

Pacific Leisure & Media Limited
Annual Report and Audited Financial Statements
For the Year Ended 30 June 2016

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Pacific Leisure & Media Limited

Financial Statements

for the year ended 30 June 2016

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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 accountant & statutory auditor
25 Moorgate
London
EC2R 6AY

Pacific Leisure & Media Limited

Strategic Report

for the year ended 30 June 2016

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 15 to the financial statements.

Business review

During the year the company disposed of all its assets and future plans are being considered by the directors.

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 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

There are no assets remaining in the business and therefore the Group is exposed to minimal risk.

This report was approved by the board of directors on 28 March 2017 and signed on behalf of the board by:



SD Roberts
Director

Registered office:
124 Sloane Street
London
SW1X 9BW

Pacific Leisure & Media Limited

Directors' Report

for the year ended 30 June 2016

The directors present their report and the audited financial statements of Pacific Leisure & Media Limited ("the group") for the year ended 30 June 2016.

Directors

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

JL Beckwith
SP Beckwith
MC Johnson
SD Roberts
DF Rogers

Dividends

The directors do not recommend the payment of a dividend.

Results for the year

Total comprehensive income for the year, after taxation, minority interest and foreign currency translation, amounted to £3,063,386 (2015: loss of £1,102,666)

Disclosure of information in the strategic report

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

Directors' responsibilities statement

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 law), including FRS102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland". 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 group and the company and the profit or loss of the group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make 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 company will continue in business. As explained in note 3, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Pacific Leisure & Media Limited

Directors' Report *(continued)*

for the year ended 30 June 2016

Auditor

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

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware;
- they have 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 group and the company's auditor is aware of that information; and
- this information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Nexia Smith & Williamson as auditors will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board of directors on 28 March 2017 and signed on behalf of the board by:



SD Roberts
Director

Registered office:
124 Sloane Street
London
SW1X 9BW

Pacific Leisure & Media Limited

Independent Auditor's Report to the Shareholders of Pacific Leisure & Media Limited for the year ended 30 June 2016

We have audited the financial statements of Pacific Leisure & Media Limited for the year ended 30 June 2016 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and the related notes 1 to 28. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 3, 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.

Emphasis of matter – non-going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 3 on page 13 to the financial statements which explains that the financial statements have not been prepared on a going concern basis for the reason set out in that note.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Shareholders of Pacific Leisure & Media Limited

(continued)

for the year ended 30 June 2016

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 accountant
25 Moorgate
London
EC2R 6AY

28 March 2017

Pacific Leisure & Media Limited
Consolidated Statement of Comprehensive Income
for the year ended 30 June 2016

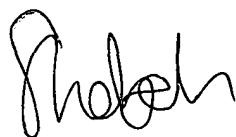
	Note	Continuing operations £	2016 Discont'd operations £	Total £	Continuing operations £	2015 Discont'd operations £	Total £
Turnover	5	1,939	346,401	348,340	438,405	1,795,547	2,233,952
Cost of sales		–	–	–	(5,286)	(702,355)	(707,641)
Gross profit		1,939	346,401	348,340	433,119	1,093,192	1,526,311
Administrative expenses		(22,757)	(114,472)	(137,229)	(521,613)	(1,578,083)	(2,099,696)
Operating profit/(loss)	6	(20,818)	231,929	211,111	(88,494)	(484,891)	(573,385)
Profit on sale of subsidiaries	8	–	3,043,983	3,043,983	14,781	–	14,781
Other interest receivable and similar income	9	–	10,762	10,762	2,764	–	2,764
Interest payable and similar charges	10	–	–	–	(63,781)	–	(63,781)
Profit/(loss) on ordinary activities before taxation		(20,818)	3,286,674	3,265,856	(134,730)	(484,891)	(619,621)
Tax on profit/(loss) on ordinary activities	11	–	(202,470)	(202,470)	(13,929)	–	(13,929)
Profit/(loss) after taxation		(20,818)	3,084,204	3,063,386	(148,659)	(484,891)	(633,550)
Minority interests				–			13,341
Profit/(loss) for the financial year				3,063,386			(620,209)
Foreign currency retranslation				–			(469,116)
Total comprehensive income for the year				<u>3,063,386</u>			<u>(1,089,325)</u>

The notes on pages 13 to 27 form part of these financial statements.

Pacific Leisure & Media Limited
Consolidated Statement of Financial Position
as at 30 June 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	13	–	1,410,623
Tangible assets	14	–	5,370,179
		<u>–</u>	<u>6,780,802</u>
Current assets			
Stocks	16	–	9,822
Debtors	17	3,310,276	449,820
Cash at bank and in hand	18	–	36,916
		<u>3,310,276</u>	<u>496,558</u>
Creditors: amounts falling due within one year	19	<u>(1,779,839)</u>	<u>(8,056,305)</u>
Net current assets/(liabilities)		<u>1,530,437</u>	<u>(7,559,747)</u>
Total assets less current liabilities		<u>1,530,437</u>	<u>(778,945)</u>
Creditors: amounts falling due after more than one year	20	–	(1,064,659)
Net assets/(liabilities)		<u><u>1,530,437</u></u>	<u><u>(1,843,604)</u></u>
Capital and reserves			
Called up share capital	24	4,000,000	4,000,000
Profit and loss account	25	(2,469,563)	(5,532,949)
Equity attributable to the owners of the parent company		<u>1,530,437</u>	<u>(1,532,949)</u>
Minority interests		–	(310,655)
		<u><u>1,530,437</u></u>	<u><u>(1,843,604)</u></u>

These financial statements were approved by the board of directors and authorised for issue on 28 March 2017, and are signed on behalf of the board by:



SD Roberts
Director


Company registration number: 06365721

The notes on pages 13 to 27 form part of these financial statements.

Pacific Leisure & Media Limited
Company Statement of Financial Position
as at 30 June 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	15	—	4,584,498
Current assets			
Debtors	17	3,310,276	10,629
Creditors: amounts falling due within one year	19	(1,779,839)	(6,563,524)
Net current assets/(liabilities)		1,530,437	(6,552,895)
Total assets less current liabilities		1,530,437	(1,968,397)
Net assets/(liabilities)		1,530,437	(1,968,397)
Capital and reserves			
Called up share capital	24	4,000,000	4,000,000
Profit and loss account	25	(2,469,563)	(5,968,397)
Shareholders funds/(deficit)		1,530,437	(1,968,397)

These financial statements were approved by the board of directors and authorised for issue on 28 March 2017, and are signed on behalf of the board by:



SD Roberts
Director

Company registration number: 06365721

The notes on pages 13 to 27 form part of these financial statements.

Pacific Leisure & Media Limited
Consolidated Statement of Changes in Equity
for the year ended 30 June 2016

	Called up share capital £	Profit and loss account £	Equity attributable to the owners of the parent company £	Minority interests £	Total £
At 1 July 2014	4,000,000	(4,443,624)	(443,624)	(312,095)	(755,719)
Loss for the year	–	(620,209)	(620,209)	(13,341)	(633,550)
Other comprehensive income for the year:					
Foreign currency retranslation	–	(469,116)	(469,116)	–	(469,116)
Total comprehensive income for the year	–	(1,089,325)	(1,089,325)	(13,341)	(1,102,666)
Disposal of subsidiary with minority interest	–	–	–	14,781	14,781
Total investments by and distributions to owners	–	–	–	14,781	14,781
At 30 June 2015	4,000,000	(5,532,949)	(1,532,949)	(310,655)	(1,843,604)
Profit for the year		3,063,386	3,063,386	–	3,063,386
Total comprehensive income for the year	–	3,063,386	3,063,386	–	3,063,386
Disposal of subsidiary with minority interest	–	–	–	310,655	310,655
Total investments by and distributions to owners	–	–	–	310,655	310,655
At 30 June 2016	4,000,000	(2,469,563)	1,530,437	–	1,530,437

The notes on pages 13 to 27 form part of these financial statements.

Pacific Leisure & Media Limited
Company Statement of Changes in Equity
for the year ended 30 June 2016

	Called up share capital £	Profit and loss account £	Total £
At 1 July 2014	4,000,000	(3,671,555)	328,445
Loss for the year	—	(2,296,842)	(2,296,842)
Total comprehensive income for the year	—	(2,296,842)	(2,296,842)
At 30 June 2015	4,000,000	(5,968,397)	(1,968,397)
Profit for the year		3,498,834	3,498,834
Total comprehensive income for the year	—	3,498,834	3,498,834
At 30 June 2016	4,000,000	(2,469,563)	1,530,437

The notes on pages 13 to 27 form part of these financial statements.

Pacific Leisure & Media Limited

Consolidated Statement of Cash Flows

for the year ended 30 June 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit/(loss) for the financial year		3,063,386	(633,550)
<i>Adjustments for:</i>			
Depreciation of tangible assets		27,292	331,776
Amortisation of intangible assets		–	143,333
Profit on sale of investments		(3,043,983)	(14,781)
Other interest receivable and similar income		(10,762)	(2,764)
Interest payable and similar charges		–	63,781
Tax on profit/(loss) on ordinary activities		202,470	13,929
Exchange difference		(52,039)	691,480
<i>Changes in:</i>			
Stocks		9,822	1,337
Trade and other debtors		(138,625)	362,850
Trade and other creditors		(2,249,153)	(812,044)
Cash generated from operations		(2,191,592)	145,347
Interest paid		–	(23,456)
Interest element of finance lease rental payments		–	(40,325)
Interest received		10,762	2,764
Tax paid		(156,186)	(13,835)
Net cash (used in)/from operating activities		(2,337,016)	70,495
Cash flows from investing activities			
Purchase of tangible assets		–	(313,697)
Proceeds from sale of tangible assets		–	9,694
Net cash disposed with subsidiaries		1,964,882	–
Net cash from/(used in) investing activities		1,964,882	(304,003)
Cash flows from financing activities			
Loan from related company		354,820	671,393
Repayment of secured loans		–	(36,820)
Repayment of finance lease liabilities		–	(56,641)
Net cash from financing activities		354,820	577,932
Net (decrease)/increase in cash and cash equivalents		(17,314)	344,424
Cash and cash equivalents at beginning of year		17,314	(327,110)
Cash and cash equivalents at end of year	18	–	17,314

The notes on pages 13 to 27 form part of these financial statements.

Pacific Leisure & Media Limited

Notes to the Financial Statements

for the year ended 30 June 2016

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. General information

Pacific Leisure & Media Limited is a company incorporated in England and Wales. The address and registered office is 124 Sloane Street, London, SW1X 9BW. The nature of the company's operations are set out in the Strategic Report on page 2.

3. Accounting policies

Basis of preparation

The transition to FRS 102 has resulted in changes to accounting policies previously adopted by the Group. The principal accounting policies of the Group are set out below.

Going concern

The company disposed of all its assets and ceased trading during the year and therefore the going concern basis is not considered an appropriate basis on which to draw up the financial statements. Accordingly, all fixed assets and long term liabilities are included at the net value that would be realised in the event of a forced sale or liquidation.

Transition to FRS 102

These financial statements are the first annual financial statements of the company reported in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The first date at which FRS 102 was applied was 1 July 2014. In accordance with FRS 102 the company has:

- provided comparative information;
- applied the same accounting principles throughout all period presented;
- retrospectively applied FRS 102 as required; and
- applied certain optional exemptions and mandatory exemption as applicable to first time adoption of FRS 102

The transition to FRS 102 has resulted in no material changes in accounting policies or material adjustments to comprehensive income and retained earnings or equity of the company as previously reported. The company has taken advantage of the following exemptions available under FRS 102:

- the exemption from preparing a Statement of Cash Flows; and
- the exemption from disclosing key management personnel compensation of the Company

Pacific Leisure & Media Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2016

3. Accounting policies *(continued)*

Basis of consolidation

The consolidated Group Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows incorporate the financial statements of all subsidiaries for the year ended 30 June 2016. 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.

Minority interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is possible that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between fair values of assets acquired and the future tax deductions available for them and the differences between fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using rates and laws that have been enacted or substantively enacted by the balance sheet date.

Pacific Leisure & Media Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2016

3. Accounting policies *(continued)*

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the Statement of Comprehensive Income.

Tangible 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 or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and buildings	-	Remaining period of lease / 8 to 50 years
Plant and machinery	-	3 to 18 years
Fixtures and fittings	-	3 to 25 years
Equipment	-	3 to 5 years

Investments

Fixed asset investments are included in the Statement of Financial Position 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 Statement of Comprehensive Income. The carrying value of investments is reviewed for impairment annually by the Board of Directors.

Stocks

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

Finance lease agreement

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.

Pacific Leisure & Media Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2016

3. Accounting policies *(continued)*

Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Unlisted fixed asset investments are initially recorded at fair value. These investments are subsequently revalued to fair value each year end, with revaluation gains and losses recorded in the Statement of Income and Retained Earnings for the period in which they relate.

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

Operating lease agreements

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

Turnover

Turnover represents amounts receivable for goods and services provided and rental income accrued in the normal course of business, net of trade discounts, VAT and other sales-related taxes. Services related turnover is recognised proportionally over the duration of the service. Rental income is recognised on an accruals basis.

Pacific Leisure & Media Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2016

4. Key sources of estimation uncertainty and judgements

The preparation of the financial statements in conformity with the generally accepted accounting practices requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period.

(i) Carrying value of goodwill

Goodwill is capitalised at cost, less any provision for impairment, and amortised over its useful economic life. The directors have made provisions where there is objective evidence that the asset has been impaired.

5. Turnover

Turnover arises from:

	2016 £	2015 £
Rendering of services	8,362	1,866,120
Rental income	339,978	367,832
	<u>348,340</u>	<u>2,233,952</u>

Segmental information

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

	Turnover 2016 £	Profit/(loss) before tax 2016 £	Net assets /(liabilities) 2016 £	Turnover 2015 £	Profit/(loss) before tax 2015 £	Net assets /(liabilities) 2015 £
Geographical analysis:						
European Union	348,340	3,343,848	1,530,437	2,233,952	(575,207)	(1,647,101)
Asia Pacific	–	(77,992)	–	–	(44,414)	(196,503)
	<u>348,340</u>	<u>3,265,856</u>	<u>1,530,437</u>	<u>2,233,952</u>	<u>(619,621)</u>	<u>(1,843,604)</u>

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

6. Operating profit

Operating profit or loss is stated after charging:

	2016 £	2015 £
Amortisation of intangible assets	–	143,333
Depreciation of tangible assets	27,292	331,776
Foreign exchange differences	–	1,904
Auditor's remuneration	<u>22,700</u>	<u>23,690</u>

Pacific Leisure & Media Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2016

6. Operating profit *(continued)*

Auditor's remuneration:

	2016 £	2015 £
- Parent company	2,120	2,060
- Group	15,850	14,420
- Subsidiaries	4,730	7,210
	<u>22,700</u>	<u>23,690</u>

Auditor's remuneration is borne by Pacific Leisure & Media Limited.

7. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2016 No.	2015 No.
Head office	3	3
Sport and Leisure	—	59
	<u>3</u>	<u>62</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016 £	2015 £
Wages and salaries	19,207	712,104
Social security costs	—	186,570
	<u>19,207</u>	<u>898,674</u>

No emoluments were paid to directors during the year.

8. Profit on sale of subsidiaries

	2016 £	2015 £
Profit on sale of subsidiaries	<u>3,043,983</u>	<u>14,781</u>

9. Other interest receivable and similar income

	2016 £	2015 £
Interest on cash and cash equivalents	<u>10,762</u>	<u>2,764</u>

Pacific Leisure & Media Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2016

10. Interest payable and similar charges

	2016 £	2015 £
Interest on banks loans and overdrafts	–	23,456
Interest on obligations under finance leases and hire purchase contracts	–	40,325
	<u>–</u>	<u>63,781</u>

11. Tax on profit/(loss) on ordinary activities

Major components of tax expense

	2016 £	2015 £
Foreign current tax expense	202,470	13,929
Tax on profit/(loss) on ordinary activities	<u>202,470</u>	<u>13,929</u>

The tax assessed on the profit on ordinary activities for the year is lower than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20%).

	2016 £	2015 £
Profit/(loss) on ordinary activities before taxation	3,265,856	(619,621)
Profit/(loss) on ordinary activities by rate of tax	653,171	(123,925)
Net income and expenses not deductible for tax purposes	(602,385)	(133,251)
Effect of different UK tax rates on some earnings	–	10,131
Unrelieved tax losses carried forward net of losses utilised	(50,786)	279,683
Adjustments in respect of overseas tax rates	202,470	(18,709)
Total tax on profit/(loss) on ordinary activities	<u>202,470</u>	<u>13,929</u>

12. Profit for the year of the parent company

The profit for the financial year of the parent company was £3,498,834 (2015: £2,296,842 loss).

Pacific Leisure & Media Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2016

13. Intangible fixed assets

Intangible fixed assets of the Group are analysed as follows:

	Goodwill arising on acquisitions £	Lease Extensions £	Total £
Cost			
At 30 June 2015	2,266,374	172,066	2,438,440
Disposals	(2,266,374)	(172,066)	(2,438,440)
At 30 June 2016	–	–	–
Amortisation			
At 30 June 2015	1,006,113	21,704	1,027,817
Disposals	(1,006,113)	(24,732)	(1,030,845)
Exchange adjustments	–	3,028	3,028
At 30 June 2016	–	–	–
Net book value at 30 June 2016	–	–	–
Net book value at 30 June 2015	1,260,261	150,362	1,410,623

14. Tangible assets

Group	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost					
At 1 Jul 2015	6,692,274	358,813	641,411	81,155	7,773,653
Disposal of subsidiaries	(6,947,271)	(373,068)	(665,703)	(85,746)	(8,071,788)
Exchange movements	254,997	14,255	24,292	4,591	298,135
At 30 Jun 2016	–	–	–	–	–
Depreciation					
At 1 Jul 2015	1,764,150	248,398	338,384	52,542	2,403,474
Charge for the year	27,292	–	–	–	27,292
Disposal of subsidiaries	(1,865,117)	(260,856)	(355,748)	(55,846)	(2,537,567)
Exchange movements	73,675	12,458	17,364	3,304	106,801
At 30 Jun 2016	–	–	–	–	–
Carrying amount					
At 30 Jun 2016	–	–	–	–	–
At 30 Jun 2015	4,928,124	110,415	303,027	28,613	5,370,179

The company has no tangible assets.

Pacific Leisure & Media Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2016

15. Investments

Investments are analysed as follows:

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Subsidiary undertakings	–	–	–	4,584,498

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 Jul 2015	1,348,912	2	8,332,941	9,681,855
Additions	–	–	13,308	13,308
Disposals	(1,348,912)	(2)	(8,419,691)	(9,768,605)
Foreign exchange movements	–	–	73,442	73,442
At 30 June 2016	–	–	–	–
Provision				
At 1 Jul 2015	1,348,884	–	3,748,473	5,097,357
Written back on disposal	(1,348,884)	–	(3,748,473)	(5,097,357)
At 30 June 2016	–	–	–	–
Net book value				
At 30 June 2015	28	2	4,584,468	4,584,498

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.

On 1 July 2015 B@1 Limited, a member of the Pacific Leisure & Media Limited Group, disposed of its investment in Clube VII - Exploraco de Health Clubs, Lda and Unitenis-Empreendimentos de Tennis SA for a total consideration of £2.9m to Pacific Investments Management Limited, a 100% subsidiary of Pacific Investments Limited.

On 1 July 2015, Pacific Leisure & Media Limited of its investment in Futbol City Holdings UK Limited for a total consideration of £1.7m to Pacific Investments Management Limited, a 100% subsidiary of Pacific Investments Limited.

Pacific Leisure & Media Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2016

15. Investments (continued)

On 30 June 2016, Pacific Leisure & Media Limited disposed of its investment in B@1 Limited for a total consideration of £3,310,276 to BFIC Limited, a company related by ultimate common shareholding. This amount is included in other debtors at the balance sheet date.

On 30 June 2016, Pacific Leisure & Media Limited disposed of its investment in Frontiers Group India (UK) Limited for a total consideration of £2 to BFIC Limited, a company related by ultimate common shareholding.

16. Stocks

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Raw materials and consumables	–	9,822	–	–

17. Debtors

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	–	125,343	–	–
Prepayments and accrued income	–	69,685	–	–
Corporation tax repayable	–	144,202	–	–
Other debtors	–	110,590	–	10,629
Amounts due from related parties	3,310,276	–	3,310,276	–
	<u>3,310,276</u>	<u>449,820</u>	<u>3,310,276</u>	<u>10,629</u>

Pacific Leisure & Media Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2016

18. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2016 £	2015 £
Cash at bank and in hand	—	36,916
	—	36,916

19. Creditors: amounts falling due within one year

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Bank loans and overdrafts	—	56,422	—	—
Trade creditors	—	233,486	—	—
Accruals and deferred income	16,000	377,398	16,000	25,587
Social security and other taxes	68	74,757	68	—
Obligations under finance leases and hire purchase contracts	—	56,727	—	—
Amounts due to related undertakings	1,763,771	6,532,816	1,763,771	6,532,437
Other creditors	—	724,699	—	5,500
	1,779,839	8,056,305	1,779,839	6,563,524

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

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Bank loans and overdrafts	—	82,845	—	—
Obligations under finance leases and hire purchase contracts	—	981,814	—	—
	—	1,064,659	—	—

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%.

Pacific Leisure & Media Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2016

21. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Not later than 1 year	–	56,727	–	–
Later than 1 year and not later than 5 years	–	362,318	–	–
Later than 5 years	–	1,038,541	–	–
	<u>–</u>	<u>1,460,586</u>	<u>–</u>	<u>–</u>

22. Financial instruments

The carrying amount for each category of financial instrument is as follows:

Group:

	2016	2015
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>3,310,276</u>	<u>235,933</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(1,779,771)</u>	<u>(9,026,605)</u>

Company:

	2016	2015
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	3,310,276	–
Financial assets measured at cost less impairment	<u>–</u>	<u>4,584,498</u>
Financial liabilities		
Financial liabilities measured at amortised costs	<u>(1,779,771)</u>	<u>(6,563,524)</u>

Financial assets measured at amortised cost comprise amounts due from related parties, trade and other debtors.

Financial assets measured at cost less impairment comprise interest in subsidiaries.

Financial liabilities measured at amortised cost comprise amounts due to related undertakings, bank loans, trade and other payables, obligations under finance leases, other creditors and accruals.

Pacific Leisure & Media Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2016

23. Prior period errors

In the previous financial year, the company classified amounts owed to related undertakings of £6,532,816 as creditors falling due after more than one year. There is no agreement in place specifying repayment terms and therefore in the opinion of the directors the loan is considered repayable on demand.

Comparative figures in the Statement of Financial Position for the year ended 30 June 2015 have therefore been adjusted. Amounts owed to related undertakings of £6,532,816 have been reclassified as falling due in less than one year. There is no impact on the reported profit or loss or net assets of the company for the financial year ended 30 June 2015.

In the previous financial year, the company classified other creditors of £676,759 as creditors falling due after more than one year. There is no agreement in place specifying repayment terms and therefore in the opinion of the directors the loan is considered repayable on demand.

Comparative figures in the Statement of Financial Position for the year ended 30 June 2015 have therefore been adjusted. Other creditors of £656,759 have been reclassified as falling due in less than one year. There is no impact on the reported profit or loss or net assets of the company for the financial year ended 30 June 2015.

24. Called up share capital

Authorised share capital

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	10,000,000	10,000,000	10,000,000	10,000,000

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	4,000,000	4,000,000	4,000,000	4,000,000

Pacific Leisure & Media Limited
Notes to the Financial Statements *(continued)*
for the year ended 30 June 2016

25. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses, less amounts distributed to shareholders.

26. Related party transactions

Company

The Company is exempt under the terms of FRS 102 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 (2015: £nil) was charged to Pacific Investments Management Limited and fee of £nil (2015: £100,000) was charged by Pacific Investments Management Limited, a company related by ultimate common shareholding, for corporate finance services provided.

At 30 June 2016 £1,763,771 (2015: £6,532,437) 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.

On 1 July 2015 B@1 Limited, a member of the Pacific Leisure & Media Limited Group, disposed of its investment in Clube VII - Exploraco de Health Clubs, Lda and Unitenis-Empreendimentos de Tenis SA, for further information refer to note 15.

On 1 July 2015, Pacific Leisure & Media Limited of its investment in Futbol City Holdings UK Limited, for further information refer to note 15. During the year the Company carried out transactions with Futbol City Holdings UK Limited, a company related by ultimate common shareholding. The net amount of these transactions was £nil (2015: £47,330), including £nil gains (2015: £384,758) arising as a result of foreign exchange movements and £nil (2015: £432,088) related to capital introduced during the year. At 30 June 2016 the Company was owed £nil (2015: £2,962,263) by Futbol City Holdings UK Limited; this balance is included within 'Investments' on the Company Statement of Financial Position and eliminated on consolidation. An amount of £nil (2015: £5,550) was provided for against the cost of investment and an amount of £nil (2015: £8,194) was released against the loan.

Futbol City Holdings UK Limited carried out transactions with HJ Beckwith, a shareholder of Futbol City Holdings UK Limited. The total amount of these transactions was £nil (2015: net loan increase of £12,088), including £nil gains (2015: £22,713) arising as a result of foreign exchange movements, and related to a loan relationship of which £nil (2015: £34,801) was received during the year. At 30 June 2016 Futbol City Holdings UK Limited owed HJ Beckwith £nil (2015: £180,186).

Futbol City Holdings UK Limited carried out transactions with SP Beckwith, a shareholder of Futbol City Holdings UK Limited. The total amount of these transactions was £nil (2015: net loan increase of £12,088), including £nil gains (2015: £22,713) arising as a result of foreign exchange movements, and related to a loan relationship of which £nil (2015: £34,801) was received during the year. At 30 June 2016 Futbol City Holdings UK Limited owed SP Beckwith £nil (2015: £180,186).

Futbol City Holdings UK Limited carried out transactions with A di Lorenzo, a shareholder of Futbol City Holdings UK Limited. The total amount of these transactions was £nil (2015: net loan decrease of £42,499), including £nil gains (2015: £42,499) arising as a result of foreign exchange movements, and related to a loan relationship of which £nil (2015: £nil) was received during the year. At 30 June 2016 Futbol City Holdings UK Limited owed A di Lorenzo £nil (2015: £316,386).

On 30 June 2016, Pacific Leisure & Media Limited disposed of its investment in B@1 Limited, for further information refer to note 15.

Pacific Leisure & Media Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2016

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 FRS 102. Capital introduced during the year amount to £nil (2015: £216,468) leaving a balance of £nil (2015: £1,392,605). This balance was included in 'Debtor' on the B@1 Statement of Financial Position and eliminated on consolidation.

On 30 June 2016, Pacific Leisure & Media Limited disposed of its investment in Frontiers Group India (UK) Limited, for further information refer to note 15. In the prior year Frontiers Group India Private Limited issued new shares to Frontiers Group India (UK) Limited for a cash consideration of £284,978.

No further transactions with related parties were undertaken such as are required to be disclosed under FRS 102.

27. Controlling party

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

28. Post balance sheet event

On 18 November 2016, a special resolution was passed for the paid-up capital of the Company to be reduced from £4,000,000 divided into 4,000,000 Ordinary Shares of £1.00 each to £2,478,000 dividend into 2,478,000 Ordinary Shares of £1.00 each by cancelling and extinguishing 1,522,000 Ordinary Shares of £1.00 each in the capital of the Company.