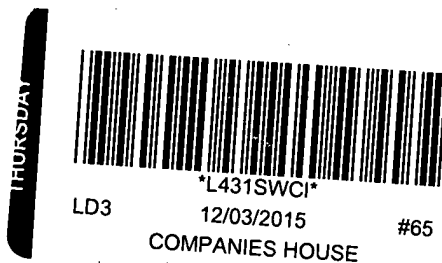


COMPANY REGISTRATION NUMBER 6365721

**Pacific Leisure & Media Limited**  
**Annual Report and Financial Statements**  
**for the year ended 30 June 2014**



**Pacific Leisure & Media Limited**  
**Financial Statements**  
**for the year ended 30 June 2014**

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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

**Company secretary**

SA Holder

**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 2014**

I present the annual report for the Pacific Leisure & Media Limited (PLM) Group for the year ended 30 June 2014. 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 reduced turnover was in part due to the continued inability to operate in the UK while the CAA reviews our licence. We hope that this will be reinstated in 2015.

The racquet and fitness club in Lisbon, Clube VII, continues to experience difficult trading conditions. The club has managed to stem the net attrition of members experienced in prior years primarily through corporate membership sales, although in turn this has led to a reduction in the average membership fee and turnover of the club. The club will continue to pursue corporate memberships for growth in tandem with its capital expenditure program aimed at enlarging fitness areas of the club. The opening of the padel courts in the year has proven successful with strong demand for classes and bookings.

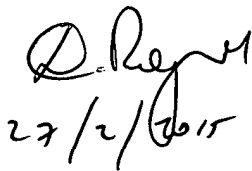
The football business in Valencia made a loss for the year however the recent opening of a low cost gym on the site has proven successful and should positively contribute to the result of the overall business. Football revenue has stabilised while the gym is showing good monthly growth in membership numbers.

A new lease was agreed with the Urban Football five-a-side football business in Paris during the 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, an event based business made a small loss. Since year end it has been sold allowing PLM to recover its investment.

Overall trading conditions remain challenging in Spain and Portugal, however with changes made within the underlying businesses during the 2014 year directed at stabilising profitability, the PLM Group expects to see improving results over the next financial years.

**DF Rogers**  
**Chairman**



27/2/2015

# **Pacific Leisure & Media Limited**

## **Strategic Report**

**for the year ended 30 June 2014**

### **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 11 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**

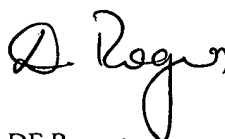
The principal risks and uncertainties facing the Group are new ventures' performance in relation to their business plans in light of the current economic climate and the achievement of a profitable exit on disposal. The Group faces additional risk and uncertainty on the future valuation of property assets 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 27/2/2015

# **Pacific Leisure & Media Limited**

## **Directors' Report**

**for the year ended 30 June 2014**

The directors present their report and the audited financial statements of the Group for the year ended 30 June 2014.

### **Results and dividends**

The loss for the year, after taxation and minority interest, amounted to £1,055,564 (2013: £605,488). The directors have not recommended a dividend (2013: £nil).

### **Directors**

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

JL Beckwith  
SP Beckwith  
MC Johnson  
SD Roberts  
DF Rogers

### **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 2014

### Auditor

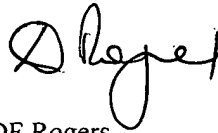
Nexia Smith & Williamson have been appointed as auditor for the ensuing year in accordance with section 485 of the Companies Act 2006.

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 27/2/2015

## **Pacific Leisure & Media Limited**

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

**for the year ended 30 June 2014**

We have audited the financial statements of Pacific Leisure & Media Limited for the year ended 30 June 2014 which comprise the Group Profit and Loss Account, Group and Parent Company Balance Sheets, Group Cash Flow Statement and the related notes 1 to 22. 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](http://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 2014 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 2014**

#### **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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

*Nexia Smith & Williamson*

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

25 Moorgate  
London  
EC2R 6AY

*27 February 2015*

# Pacific Leisure & Media Limited

## Group Profit and Loss Account

for the year ended 30 June 2014

	Note	2014 £	2013 £
<b>Group turnover</b>	2	2,328,369	6,191,836
Cost of sales		(1,028,650)	(3,938,500)
<b>Gross profit</b>		1,299,719	2,253,336
Administrative expenses		(2,201,298)	(2,210,888)
<b>Operating (loss)/profit</b>	3	(901,579)	42,448
Provision for diminution in value		(92,147)	(395,000)
		(993,726)	(352,552)
Interest receivable	5	77	288
Interest payable and similar charges	6	(112,951)	(97,704)
<b>Loss on ordinary activities before taxation</b>		(1,106,600)	(449,968)
Tax on loss on ordinary activities	7	(15,686)	(32,275)
<b>Loss on ordinary activities after taxation</b>		(1,122,286)	(482,243)
Minority interests		66,722	(123,245)
<b>Loss for the financial year</b>		(1,055,564)	(605,488)

All of the activities of the Group are classed as continuing.

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 27 form part of these financial statements.

**Pacific Leisure & Media Limited**  
**Group Statement of Total Recognised Gains and Losses**  
**for the year ended 30 June 2014**

	Note	2014 £	2013 £
Loss for the financial year		(1,055,564)	(605,488)
Currency translation difference on foreign currency net investment	19	(325,789)	6,162
Total gains and losses recognised since the last annual report		<u>(1,381,353)</u>	<u>(599,326)</u>

The notes on pages 15 to 27 form part of these financial statements.

# Pacific Leisure & Media Limited

## Group Balance Sheet

as at 30 June 2014

		2014	2013
	Note	£	£
<b>Fixed assets</b>			
Intangible assets	9	1,579,206	2,119,161
Tangible assets	10	6,108,664	6,704,121
		<u>7,687,870</u>	<u>8,823,282</u>
<b>Current assets</b>			
Stocks	12	11,159	9,461
Debtors due within one year	13	765,247	944,348
Cash at bank		27,809	120,324
		<u>804,215</u>	<u>1,074,133</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(1,391,470)</u>	<u>(1,374,481)</u>
<b>Net current liabilities</b>		<u>(587,255)</u>	<u>(300,348)</u>
<b>Total assets less current liabilities</b>		<u>7,100,615</u>	<u>8,522,934</u>
<b>Creditors: amounts falling due after more than one year</b>	15	<u>(7,856,334)</u>	<u>(9,830,580)</u>
		<u>(755,719)</u>	<u>(1,307,646)</u>
<b>Capital and reserves</b>			
Called-up share capital	18	4,000,000	2,000,000
Profit and loss account	19	(4,443,624)	(3,062,271)
<b>Shareholders' deficit</b>	20	<u>(443,624)</u>	<u>(1,062,271)</u>
<b>Minority interests</b>		<u>(312,095)</u>	<u>(245,375)</u>
		<u>(755,719)</u>	<u>(1,307,646)</u>

These accounts were approved by the directors and authorised for issue on 27/2/2015, and are signed on their behalf by:



DF Rogers  
Director

The notes on pages 15 to 27 form part of these financial statements.

# Pacific Leisure & Media Limited

## Company Balance Sheet

as at 30 June 2014

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Investments	11	<u>6,208,389</u>	<u>5,918,058</u>
<b>Current assets</b>			
Debtors due within one year	13	5,000	32,798
<b>Creditors: amounts falling due within one year</b>	14	<u>(23,900)</u>	<u>(53,549)</u>
<b>Net current liabilities</b>		<u>(18,900)</u>	<u>(20,751)</u>
<b>Total assets less current liabilities</b>		<u>6,189,489</u>	<u>5,897,307</u>
<b>Creditors: amounts falling due after more than one year</b>	15	<u>(5,861,044)</u>	<u>(7,642,444)</u>
		<u>328,445</u>	<u>(1,745,137)</u>
<b>Capital and reserves</b>			
Called-up share capital	18	4,000,000	2,000,000
Profit and loss account	19	<u>(3,671,555)</u>	<u>(3,745,137)</u>
<b>Shareholders' funds/(deficit)</b>		<u>328,445</u>	<u>(1,745,137)</u>

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



DF Rogers  
Director

Company Registration Number: 6365721

The notes on pages 15 to 27 form part of these financial statements.

# Pacific Leisure & Media Limited

## Group Cash Flow Statement

for the year ended 30 June 2014

	Note	2014 £	2013 £
<b>Net cash inflow from operating activities</b>		52,873	222,796
<b>Returns on investments and servicing of finance</b>			
Interest received	77		288
Interest paid	(68,565)		(51,029)
Interest element of finance lease rental payments	(44,386)		(46,675)
<b>Net cash outflow from returns on investments and servicing of finance</b>		(112,874)	(97,416)
<b>Taxation</b>			
Corporation tax paid		(15,593)	(32,275)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets	(219,387)		(294,971)
<b>Net cash outflow for capital expenditure and financial investment</b>		(219,387)	(294,971)
<b>Cash outflow before use of financing</b>		(294,981)	(201,866)
<b>Financing</b>			
Repayment of secured loans	–		(41,999)
Increase of loan from related company	218,600		260,660
(Repayment)/increase of finance leases	(65,157)		(81,629)
<b>Net cash inflow from financing</b>		153,443	137,032
<b>Decrease in cash</b>		(141,538)	(64,834)

The notes on pages 15 to 27 form part of these financial statements.

# Pacific Leisure & Media Limited

## Group Cash Flow Statement

for the year ended 30 June 2014

### Reconciliation of operating (Loss)/profit to net cash inflow from operating activities

	2014 £	2013 £
Operating loss	(901,579)	42,448
Amortisation of goodwill and other intangibles	150,984	151,112
Depreciation	375,460	363,961
Impairment of tangible fixed assets	150	—
Decrease/(increase) in stocks	(1,698)	4,149
(Increase)/decrease in debtors	178,436	(179,699)
(Decrease)/increase in creditors	(12,265)	(70,256)
Exchange differences	263,385	(88,919)
Net cash inflow from operating activities	<u>52,873</u>	<u>222,796</u>

### Reconciliation of net cash flow to movement in net debt

	2014 £	2013 £
Decrease in cash in the period	(141,538)	(64,834)
Net cash outflow from bank loans	—	41,999
Cash outflow in respect of hire purchase	<u>65,157</u>	<u>81,629</u>
Change in net debt resulting from cash flows	(76,381)	58,794
Exchange movements	<u>100,791</u>	<u>(99,111)</u>
Movement in net debt in the period	24,410	(40,317)
Net debt at 1 July 2013	<u>(1,771,319)</u>	<u>(1,731,002)</u>
Net debt at 30 June 2014	<u>(1,746,909)</u>	<u>(1,771,319)</u>

The notes on pages 15 to 27 form part of these financial statements.

# Pacific Leisure & Media Limited

## Group Cash Flow Statement

for the year ended 30 June 2014

(continued)

### Analysis of changes in net debt

	At 1 Jul 2013 £	Cash flows £	Non-cash changes £	Translation differences £	At 30 Jun 2014 £
Net cash:					
Cash in hand and at bank	120,324	(84,046)	–	–	27,809
Overdrafts	(305,896)	(57,492)	–	–	(354,919)
	<u>(185,572)</u>	<u>(141,538)</u>	<u>–</u>	<u>–</u>	<u>(327,110)</u>
Debt:					
Debt due within 1 year	–	–	(41,766)	–	(41,766)
Debt due after 1 year	(189,553)	–	41,766	12,048	(135,739)
Finance leases	(1,396,194)	65,157	–	88,743	(1,242,294)
	<u>(1,585,747)</u>	<u>65,157</u>	<u>–</u>	<u>100,791</u>	<u>(1,419,799)</u>
Net debt	<u>(1,771,319)</u>	<u>(76,381)</u>	<u>–</u>	<u>100,791</u>	<u>(1,746,909)</u>

The notes on pages 15 to 27 form part of these financial statements.



# **Pacific Leisure & Media Limited**

## **Notes to the Financial Statements**

**for the year ended 30 June 2014**

### **1. Accounting policies**

#### **Basis of accounting**

The financial statements have been prepared on the going concern basis, under the historical cost convention 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 2014. 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.

# **Pacific Leisure & Media Limited**

## **Notes to the Financial Statements**

**for the year ended 30 June 2014**

### **1. Accounting policies *(continued)***

#### **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.

#### **Fixed assets**

Tangible fixed assets are stated 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.

#### **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.

#### **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 2014

### 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. Segmental information

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

	Turnover 2014	Loss before tax 2014	Net liabilities 2014	Turnover 2013	Loss before tax 2013	Net liabilities 2013
Geographical analysis:	£	£	£	£	£	£
European Union	2,328,369	(1,210,362)	(330,506)	2,954,863	(337,821)	(702,962)
Asia Pacific	-	103,762	(425,213)	3,236,973	(112,147)	(604,684)
	<u>2,328,369</u>	<u>(1,106,600)</u>	<u>(755,719)</u>	<u>6,191,836</u>	<u>(449,968)</u>	<u>(1,307,646)</u>

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

# Pacific Leisure & Media Limited

## Notes to the Financial Statements

for the year ended 30 June 2014

### 3. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

	2014 £	2013 £
Amortisation of intangible assets	150,984	151,112
Depreciation of owned fixed assets	278,993	258,272
Depreciation of assets held under finance lease agreements	96,467	105,689
Net profit on foreign currency translation	–	(137,010)
Auditor's remuneration	23,000	25,950

	2014 £	2013 £
Auditor's remuneration:		
- Parent company	2,000	1,900
- Group	14,000	15,250
- Subsidiaries	7,000	8,800
	23,000	25,950

### 4. Particulars of employees

The average number of persons employed by the Group during the financial year, including the directors, amounted to 60 (2013 - 62).

The aggregate payroll costs of the above were:

	2014 £	2013 £
Wages and salaries	732,138	357,908
Social security costs	174,627	79,054
	906,765	436,962

No emoluments were paid to directors during the year.

### 5. Interest receivable

	2014 £	2013 £
Bank interest receivable	77	288

# Pacific Leisure & Media Limited

## Notes to the Financial Statements

for the year ended 30 June 2014

### 6. Interest payable and similar charges

	2014 £	2013 £
Interest payable on bank loans and overdrafts	68,565	51,029
Interest payable on finance leases	44,386	46,675
	<u>112,951</u>	<u>97,704</u>

### 7. Taxation on ordinary activities

#### (a) Analysis of credit in the year

	2014 £	2013 £
<b>Foreign tax</b>		
Current tax on income for the year	15,686	32,275
Total current tax	<u>15,686</u>	<u>32,275</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 21% (2013 - 23%).

	2014 £	2013 £
Loss on ordinary activities before taxation	<u>(1,106,600)</u>	<u>(449,968)</u>
Loss on ordinary activities by rate of tax	(336,950)	(103,492)
Net income and expenses not deductible for tax purposes	104,024	109,296
Capital allowances for period in excess of depreciation	67	(109)
Unrelieved tax losses carried forward net of losses utilised	260,792	62,741
Tax chargeable at higher rate	(13,201)	(18,497)
Adjustments in respect of overseas tax rates	954	(17,664)
Total current tax (note 7(a))	<u>15,686</u>	<u>32,275</u>

### 8. Profit 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 profit 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 £73,582 (2013: £2,206,299 loss). Before provisions on investments the profit was £405,382 (2013: £284,691).

# Pacific Leisure & Media Limited

## Notes to the Financial Statements

for the year ended 30 June 2014

### 9. Intangible Fixed Assets

Intangible fixed assets of the Group are analysed as follows:

	Goodwill arising on acquisitions £	Patents £	Lease Extensions £	Total £
<b>Cost</b>				
At 30 June 2013	2,699,813	14,629	222,582	2,937,024
Disposals	(282,000)	–	–	(282,000)
Amounts written off	(151,439)	(14,629)	–	(166,068)
Exchange adjustments	–	–	(18,404)	(18,404)
At 30 June 2014	<u>2,266,374</u>	<u>–</u>	<u>204,178</u>	<u>2,470,552</u>
<b>Amortisation</b>				
At 30 June 2013	790,501	5,569	21,793	817,863
Amortisation for the year	144,423	1,133	5,428	150,984
Amounts written off	(67,219)	(6,702)	–	(73,921)
Exchange adjustments	–	–	(3,580)	(3,580)
At 30 June 2014	<u>867,705</u>	<u>–</u>	<u>23,641</u>	<u>891,346</u>
<b>Net book value at 30 June 2014</b>	<u>1,398,669</u>	<u>–</u>	<u>180,537</u>	<u>1,579,206</u>
Net book value at 30 June 2013	<u>1,909,312</u>	<u>9,060</u>	<u>200,789</u>	<u>2,119,161</u>

# Pacific Leisure & Media Limited

## Notes to the Financial Statements

for the year ended 30 June 2014

### 10. Tangible fixed assets

Group	Freehold & Leasehold Property £	Computer Equipment £	Furniture, Fixtures & Fittings £	Office & Other Equipment £	Total £
<b>Cost</b>					
At 1 July 2013	7,802,646	460,911	518,298	109,368	8,891,223
Additions	132,682	17,118	57,671	11,916	219,387
Disposals	—	—	—	(19,801)	(19,801)
Exchange movements	(500,159)	(56,398)	(34,746)	(6,071)	(597,374)
<b>At 30 June 2014</b>	<b>7,435,169</b>	<b>421,631</b>	<b>541,223</b>	<b>95,412</b>	<b>8,493,435</b>
<b>Depreciation</b>					
At 1 July 2013	1,573,368	221,450	327,382	64,902	2,187,102
Charge for the year	279,040	44,529	40,781	11,110	375,460
On disposals	—	—	—	(19,651)	(19,651)
Exchange movements	(110,418)	(21,781)	(22,242)	(3,699)	(158,140)
<b>At 30 June 2014</b>	<b>1,741,990</b>	<b>244,198</b>	<b>345,921</b>	<b>52,662</b>	<b>2,384,771</b>
<b>Net book value</b>					
<b>At 30 June 2014</b>	<b>5,693,179</b>	<b>177,433</b>	<b>195,302</b>	<b>42,750</b>	<b>6,108,664</b>
At 30 June 2013	6,229,278	239,461	190,916	44,466	6,704,121

### Finance lease agreements

Included within the net book value of £6,108,664 is £1,547,258 (2013 - £1,706,067) 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 £96,467 (2013 - £105,689).

### 11. Investments

Investments are analysed as follows:

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Subsidiary undertakings	—	—	6,208,389	5,918,058

# Pacific Leisure & Media Limited

## Notes to the Financial Statements

for the year ended 30 June 2014

### 11. Investments (continued)

#### Investment in subsidiaries

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

	Ordinary Shares £	Preference Shares £	Loans to Subsidiaries £	Total £
<b>Cost</b>				
At 1 July 2013	1,348,962	2	7,575,277	8,924,241
Additions	–	–	622,131	622,131
Foreign exchange movements	–	–	(41,428)	(41,428)
<b>At 30 June 2014</b>	<b>1,348,962</b>	<b>2</b>	<b>8,155,980</b>	<b>9,504,944</b>
<b>Provision</b>				
At 1 July 2013	1,253,149	–	1,753,034	3,006,183
Provisions during period	90,235	–	241,565	331,800
Foreign exchange movements	–	–	(41,428)	(41,428)
<b>At 30 June 2014</b>	<b>1,343,384</b>	<b>–</b>	<b>1,953,171</b>	<b>3,296,555</b>
<b>Net book value</b>				
<b>At 30 June 2014</b>	<b>5,578</b>	<b>2</b>	<b>6,202,809</b>	<b>6,208,389</b>
At 30 June 2013	95,813	2	5,822,243	5,918,058

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 2014, all of which are included in the consolidated financial statements, are given below.

Subsidiary	Principal activities	Class of share held	Voting rights of immediate parent	Effective Group Interest	Country of incorporation
B@l Ltd	Investment holding company	Ordinary & Preference	100%	100%	United Kingdom
Clube VII Exploraceo de Health Sociedade Unipessoal Lda	Sports and leisure club	Ordinary	100%	100%	Portugal
Unitenis-Empreendimentos de Tenis SA	Property investment	Ordinary	99%	99%	Portugal



# Pacific Leisure & Media Limited

## Notes to the Financial Statements

for the year ended 30 June 2014

### 11. Investments *(continued)*

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%	United Kingdom
Frontiers Group India Private Ltd	Sports rights & marketing	Ordinary	93%	93%	India
Heli-Banners Ltd	Aerial advertising	Ordinary	100%	100%	United Kingdom
Futbol City Holdings UK Limited	Investment holding company	Ordinary	55%	55%	United Kingdom
Futbol City 5 SA	Sports and leisure club	Ordinary	100%	55%	Spain
Pacific Sport and Entertainment Limited	Sports events	Ordinary	50%	50%	United Kingdom

### 12. Stocks

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Raw materials and consumables	11,159	9,461	—	—

### 13. Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	433,211	566,076	—	6,782
Corporation tax repayable	140,135	143,041	—	—
VAT recoverable	—	—	5,000	—
Other debtors	84,644	117,101	—	—
Prepayments and accrued income	107,257	118,130	—	26,016
	<u>765,247</u>	<u>944,348</u>	<u>5,000</u>	<u>32,798</u>

### 14. Creditors: amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	396,685	305,896	—	—
Trade creditors	364,392	219,204	—	—
Finance lease agreements	77,825	83,732	—	—
PAYE and social security	84,159	96,474	—	—
VAT	—	—	—	28,999
Amounts due to related undertakings	—	227	—	—
Other creditors	44,907	38,259	5,500	5,500
Accruals and deferred income	423,502	630,689	18,400	19,050
	<u>1,391,470</u>	<u>1,374,481</u>	<u>23,900</u>	<u>53,549</u>

# Pacific Leisure & Media Limited

## Notes to the Financial Statements

for the year ended 30 June 2014

### 15. Creditors: amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Secured bank loans	135,739	189,553	–	–
Finance lease agreements	1,164,469	1,312,462	–	–
Amounts due to related undertakings	5,861,044	5,642,444	5,861,044	5,642,444
Other creditors	695,082	686,121	–	–
Amounts due to shareholders	–	2,000,000	–	2,000,000
	<u>7,856,334</u>	<u>9,830,580</u>	<u>5,861,044</u>	<u>7,642,444</u>

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

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Within one year	41,766	–	–	–
Within two and five years	135,739	189,553	–	–
	<u>177,505</u>	<u>189,553</u>	<u>–</u>	<u>–</u>

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

### 16. Commitments under finance leases agreements

Future commitments under finance leases agreements are as follows:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Amounts payable within 1 year	77,825	83,732	–	–
Amounts payable between 1 and 2 years	328,042	349,137	–	–
Amounts payable between 2 and 5 years	305	275	–	–
Amounts payable after more than 5 years	836,122	963,050	–	–
	<u>1,242,294</u>	<u>1,396,194</u>	<u>–</u>	<u>–</u>

# Pacific Leisure & Media Limited

## Notes to the Financial Statements

for the year ended 30 June 2014

### 17. 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.

During the year a fee of £nil (2013: £395,000) was charged to Pacific Investments Management Limited and fee of £100,000 (2013: £100,000) was charged from Pacific Investments Management Limited, a company related by ultimate common shareholding for corporate finance services provided.

At 30 June 2014 £5,861,044 (2013: £5,642,444) 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'.

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 total amount of these transactions was £49,785 (2013: £2,865,148), including £191,995 losses (2013: £162,786 gains) arising as a result of foreign exchange movements and £241,780 (2013: £2,702,362) related to a loan repayment during the year. At 30 June 2014 the Company was owed £2,914,933 (2013: £2,865,148) by Futbol City Holdings UK Limited; this balance is included within 'Investments' on the Company Balance Sheet and eliminated on consolidation.

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 reduction of £3,453 (2013: increase of £12,670), including £11,252 gains (2013: £9,992 losses) arising as a result of foreign exchange movements, and related to a loan relationship of which £7,799 (2013: £2,678) was loaned during the year. At 30 June 2014 Futbol City Holdings UK owed HJ Beckwith £168,099 (2013: £171,552); 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 reduction of £3,453 (2013: increase of £12,670), including £11,252 gains (2013: £9,992 losses) arising as a result of foreign exchange movements, and related to a loan relationship of which £7,799 (2013: £2,678) was loaned during the year. At 30 June 2014 Futbol City Holdings UK owed SP Beckwith £168,098 (2013: £171,551); this balance is deemed long-term in nature and is included in 'Other creditors'.

### 18. Share capital

#### Authorised share capital:

	2014 £	2013 £
Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>

# Pacific Leisure & Media Limited

## Notes to the Financial Statements

for the year ended 30 June 2014

### 18. Share capital *(continued)*

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	4,000,000	4,000,000	2,000,000	2,000,000

On 31 March 2014 the Company issued 2,000,000 Ordinary shares for a consideration of £2,000,000.

### 19. Reserves

Group	Profit and loss account £
Balance brought forward	(3,062,271)
Loss for the year	(1,055,564)
Foreign exchange adjustments - subsidiary entities	(325,789)
Balance carried forward	(4,443,624)
Company	Profit and loss account £
Balance brought forward	(3,745,137)
Profit for the year	73,582
Balance carried forward	(3,671,555)

### 20. Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Loss for the financial year	(1,055,564)	(605,488)
New ordinary share capital subscribed	2,000,000	—
Foreign exchange adjustments - subsidiary entities	(325,789)	6,162
Net addition/(reduction) to shareholders' deficit	618,647	(599,326)
Opening shareholders' deficit	(1,062,271)	(462,945)
Closing shareholders' deficit	(443,624)	(1,062,271)

### 21. Capital commitments and contingencies

There were no contingent liabilities or capital commitments at 30 June 2014 (2013: £nil).

**Pacific Leisure & Media Limited**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2014**

**22. Ultimate controlling party**

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