

Company Registration Number 06365721

**PACIFIC LEISURE & MEDIA LIMITED**

**Annual Report and Financial Statements  
for the year ended  
30 June 2009**

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COMPANIES HOUSE

**PACIFIC LEISURE & MEDIA LIMITED**  
**DIRECTORS AND PROFESSIONAL ADVISERS**

**Directors**

JL Beckwith  
MC Johnson  
SD Roberts  
DF Rogers

**Secretary and Registered Office**

SA Holder  
124 Sloane Street  
London  
SW1X 9BW

Registered in England and Wales  
No 06365721

**Auditors**

Grant Thornton UK LLP  
Euston Square  
Melton Street  
London  
NW1 2EP

## Chairman's statement

I am pleased to present the annual report for the Pacific Leisure & Media Limited (PLM) Group for the year ended 30 June 2009

The consolidated profit and loss statement is shown on page 5

PLM was established in 2007 with the objective of investing in the leisure and media sectors. In the media sector the group has Frontiers Group, sports marketing businesses in China and India and Heli-Banners Limited, an aerial advertising company. In the leisure sector the investments are Clube VII in Lisbon (health and racquet club) and an interest as both landlord and partner in Urban Football (a joint venture in five-a-side football in Paris).

At the time of writing, the Board was pursuing a management buy-out in respect of the Frontiers Group China business and it is expected that the company will either be sold to management or closed down.

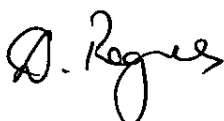
Frontiers Group India focuses heavily on in-stadia advertising within Indian cricket grounds, and despite the popularity of cricket in India, the business performance suffered as a result of reduced advertising spends following the global economic slowdown. The business is reviewing its strategy to exploit the growing popularity of 20/20 cricket in India in addition to the traditional form of cricket.

Clube VII saw a fall in profitability for the year to June 2009 with a net outflow of members. This was a result of both the economic climate and competition. On a more positive note, in July 2009, Clube VII was granted an extension to its lease resulting in an overall tenure of more than 40 years (with further options to extend). As a result, the Board is currently investigating options available to the club, including the viability of a much needed refurbishment of the club.

Urban Football continued to trade extremely well despite the economic conditions.

In March 2009 construction commenced on a short-sided football project in Valencia. Trading as Futbol City, the business opened in September 2009 and comprises two 7-a-side and eight 5-a-side football pitches with a modern clubhouse, which includes a bar, changing and event facilities. The Board is monitoring trading progress closely before rolling out further operations in Spain.

With so much uncertainty continuing to prevail in world markets, PLM will continue to adopt a cautious approach to investment and focus on those business models which display elements of resilience in adverse economic times. The Board believes that low cost leisure activities such as short-sided football and low cost gyms, underpinned by an interest in the real estate in which the business operates, display such characteristics and as such PLM will continue to focus on these areas.



Doug Rogers  
Chairman

17 March 2010

## **Directors' Report**

The directors have pleasure in submitting their report and audited financial statements for the year ended 30 June 2009 for the Pacific Leisure & Media Limited Group of companies (the "Group") and Pacific Leisure & Media Limited (the "Company")

### **Principal activities, review of the business and future developments**

The principal activity of the Group is the management and holding of investments in the leisure and media sectors. A description of the principal activities of the Group's subsidiaries is set out in Note 10 to the financial statements.

Both the level of business and the year end financial position were satisfactory. The directors do not envisage any change in the principal activity of the Group and expect that the present level of activity will be sustained or grown in the foreseeable future. Further details of progress are described in the Chairman's Statement.

### **Results and dividends**

The results for the year are shown in the profit and loss account on page 5. The directors do not recommend the payment of a dividend.

### **Principal risks and uncertainties**

The principal risks and uncertainties facing the Group are new ventures' performance in relation to their business plans in light of the current economic climate and the achievement of a profitable exit on disposal. The Group faces additional risk and uncertainty on the future valuation of property assets held within the Group.

The Group acts to mitigate risk through the diverse nature of its activities, the experience of the Group's directors, the implementation of stringent controls on activities, and by taking appropriate actions to safeguard the Group's assets.

### **Key performance indicators**

Given the nature of the business, the directors feel that the financial statements give an adequate indication of the continuing performance of the Group.

The directors are also of the opinion that any additional information that is not disclosed within this report or statements is either too subjective to be useful to users of the accounts, or too commercially sensitive to be presented in this context.

### **Liquidity and interest rate risk**

The Group has adequate cash within its balance sheet and the directors feel that the Group's cash reserves are sufficient for current and future planned operations. Interest rate exposure is not considered a risk given the nature of the Group's interest bearing assets and liabilities. The directors will revisit the appropriateness of this policy should the Group's interest bearing assets and liabilities change significantly in size or nature.

### **Directors**

The directors of the Company at 30 June 2009, all of whom have been directors for the whole of the year ended on that date, are listed below:

JL Beckwith

MC Johnson

SD Roberts

DF Rogers

SA Holder is the Company Secretary

### **Value of land and buildings**

The directors consider that the market value of land and buildings is not materially different from the book value in the financial statements.

## Directors' Report (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 year. 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 2009 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.

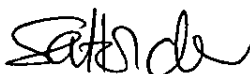
### Statement of disclosure of information to auditors

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



S A Holder  
Company Secretary  
124 Sloane Street  
London  
SW1X 9BW

17 March 2010.

## **Independent Auditor's Report to the Members of Pacific Leisure & Media Limited**

We have audited the financial statements of Pacific Leisure & Media Limited for the year ended 30 June 2009 which comprise the consolidated profit and loss account, the consolidated balance sheet, the consolidated statement of total recognised gains and losses, the company balance sheet, the consolidated cash flow statement 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](http://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 Group's and parent company's affairs as at 30 June 2009 and of the Group's result 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

17 March 2010

**Consolidated Profit and Loss Account**  
**For the year ended 30 June 2009**

	Note	Year ended 2009 £	Period ended 2008 £
Group turnover	2	5,431,988	4,997,805
Cost of sales		(3,699,785)	(2,986,876)
Gross profit		1,732,203	2,010,929
Administrative expenses		(2,166,518)	(1,451,330)
Group operating (loss)/profit	3	(434,315)	559,599
Impairment of intangible fixed assets	8	(389,594)	-
(Loss)/profit before interest and taxation		(823,909)	559,599
Interest receivable and similar income	4	19,418	9,690
Interest payable and similar charges	5	(140,103)	(92,762)
(Loss)/profit on ordinary activities before taxation	2	(944,594)	476,527
Taxation on (loss)/profit on ordinary activities	6	20,814	(132,621)
(Loss)/profit on ordinary activities after taxation		(923,780)	343,906
Minority interests - equity		4,500	-
(Loss)/profit for the financial year		(919,280)	343,906

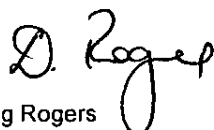
The operating loss derives wholly from continuing operations

The notes on page 11 to 23 form an integral part of these financial statements

**Consolidated Balance Sheet  
at 30 June 2009**

	Note	Year ended 2009 £	Period ended 2008 £
<b>FIXED ASSETS</b>			
Intangible assets	8	3,257,320	3,783,668
Tangible assets	9	5,733,291	4,574,978
Investments			
Other investments	10	11	11
		<u>8,990,622</u>	<u>8,358,657</u>
<b>CURRENT ASSETS</b>			
Stock	11	5,903	5,611
Debtors	12	1,660,605	1,607,065
Cash at bank and in hand		401,833	751,494
		<u>2,068,341</u>	<u>2,364,170</u>
<b>CREDITORS</b> (amounts falling due within one year)	13	<u>(2,726,067)</u>	<u>(2,924,110)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(657,726)</u>	<u>(559,940)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		8,332,896	7,798,717
<b>CREDITORS</b> (amounts falling due after more than one year)	14	<u>(6,634,723)</u>	<u>(5,372,613)</u>
<b>NET ASSETS</b>		<u>1,698,173</u>	<u>2,426,104</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	2,000,000	2,000,000
Profit and loss account	17	(301,827)	426,104
<b>SHAREHOLDER'S FUNDS</b>	18	<u>1,698,173</u>	<u>2,426,104</u>

The financial statements were approved by the board of directors on **17 March** 2010 and signed on its behalf by



Doug Rogers  
Chairman

The notes on pages 11 to 23 form an integral part of these financial statements



# **Consolidated Statement of Total Recognised Gains and Losses** **for the year ended 30 June 2009**

	Note	Year ended 2009 £	Period ended 2008 £
(Loss)/profit for the financial year		(919,280)	343,906
Unrealised exchange differences arising on consolidation	17	191,349	82,198
Total recognised (losses)/gains for the year		<u>(727,931)</u>	<u>426,104</u>

**Company Balance Sheet  
at 30 June 2009**

	Note	Year ended 2009 £	Period ended 2008 £
<b>FIXED ASSETS</b>			
Investments	10	6,493,764	6,675,269
<b>CURRENT ASSETS</b>			
Debtors	12	7,858	22,072
Cash at bank and in hand		22,365	1,017
		<u>30,223</u>	<u>23,089</u>
<b>CREDITORS (amounts falling due within one year)</b>	13	(990,390)	(1,116,211)
<b>NET CURRENT LIABILITIES</b>		<u>(960,167)</u>	<u>(1,093,122)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,533,597</u>	<u>5,582,147</u>
<b>CREDITORS (amounts falling due after more than one year)</b>	14	(3,587,147)	(3,587,147)
<b>NET ASSETS</b>		<u>1,946,450</u>	<u>1,995,000</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	2,000,000	2,000,000
Profit and loss account	17	(53,550)	(5,000)
<b>SHAREHOLDER'S FUNDS</b>	18	<u>1,946,450</u>	<u>1,995,000</u>

The financial statements were approved by the board of directors on **17 March** 2010 and signed on its behalf by



Doug Rogers  
Chairman

The notes on pages 11 to 23 form an integral part of these financial statements

# **Consolidated Cash Flow Statement for the year ended 30 June 2009**

	Note	Year ended 2009 £	Period ended 2008 £
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	19 1	(87,682)	974,528
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		19,418	9,690
Interest paid		(61,664)	(33,876)
Interest element of finance lease rental payments		(78,439)	(58,886)
		<hr/>	<hr/>
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		(120,685)	(83,072)
<b>TAXATION</b>			
Corporation tax paid		(13,899)	(72,112)
		<hr/>	<hr/>
<b>TAXATION PAID</b>		(13,899)	(72,112)
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTEMENT</b>			
Purchase of tangible fixed assets		(1,244,663)	(87,317)
Purchase of intangible fixed assets		(14,629)	-
Sale of tangible fixed assets		21,255	-
		<hr/>	<hr/>
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		(1,238,037)	(87,317)
<b>ACQUISITIONS AND DISPOSALS</b>			
Acquisition of subsidiaries		-	(2,030,318)
Net cash acquired with subsidiaries		-	223,651
		<hr/>	<hr/>
		-	(1,806,667)
<b>NET CASH OUTFLOW BEFORE FINANCING</b>		<hr/> (1,460,303) <hr/>	<hr/> (1,074,640) <hr/>
<b>FINANCING</b>			
Issue of shares		-	2,000,000
Loan from related company		1,334,250	-
Repayments of secured loans		(173,074)	(120,582)
Repayments of finance leases		(50,534)	(53,284)
		<hr/>	<hr/>
<b>NET CASH INFLOW FROM FINANCING</b>		1,110,642	1,826,134
<b>(DECREASE)/INCREASE IN CASH</b>	19 2	<hr/> (349,661) <hr/>	<hr/> 751,494 <hr/>

The notes on pages 11 to 23 form an integral part of these financial statements

# **Reconciliation of Net Cash Flow to Movement in Net Debt for the year ended 30 June 2009**

	Note	Year ended 2009 £	Period ended 2008 £
(Decrease)/increase in cash in the year		(349,661)	751,494
Cash flow attributable to debt financing		173,074	120,582
Cash flow attributable to lease financing		50,534	53,284
Change in net debt resulting from cash flow		(126,053)	925,360
Exchange movements		(163,995)	(253,376)
Loans and finance leases acquired with subsidiaries		-	(1,981,284)
Movement in net debt in the year		(290,048)	(1,309,300)
Net debt at 30 June 2008		(1,309,300)	-
<b>Net debt at 30 June 2009</b>	<b>19 2</b>	<b>(1,599,348)</b>	<b>(1,309,300)</b>

# Notes to the Financial Statements for the year ended 30 June 2009

## 1 Accounting policies

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

The principal accounting policies are set out below

### Basis of consolidation

The consolidated Group profit and loss account, balance sheet and cash flow statement incorporate the financial statements of all subsidiaries for the year ended 30 June 2009. Entities are considered to be a subsidiary where the Group controls the majority of the undertaking's voting rights, unless the ability of the Group to exercise control is subject to long term restrictions

Subsidiaries are consolidated from the date of acquisition to the date of disposal using the acquisition method of accounting. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their values reflecting their condition at that date

Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and amortised on a straight line basis over its estimated useful economic life

### Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Services related turnover is recognised proportionately over the duration of the service

### Investments

Fixed asset investments are included in the balance sheet at cost, less any provision for permanent diminution in value. Realised gains and losses on disposal and any provision for permanent impairment of value are dealt with through the profit and loss account. The carrying value of investments is reviewed for impairment annually by the Board of Directors

### Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Net assets and liabilities of overseas subsidiaries are translated into sterling at the rate of exchange ruling at the balance sheet date, and their income and expenses at average rates of exchange during the year. Foreign exchange differences arising on consolidation are taken directly to reserves

### Fixed assets

Tangible fixed assets are stated at their purchase price, together with any incidental costs of acquisition. Depreciation is provided on all tangible fixed assets except assets under construction which are not depreciated during the construction phase. Depreciation rates are calculated to write down the cost, less estimated residual value, of each asset evenly over its expected life as follows

Leasehold improvements	Remaining period of lease
Furniture, fixtures and fittings	3 - 5 years
Office and other equipment	3 - 5 years
Computer equipment	3 years

### Intangible fixed assets

Acquired goodwill is capitalised at cost, less any provision for permanent diminution in value, and is amortised over an estimated useful economic life of 20 years. Other intangible fixed assets relate to patents owned on the helicopter advertising systems and are stated at cost. The assets are amortised on a straight line basis over the duration of the patent

### Leases

Finance leases – where the Group enters into a lease that transfers substantially all the risks and rewards of ownership of that asset to the lessee, the lease is treated as a finance lease. Assets held under finance leases and the initial related lease obligations are included at the fair value of the leased assets at the inception of the lease and recorded as a tangible fixed asset. Depreciation on leased assets is calculated to write off the cost on a straight line basis over the shorter of the lease term and the useful life of the asset

# Notes to the Financial Statements for the year ended 30 June 2009 (continued)

## Accounting policies (continued)

### Stock and work in progress

Raw materials and consumables are accounted for at the lower of cost and net realisable value

### Deferred tax

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, based on current tax rates and law

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries where there is no commitment to remit these earnings

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 asset 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.

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 Segmental information

Segmental analysis of turnover, profit before taxation and net assets/(liabilities) by class of business is as follows

	Turnover	Profit/(loss)	Net assets/	Turnover	Profit	Net assets/
	Year ended	before tax	(liabilities)	Period ended	before tax	(liabilities)
	2009	Year ended	Year ended	2008	Period ended	Period ended
	£	2009	2009	£	2008	2008
		£	£		£	£
Geographical analysis						
European Union	3,132,378	52,672	3,436,654	2,197,058	131,806	3,270,584
Asia Pacific	2,299,610	(997,266)	(1,738,481)	2,800,747	344,721	(844,480)
	<u>5,431,988</u>	<u>(944,594)</u>	<u>1,698,173</u>	<u>4,997,805</u>	<u>476,527</u>	<u>2,426,104</u>

Geographical analysis is based on territory of trading activity and invoicing

## Notes to the Financial Statements for the year ended 30 June 2009 (continued)

### 3 Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting) the following

	Year ended 2009 £	Period ended 2008 £
Auditors' remuneration parent company	1,750	1,750
Group	13,150	11,950
subsidiaries	24,721	14,600
Depreciation – owned assets	258,317	171,928
Depreciation – assets held under finance leases	169,725	113,875
Amortisation of goodwill	230,149	158,442
Foreign exchange gains	(143,013)	(231,509)
	<hr/>	<hr/>

Employee costs are analysed as follows

	Year ended 2009 £	Period ended 2008 £
Wages and salaries	1,270,101	795,482
Social security costs	244,279	143,096
	<hr/>	<hr/>
	1,514,380	938,578
	<hr/>	<hr/>

The average number of employees including directors employed by the Group during the year was 65 (2008 74)

No emoluments were paid to directors during the year

### 4 Interest receivable and similar income

	Year ended 2009 £	Period ended 2008 £
Bank interest receivable	19,418	9,690
	<hr/>	<hr/>

# Notes to the Financial Statements for the year ended 30 June 2009 (continued)

## 5 Interest payable and similar charges

	Year ended 2009 £	Period ended 2008 £
Interest payable on bank loans and overdrafts	61,664	33,876
Interest payable on finance leases	78,439	58,886
	<u>140,103</u>	<u>92,762</u>

## 6 Taxation

Tax on (loss)/profit on ordinary activities is analysed as follows

	Year ended 2009 £	Period ended 2008 £
United Kingdom		
Corporation tax at 28%	-	(12,004)
Overseas tax		
Corporation taxes	(20,814)	144,625
Tax (credit)/charge on (loss)/profit on ordinary activities	<u>(20,814)</u>	<u>132,621</u>

### 6.1 Tax Reconciliation

	Year ended 2009 £	Period ended 2008 £
(Loss)/profit on ordinary activities before taxation	<u>(944,594)</u>	<u>476,527</u>
(Loss)/profit on ordinary activities multiplied by standard rate of UK corporation tax of 28%	(264,486)	133,428
Effects of		
Adjustments in respect of prior years	34,713	-
Adjustments in respect of overseas tax rates	10,964	42,672
Net income and expenses not deductible for tax purposes	196,921	32,210
Depreciation in excess of capital allowances	-	789
Tax losses utilised net of unrelieved losses carried forward	1,074	(76,478)
	<u>(20,814)</u>	<u>132,621</u>



## Notes to the Financial Statements for the year ended 30 June 2009 (continued)

### 7 Loss for the financial year

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the Company is not presented as part of these financial statements

The loss after taxation attributable to Pacific Leisure & Media Limited for the year and dealt with in the financial statements of the Company was £48,550 (2008 £5,000)

### 8 Intangible fixed assets

Intangible fixed assets of the Group are analysed as follows

	Goodwill arising on acquisition £	Patents £	Total £
<b>Cost</b>			
At 30 June 2008	3,942,110	-	3,942,110
Additions	-	14,629	14,629
Disposal	121,636	-	121,636
Exchange adjustments	6,152	-	6,152
At 30 June 2009	4,069,898	14,629	4,084,527
<b>Amortisation/Impairment</b>			
At 30 June 2008	158,442	-	158,442
Amortisation for the year	229,112	1,037	230,149
Impairment in value during the year	389,594	-	389,594
Disposal	48,653	-	48,653
Exchange adjustments	369	-	369
At 30 June 2009	826,170	1,037	827,207
<b>Net book value at 30 June 2009</b>	<b>3,243,728</b>	<b>13,592</b>	<b>3,257,320</b>
<b>Net book value at 30 June 2008</b>	<b>3,783,668</b>	<b>-</b>	<b>3,783,668</b>

The disposal of £121,636 relates to associated negative goodwill

# Notes to the Financial Statements for the year ended 30 June 2009 (continued)

## 9 Tangible fixed assets

Tangible fixed assets of the Group are analysed as follows

	Assets Under Construction £	Leasehold Land & Buildings £	Furniture, Fixtures & Fittings £	Office & Other Equipment £	Computer Equipment £	Total £
<b>Cost</b>						
At 30 June 2008	-	4,497,840	233,484	49,569	79,888	4,860,781
Additions	1,111,811	12,224	57,142	13,158	50,328	1,244,663
Disposals	-	-	(45,658)	(14,909)	(1,186)	(61,753)
Exchange adjustments	-	340,838	18,660	3,748	5,792	369,038
At 30 June 2009	1,111,811	4,850,902	263,628	51,566	134,822	6,412,729
<b>Depreciation</b>						
At 30 June 2008	-	196,094	54,798	14,492	20,419	285,803
Charge for the year	-	307,208	70,141	18,994	31,699	428,042
Disposals	-	-	(26,263)	(13,375)	(860)	(40,498)
Exchange adjustments	-	2,474	2,362	475	780	6,091
At 30 June 2009	-	505,776	101,038	20,586	52,038	679,438
<b>Net book value at 30 June 2009</b>	1,111,811	4,345,126	162,590	30,980	82,784	5,733,291
<b>Net book value at 30 June 2008</b>	-	4,301,746	178,686	35,077	59,469	4,574,978

The net book value of assets held under finance leases by the Group is £1,871,345 (2008 £1,825,717) Depreciation charged on these assets during the year amounted to £169,725 (2008 £113,875)

## 10 Investments

Investments are analysed as follows

	Group Year ended 2009 £	Company Year ended 2009 £	Group Period ended 2008 £	Company Period ended 2008 £
Subsidiary undertakings	-	6,493,753	-	6,675,258
Other fixed asset investments	11	11	11	11
	11	6,493,764	11	6,675,269

**Notes to the Financial Statements  
for the year ended 30 June 2009 (continued)**

**10.1 Subsidiary undertakings**

The Company's investment in subsidiary undertakings is analysed as follows

	Ordinary Shares £	Preference Shares £	Loans to Subsidiaries £	Total £
At 30 June 2008	1,336,700	2	5,338,556	6,675,258
Additions	5,500	-	67,295	72,795
Disposals	-	-	(254,300)	(254,300)
At 30 June 2009	<u>1,342,200</u>	<u>2</u>	<u>5,151,551</u>	<u>6,493,753</u>

## Notes to the Financial Statements for the year ended 30 June 2009 (continued)

### 10.1 Subsidiary undertakings (continued)

Details of the Group's subsidiary undertakings as at 30 June 2009, all of which are included in the consolidated statements, are given below

Subsidiary	Principal activities	Class of shares held	Voting rights of immediate parent	Effective Group interest	Country of incorporation
B@1 Ltd	Investment holding company	Ordinary & preference	100%	100%	England
Clube VII Exploracao de Health Sociedade Unipessoal Lda	Sports and leisure club	Ordinary	100%	100%	Portugal
Unitenis-Empreendimentos de Tenis SA	Property investment company	Ordinary	99%	99%	Portugal
Pacific Club Holdings SARL	Investment holding company	Ordinary	100%	100%	France
Tennis Club de Chantecoq SARL	Sports and leisure club	Ordinary	100%	100%	France
Frontiers Group India (UK) Ltd	Investment holding company	Ordinary	100%	100%	England
Frontiers Group India Private Ltd	Sports rights & marketing company	Ordinary	93%	93%	India
Frontiers Group Asia Pacific Ltd	Investment holding company	Ordinary & preference	100%	100%	England
Frontiers Group Hong Kong China Ltd	Sports events & marketing company	Ordinary	100%	100%	Hong Kong
Frontiers Group China Ltd	Sports events & marketing company	Ordinary	100%	100%	China
Heli-Banners Ltd	Aerial advertising company	Ordinary	100%	100%	England
Skylark Promotions Pty Ltd	Aerial advertising company	Ordinary	100%	100%	Australia
Helibanners (Australia) Pty Ltd	Aerial advertising company	Ordinary	100%	100%	Australia
Futbol City Holdings UK Ltd	Investment holding company	Ordinary	55%	55%	England
Futbol City 5 SA	Sports and leisure club	Ordinary	90%	49 50%	Spain

## Notes to the Financial Statements for the year ended 30 June 2009 (continued)

### 11. Stock

Stock is analysed as follows

	Group Year ended 2009 £	Group Period ended 2008 £
Raw materials and consumables	5,903	5,611

### 12 Debtors

Debtors are analysed as follows

	Group Year ended 2009 £	Company Year ended 2009 £	Group Period ended 2008 £	Company Period ended 2008 £
Trade debtors	485,240	3,194	893,250	-
Other debtors	713,278	4,664	310,592	22,072
Corporation tax	80,218	-	41,885	-
Prepayments and accrued income	381,869	-	361,338	-
	<u>1,660,605</u>	<u>7,858</u>	<u>1,607,065</u>	<u>22,072</u>

### 13 Creditors (amounts falling due within one year)

Creditors falling due within one year are analysed as follows

	Group Year ended 2009 £	Company Year ended 2009 £	Group Period ended 2008 £	Company Period ended 2008 £
Trade creditors	455,825	788	437,367	-
Secured bank loans and overdrafts	191,636	-	154,370	-
Obligations under finance leases	136,711	-	120,958	-
Other tax and social security	88,974	-	61,024	-
Other creditors	48,206	-	162,106	12,294
Accruals and deferred income	835,440	20,327	894,368	10,000
Amounts due to related undertakings	969,275	969,275	1,093,917	1,093,917
	<u>2,726,067</u>	<u>990,390</u>	<u>2,924,110</u>	<u>1,116,211</u>

## Notes to the Financial Statements for the year ended 30 June 2009 (continued)

### 14 Creditors (amounts falling due after more than one year)

Creditors falling due after one year are analysed as follows

	Group Year ended 2009 £	Company Year ended 2009 £	Group Period ended 2008 £	Company Period ended 2008 £
Secured bank loans	401,591	-	551,384	-
Obligations under finance leases	1,271,243	-	1,234,082	-
Amounts due to related undertakings	4,961,889	3,587,147	3,587,147	3,587,147
	<u>6,634,723</u>	<u>3,587,147</u>	<u>5,372,613</u>	<u>3,587,147</u>

Total secured borrowings of the Group, including bank loans and overdrafts due within one year, are repayable as follows

	Group Year ended 2009 £	Group Period ended 2008 £
Within one year	191,636	154,370
Within two and five years	401,591	551,384
	<u>593,227</u>	<u>705,754</u>

Borrowings are secured by a charge over the assets of the borrowing company

### 15 Obligations under finance leases

	Group Year ended 2009 £	Group Period ended 2008 £
Amounts payable		
Within one year	136,711	120,958
In two to five years	415,171	351,495
After five years	856,072	882,587
	<u>1,407,954</u>	<u>1,355,040</u>

## Notes to the Financial Statements for the year ended 30 June 2009 (continued)

### 16. Called up share capital

The authorised, issued and fully paid share capital of the Company as at 30 June 2009 and 30 June 2008 is analysed as follows

	Number	£
<b>Authorised</b>		
Ordinary shares of £1 each	10,000,000	10,000,000

### Allotted, called up and fully paid

	Number	£
Ordinary shares of £1 each	2,000,000	2,000,000

Further details of rights attaching to the ordinary shares can be found in the Articles of Association of the Company

### 17 Reserves

The reserves are analysed as follows

	Group Profit and loss account 2009 £	Company Profit and loss account 2009 £
Balance at 30 June 2008	426,104	(5,000)
Loss for the financial year	(919,280)	(48,550)
Foreign exchange adjustments – subsidiary entities	191,349	-
At 30 June 2009	(301,827)	(53,550)

### 18 Reconciliation of movements in shareholder's funds

	Group £	Company £
Shareholder's funds at 30 June 2008	2,426,104	1,995,000
Loss for the financial year	(919,280)	(48,550)
Foreign exchange adjustments – subsidiary entities	191,349	-
Shareholder's funds at 30 June 2009	1,698,173	1,946,450

# Notes to the Financial Statements for the year ended 30 June 2009 (continued)

## 19 Cash Flow Statement

### 19.1 Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities

The reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities is as follows

	Year ended 2009 £	Period ended 2008 £
Operating (loss)/profit	(823,909)	559,599
Add Back		
Depreciation	428,042	285,803
Amortisation of goodwill and other intangibles	230,149	158,442
Impairment of intangible fixed assets	389,594	-
Increase in stock	141	1,472
Increase in debtors	105,793	246,537
Increase in creditors	(345,313)	(95,572)
Exchange differences	(72,179)	(181,753)
	<u>(87,682)</u>	<u>974,528</u>

### 19.2 Analysis of changes in net debt

	At 30 June 2008 £	Cashflow £	Re- classification £	Exchange movements £	At 30 June 2009 £
Cash at bank and in hand	751,494	(237,239)	-	-	514,255
Overdraft	-	(112,422)	-	-	(112,422)
	<u>751,494</u>	<u>(349,661)</u>	<u>-</u>	<u>-</u>	<u>401,833</u>
Debt due within one year	(154,370)	-	(25,551)	(11,715)	(191,636)
Debt due after one year	(551,384)	173,074	25,551	(48,832)	(401,591)
Finance leases	(1,355,040)	50,534	-	(103,448)	(1,407,954)
	<u>(1,309,300)</u>	<u>(126,053)</u>	<u>-</u>	<u>(163,995)</u>	<u>(1,599,348)</u>

## 20 Related party transactions

The Company is 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 investees of that Group

During the year a fee of £117,500 was charged from Pacific Investments PLC, a company related by ultimate common shareholding. At 30 June 2009 £33,463 (2008 £117,500) was payable to Pacific Investments PLC and shown as a creditor in 'amount due to related undertakings'



**Notes to the Financial Statements  
for the year ended 30 June 2009 (continued)**

**21 Capital commitments and contingencies**

There were no contingent liabilities or capital commitments at 30 June 2009 (2008 £nil)

**22 Ultimate controlling party**

In the opinion of the directors the ultimate controlling part of the Company is JL Beckwith