities before tax	<u>3,916,565</u>	<u>(24,419)</u>
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2007 - 30%)	1,096,638	(7,326)
<b>EFFECTS OF:</b>		
Items not allowable for tax purposes	(1,060,652)	2,144
Capital allowances for year	(10,527)	(14,961)
Losses utilised	(34,252)	5,505
Other adjustments	-	(302)
Depreciation add back	12,627	14,638
	<u>3,834</u>	<u>(302)</u>
<b>CURRENT TAX CHARGE/(CREDIT) FOR THE YEAR</b> (see note above)	<u>3,834</u>	<u>(302)</u>

**SPEARMINT RHINO VENTURES (UK) LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**7. TAXATION (continued)**

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The company has estimated carried forward tax losses amounting to £219,399 (2007: £341,728)

**8. TANGIBLE FIXED ASSETS**

	Land and buildings £	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Total £
<b>COST OR VALUATION</b>					
At 1 January 2008	221,016	206,164	13,250	52,314	492,744
Additions	-	-	-	1,968	1,968
Disposals	-	-	(13,250)	-	(13,250)
Transfer between classes	(221,016)	-	-	-	(221,016)
At 31 December 2008	-	206,164	-	54,282	260,446
<b>DEPRECIATION</b>					
At 1 January 2008	12,322	86,232	13,250	49,473	161,277
Charge for the year	-	41,232	-	3,864	45,096
On disposals	-	-	(13,250)	-	(13,250)
Transfer between classes	(12,322)	-	-	-	(12,322)
At 31 December 2008	-	127,464	-	53,337	180,801
<b>NET BOOK VALUE</b>					
At 31 December 2008	-	78,700	-	945	79,645
At 31 December 2007	208,694	119,932	-	2,841	331,467

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2008 £	2007 £
Plant and machinery	78,700	119,932



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**SPEARMINT RHINO VENTURES (UK) LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**9. FIXED ASSET INVESTMENTS**

	Shares in group under- takings £
<b>COST OR VALUATION</b>	
At 1 January 2008 and 31 December 2008	2,375,284
<b>IMPAIRMENT</b>	
At 1 January 2008	-
Charge for the year	2,374,678
At 31 December 2008	2,374,678
<b>NET BOOK VALUE</b>	
At 31 December 2008	606
At 31 December 2007	2,375,284

**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
Spearmint Rhino Companies (Europe) Limited	Ordinary	100%
Spearmint Rhino Companies (Birmingham) Limited	Ordinary	100%
Sassy Productions Limited	Ordinary	100%
Italian Restaurants (Europe) Limited	Ordinary	100%
Leisure Net.Works Limited	Ordinary	100%
Spearmint Rhino (HW) Limited	Ordinary	100%
Sonfield Developments Limited	Ordinary	80%
Land & Sea Limited	Ordinary	100%
Livorno Leisure Limited	Ordinary	100%
R.K.W. Limited	Ordinary	100%

**SPEARMINT RHINO VENTURES (UK) LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**9. FIXED ASSET INVESTMENTS (continued)**

The aggregate of the share capital and reserves as at 31 December 2008 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves £</b>	<b>Profit/(loss) £</b>
Spearmint Rhino Companies (Europe) Limited	491,078	(1,949,932)
Spearmint Rhino Companies (Birmingham) Limited	334,334	(1,737,363)
Sassy Productions Limited	(270,586)	(47,586)
Italian Restaurants (Europe) Limited	(46,012)	-
Leisure Net.Works Limited	(25,571)	810,579
Spearmint Rhino (HW) Limited	-	-
Sonfield Developments Limited	(1,524,980)	(162,004)
Land & Sea Limited	(2,874,659)	(546,522)
Livorno Leisure Limited	2	(24,865)
R.K.W. Limited	(33,010)	(3,297,223)

**10. INVESTMENT PROPERTY**

	<b>Long term leasehold £</b>
<b>COST AND VALUATION</b>	
At 1 January 2008	-
Transfer from tangible fixed assets	208,694
Surplus/(deficit) on revaluation	166,306
At 31 December 2008	375,000

The 2008 valuations were made by the director, on an open market value for existing use basis.

**11. DEBTORS**

	<b>2008 £</b>	<b>2007 £</b>
Trade debtors	9,679	7,050
Amounts owed by group undertakings	4,031,835	4,213,781
Other debtors	1,113,669	1,459,890
Prepayments and accrued income	5,976	3,305
Deferred tax asset (see note 14)	25,234	4,120
	<b>5,186,393</b>	<b>5,688,146</b>

**SPEARMINT RHINO VENTURES (UK) LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**12. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £	2007 £
Bank loans and overdrafts	52,579	209,692
Net obligations under finance leases and hire purchase contracts	73,984	99,970
Trade creditors	102,571	56,304
Amounts owed to group undertakings	2,085,481	7,476,259
Social security and other taxes	218,826	529,550
Directors' current accounts	511,197	1,663,937
Accruals and deferred income	15,363	6,526
	<u>3,060,001</u>	<u>10,042,238</u>

The bank loan is secured over the land and buildings.

Net obligations under finance lease are secured over the assets concerned.

**13. CREDITORS:  
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2008 £	2007 £
Bank loans	109,548	123,351
Net obligations under finance leases and hire purchase contracts	-	75,006
	<u>109,548</u>	<u>198,357</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2008 £	2007 £
Between one and five years	-	75,006

The bank loan is secured over the land and buildings.

Net obligations under finance lease are secured over the assets concerned.

**14. DEFERRED TAX ASSET**

	2008 £	2007 £
At beginning of year	4,120	3,212
Released during year	21,114	908
	<u>25,234</u>	<u>4,120</u>

**SPEARMINT RHINO VENTURES (UK) LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**14. DEFERRED TAX ASSET (continued)**

The deferred tax asset is made up as follows:

	2008 £	2007 £
Accelerated capital allowances	<u>25,234</u>	<u>4,120</u>

**15. SHARE CAPITAL**

	2008 £	2007 £
<b>AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

**16. RESERVES**

	Revaluation reserve £	Profit and loss account £
At 1 January 2008		(1,629,056)
Profit for the year		3,933,845
Surplus on revaluation of leasehold property	166,306	
At 31 December 2008	<u>166,306</u>	<u>2,304,789</u>

**17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2008 £	2007 £
Opening shareholders' deficit	(1,628,056)	(1,604,847)
Profit/(loss) for the year	3,933,845	(23,209)
Other recognised gains and losses during the year	166,306	-
Closing shareholders' funds/(deficit)	<u>2,472,095</u>	<u>(1,628,056)</u>

**SPEARMINT RHINO VENTURES (UK) LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**18. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2008 £	2007 £
Operating profit	6,331,935	8,801
Depreciation of tangible fixed assets	45,096	48,793
Decrease/(increase) in debtors	340,921	(198,755)
Decrease/(increase) in amounts owed by group undertakings	181,946	(475,135)
(Decrease)/increase in creditors	(1,408,361)	370,986
(Decrease)/increase in amounts owed to group undertakings	(5,390,778)	310,075
<b>NET CASH INFLOW FROM OPERATIONS</b>	<b>100,759</b>	<b>64,765</b>

**19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2008 £	2007 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	-	504
Interest paid	(40,692)	(33,724)
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>(40,692)</b>	<b>(33,220)</b>
	2008 £	2007 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(1,968)	-
	2008 £	2007 £
<b>FINANCING</b>		
Repayment of loans	(10,931)	(10,931)
Repayment of finance leases	(100,992)	-
(Repayment of)/new finance leases	-	(102,585)
<b>NET CASH OUTFLOW FROM FINANCING</b>	<b>(111,923)</b>	<b>(113,516)</b>

**SPEARMINT RHINO VENTURES (UK) LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**20. ANALYSIS OF CHANGES IN NET DEBT**

	1 January 2008 £	Cash flow £	Other non-cash changes £	31 December 2008 £
Cash at bank and in hand:	217,642	(217,642)	-	-
Bank overdraft	(198,914)	159,984	-	(38,930)
	<u>18,728</u>	<u>(57,658)</u>	<u>-</u>	<u>(38,930)</u>
<b>DEBT:</b>				
Debts due within one year	(110,747)	111,923	(88,809)	(87,633)
Debts falling due after more than one year	(198,357)	-	88,809	(109,548)
	<u>(290,376)</u>	<u>54,265</u>	<u>-</u>	<u>(236,111)</u>
<b>NET DEBT</b>	<u>(290,376)</u>	<u>54,265</u>	<u>-</u>	<u>(236,111)</u>

**21. CONTINGENT LIABILITIES**

Rhino chip vouchers can be purchased by customers for tipping dancers, waitresses, bar and restaurant staff. Unredeemed vouchers, though still legally claimable, are immediately credited to turnover in the profit and loss account. The director considers that any vouchers not utilised on the acquisition date are unlikely to be used in the future. No provision has been made in the financial statements.

The company was a member of a VAT Group with certain subsidiary undertakings until August 2009. The company remains jointly and severally liable for the VAT liabilities of that Group until all amounts due have been paid to HM Revenue and Customs.

**22. TRANSACTIONS WITH DIRECTOR**

Included in creditors at the balance sheet date is an interest-free director's loan from John Gray, amounting to £511,197 (2007: £1,663,937). The maximum loan amount outstanding in the year was £1,663,777 (2007: £1,699,888).

**23. RELATED PARTY TRANSACTIONS**

During the year the company charged its subsidiary companies the following management fees:

	2008 £	2007 £
Land and Sea Limited	3,888	21,750
Sassy Productions Limited	92,238	110,210
Sonfield Developments Limited	85,254	74,592
Spearmint Rhino Companies (Birmingham) Limited	144,332	152,316
Spearmint Rhino Companies (Europe) Limited	495,712	487,710
R.K.W. Limited (credit for 2007)	84,786	103,206

At the balance sheet date the company owed the following amounts to its subsidiary undertakings:

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## SPEARMINT RHINO VENTURES (UK) LIMITED

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### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

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	£	£
Spearmint Rhino Companies (Birmingham) Limited	288,151	1,960,931
Spearmint Rhino Companies (Europe) Limited	1,797,327	2,863,868
R.K.W. Limited	-	2,626,212
Livorno Leisure Limited	2	25,249

At the balance sheet date the company was owed the following amounts by its subsidiary companies:

	£	£
Land and Sea Limited	2,710,175	2,368,247
Leisure Net.Works Limited	-	478,975
Sassy Productions Limited	28,562	168,994
Sonfield Developments Limited	1,293,098	1,197,565

At the balance sheet date the company was owed £933,506 (2007: £1,451,066) by Spearmint Rhino JSUK Limited, a company in which both J Gray and S Warr are directors.

During the financial year, the following write offs were made with regards to intercompany balances:

- £2,000,000 written off Spearmint Rhino Companies (Europe) Limited creditor;
- £2,000,000 written off Spearmint Rhino Companies (Birmingham) Limited creditor;
- £25,247 written off Livorno Leisure Limited creditor;
- £478,975 written off Leisure Net.Works Limited debtor;
- £2,528,106 written off R.K.W. Limited creditor.