
SPEARMINT RHINO VENTURES (UK) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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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 2014

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 loss for the year, after taxation and minority interests, amounted to £120,907 (2013: profit £315,736).

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: 28 September 2015

SPEARMINT RHINO VENTURES (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

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.

DIVIDENDS

The directors do not recommend payment of an ordinary dividend.

DIRECTORS

The directors who served during the year were:

J Specht
K Vercher

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.


AUDITOR

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

SPEARMINT RHINO VENTURES (UK) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

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



J Specht
Director

Date: 28 September 2015

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 2014, set out on pages 6 to 25. 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 2014 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 £32,123 during the year ended 31 December 2014 and, at that date, the group's net liabilities were £1,537,415.

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

SPEARMINT RHINO VENTURES (UK) LIMITED

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

continue as a going concern.

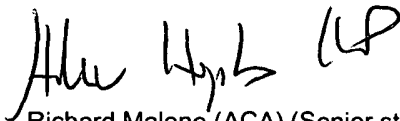
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

Date:

29/9/15

SPEARMINT RHINO VENTURES (UK) LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
TURNOVER	1,2	6,704,539	7,701,465
Cost of sales		<u>(3,120,205)</u>	<u>(3,459,859)</u>
GROSS PROFIT		3,584,334	4,241,606
Administrative expenses		<u>(3,507,324)</u>	<u>(3,463,955)</u>
Other operating income	3	<u>51,768</u>	<u>69,611</u>
OPERATING PROFIT	4	128,778	847,262
EXCEPTIONAL ITEMS			
Other exceptional items	8	<u>-</u>	<u>(252,710)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		128,778	594,552
Interest receivable and similar income		24	9
Interest payable and similar charges	7	<u>(28,856)</u>	<u>(43,344)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		99,946	551,217
Tax on profit on ordinary activities	9	<u>(67,823)</u>	<u>(245,680)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	21	32,123	305,537
Minority interests		<u>-</u>	<u>10,199</u>
PROFIT FOR THE FINANCIAL YEAR	21	<u>32,123</u>	<u>315,736</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.


The notes on pages 10 to 25 form part of these financial statements.

SPEARMINT RHINO VENTURES (UK) LIMITED
REGISTERED NUMBER: 03914051

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS:					
Intangible assets	10		54,097		105,596
Tangible assets	11		2,771,144		2,736,403
Investment property	12		375,000		375,000
			<u>3,200,241</u>		<u>3,216,999</u>
CURRENT ASSETS					
Stocks	15	56,646		60,143	
Debtors	16	384,387		501,250	
Cash at bank and in hand		651,279		423,847	
		<u>1,092,312</u>		<u>985,240</u>	
CREDITORS: amounts falling due within one year	17	(4,637,892)		(4,853,626)	
NET CURRENT LIABILITIES			<u>(3,545,580)</u>		<u>(3,868,386)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(345,339)</u>		<u>(651,387)</u>
CREDITORS: amounts falling due after more than one year	18		(1,192,076)		(918,151)
NET LIABILITIES			<u><u>(1,537,415)</u></u>		<u><u>(1,569,538)</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		(3,631,349)		(3,663,472)
SHAREHOLDERS' DEFICIT	22		<u><u>(1,537,415)</u></u>		<u><u>(1,569,538)</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: 28 September 2015


The notes on pages 10 to 25 form part of these financial statements.

SPEARMINT RHINO VENTURES (UK) LIMITED
REGISTERED NUMBER: 03914051

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	11		319		2,547
Investment property	12		375,000		375,000
Investments	13		50,616		50,616
			<u>425,935</u>		<u>428,163</u>
CURRENT ASSETS					
Debtors	16	2,991,864		2,855,481	
Cash at bank		2,336		-	
		<u>2,994,200</u>		<u>2,855,481</u>	
CREDITORS: amounts falling due within one year	17	(4,074,491)		(3,966,126)	
NET CURRENT LIABILITIES			<u>(1,080,291)</u>		<u>(1,110,645)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(654,356)</u>		<u>(682,482)</u>
CREDITORS: amounts falling due after more than one year	18		(611,719)		(630,651)
NET LIABILITIES			<u>(1,266,075)</u>		<u>(1,313,133)</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		(1,433,381)		(1,480,439)
SHAREHOLDERS' DEFICIT	22		<u>(1,266,075)</u>		<u>(1,313,133)</u>

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


J Specht
 Director

Date: 28 September 2015

The notes on pages 10 to 25 form part of these financial statements.

SPEARMINT RHINO VENTURES (UK) LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	23	851,480	(340,208)
Returns on investments and servicing of finance	24	(28,833)	(43,335)
Taxation		(410,402)	1,614
Capital expenditure and financial investment	24	(194,945)	-
Acquisitions and disposals	24	-	(50,000)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		217,300	(431,929)
Financing	24	17,980	201,238
INCREASE/(DECREASE) IN CASH IN THE YEAR		235,280	(230,691)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 £	2013 £
Increase/(Decrease) in cash in the year	235,280	(230,691)
Cash inflow from increase in debt and lease financing	(17,980)	(201,238)
MOVEMENT IN NET DEBT IN THE YEAR	217,300	(431,929)
Net debt at 1 January 2014	(902,754)	(470,825)
NET DEBT AT 31 DECEMBER 2014	(685,454)	(902,754)

The notes on pages 10 to 25 form part of these financial statements.

SPEARMINT RHINO VENTURES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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. £3.2m (2013: £3.1m) 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 2014

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 2014**

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

	2014	2013
	£	£
Net rents receivable	17,457	17,552
Sundry income	34,311	52,059
	51,768	69,611

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

4. OPERATING PROFIT

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

	2014 £	2013 £
Amortisation - intangible fixed assets	51,499	51,499
Depreciation of tangible fixed assets:		
- owned by the group	160,204	201,010
Auditor's remuneration	54,888	51,500
Operating lease rentals:		
- other operating leases	638,096	729,302
Difference on foreign exchange	-	5,453
	<u> </u>	<u> </u>

Auditors fees for the company were £13,199 (2013 - £12,473)

5. STAFF COSTS

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

	2014 £	2013 £
Wages and salaries	2,297,051	2,598,483
Social security costs	165,696	196,305
Other pension costs	1,641	-
	<u> </u>	<u> </u>
	<u>2,464,388</u>	<u>2,794,788</u>

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

2014 No.	2013 No.
<u>109</u>	<u>127</u>

6. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	<u>100,000</u>	<u>101,000</u>

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

7. INTEREST PAYABLE

	2014 £	2013 £
On bank loans and overdrafts	25,569	36,613
On other loans	1,999	5,117
Other interest payable	1,288	1,614
	<u>28,856</u>	<u>43,344</u>

8. EXCEPTIONAL ITEMS

	2014 £	2013 £
Impairment of goodwill	-	451,099
VAT assessment and debt write off	-	(198,389)
	<u>-</u>	<u>252,710</u>

9. TAXATION

	2014 £	2013 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	19,993	225,567
Adjustments in respect of prior periods	(109)	20,113
Total current tax	<u>19,884</u>	<u>245,680</u>
Deferred tax (see note 19)		
Origination and reversal of timing differences	47,939	-
Tax on profit on ordinary activities	<u>67,823</u>	<u>245,680</u>

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

9. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - *higher than*) the standard rate of corporation tax in the UK of 21.50% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	99,946	551,217
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	21,488	128,158
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,592	9,139
Capital allowances for year in excess of depreciation	(10,788)	16,821
Adjustments to tax charge in respect of prior periods	(109)	20,113
Unrelieved tax losses carried forward	6,701	71,449
Current tax charge for the year (see note above)	19,884	245,680

Factors that may affect future tax charges

The group has estimated tax losses amounting to £691,598 to carry forward against future taxable profits.

10. INTANGIBLE FIXED ASSETS

	Goodwill £
Group	
Cost	
At 1 January 2014 and 31 December 2014	1,936,201
Amortisation	
At 1 January 2014	1,830,605
Charge for the year	51,499
At 31 December 2014	1,882,104
Net book value	
At 31 December 2014	54,097
At 31 December 2013	105,596

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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 2014	3,412,668	150,486	44,289	3,497,513	7,104,956
Additions	-	-	-	194,945	194,945
At 1 January 2014 and 31 December 2014	3,412,668	150,486	44,289	3,692,458	7,299,901
Depreciation					
At 1 January 2014	977,812	136,500	42,220	3,212,021	4,368,553
Charge for the year	41,292	-	2,069	116,843	160,204
At 31 December 2014	1,019,104	136,500	44,289	3,328,864	4,528,757
Net book value					
At 31 December 2014	2,393,564	13,986	-	363,594	2,771,144
At 31 December 2013	2,434,856	13,986	2,069	285,492	2,736,403

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

Company	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 January 2014 and 31 December 2014	13,799	261,244	275,043
Depreciation			
At 1 January 2014	11,730	260,766	272,496
Charge for the year	2,069	159	2,228
At 31 December 2014	13,799	260,925	274,724
Net book value			
At 31 December 2014	-	319	319
At 31 December 2013	2,069	478	2,547

12. INVESTMENT PROPERTY

Group	Long term leasehold investment property £
Valuation	
At 1 January 2014 and 31 December 2014	375,000
Comprising	
Cost	208,694
Annual revaluation surplus/(deficit): B/fwd	166,306
At 31 December 2014	375,000

The 2014 valuations were made by , on an open market value for existing use basis.

Company	Long term leasehold investment property £
Valuation	
At 1 January 2014 and 31 December 2014	375,000

The 2014 valuations were made by , on an open market value for existing use basis.

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

13. FIXED ASSET INVESTMENTS

Company Cost or valuation	Investments in subsidiary companies £
At 1 January 2014 and 31 December 2014	50,616
Net book value	
At 31 December 2014	50,616
<i>At 31 December 2013</i>	50,616

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 2014**

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

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Finished goods and goods for resale	56,646	60,143	-	-

16. DEBTORS

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Due after more than one year				
Other debtors	120,000	120,000	-	-
Due within one year				
Trade debtors	56,390	66,657	-	2,285
Amounts owed by group undertakings	-	-	2,964,752	2,829,935
Other debtors	18,050	14,950	8,051	4,350
Prepayments and accrued income	188,960	250,717	1,819	1,669
Deferred tax asset (see note 19)	987	48,926	17,242	17,242
	384,387	501,250	2,991,864	2,855,481

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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**17. CREDITORS:
Amounts falling due within one year**

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	144,658	408,450	18,015	25,116
Trade creditors	442,796	358,588	55,800	17,240
Amounts owed to group undertakings	-	-	1,070,946	1,167,011
Amounts owed to associates	3,568,139	3,090,423	2,818,174	2,469,473
Corporation tax	137,188	527,706	84,279	191,586
Other taxation and social security	213,219	302,438	18,817	87,240
Other creditors	84,892	116,856	-	-
Accruals and deferred income	47,000	49,165	8,460	8,460
	4,637,892	4,853,626	4,074,491	3,966,126

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

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans	592,076	318,151	11,719	30,651
Other loans	600,000	600,000	600,000	600,000
	1,192,076	918,151	611,719	630,651

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

19. DEFERRED TAX ASSET

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
At beginning of year	48,926	48,926	17,242	17,242
(Charge for)/released during the year (P&L)	(47,939)	-	-	-
At end of year	987	48,926	17,242	17,242

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19. DEFERRED TAX ASSET (continued)

The deferred tax asset is made up as follows:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Accelerated capital allowances	987	48,926	17,242	17,242

20. SHARE CAPITAL

	2014	2013
	£	£
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 2014	2,092,934	(3,663,472)
Profit for the financial year		32,123
At 31 December 2014	2,092,934	(3,631,349)

Company	Revaluation reserve £	Profit and loss account £
At 1 January 2014	166,306	(1,480,439)
Profit for the financial year		47,058
At 31 December 2014	166,306	(1,433,381)

SPEARMINT RHINO VENTURES (UK) LIMITED

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22. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

Group	2014 £	2013 £
Opening shareholders' deficit	(1,569,538)	(1,885,274)
Profit for the financial year	32,123	315,736
	<u>(1,537,415)</u>	<u>(1,569,538)</u>
Closing shareholders' deficit	<u>(1,537,415)</u>	<u>(1,569,538)</u>

Company	2014 £	2013 £
Opening shareholders' deficit	(1,313,133)	(1,981,095)
Profit for the financial year	47,058	667,962
	<u>(1,266,075)</u>	<u>(1,313,133)</u>
Closing shareholders' deficit	<u>(1,266,075)</u>	<u>(1,313,133)</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 for the year dealt with in the accounts of the company was £47,058 (2013 - £667,962).

23. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit	128,778	847,262
Exceptional items	-	(252,710)
Amortisation of intangible fixed assets	51,499	51,499
Depreciation of tangible fixed assets	160,204	201,010
Decrease in stocks	3,497	8,978
Decrease in debtors	49,751	167,905
Increase in amounts owed by group undertakings	(27,689)	-
Increase/(decrease) in creditors	438,580	(1,815,251)
Increase in amounts owed to group undertakings	46,860	-
Impairment of goodwill	-	451,099
	<u>851,480</u>	<u>(340,208)</u>
Net cash inflow/(outflow) from operating activities	<u>851,480</u>	<u>(340,208)</u>

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	24	9
Interest paid	(28,857)	(43,344)
	<u> </u>	<u> </u>
Net cash outflow from returns on investments and servicing of finance	<u>(28,833)</u>	<u>(43,335)</u>
	<u> </u>	<u> </u>
	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(194,945)	-
	<u> </u>	<u> </u>
	2014 £	2013 £
Acquisitions and disposals		
Purchase of fixed asset investments	-	(50,000)
	<u> </u>	<u> </u>
	2014 £	2013 £
Financing		
New secured loans	17,980	-
Repayment of loans	-	(398,762)
Other new loans	-	600,000
	<u> </u>	<u> </u>
Net cash inflow from financing	<u>17,980</u>	<u>201,238</u>

SPEARMINT RHINO VENTURES (UK) LIMITED

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25. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2014 £	Cash flow £	Other non-cash changes £	31 December 2014 £
Cash at bank and in hand	423,847	227,432	-	651,279
Bank overdraft	(7,848)	7,848	-	-
	<u>415,999</u>	<u>235,280</u>	<u>-</u>	<u>651,279</u>
Debt:				
Debts due within one year	(400,602)	(17,980)	273,925	(144,657)
Debts falling due after more than one year	(918,151)	-	(273,925)	(1,192,076)
	<u>(902,754)</u>	<u>217,300</u>	<u>-</u>	<u>(685,454)</u>
Net debt	<u>(902,754)</u>	<u>217,300</u>	<u>-</u>	<u>(685,454)</u>

26. 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.

27. 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.

28. OPERATING LEASE COMMITMENTS

At 31 December 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014	2013
Group	£	£
Expiry date:		
After more than 5 years	<u>611,900</u>	<u>563,900</u>

SPEARMINT RHINO VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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29. RELATED PARTY TRANSACTIONS

At the balance sheet date the company owed £600,000 (2013: £600,000) to J Gray, the company's ultimate controlling party.

At the balance sheet date the group owed £3,239,711 (2013: £3,059,640) 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.

30. CONTROLLING PARTY

The company is controlled by J Gray.