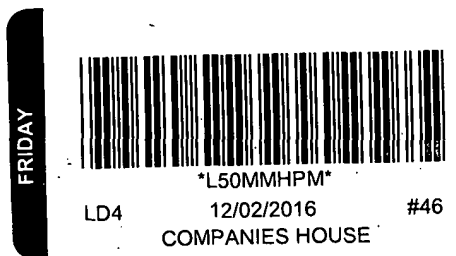


COMPANY REGISTRATION NUMBER 6365721

Pacific Leisure & Media Limited
Annual Report and Financial Statements
for the year ended 30 June 2015



Pacific Leisure & Media Limited

Financial Statements

for the year ended 30 June 2015

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Pacific Leisure & Media Limited

Officers and Professional Advisers

The board of directors

JL Beckwith
SP Beckwith
MC Johnson
SD Roberts
DF Rogers

Registered office

124 Sloane Street
London
SW1X 9BW

Auditor

Nexia Smith & Williamson
Chartered Accountants
25 Moorgate
London
EC2R 6AY

Pacific Leisure & Media Limited

Chairman's Statement

for the year ended 30 June 2015

I present the annual report for the Pacific Leisure & Media Limited (PLM) Group for the year ended 30 June 2015. The consolidated profit and loss statement is shown on page 8.

PLM was established in 2007 with the objective of investing in the leisure and media sectors. The economic climate in which PLM operates has meant trading conditions continue to be challenging.

Heli-Banners, an aerial advertising company, saw little trading activity during the year leading to a small loss. The directors do not expect the company to continue its operation as an advertising company in the forthcoming year and will be dormant going forward.

A new lease was agreed with the Urban Football five-a-side football business in Paris during the previous financial year which substantially increased the base rent to PLM in addition to a revenue share. That business continues to trade well and contribute strong profits to the PLM group.

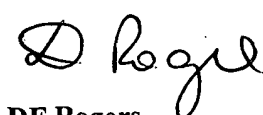
Pacific Sport & Entertainment Limited, an event based business has been sold allowing PLM to recover its investment.

The racquet and fitness club in Lisbon, Clube VII, whilst trading under difficult conditions has shown an improvement in growth and revenue. The club will continue to focus on its capital expenditure program aimed at enlarging fitness areas of the club with the new gym expansion and crossfit area being a key focus going forward. The opening of the padel courts in the year has proven successful with strong demand for classes and bookings.

The football business in Valencia made a loss for the year however the recent opening of a low cost gym on the site has proven successful and should positively contribute to the result of the overall business. Additionally, we have started construction on six new padel courts in the centre which are due to open in September 2016. With these material changes to the business, we expect improved results in the next financial year. Football revenue has stabilised while the gym is showing good monthly growth in membership numbers.

There is an agreement in place with Pacific Investments Management Limited for the sale and purchase of shares in the issued share capital of Clube VII-Exploraco de Health Clubs, Lda and Unitenis-Empreendimentos de Tennis SA for a consideration of £2.9m which was executed on the 21 September 2015. Futbol City Holdings UK Limited was also transferred for a consideration of £1.7m.

With the transfer of Clube VII and Futbol City, the income earned from Urban Football will be the main driver of profitability for the PLM group. As such we expect to see improving results in the future.



DF Rogers
Chairman

Pacific Leisure & Media Limited

Strategic Report

for the year ended 30 June 2015

Principal activities

The principal activity of the company during the year was 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 13 to the financial statements.

Business review

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.

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.

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.

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.

Signed on behalf of the directors



DF Rogers
Director

Approved by the directors on 25 January 2016

Pacific Leisure & Media Limited

Directors' Report

for the year ended 30 June 2015

The directors present their report and the audited financial statements of the Group for the year ended 30 June 2015.

Results and dividends

The loss for the year, after taxation and minority interest, amounted to £620,209 (2014: loss of £1,055,564). The directors have not recommended a dividend (2014: £nil).

Directors

The directors who served the company during the year were as follows:

JL Beckwith
SP Beckwith
MC Johnson
SD Roberts
DF Rogers

DF Rogers resigned and was reappointed on 27 January 2015.

Directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 laws). 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 Group's and company's transactions and disclose with reasonable accuracy at any time the financial position of 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Strategic report

The company has prepared a Strategic Report in accordance with section 414A of the Companies Act 2006.

Pacific Leisure & Media Limited

Directors' Report *(continued)*

for the year ended 30 June 2015

Auditor


Nexia Smith & Williamson have been appointed as auditor for the ensuing year in accordance with section 485 of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
124 Sloane Street
London
SW1X 9BW

Signed on behalf of the directors



DF Rogers
Director

Approved by the directors on 25 January 2016

Pacific Leisure & Media Limited

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

for the year ended 30 June 2015

We have audited the financial statements of Pacific Leisure & Media Limited for the year ended 30 June 2015 which comprise the Group Profit and Loss Account, Group Statement of Total Recognised Gains and Losses, Group and Parent Company Balance Sheets, Group Cash Flow Statement and the related notes 1 to 27. 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 set out on page 4, 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2015 and of the group's loss 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Pacific Leisure & Media Limited

Independent Auditor's Report to the Members of Pacific Leisure & Media Limited *(continued)*

for the year ended 30 June 2015

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.



Guy Swarbreck
Senior Statutory Auditor, For and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

9 February 2016

Pacific Leisure & Media Limited

Group Profit and Loss Account

for the year ended 30 June 2015

	Note	2015 £	2014 £
Turnover			
Continuing operations		438,405	525,311
Discontinued operations	2	<u>1,795,547</u>	<u>1,803,058</u>
Group turnover	3	2,233,952	2,328,369
Cost of sales	2	<u>(707,641)</u>	<u>(1,028,650)</u>
Gross profit		1,526,311	1,299,719
Net operating expenses	2	<u>(2,099,696)</u>	<u>(2,201,298)</u>
Operating loss:	4		
Continuing operations		(88,494)	(250,530)
Discontinued operations	2	<u>(484,891)</u>	<u>(651,049)</u>
Group operating loss		(573,385)	(901,579)
Profit on sale of investments	6	14,781	–
Provision for diminution in value		<u>–</u>	<u>(92,147)</u>
		(558,604)	(993,726)
Interest receivable	7	2,764	77
Interest payable and similar charges	8	<u>(63,781)</u>	<u>(112,951)</u>
Loss on ordinary activities before taxation		(619,621)	(1,106,600)
Tax on loss on ordinary activities	9	<u>(13,929)</u>	<u>(15,686)</u>
Loss on ordinary activities after taxation		(633,550)	(1,122,286)
Minority interests	24	13,341	66,722
Loss for the financial year		<u>(620,209)</u>	<u>(1,055,564)</u>

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 15 to 29 form part of these financial statements.

Pacific Leisure & Media Limited
Group Statement of Total Recognised Gains and Losses
for the year ended 30 June 2015

	Note	2015 £	2014 £
Loss for the financial year		(620,209)	(1,055,564)
Currency translation difference on foreign currency net investment	22	(469,116)	(325,789)
Total gains and losses recognised since the last annual report		<u>(1,089,325)</u>	<u>(1,381,353)</u>

The notes on pages 15 to 29 form part of these financial statements.

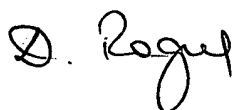
Pacific Leisure & Media Limited

Group Balance Sheet

as at 30 June 2015

	Note	2015 £	2014 £
Fixed assets			
Intangible assets	11	1,410,623	1,579,206
Tangible assets	12	5,370,179	6,108,664
		<u>6,780,802</u>	<u>7,687,870</u>
Current assets			
Stocks	15	9,822	11,159
Debtors due within one year	16	449,820	765,247
Cash at bank		36,916	27,809
		<u>496,558</u>	<u>804,215</u>
Creditors: amounts falling due within one year	17	<u>(846,730)</u>	<u>(1,391,470)</u>
Net current liabilities		<u>(350,172)</u>	<u>(587,255)</u>
Total assets less current liabilities		<u>6,430,630</u>	<u>7,100,615</u>
Creditors: amounts falling due after more than one year	18	<u>(8,274,234)</u>	<u>(7,856,334)</u>
		<u>(1,843,604)</u>	<u>(755,719)</u>
Capital and reserves			
Called-up share capital	21	4,000,000	4,000,000
Profit and loss account	22	<u>(5,532,949)</u>	<u>(4,443,624)</u>
Shareholders' deficit	23	<u>(1,532,949)</u>	<u>(443,624)</u>
Minority interests	24	<u>(310,655)</u>	<u>(312,095)</u>
		<u>(1,843,604)</u>	<u>(755,719)</u>

These accounts were approved by the directors and authorised for issue on 25 January 2016, and are signed on their behalf by:



DF Rogers
Director

The notes on pages 15 to 29 form part of these financial statements.

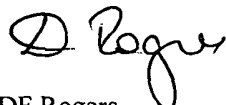
Pacific Leisure & Media Limited

Company Balance Sheet

as at 30 June 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	13	4,584,498	6,208,389
Current assets			
Debtors due within one year	16	10,629	5,000
Creditors: amounts falling due within one year	17	(31,087)	(23,900)
Net current liabilities		(20,458)	(18,900)
Total assets less current liabilities		4,564,040	6,189,489
Creditors: amounts falling due after more than one year	18	(6,532,437)	(5,861,044)
		(1,968,397)	328,445
Capital and reserves			
Called-up share capital	21	4,000,000	4,000,000
Profit and loss account	22	(5,968,397)	(3,671,555)
Shareholders' (deficit)/funds		(1,968,397)	328,445

These accounts were approved by the directors and authorised for issue on 25 January 2016, and are signed on their behalf by:



DF Rogers
Director

Company Registration Number: 6365721

The notes on pages 15 to 29 form part of these financial statements.

Pacific Leisure & Media Limited

Group Cash Flow Statement

for the year ended 30 June 2015

	Note	2015 £	2014 £
Net cash inflow from operating activities		145,347	52,873
Returns on investments and servicing of finance			
Interest received		2,764	77
Interest paid		(23,456)	(68,565)
Interest element of finance lease rental payments		(40,325)	(44,386)
Net cash outflow from returns on investments and servicing of finance		(61,017)	(112,874)
Taxation			
Corporation tax paid		(13,835)	(15,593)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(313,697)	(219,387)
Sale of tangible fixed assets		9,694	—
Net cash outflow for capital expenditure and financial investment		(304,003)	(219,387)
Cash outflow before use of financing		(233,508)	(294,981)
Financing			
Repayment of secured loans		(36,820)	—
Increase of loan from related company		671,393	218,600
Repayment of finance leases		(56,641)	(65,157)
Net cash inflow from financing		577,932	153,443
Increase/(decrease) in cash		344,424	(141,538)

The notes on pages 15 to 29 form part of these financial statements.

Pacific Leisure & Media Limited

Group Cash Flow Statement

for the year ended 30 June 2015

Reconciliation of operating loss to net cash inflow from operating activities

	2015 £	2014 £
Operating loss	(573,385)	(901,579)
Amortisation of goodwill and other intangibles	143,333	150,984
Depreciation	331,776	375,460
Impairment of tangible fixed assets	—	150
Decrease/(increase) in stocks	1,337	(1,698)
Decrease in debtors	362,850	178,436
Decrease in creditors	(812,044)	(12,265)
Exchange differences	691,480	263,385
Net cash inflow from operating activities	<u>145,347</u>	<u>52,873</u>

Reconciliation of net cash flow to movement in net debt

	2015 £	2014 £
Increase/(decrease) in cash in the period	344,424	(141,538)
Net cash outflow from bank loans	36,820	—
Cash outflow in respect of hire purchase	<u>56,641</u>	<u>65,157</u>
Change in net debt resulting from cash flows	437,885	(76,381)
Exchange movements	<u>168,132</u>	<u>100,791</u>
Movement in net debt in the period	606,017	24,410
Net debt at 1 July 2014	<u>(1,746,909)</u>	<u>(1,771,319)</u>
Net debt at 30 June 2015	<u>(1,140,892)</u>	<u>(1,746,909)</u>

The notes on pages 15 to 29 form part of these financial statements.

Pacific Leisure & Media Limited

Group Cash Flow Statement

for the year ended 30 June 2015

(continued)

Analysis of changes in net debt

	At 1 Jul 2014 £	Cash flows £	Non-cash changes £	Translation differences £	At 30 Jun 2015 £
Net cash:					
Cash in hand and at bank	27,809	9,107	—	—	36,916
Overdrafts	(354,919)	335,317	—	—	(19,602)
	<u>(327,110)</u>	<u>344,424</u>	<u>—</u>	<u>—</u>	<u>17,314</u>
Debt:					
Debt due within 1 year	(41,766)	—	—	4,946	(36,820)
Debt due after 1 year	(135,739)	36,820	—	16,074	(82,845)
Finance leases	(1,242,294)	56,641	—	147,112	(1,038,541)
	<u>(1,419,799)</u>	<u>93,461</u>	<u>—</u>	<u>168,132</u>	<u>(1,158,206)</u>
Net debt	<u>(1,746,909)</u>	<u>437,885</u>	<u>—</u>	<u>168,132</u>	<u>(1,140,892)</u>

The notes on pages 15 to 29 form part of these financial statements.

Pacific Leisure & Media Limited

Notes to the Financial Statements

for the year ended 30 June 2015

1. Accounting policies

Basis of accounting

The financial statements have been prepared on the going concern basis 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 2015. 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.

Going concern

These financial statements have been prepared on a going concern basis which assumes the continued financial support of the ultimate controlling party. The directors have received a letter of support from JL Beckwith confirming his support for a period of at least 12 months from the date of the approval of these financial statements.

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.

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. Lease extensions are capitalised at cost, less any provision for permanent diminution in value, and are amortised over the length of the lease.

Pacific Leisure & Media Limited

Notes to the Financial Statements

for the year ended 30 June 2015

1. Accounting policies *(continued)*

Fixed assets

Tangible fixed assets are stated initially at their purchase price, together with any incidental costs of acquisition.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property / Improvements	-	Remaining period of lease / 8 to 50 years
Computer Equipment	-	3 to 18 years
Furniture, Fixtures & Fittings	-	3 to 25 years
Office & Other Equipment	-	3 to 5 years

Stock and work in progress

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

Finance lease agreements

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.

Operating lease agreements

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

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, 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.

Pacific Leisure & Media Limited

Notes to the Financial Statements

for the year ended 30 June 2015

1. Accounting policies *(continued)*

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

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.

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. Discontinued operations

	Continuing operations £	Discontinued operations £	Total £
Year ended 30 June 2015			
Turnover	438,405	1,795,547	2,233,952
Cost of sales	(5,286)	(702,355)	(707,641)
Gross profit	433,119	1,093,192	1,526,311
Net operating expenses	(521,613)	(1,578,083)	(2,099,696)
Operating loss	(88,494)	(484,891)	(573,385)

Pacific Leisure & Media Limited

Notes to the Financial Statements

for the year ended 30 June 2015

2. Discontinued operations *(continued)*

	Continuing operations £	Discontinued operations £	Total £
Year ended 30 June 2014			
Turnover	525,311	1,803,058	2,328,369
Cost of sales	(223,847)	(804,803)	(1,028,650)
Gross profit	301,464	998,255	1,299,719
Net operating expenses	(551,994)	(1,649,304)	(2,201,298)
Operating loss	(250,530)	(651,049)	(901,579)

On 21 September 2015, the Group disposed of two subsidiaries, Clube VII-Exploraco de Health Clubs, Lda/ Unitenis-Empreendimentos de Tenis SA and Futbol City Holdings UK Limited. These subsidiaries had net liabilities of £804,294 and £1,602,297, and were sold for total consideration of £1,729,265 and £2,848,558 respectively.

In accordance with Financial Reporting Standard 3, the results for the period for the subsidiaries that have been disposed have been disclosed as discontinued operations.

3. Segmental information

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

	Turnover 2015	Loss before tax 2015	Net liabilities 2015	Turnover 2014	Loss before tax 2014	Net liabilities 2014
Geographical analysis:	£	£	£	£	£	£
European Union	2,233,952	(575,207)	(1,647,101)	2,328,369	(1,210,362)	(330,506)
Asia Pacific	—	(44,414)	(196,503)	—	103,762	(425,213)
	<u>2,233,952</u>	<u>(619,621)</u>	<u>(1,843,604)</u>	<u>2,328,369</u>	<u>(1,106,600)</u>	<u>(755,719)</u>

Geographical analysis is based on territory of trading activity and invoicing.

4. Operating loss

Operating loss is stated after charging:

	2015 £	2014 £
Amortisation of intangible assets	143,333	150,984
Depreciation of owned fixed assets	249,108	278,993
Depreciation of assets held under finance lease agreements	82,668	96,467
Foreign exchange differences	1,904	—
Auditor's remuneration	23,690	23,000

Pacific Leisure & Media Limited

Notes to the Financial Statements

for the year ended 30 June 2015

	2015 £	2014 £
Auditor's remuneration:		
- Parent company	2,060	2,000
- Group	14,420	14,000
- Subsidiaries	7,210	7,000
	<u>23,690</u>	<u>23,000</u>

5. Particulars of employees

The average number of staff employed by the Group during the financial year amounted to:

	2015 No	2014 No
Head office	3	3
Sport and Leisure	59	57
	<u>62</u>	<u>60</u>

The aggregate payroll costs of the above were:

	2015 £	2014 £
Wages and salaries	712,104	732,138
Social security costs	186,570	174,627
	<u>898,674</u>	<u>906,765</u>

No emoluments were paid to directors during the year.

6. Profit on sale of investments

	2015 £	2014 £
Profit on sale of investments	<u>14,781</u>	<u>—</u>

7. Interest receivable

	2015 £	2014 £
Bank interest receivable	<u>2,764</u>	<u>77</u>

Pacific Leisure & Media Limited

Notes to the Financial Statements

for the year ended 30 June 2015

8. Interest payable and similar charges

	2015 £	2014 £
Interest payable on bank loans and overdrafts	23,456	68,565
Interest payable on finance leases	40,325	44,386
	<u>63,781</u>	<u>112,951</u>

9. Taxation on ordinary activities

(a) Analysis of credit in the year

	2015 £	2014 £
Foreign tax		
Current tax on income for the year	13,929	15,686
Total current tax	<u>13,929</u>	<u>15,686</u>

(b) Factors affecting current tax credit

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2014 - 21%).

	2015 £	2014 £
Loss on ordinary activities before taxation	<u>(619,621)</u>	<u>(1,106,600)</u>
Loss on ordinary activities by rate of tax	(123,925)	(336,950)
Net income and expenses not deductible for tax purposes	(133,253)	104,024
Capital allowances for period in excess of depreciation	2	67
Unrelieved tax losses carried forward net of losses utilised	279,683	260,792
Tax chargeable at higher rate	10,131	(13,201)
Adjustments in respect of overseas tax rates	<u>(18,709)</u>	<u>954</u>
Total current tax (note 9(a))	<u>13,929</u>	<u>15,686</u>

10. Loss attributable to members of the parent company

As permitted by section 480 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 after movements in provisions and dealt with in the financial statements of the Company was £2,296,842 (2014: £73,582 profit). Before provisions on investments the loss was £496,040 (2014: £405,382).

Pacific Leisure & Media Limited

Notes to the Financial Statements

for the year ended 30 June 2015

11. Intangible fixed assets

Intangible fixed assets of the Group are analysed as follows:

	Goodwill arising on acquisitions £	Lease Extensions £	Total £
Cost			
At 30 June 2014	2,266,374	204,178	2,470,552
Exchange adjustments	—	(32,112)	(32,112)
At 30 June 2015	<u>2,266,374</u>	<u>172,066</u>	<u>2,438,440</u>
Amortisation			
At 30 June 2014	867,705	23,641	891,346
Amortisation for the year	138,408	4,925	143,333
Exchange adjustments	—	(6,862)	(6,862)
At 30 June 2015	<u>1,006,113</u>	<u>21,704</u>	<u>1,027,817</u>
Net book value at 30 June 2015	<u>1,260,261</u>	<u>150,362</u>	<u>1,410,623</u>
Net book value at 30 June 2014	<u>1,398,669</u>	<u>180,537</u>	<u>1,579,206</u>

Pacific Leisure & Media Limited

Notes to the Financial Statements

for the year ended 30 June 2015

12. Tangible fixed assets

Group	Freehold & Leasehold Property £	Computer Equipment £	Furniture, Fixtures & Fittings £	Office & Other Equipment £	Total £
Cost					
At 1 July 2014	7,435,169	421,631	541,223	95,412	8,493,435
Additions	146,231	1,335	166,131	–	313,697
Disposals	–	(6,549)	–	(3,145)	(9,694)
Exchange movements	(889,126)	(57,604)	(65,943)	(11,112)	(1,023,785)
At 30 June 2015	6,692,274	358,813	641,411	81,155	7,773,653
Depreciation					
At 1 July 2014	1,741,990	244,198	345,921	52,662	2,384,771
Charge for the year	245,006	43,957	35,470	7,343	331,776
Exchange movements	(222,846)	(39,757)	(43,007)	(7,463)	(313,073)
At 30 June 2015	1,764,150	248,398	338,384	52,542	2,403,474
Net book value					
At 30 June 2015	4,928,124	110,415	303,027	28,613	5,370,179
At 30 June 2014	5,693,179	177,433	195,302	42,750	6,108,664

Finance lease agreements

Included within the net book value of £5,370,179 is £1,286,265 (2014 - £1,547,258) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £82,668 (2014 - £96,467).

13. Investments

Investments are analysed as follows:

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Subsidiary undertakings	–	–	4,584,498	6,208,389

Pacific Leisure & Media Limited

Notes to the Financial Statements

for the year ended 30 June 2015

Investment in subsidiaries

Investments in subsidiaries held by the Company are analysed as follows:

	Ordinary Shares £	Preference Shares £	Loans to Subsidiaries £	Total £
Cost				
At 1 July 2014	1,348,962	2	8,155,980	9,504,944
Additions	–	–	343,236	343,236
Disposals	(50)	–	(166,275)	(166,325)
At 30 June 2015	<u>1,348,912</u>	<u>2</u>	<u>8,332,941</u>	<u>9,681,855</u>
Provision				
At 1 July 2014	1,343,384	–	1,953,171	3,296,555
Provisions during period	5,500	–	1,795,302	1,800,802
At 30 June 2015	<u>1,348,884</u>	<u>–</u>	<u>3,748,473</u>	<u>5,097,357</u>
Net book value				
At 30 June 2015	<u>28</u>	<u>2</u>	<u>4,584,468</u>	<u>4,584,498</u>
At 30 June 2014	<u>5,578</u>	<u>2</u>	<u>6,202,809</u>	<u>6,208,389</u>

Loans to subsidiaries represent long term funding and are considered equity in nature. Repayment will not be demanded until alternative external funding is achieved, either via refinancing, flotation, trade or similar.

Details of the Group's subsidiary undertakings as at 30 June 2015, all of which are included in the consolidated financial statements, are given below.

Pacific Leisure & Media Limited

Notes to the Financial Statements

for the year ended 30 June 2015

Subsidiary	Principal activities	Class of share held	Voting rights of immediate parent	Effective Group Interest	Country of incorporation
Directly held					
B@1 Ltd	Investment holding company	Ordinary & Preference	100%	100%	United Kingdom
Frontiers Group India (UK) Ltd	Investment holding company	Ordinary	100%	100%	United Kingdom
Heli-Banners Ltd	Aerial advertising	Ordinary	100%	100%	United Kingdom
Futbol City Holdings UK Limited	Investment holding company	Ordinary	55%	55%	United Kingdom
Indirectly held					
Clube VII Exploraceo de Health Sociedade Unipessoal Lda	Sports and leisure club	Ordinary	100%	100%	Portugal
Unitenis-Empreendimentos de Tennis SA	Property investment	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 Private Ltd	Sports rights & marketing	Ordinary	93%	93%	India
Futbol City 5 SA	Sports and leisure club	Ordinary	100%	55%	Spain

Pacific Sport and Entertainment Limited was disposed of on the 19th November 2014 for £1, realising a profit on disposal of £14,781, please see note 6.

14. Deferred taxation liability

No deferred tax asset has been recognised on the unrelieved losses carried forward by a number of Group companies. Such tax would only become recoverable in the event that the respective companies become profitable in future years. The future profitability of these companies cannot be foreseen with any certainty. Unrelieved amounts carried forward at 30 June 2015 amount to £1.3 million (2014: £1 million) which would give rise to an equivalent deferred tax asset of £267,048 (2014: £221,668) at future corporation tax rates of 20%.

The Company has no other provided or unprovided deferred tax assets or liabilities.

Pacific Leisure & Media Limited

Notes to the Financial Statements

for the year ended 30 June 2015

15. Stocks

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Raw materials and consumables	9,822	11,159	—	—

16. Debtors

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	125,343	433,211	—	—
Corporation tax repayable	144,202	140,135	—	—
VAT recoverable	—	—	10,629	5,000
Other debtors	110,590	84,644	—	—
Prepayments and accrued income	69,685	107,257	—	—
	<u>449,820</u>	<u>765,247</u>	<u>10,629</u>	<u>5,000</u>

17. Creditors: amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts	56,422	396,685	—	—
Trade creditors	233,486	364,392	—	—
Finance lease agreements	56,727	77,825	—	—
PAYE and social security	74,757	84,159	—	—
Other creditors	47,940	44,907	5,500	5,500
Accruals and deferred income	377,398	423,502	25,587	18,400
	<u>846,730</u>	<u>1,391,470</u>	<u>31,087</u>	<u>23,900</u>

18. Creditors: amounts falling due after more than one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Secured bank loans	82,845	135,739	—	—
Finance lease agreements	981,814	1,164,469	—	—
Amounts due to related undertakings	6,532,816	5,861,044	6,532,437	5,861,044
Other creditors	676,759	695,082	—	—
	<u>8,274,234</u>	<u>7,856,334</u>	<u>6,532,437</u>	<u>5,861,044</u>

Pacific Leisure & Media Limited

Notes to the Financial Statements

for the year ended 30 June 2015

18. Creditors: amounts falling due after more than one year *(continued)*

Total secured borrowings of the Group, including bank loans and overdrafts are repayable as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Within one year	36,820	41,766	-	-
Within two and five years	82,845	135,739	-	-
	<u>119,665</u>	<u>177,505</u>	<u>-</u>	<u>-</u>

Borrowings are secured by a charge over the assets of the borrowing company. Interest on the bank loan accrues quarterly at a rate of 2.88%.

19. Commitments under finance leases agreements

Future commitments under finance leases agreements are as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Amounts payable within 1 year	56,727	77,825	-	-
Amounts payable between 1 and 2 years	305,365	328,042	-	-
Amounts payable between 2 and 5 years	227	305	-	-
Amounts payable after more than 5 years	676,222	836,122	-	-
	<u>1,038,541</u>	<u>1,242,294</u>	<u>-</u>	<u>-</u>

20. Related party transactions

The Company is exempt under the terms of FRS 8 from disclosing related party transactions with entities that are wholly owned members of the Pacific Leisure & Media Limited Group of companies.

During the year a fee of £nil (2014: £nil) was charged to Pacific Investments Management Limited and fee of £100,000 (2014: £100,000) was charged by Pacific Investments Management Limited, a company related by ultimate common shareholding, for corporate finance services provided.

At 30 June 2015 £6,532,437 (2014: £5,861,044) was owed to Pacific Leisure, Entertainment & Media Limited, a company related by ultimate common shareholding, shown as a creditor in 'Amounts due to related undertakings'. This loan was issued without terms.

Pacific Leisure & Media Limited

Notes to the Financial Statements

for the year ended 30 June 2015

During the year the Company carried out transactions with Futbol City Holdings UK Limited, a subsidiary undertaking not eligible for exemption from related party transaction disclosure under Financial Reporting Standard 8. The net amount of these transactions was £47,330 (2014: £49,785), including £384,758 gains (2014: £191,995 gains) arising as a result of foreign exchange movements and £432,088 (2014: £241,780) related to capital introduced during the year. At 30 June 2015 the Company was owed £2,962,263 (2014: £2,914,933) by Futbol City Holdings UK Limited; this balance is included within 'Investments' on the Company Balance Sheet and eliminated on consolidation. An amount of £5,500 (2014: £nil) was provided for against the cost of investment and an amount of £8,194 (2014: £202,980) was released against the loan.

During the year Futbol City Holdings UK Limited carried out transactions with HJ Beckwith, a shareholder of the subsidiary. The total amount of these transactions was a net loan increase of £12,088 (2014: increase of £3,453), including £22,713 gains (2014: £11,252 gains) arising as a result of foreign exchange movements, and related to a loan relationship of which £34,801 (2014: £7,799) was received during the year. At 30 June 2015 Futbol City Holdings UK Limited owed HJ Beckwith £180,186 (2014 : £168,099); this balance is deemed long-term in nature and is included in 'Other creditors'.

During the year Futbol City Holdings UK Limited carried out transactions with SP Beckwith, a shareholder of the subsidiary. The total amount of these transactions was a net loan increase of £12,088 (2014: increase of £3,453), including £22,713 gains (2014: £11,252 gains) arising as a result of foreign exchange movements, and related to a loan relationship of which £34,801 (2014: £7,799) was received during the year. At 30 June 2015 Futbol City Holdings UK Limited owed SP Beckwith £180,186 (2014 : £168,098); this balance is deemed long-term in nature and is included in 'Other creditors'.

During the year Futbol City Holdings UK Limited carried out transactions with A di Lorenzo, a shareholder of the subsidiary. The total amount of these transactions was a net loan decrease of £42,499 (2014: £15,867), including £42,499 gains (2014: £20,130 gains) arising as a result of foreign exchange movements, and related to a loan relationship of which £nil (2014: £38,997) was loaned during the year. At 30 June 2015 Futbol City Holdings UK Limited owed A di Lorenzo £316,386 (2014: £358,885); this balance is deemed long-term in nature and is included in 'Other creditors'.

During the year Frontiers Group India Private Limited issued new shares to Frontiers Group India (UK) Limited for a cash consideration of £284,978 (2014: £nil).

During the year B@1 Limited carried out transactions with Unitenis-Empreendimentos de Tennis SA, a subsidiary undertaking not eligible for exemption from related party transaction disclosure under Financial Reporting Standard 8. Capital introduced during the year amounted to £216,468 (2014: £327,467) leaving a balance of £1,392,605 (2014: £1,354,520). This balance is included within 'Debtors' on the B@1 Limited Balance Sheet and eliminated on consolidation.

Pacific Leisure & Media Limited

Notes to the Financial Statements

for the year ended 30 June 2015

21. Share capital

Authorised share capital:

	2015 £	2014 £
Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>

Allotted, called up and fully paid:

	2015 No	£	2014 No	£
Ordinary shares of £1 each	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>

22. Reserves

Group

Profit and loss account £

Balance brought forward	(4,443,624)
Loss for the year	(620,209)
Foreign exchange adjustments - subsidiary entities	(469,116)
Balance carried forward	<u>(5,532,949)</u>

Company

Profit and loss account £

Balance brought forward	(3,671,555)
Loss for the year	(2,296,842)
Balance carried forward	<u>(5,968,397)</u>

23. Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Loss for the financial year	(620,209)	(1,055,564)
New ordinary share capital subscribed	—	2,000,000
Foreign exchange adjustments - subsidiary entities	(469,116)	(325,789)
Net (reduction)/addition to shareholders' deficit	(1,089,325)	618,647
Opening shareholders' deficit	(443,624)	(1,062,271)
Closing shareholders' deficit	<u>(1,532,949)</u>	<u>(443,624)</u>

Pacific Leisure & Media Limited

Notes to the Financial Statements

for the year ended 30 June 2015

24. Minority interest

	2015
	£
Balance brought forward	312,095
Sale of investment	(14,781)
Proportion of profit after taxation for the year	13,341
Balance carried forward	<u>310,655</u>

25. Post balance sheet events

On 21 September 2015 Pacific Investments Management Limited, a 100% subsidiary of Pacific Investments Limited, executed the purchase of Clube VII - Exploraco de Health Clubs, Lda and Unitenis-Empreendimentos de Tennis SA for, a consideration of £2.9m, from B@1 Limited, a member of the Pacific Leisure and Media Limited Group.

On 21 September 2015 Pacific Investments Management Limited, a 100% subsidiary of Pacific Investments Limited, executed the purchase of Futbol City Holdings UK Limited, for a consideration of £1.7m, from Pacific Leisure and Media Limited.

26. Capital commitments and contingencies

There were no contingent liabilities or capital commitments at 30 June 2015 (2014: £nil).

27. Ultimate controlling party

In the opinion of the directors the ultimate controlling party of the Company is JL Beckwith.