

Company Registration Number: 3998892

B@1 Limited

**Financial Statements
for the year ended
30 June 2010**



B@1 Limited
Directors' Report
for the year ended 30 June 2010

The directors present their report and the audited financial statements of the company for the year ended 30 June 2010

Principal activities

The principal activity of the company is to act as an investment holding company and to provide leisure consultancy services

Review of the business and future developments

The directors intend to continue the above activities for the foreseeable future

In the opinion of the directors both the level of business and the year end financial position were satisfactory

The profit and loss account for the year is set out on page 4

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of Pacific Leisure & Media Limited, which include those of the company, are discussed within the "Principal risks and uncertainties" paragraph in the directors' report in the consolidated financial statements of Pacific Leisure & Media Limited, which do not form part of this report

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

Dividends

The directors do not recommend the payment of a dividend (2009 £nil)

Liquidity and interest rate risk

The company has access to funding from its parent company which constitutes long term funding and in respect of which, repayment will be not be demanded in the foreseeable future. This is sufficient for current and planned future operations. Interest rate exposure is not considered a risk given the size of the company's operations and the nature of its interest bearing assets and liabilities. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature

Directors

The directors of the company at 30 June 2010, all of whom have been directors for the whole of the year ended on that date, unless stated otherwise, are listed below

JL Beckwith

PR Hutchins

MC Johnson

SD Roberts

SD Roberts is the Company Secretary

B@1 Limited
Directors' Report
for the year ended 30 June 2010 (continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently in the preparation of the financial statements. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 June 2010 and that applicable accounting standards have been followed.

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

Statement of disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Through elective resolutions the company has dispensed with the holding of annual general meetings, the laying of financial statements before annual general meetings and the appointment of auditors annually.

By Order of the Board



SD Roberts
Company Secretary
124 Sloane Street
London SW1X 9BW

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
B@1 LIMITED**

We have audited the financial statements of B@1 Limited for the year ended 30 June 2010 which comprise the profit and loss account, the balance sheet and the related notes. 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 Sections 495 and 496 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 auditors

As explained more fully in the Directors' Report, 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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2010 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Paul Flatley
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants, London

8 March 2011

B@1 Limited**Profit and Loss Account
for the year ended 30 June 2010**

	Note	2010 £	2009 £
Other Income		94,074	216,653
Administrative expenses		(103,668)	(19,629)
Operating (loss)/profit	2	(9,594)	197,024
Interest receivable and similar income	4	53,203	57,492
Interest payable and similar charges	5	(13,039)	(56,503)
Intercompany loan written back/(off)		183,149	(31,321)
Loss on disposal of fixed asset investment		-	(11,462)
Profit on ordinary activities before taxation		213,719	155,230
Taxation	6	-	-
Retained profit for the year		213,719	155,230

The operating profit derives wholly from continuing operations

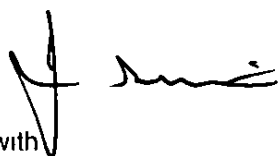
There are no recognised gains or losses other than the profit for the year shown above

The notes on pages 6 to 12 form an integral part of these financial statements

B@1 Limited**Balance Sheet
at 30 June 2010**

	Note	2010 £	2009 £
FIXED ASSETS			
Investments	7	1,964,375	1,964,375
Long Term Loans	8	<u>1,912,434</u>	<u>1,826,313</u>
CURRENT ASSETS			
Debtors (amounts falling due within one year)	9	5,157	2,048
Cash at bank and in hand		<u>2,452</u>	<u>24,092</u>
		7,609	26,140
CREDITORS (amounts falling due within one year)	10	(50,936)	(74,872)
NET CURRENT ASSETS		<u>(43,327)</u>	<u>(48,732)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,833,482</u>	<u>3,741,956</u>
CREDITORS (amounts falling due after more than one year)	11	(4,058,364)	(4,180,557)
NET LIABILITIES		<u>(224,882)</u>	<u>(438,601)</u>
CAPITAL AND RESERVES			
Called up share capital	12	15,360	15,360
Profit and loss account	13	(240,242)	(453,961)
SHAREHOLDER'S DEFICIT	14	<u>(224,882)</u>	<u>(438,601)</u>

The accounts were approved by the Board of Directors on 8 March 2011
and signed on its behalf by



JL Beckwith
Director

The notes on pages 6 to 12 form an integral part of these financial statements

**Notes to the Financial Statements
for the year ended 30 June 2010**

1 Principal accounting policies

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards

The company is a subsidiary of Pacific Leisure & Media Limited and is included in the consolidated financial statements of Pacific Leisure & Media Limited Group, which are publicly available. The company is therefore exempt from preparing its own consolidated financial statements. Over 90% of the voting rights are controlled within the group and consequently the company is exempt under the terms of FRS 1 from preparing a cash flow statement. The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Pacific Leisure & Media Limited group of companies or investee of that group.

The principal accounting policies of the company are set out below and have remained unchanged from the prior year.

Going concern - These financial statements have been prepared on the going concern basis which assumes the continued support of the parent company. The directors have received a letter from Pacific Leisure & Media Limited, confirming its support for a period of at least 12 months from the date of approval of these financial statements.

Other income - Other income represents the invoiced value of services sold, net of value added tax, which relate to consultancy and management fees from subsidiary undertakings. It also includes gains made on foreign currency translation.

Investments - Investments are stated at cost less any provision for permanent diminution in value. Realised gains and losses are dealt with through the profit and loss account. A review for impairment is carried out if events or changes in circumstances indicate that the carrying amount may not be recoverable, in which case an impairment provision is recognised and charged to the profit and loss account.

Foreign currencies - Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Deferred taxation - Deferred tax is recognised in respect of all timing differences that have originated, but not reversed, at the balance sheet date that may give rise to an obligation to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise, based on current tax rates and law. Deferred tax assets are recognised only to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Financial instruments - Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

**Notes to the Financial Statements
for the year ended 30 June 2010 (continued)**

1 Principal accounting policies (continued)

Financial instruments (continued)

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2 Operating (loss)/profit

The operating profit is stated after charging/(crediting)

	2010 £	2009 £
Auditors' remuneration	2,750	2,750
Foreign exchange loss/(gain)	97,960	(120,595)

3 Staff costs

The company employed no employees during the year (2009 nil)

The company paid no emoluments to directors during the year (2009 £nil)

4 Interest receivable and similar income

	2010 £	2009 £
Bank interest receivable	46	953
Interest receivable from subsidiary undertakings	53,157	56,539
	<u>53,203</u>	<u>57,492</u>

B@1 Limited

Notes to the Financial Statements for the year ended 30 June 2010 (continued)

5 Interest payable and similar charges

	2010 £	2009 £
Interest payable to parent company	13,039	56,503

6 Taxation

	2010 £	2009 £
UK Corporation tax at 28% (2009 28%)	-	-

6.1 Reconciliation of tax credit

	2010 £	2009 £
Profit on ordinary activities before taxation	213,719	155,230
Tax on ordinary activities at 28% (2009 28%)	59,841	43,464
Income disallowed for tax purposes	(51,282)	12,383
Brought forward losses utilised	(8,559)	(55,847)
	-	-

6.2 Deferred tax asset

	2010 £	2009 £
Unrelieved trading losses carried forward	201,509	210,068

No deferred tax asset has been recognised on the provisions against fixed asset investments. Such tax would only become recoverable in the event that any capital losses which arise on the sale of the assets would be fully relievable against capital gains either in the period in which they arise or in future years. This can not be foreseen with certainty. The company has not disclosed any deferred taxation liability on accelerated capital allowances as these balances are not material. No significant new factors affecting future tax charges are expected.

B@1 Limited

Notes to the Financial Statements for the year ended 30 June 2010 (continued)

7 Investments

	£
Cost	
At 30 June 2010 and 30 June 2009	2,164,375
Provision for diminution in value	
At 30 June 2010 and 30 June 2009	(200,000)
Net book value at 30 June 2010 and 30 June 2009	<u>1,964,375</u>

Subsidiary undertaking	Principal activities	Class of shares held	Percentage holding	Place of incorporation
Pacific Club Holding Sarl	Holding Company	Ordinary	100%	France
Unitenis-Empreendimentos de Tennis SA	Leisure club developer	Ordinary	99%	Portugal
Clube VII -Exploraco de Health Clubs, Lda	Leisure club developer	Ordinary	100%	Portugal
Subsidiaries of Pacific Club Holding Sarl				
Tennis Club de Chantecoq Sarl	Leisure club developer	Ordinary	100%	France

8 Long Term Loans

	2010 £	2009 £
Amounts owed by group undertakings	<u>1,912,434</u>	<u>1,826,313</u>

9 Debtors (amounts falling due within one year)

	2010 £	2009 £
Amounts owed by subsidiary undertaking	5,128	2,000
Other debtors	29	48
	<u>5,157</u>	<u>2,048</u>

B@1 Limited**Notes to the Financial Statements
for the year ended 30 June 2010 (continued)****10 Creditors (amounts falling due within one year)**

	2010 £	2009 £
Trade creditors	1,266	13,662
Accruals and deferred income	2,750	14,290
Preference shares classed as financial liabilities	46,920	46,920
	<u>50,936</u>	<u>74,872</u>

11 Creditors (amounts falling due after more than one year)

	2010 £	2009 £
Amounts owed to immediate parent company	<u>4,058,364</u>	<u>4,180,557</u>

12 Called up share capital

The authorised, allotted, called up and fully paid share capital at 30 June 2010 and 30 June 2009 was as follows

Authorised

	Number	£
'A' Ordinary Shares of £1 each	24,000	24,000
'B' Ordinary Shares of £1 each	4,000	4,000
'C' Ordinary Shares of £1 each	4,000	4,000
Deferred Shares of £1 each	8,000	8,000
Preference Shares of £1 each	14,000,000	14,000,000
	<u>14,040,000</u>	<u>14,040,000</u>

Allotted, called up and fully paid

	Number	£
<u>Shares classed as equity</u>		
'A' Ordinary Shares of £1 each	12,000	12,000
'B' Ordinary Shares of £1 each	2,800	2,800
'C' Ordinary Shares of £1 each	400	400
Deferred Shares of £1 each	160	160
	<u>15,360</u>	<u>15,360</u>
<u>Shares classed as financial liabilities</u>		
Preference Shares of £1 each	<u>46,920</u>	<u>46,920</u>

**Notes to the Financial Statements
for the year ended 30 June 2010 (continued)**

12 Called up share capital (continued)

Rights of each class of share

Income

The 'A' Ordinary Shares rank *pari passu* for any dividend or other distribution by the company. The 'B' Ordinary shares and the 'C' Ordinary Shares cannot receive any dividend and no dividend can be declared until such time as a take-over, listing or winding up of the company has occurred. The deferred shares are not entitled to any participation in the profits or the assets of the company.

Capital

In the event of liquidation, reduction of capital or otherwise, the surplus assets of the company remaining after payment of its liabilities shall be applied such that the preference shares shall be paid first, followed by the ordinary shares, followed by the deferred shares.

Voting

The 'A' Ordinary Shares shall confer upon each shareholder the right to attend, speak and vote at all general meetings of the company. The 'B' Ordinary Shares and 'C' Ordinary Shares shall confer upon each shareholder the right to attend and speak at all general meetings of the company. There is no right to vote until a take-over, listing or winding up of the company has occurred. The deferred shares shall not entitle the holders thereof (in that capacity) to receive notice of or to attend or vote at any general meeting of the company at any time. The Preference Shares do not carry any voting rights.

Preference shares

The Preference Shares do not entitle the holders to any further rights or other participation in the profits or assets of the company.

The Preference Shares are redeemable at par by the company between six and eleven years from the date of issue or as soon thereafter as the company shall be able to comply with the statutory provisions for the time being effecting such redemption. The first possible redemption date was 17 May 2008.

13 Reserves

The reserves are analysed as follows

	Profit & loss £
Balance at 30 June 2009	(453,961)
Profit for the year	213,719
Balance at 30 June 2010	<u>(240,242)</u>

B@1 Limited

Notes to the Financial Statements for the year ended 30 June 2010 (continued)

14 Reconciliation of movement in shareholder's funds

	£
Shareholder's deficit at 30 June 2009	(438,601)
Profit for the year	213,719
Shareholder's deficit at 30 June 2010	<u>(224,882)</u>

15 Parent company, ultimate parent company and ultimate controlling party

The company's immediate and ultimate parent company is Pacific Leisure & Media Limited, a company registered in England & Wales, which was the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Pacific Leisure & Media Limited's consolidated financial statements can be obtained from Companies House.

In the opinion of the directors the ultimate controlling party of the company is JL Beckwith, a director and sole shareholder of the ultimate holding company.

16 Capital commitments and contingencies

There were no contingent liabilities or capital commitments at 30 June 2010 (2009: £nil).