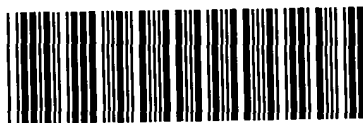


Registered number: 03914051

SPEARMINT RHINO VENTURES (UK) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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COMPANIES HOUSE

SPEARMINT RHINO VENTURES (UK) LIMITED

COMPANY INFORMATION

DIRECTORS

J Specht
K Vercher

REGISTERED NUMBER

03914051

REGISTERED OFFICE

C/O Hillier Hopkins
51 Clarendon Road
Watford
Herts
WD17 1HP

INDEPENDENT AUDITOR

Hillier Hopkins LLP
Chartered Accountants & Statutory Auditor
Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

SPEARMINT RHINO VENTURES (UK) LIMITED

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SPEARMINT RHINO VENTURES (UK) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

INTRODUCTION

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

The principal activity of the group continued to be the operation of nightclubs and restaurants.

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.

PRINCIPAL RISKS AND UNCERTAINTIES

The group is exposed to a variety of commercial risks. These could range from the wider effects of the general economy and external competition to those more specific to the group, such as its own financial strength and size. The Board regularly review these risks and their potential impact on the group.

The Board monitors the group's performance through the use of regular financial information and management reports. The Board particularly focuses on the group's levels of profitability, regulatory requirements in the trade and financial strength.

FINANCIAL KEY PERFORMANCE INDICATORS

The group's key performance indicator, profitability, is detailed below.

The profit for the year, after taxation and minority interests, amounted to £315,736 (2012: loss of £641,549).

The directors do not recommend payment of an ordinary dividend.

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



J Specht
Director

Date: 26 September 2014

SPEARMINT RHINO VENTURES (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation and minority interests, amounted to £315,736 (2012 - loss £641,549).

The directors do not recommend payment of an ordinary dividend.

DIRECTORS

The directors who served during the year were:

J Specht
K Vercher

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group strategic report, the Directors' 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 the group 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is 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 relevant audit information and to establish that the company and the group's auditor is aware of that information.

SPEARMINT RHINO VENTURES (UK) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

AUDITOR

The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



J Specht
Director

Date: 26 September 2014

SPEARMINT RHINO VENTURES (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SPEARMINT RHINO VENTURES (UK) LIMITED

We have audited the financial statements of Spearmint Rhino Ventures (UK) Limited for the year ended 31 December 2013, set out on pages 6 to 24. 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 an 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 group's and the parent 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 Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2013 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

EMPHASIS OF MATTER

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1.3 to the financial statements concerning the group's ability to continue as a going concern. The group incurred a net profit of £551,217 during the year ended 31 December 2013 and, at that date, the group's net liabilities were £1,343,971.

These conditions along with other matters explained in note 1.3 to the financial statements indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group was unable to continue as a going concern.

SPEARMINT RHINO VENTURES (UK) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SPEARMINT RHINO VENTURES (UK)
LIMITED**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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 by the parent company, 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.

Richard Malone ACA (Senior statutory auditor)

for and on behalf of
Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

30 September 2014

SPEARMINT RHINO VENTURES (UK) LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
TURNOVER	1,2	7,701,465	8,500,046
Cost of sales		<u>(3,460,383)</u>	<u>(3,695,370)</u>
GROSS PROFIT		4,241,082	4,804,676
Administrative expenses		<u>(3,463,431)</u>	<u>(3,729,043)</u>
Other operating income	3	<u>69,611</u>	<u>88,494</u>
OPERATING PROFIT	4	847,262	1,164,127
EXCEPTIONAL ITEMS			
Other exceptional items	8	<u>(252,710)</u>	<u>(1,449,001)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST		594,552	(284,874)
Interest receivable and similar income		<u>9</u>	<u>1,699</u>
Interest payable and similar charges	7	<u>(43,344)</u>	<u>(24,526)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		551,217	(307,701)
Tax on profit/(loss) on ordinary activities	9	<u>(245,680)</u>	<u>(370,465)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	21	305,537	(678,166)
Minority interests		<u>10,199</u>	<u>36,617</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	21	<u>315,736</u>	<u>(641,549)</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

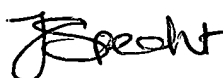
The notes on pages 10 to 24 form part of these financial statements.

SPEARMINT RHINO VENTURES (UK) LIMITED
REGISTERED NUMBER: 03914051

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Intangible assets	10		105,595		157,094
Tangible assets	11		2,736,403		2,937,413
Investment property	12		375,000		375,000
			<u>3,216,998</u>		<u>3,469,507</u>
CURRENT ASSETS					
Stocks	15	60,143		69,120	
Debtors	16	501,250		669,154	
Cash at bank and in hand		423,847		646,692	
		<u>985,240</u>		<u>1,384,966</u>	
CREDITORS: amounts falling due within one year	17	<u>(4,853,625)</u>		<u>(6,415,306)</u>	
NET CURRENT LIABILITIES			<u>(3,868,385)</u>		<u>(5,030,340)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(651,387)</u>		<u>(1,560,833)</u>
CREDITORS: amounts falling due after more than one year	18		<u>(918,151)</u>		<u>(715,341)</u>
NET LIABILITIES			<u><u>(1,569,538)</u></u>		<u><u>(2,276,174)</u></u>
CAPITAL AND RESERVES					
Called up share capital	20		1,000		1,000
Revaluation reserve	21		2,092,934		2,092,934
Profit and loss account	21		<u>(3,663,472)</u>		<u>(3,979,208)</u>
SHAREHOLDERS' DEFICIT	22		<u>(1,569,538)</u>		<u>(1,885,274)</u>
MINORITY INTERESTS	23		<u>-</u>		<u>(390,900)</u>
			<u><u>(1,569,538)</u></u>		<u><u>(2,276,174)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



J Specht
Director

Date: 26 September 2014

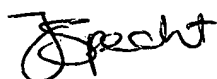
The notes on pages 10 to 24 form part of these financial statements.

SPEARMINT RHINO VENTURES (UK) LIMITED
REGISTERED NUMBER: 03914051

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	11		2,548		5,467
Investment property	12		375,000		375,000
Investments	13		50,616		616
			<u>428,164</u>		<u>381,083</u>
CURRENT ASSETS					
Debtors	16	2,855,481		2,375,942	
Cash at bank		-		17,799	
		<u>2,855,481</u>		<u>2,393,741</u>	
CREDITORS: amounts falling due within one year	17	<u>(3,966,127)</u>		<u>(4,711,411)</u>	
NET CURRENT LIABILITIES			<u>(1,110,646)</u>		<u>(2,317,670)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(682,482)</u>		<u>(1,936,587)</u>
CREDITORS: amounts falling due after more than one year	18		<u>(630,651)</u>		<u>(44,508)</u>
NET LIABILITIES			<u><u>(1,313,133)</u></u>		<u><u>(1,981,095)</u></u>
CAPITAL AND RESERVES					
Called up share capital	20		1,000		1,000
Revaluation reserve	21		166,306		166,306
Profit and loss account	21		<u>(1,480,439)</u>		<u>(2,148,401)</u>
SHAREHOLDERS' DEFICIT	22		<u><u>(1,313,133)</u></u>		<u><u>(1,981,095)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



J Specht
Director

Date: 26 September 2014

The notes on pages 10 to 24 form part of these financial statements.

SPEARMINT RHINO VENTURES (UK) LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	24	(340,210)	(183,336)
Returns on investments and servicing of finance	25	(43,335)	(22,826)
Taxation		1,614	-
Capital expenditure and financial investment	25	-	(433,674)
Acquisitions and disposals	25	(50,000)	-
CASH OUTFLOW BEFORE FINANCING		(431,931)	(639,836)
Financing	25	201,238	878,786
(DECREASE)/INCREASE IN CASH IN THE YEAR		(230,693)	238,950

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
(Decrease)/Increase in cash in the year	(230,693)	238,950
Cash inflow from increase in debt and lease financing	(201,238)	(878,786)
MOVEMENT IN NET DEBT IN THE YEAR	(431,931)	(639,836)
Net (debt)/funds at 1 January 2013	(470,823)	169,013
NET DEBT AT 31 DECEMBER 2013	(902,754)	(470,823)

The notes on pages 10 to 24 form part of these financial statements.

SPEARMINT RHINO VENTURES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment and leasehold property and in accordance with applicable accounting standards.

1.2 Basis of consolidation

The financial statements consolidate the accounts of Spearmint Rhino Ventures (UK) Limited and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

1.3 Going concern

The group's financial statements have been prepared on the going concern basis, the validity of which depends upon the Entertainment Licences remaining in place. The directors are very confident that the Licences will not be revoked in the foreseeable future. The financial statements do not include any adjustments that would result from the Licences being revoked.

At the balance sheet date the group owed Spearmint Rhino Companies Worldwide Inc. £3.1m (2012: £3.4m) and the continued support of this company is essential going forward. With this support, the directors consider it appropriate to prepare the financial statements on a going concern basis.

In addition, at the balance sheet date the company owed £600,000 to J Gray who has expressed his intention to continue to support the business for the foreseeable future, to the extent that the loan will not require repayment unless the company is in a position to do so. The assurance is provided in good faith but without creating a contractual relationship.

1.4 Turnover

Turnover comprises revenue recognised by the group in respect of nightclub services and related goods supplied during the year, exclusive of Value Added Tax and trade discounts. Revenue is recognised on the date of supply.

1.5 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.6 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

SPEARMINT RHINO VENTURES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES (continued)

1.7 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
Motor vehicles	-	20% straight line
Fixtures & fittings	-	20% straight line
Office equipment	-	20% straight line

1.8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 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.

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

1. ACCOUNTING POLICIES (continued)

1.11 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.

1.12 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 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company and the group.

1.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. TURNOVER

The whole of the turnover is attributable to its principal activity.

All turnover arose within the United Kingdom.

3. OTHER OPERATING INCOME

	2013 £	2012 £
Net rents receivable	17,552	13,849
Sundry income	52,059	74,645
	<u>69,611</u>	<u>88,494</u>

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

4. OPERATING PROFIT

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

	2013 £	2012 £
Amortisation - intangible fixed assets	51,499	51,499
Depreciation of tangible fixed assets:		
- owned by the group	201,010	205,291
Auditor's remuneration	51,500	55,561
Operating lease rentals:		
- other operating leases	729,302	573,771
Difference on foreign exchange	5,453	-
	<u>51,499</u>	<u>51,499</u>

Auditors fees for the company were £12,473 (2012 - £6,523)

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2013 £	2012 £
Wages and salaries	2,598,483	2,869,456
Social security costs	196,305	220,013
Other pension costs	-	15,319
	<u>2,794,788</u>	<u>3,104,788</u>

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

2013 No.	2012 No.
<u>127</u>	<u>139</u>

6. DIRECTORS' REMUNERATION

	2013 £	2012 £
Remuneration	<u>101,000</u>	<u>162,769</u>

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

7. INTEREST PAYABLE

	2013 £	2012 £
On bank loans and overdrafts	36,613	20,703
On other loans	5,117	3,823
Other interest payable	1,614	-
	<u>43,344</u>	<u>24,526</u>

8. EXCEPTIONAL ITEMS

	2013 £	2012 £
Loans to connected parties written off	-	1,449,001
Impairment of goodwill	451,099	-
VAT assessment and debt write off	(198,389)	-
	<u>252,710</u>	<u>1,449,001</u>

9. TAXATION

	2013 £	2012 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit/loss for the year	225,567	280,412
Adjustments in respect of prior periods	20,113	-
Total current tax	<u>245,680</u>	<u>280,412</u>
Deferred tax (see note 19)		
Origination and reversal of timing differences	-	90,053
Tax on profit/loss on ordinary activities	<u>245,680</u>	<u>370,465</u>

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

9. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - *higher than*) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £	2012 £
Profit/loss on ordinary activities before tax	<u>551,217</u>	<u>(307,701)</u>
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	<u>128,158</u>	<u>(75,387)</u>
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	12,617
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,139	3,863
Capital allowances for year in excess of depreciation	16,821	(58,386)
Adjustments to tax charge in respect of prior periods	20,113	-
Unrelieved tax losses carried forward	71,449	42,700
Other tax charge (relief) on exceptional items	-	355,005
Current tax charge for the year (see note above)	<u><u>245,680</u></u>	<u><u>280,412</u></u>

Factors that may affect future tax charges

The group has estimated tax losses amounting to £4.92m to carry forward against future taxable profits.

10. INTANGIBLE FIXED ASSETS

	Goodwill £
Group	
Cost	
At 1 January 2013	1,485,102
Additions	451,099
At 31 December 2013	<u>1,936,201</u>
Amortisation	
At 1 January 2013	1,328,008
Charge for the year	51,499
Impairment charge	451,099
At 31 December 2013	<u>1,830,606</u>
Net book value	
At 31 December 2013	<u><u>105,595</u></u>
At 31 December 2012	<u><u>157,094</u></u>

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

11. TANGIBLE FIXED ASSETS

Group	L/Term Leasehold Property £	S/Term Leasehold Property £	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost or valuation					
At 1 January 2013 and 31 December 2013	<u>3,412,668</u>	<u>150,486</u>	<u>44,289</u>	<u>3,497,513</u>	<u>7,104,956</u>
Depreciation					
At 1 January 2013	936,520	136,500	39,460	3,055,063	4,167,543
Charge for the year	41,292	-	2,760	156,958	201,010
At 31 December 2013	<u>977,812</u>	<u>136,500</u>	<u>42,220</u>	<u>3,212,021</u>	<u>4,368,553</u>
Net book value					
At 31 December 2013	<u>2,434,856</u>	<u>13,986</u>	<u>2,069</u>	<u>285,492</u>	<u>2,736,403</u>
At 31 December 2012	<u>2,476,148</u>	<u>13,986</u>	<u>4,829</u>	<u>442,450</u>	<u>2,937,413</u>

Company	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 January 2013 and 31 December 2013	<u>13,799</u>	<u>261,244</u>	<u>275,043</u>
Depreciation			
At 1 January 2013	8,970	260,606	269,576
Charge for the year	2,760	159	2,919
At 31 December 2013	<u>11,730</u>	<u>260,765</u>	<u>272,495</u>
Net book value			
At 31 December 2013	<u>2,069</u>	<u>479</u>	<u>2,548</u>
At 31 December 2012	<u>4,829</u>	<u>638</u>	<u>5,467</u>

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

12. INVESTMENT PROPERTY

	Long term leasehold investment property £
Group	
Valuation	
At 1 January 2013 and 31 December 2013	375,000
Comprising	
Cost	208,694
Annual revaluation surplus/(deficit): B/fwd	166,306
At 31 December 2013	375,000

The 2013 valuations were made by , on an open market value for existing use basis.

	Long term leasehold investment property £
Company	
Valuation	
At 1 January 2013 and 31 December 2013	375,000

The 2013 valuations were made by , on an open market value for existing use basis.

13. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Company	
Cost or valuation	
At 1 January 2013	616
Additions	50,000
At 31 December 2013	50,616
Net book value	
At 31 December 2013	50,616
<i>At 31 December 2012</i>	616

Details of the principal subsidiaries can be found under note number 14.

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

14. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Spearmint Rhino Companies (Europe) Limited	England and Wales	100 %	Operation of nightclubs and restaurants
Spearmint Rhino Companies (Birmingham) Limited	England and Wales	100 %	Operation of nightclubs and restaurants
Sassy Productions Limited	England and Wales	100 %	Operation of nightclubs and restaurants
Sonfield Developments Limited	England and Wales	100 %	Operation of nightclubs and restaurants
SR Leicestershire Limited	England and Wales	100 %	Intermediate holding company
Bacchus Leisure Limited	England and Wales	100 %	Operation of nightclubs and restaurants
Land & Sea Limited	England and Wales	100 %	Non trading
R.K.W. Limited	England and Wales	100 %	Non trading
Italian Restaurants (Europe) Limited	England and Wales	100 %	Dormant

15. STOCKS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Finished goods and goods for resale	60,143	69,120	-	-

16. DEBTORS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Due after more than one year				
Other debtors	120,000	120,000	-	-
Due within one year				
Trade debtors	66,657	118,965	2,285	6,823
Amounts owed by group undertakings	-	-	2,829,935	2,285,305
Other debtors	14,950	133,190	4,350	64,468
Prepayments and accrued income	250,717	248,073	1,669	2,104
Deferred tax asset (see note 19)	48,926	48,926	17,242	17,242
	501,250	669,154	2,855,481	2,375,942

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

17. CREDITORS:
Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	408,450	402,174	25,116	18,841
Trade creditors	358,588	541,309	17,240	149,296
Amounts owed to group undertakings	-	-	1,167,011	1,589,714
Amounts owed to associates	3,090,423	3,425,108	2,469,473	2,827,216
Corporation tax	527,706	280,412	191,586	33,400
Other taxation and social security	302,438	1,208,932	87,240	31,668
Other creditors	116,852	338,351	-	53,916
Accruals and deferred income	49,168	219,020	8,461	7,360
	<u>4,853,625</u>	<u>6,415,306</u>	<u>3,966,127</u>	<u>4,711,411</u>

18. CREDITORS:
Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Bank loans	318,151	715,341	30,651	44,508
Other loans	600,000	-	600,000	-
	<u>918,151</u>	<u>715,341</u>	<u>630,651</u>	<u>44,508</u>

Bank borrowings are secured by a cross guarantee (note 27) and debenture over certain assets of the group.

19. DEFERRED TAX ASSET

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
At beginning of year	48,926	138,979	17,242	17,242
Released during/(charge for) the year (P&L)	-	(90,053)	-	-
At end of year	<u>48,926</u>	<u>48,926</u>	<u>17,242</u>	<u>17,242</u>

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

19. DEFERRED TAX ASSET (continued)

The deferred tax asset is made up as follows:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Accelerated capital allowances	48,926	48,926	17,242	17,242

20. SHARE CAPITAL

	2013	2012
	£	£
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

21. RESERVES

Group	Revaluation reserve £	Profit and loss account £
At 1 January 2013	2,092,934	(3,979,208)
Profit for the financial year		315,736
At 31 December 2013	2,092,934	(3,663,472)
Company	Revaluation reserve £	Profit and loss account £
At 1 January 2013	166,306	(2,148,401)
Profit for the financial year		667,962
At 31 December 2013	166,306	(1,480,439)

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

22. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2013 £	2012 £
Group		
Opening shareholders' deficit	(1,885,274)	(1,243,725)
Profit/(loss) for the financial year	315,736	(641,549)
	<u>(1,569,538)</u>	<u>(1,885,274)</u>
 Closing shareholders' deficit		
	<u>(1,569,538)</u>	<u>(1,885,274)</u>
 Company		
Opening shareholders' deficit	(1,981,095)	(1,405,054)
Profit/(loss) for the financial year	667,962	(576,041)
	<u>(1,313,133)</u>	<u>(1,981,095)</u>
 Closing shareholders' deficit		
	<u>(1,313,133)</u>	<u>(1,981,095)</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit/(loss) for the year dealt with in the accounts of the company was £667,962 (2012 - £(576,041)).

23. MINORITY INTERESTS

Equity	£
At 1 January 2013	(390,900)
Proportion of profit/(loss) after taxation for the year	(10,199)
Purchase of minority interests	401,099
	<u>-</u>
At 31 December 2013	<u>-</u>

24. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating profit	847,262	1,164,127
Exceptional items	(252,710)	(1,449,001)
Amortisation of intangible fixed assets	51,499	51,499
Depreciation of tangible fixed assets	201,010	205,291
Decrease/(increase) in stocks	8,978	(3,933)
Decrease in debtors	167,905	44,995
Decrease in creditors	(1,815,253)	(196,314)
Impairment of goodwill	451,099	-
	<u>(340,210)</u>	<u>(183,336)</u>
Net cash outflow from operating activities		
	<u>(340,210)</u>	<u>(183,336)</u>

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	9	1,699
Interest paid	(43,344)	(24,525)
	<u>(43,335)</u>	<u>(22,826)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(43,335)</u>	<u>(22,826)</u>
	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(131,732)
Purchase of tangible fixed assets	-	(301,942)
	<u>-</u>	<u>(433,674)</u>
Net cash outflow from capital expenditure	<u>-</u>	<u>(433,674)</u>
	2013 £	2012 £
Acquisitions and disposals		
Purchase of fixed asset investments	(50,000)	-
	<u>(50,000)</u>	<u>-</u>
	2013 £	2012 £
Financing		
New secured loans	-	880,634
Repayment of loans	(398,762)	-
Other new loans	600,000	-
Repayment of finance leases	-	(1,848)
	<u>201,238</u>	<u>878,786</u>
Net cash inflow from financing	<u>201,238</u>	<u>878,786</u>

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

26. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2013 £	Cash flow £	Other non-cash changes £	31 December 2013 £
Cash at bank and in hand	646,692	(222,845)	-	423,847
Bank overdraft	-	(7,848)	-	(7,848)
	<u>646,692</u>	<u>(230,693)</u>	<u>-</u>	<u>415,999</u>
Debt:				
Debts due within one year	(402,174)	(201,238)	202,810	(400,602)
Debts falling due after more than one year	(715,341)	-	(202,810)	(918,151)
	<u>(470,823)</u>	<u>(431,931)</u>	<u>-</u>	<u>(902,754)</u>
Net debt	<u>(470,823)</u>	<u>(431,931)</u>	<u>-</u>	<u>(902,754)</u>

27. CONTINGENT LIABILITIES

At the year end the company is party to a cross guarantee with the members of its group and associated group headed by Spearmint Rhino JSUK Limited. In the event of the cross-guarantee being enforced the company is therefore contingently liable for the amounts due to the bank at that time. The directors do not expect this liability to crystallise in the foreseeable future.

28. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

29. OPERATING LEASE COMMITMENTS

At 31 December 2013 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2013 £	2012 £
Group		
Expiry date:		
Within 1 year	-	42,750
After more than 5 years	563,900	517,100
	<u>563,900</u>	<u>517,100</u>

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

30. RELATED PARTY TRANSACTIONS

At the balance sheet date the company owed £600,000 (2012: £nil) to J Grey, the company's ultimate controlling party.

At the balance sheet date the group owed £3,059,640 (2012: £3,407,608) to Spearmint Rhino Companies Worldwide Inc. (and its group), a company incorporated in the United States of America in which J Gray is a director.

31. CONTROLLING PARTY

The company is controlled by J Gray.

SPEARMINT RHINO VENTURES (UK) LIMITED

**COMPANY DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Page	2013 £	2012 £
TURNOVER	26	1,732,897	1,202,118
Other operating income	26	64,460	60,310
		<hr/>	<hr/>
		1,797,357	1,262,428
 LESS: OVERHEADS			
Administration expenses	26	(907,056)	(1,048,471)
		<hr/>	<hr/>
OPERATING PROFIT		890,301	213,957
Interest receivable	26	-	1,239
Interest payable	27	(3,426)	(3,412)
Investment income	27	-	700,000
Exceptional items	27	(60,726)	(1,449,001)
		<hr/>	<hr/>
PROFIT/(LOSS) FOR THE YEAR		826,149	(537,217)
		<hr/>	<hr/>

SPEARMINT RHINO VENTURES (UK) LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
TURNOVER		
Sales	1,732,897	1,202,118
	<u>1,732,897</u>	<u>1,202,118</u>
	2013 £	2012 £
OTHER OPERATING INCOME		
Net rents receivable	17,552	13,849
Sundry income	46,908	46,461
	<u>64,460</u>	<u>60,310</u>
	2013 £	2012 £
ADMINISTRATION EXPENSES		
Directors salaries	101,000	162,769
Staff salaries	530,060	539,032
National insurance	38,358	45,070
Staff pension costs	-	15,319
Staff welfare	6,728	4,274
Motor running costs	10,045	7,169
Entertainment	735	2,029
Hotels, travel and subsistence	6,985	17,342
Consultancy	83,333	-
Printing, postage and stationery	8,269	7,825
Telephone and fax	6,083	5,150
Legal and professional	48,863	182,862
Auditors' remuneration	12,473	6,523
Bank charges	1,718	927
Difference on foreign exchange	5,453	-
Sundry expenses	8,042	422
Insurances	6,105	6,854
Repairs and maintenance	74	1,947
Depreciation	2,919	3,315
Relocation costs	29,813	39,642
	<u>907,056</u>	<u>1,048,471</u>
	2013 £	2012 £
INTEREST RECEIVABLE		
Bank interest receivable	-	1,239
	<u>-</u>	<u>1,239</u>

SPEARMINT RHINO VENTURES (UK) LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
INTEREST PAYABLE		
Bank overdraft interest payable	3,426	3,412
	<hr/>	<hr/>
	2013 £	2012 £
INVESTMENT INCOME		
Income from investments in group companies	-	700,000
	<hr/>	<hr/>
	2013 £	2012 £
EXCEPTIONAL ITEMS		
VAT assessment and debt write off (loans and investment write off)	(60,726)	(1,449,001)
	<hr/>	<hr/>