

02727984

PACIFIC HEALTH AND FITNESS LIMITED**REPORT AND FINANCIAL STATEMENTS****30th SEPTEMBER 2012**

SATURDAY



A266DCA8

A40

13/04/2013

#23

COMPANIES HOUSE

Pacific Health and Fitness Limited**Directors**

J M Lyras
M J Lyras
V Hava

Registered Office

24-26 Baltic Street, London, EC1Y 0RP

Registered Number

02727984

Report of the Directors

The directors present their report and audited financial statements for the year ended 30th September 2012

Business Review

The principal activity of the company is the ownership and operation of a high quality private health and fitness club. There have been no significant changes to trading activity during the year.

The directors are satisfied with the progress made during the year and anticipate that the company will achieve a reasonable level of profitability in the forthcoming year.

The directors have identified the following key performance indicators which are regularly monitored

	<u>2012</u>	<u>2011</u>
Sales growth	2.5%	2.0%
Operating profit margin	33.0%	34.0%

The company is exposed to principal risks and uncertainties which include conditions of the economic climate, changes in lifestyle trends and fluctuations in interest rates. Management regularly monitor membership levels and implement marketing initiatives to stimulate demand.

Results and Dividends

The company has reported a profit of £850,050 (2011: £759,829). During the year a total of £400,000 (2011: £550,000) dividends were paid. The directors do not propose the payment of any further dividends.

Directors' Confirmation

The directors confirm that

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) each director has taken all the steps that ought to have been taken as a director, including making appropriate enquiries of fellow directors and the company's auditors for that purpose, in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

By Order of the Board

J M LYRAS

Director



Pacific Health and Fitness Limited**Statement of Directors Responsibilities**

The directors are responsible for preparing the Report of the Directors 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 Standards and applicable law). 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 of the profit or loss of the company 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

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.

Independent Auditors' Report to the Members of Pacific Health and Fitness Limited

We have audited the financial statements of Pacific Health and Fitness Limited for the year ended 30th September 2012 which are set out on pages 4 to 12. 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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 Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30th September 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

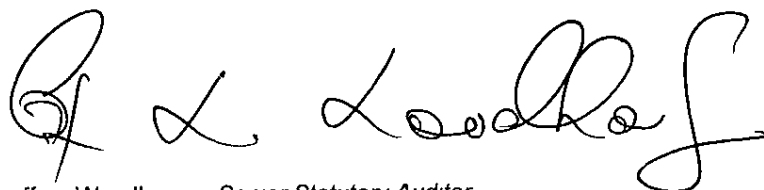
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Geoffrey Woodhouse, Senior Statutory Auditor
For and on behalf of Moore Stephens LLP, Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

13 15 2573

Pacific Health and Fitness Limited

Profit and Loss Account
For the year ended 30th September 2012

	<u>Note</u>	<u>2012</u> £	<u>2011</u> £
Turnover	1(b)	3,377,215	3,296,111
Operating expenses		<u>(2,258,331)</u>	<u>(2,191,463)</u>
Operating Profit	2	1,118,884	1,104,648
Interest receivable and similar income		741	760
Interest payable and similar charges	4	<u>(17,166)</u>	<u>(36,733)</u>
Profit on Ordinary Activities after Taxation		1,102,459	1,068,675
Taxation on ordinary activities	5	<u>(252,409)</u>	<u>(308,846)</u>
Profit for the Financial Year		<u>850,050</u>	<u>759,829</u>
Summary of Profit and Loss Account			
At 1st October 2011		2,730,929	2,521,100
Profit for the financial year		850,050	759,829
Dividends paid		<u>(400,000)</u>	<u>(550,000)</u>
At 30th September 2012		<u>3,180,979</u>	<u>2,730,929</u>

All activities relate to continuing operations

There are no recognised gains or losses other than those included in the profit and loss account

Pacific Health and Fitness Limited

Balance Sheet at 30th September 2012

	Note	2012		2011	
		£	£	£	£
Fixed Assets	6		3,563,748		3,634,712
Current Assets					
Stocks		20,558		18,215	
Debtors	7	774,295		519,562	
Cash at bank		<u>318,915</u>		<u>236,808</u>	
		1,113,768		774,585	
Creditors, amounts falling due within one year	8	<u>(781,600)</u>		<u>(770,908)</u>	
Net Current Assets			<u>332,168</u>		<u>3,677</u>
Total Assets less Current Liabilities			3,895,916		3,638,389
Creditors, amounts falling due after more than one year	9		(450,000)		(630,000)
Deferred taxation	10		<u>(263,937)</u>		<u>(276,460)</u>
			<u>3,181,979</u>		<u>2,731,929</u>
Capital and Reserves					
Share capital	11		1,000		1,000
Profit and loss account			<u>3,180,979</u>		<u>2,730,929</u>
			<u>3,181,979</u>		<u>2,731,929</u>

Approved by the Board on 4th Nov 2013

J M LYRAS - Director



Pacific Health and Fitness Limited

Cash Flow Statement
For the year ended 30th September 2011

	<u>Note</u>	<u>2012</u>		<u>2011</u>	
		£	£	£	£
Cash Inflow from Operating Activities	13		1,043,430		1,096,067
Returns on Investments and Servicing of Finance					
Interest received		741		760	
Interest paid		<u>(18,660)</u>		<u>(56,935)</u>	
Net Cash Outflow from Returns on Investment and Servicing of Finance			(17,919)		(56,175)
Taxation Paid			(271,666)		(322,299)
Capital Expenditure and Financial Investment					
Purchase of tangible fixed assets		<u>(70,507)</u>		<u>(48,375)</u>	
Net Cash Outflow from Capital Expenditure and Financial Investment			(70,507)		(48,375)
Dividend Paid			<u>(400,000)</u>		<u>(550,000)</u>
Net Cash Inflow before Financing			283,338		119,218
Financing					
Bank loan repaid			<u>(180,000)</u>		<u>(180,000)</u>
Increase/(Decrease) in Cash	14		<u>103,338</u>		<u>(60,782)</u>

Pacific Health and Fitness Limited

Financial Statements for the year ended 30th September 2012

Notes

1 Principal Accounting Policies

(a) Basis of accounting

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice

(b) Turnover

Turnover represents joining fees, subscriptions and goods and services earned excluding value added tax. Income from joining fees is recognised when received and subscriptions are accounted for on an accruals basis.

(c) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation on the assets concerned is provided at the following rates:

Freehold land	Nil
Buildings	2% straight line
Fixtures, fittings, catering and office equipment	20% reducing balance
Computer equipment	25% straight line
Fitness equipment	20% straight line
Weights equipment	12½% straight line

(d) Taxation

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided on timing differences that have originated but have not been reversed by the balance sheet date on a non-discounted basis. Deferred taxation assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profits from which future reversals of the underlying timing differences can be deducted.

(e) Stock

Stock is stated at the lower of cost and net realisable value.

(f) Operating leases

The rentals arising under operating lease agreements are charged to the profit and loss account on a straight line basis over the term of the lease.

Pacific Health and Fitness Limited

Financial Statements for the year ended 30th September 2012

Notes (Continued)

2 Operating Profit

Operating profit is stated after charging

	<u>2012</u>	<u>2011</u>
	£	£
Auditors' remuneration (audit work)	12,500	22,750
Auditors' remuneration (tax work)	5,500	4,279
Auditors' remuneration (other)	2,508	2,263
Depreciation	140,015	131,703
Loss on disposal of fixed assets	1,456	-
Operating lease rentals plant and machinery	<u>6,859</u>	<u>3,598</u>

3 Directors and Employees

	<u>2012</u>	<u>2011</u>
	£	£
Staff costs include the following emoluments in respect of directors of the company		

Directors' emoluments	<u>109,000</u>	<u>102,250</u>
-----------------------	----------------	----------------

Staff costs including directors during the year were as follows

Wages and salaries	1,042,632	1,024,411
Social security costs	<u>68,244</u>	<u>66,540</u>
	<u>1,110,876</u>	<u>1,090,951</u>

	<u>Number</u>	<u>Number</u>
The average monthly number of persons employed by the company during the year was		
Administration and management	<u>76</u>	<u>75</u>

4 Interest Payable and Similar Charges

	<u>2012</u>	<u>2011</u>
	£	£
Interest on bank loan	<u>17,166</u>	<u>36,733</u>

Pacific Health and Fitness Limited

Financial Statements for the year ended 30th September 2012

Notes (Continued)

5 Taxation on Ordinary Activities

	<u>2012</u> £	<u>2011</u> £
Analysis of tax charge for the year		
United Kingdom corporation tax	289,985	298,090
Prior year (over)/under provision	(5,028)	10,435
Group relief	(20,025)	-
	<u>264,932</u>	<u>308,525</u>
Current tax charge	264,932	308,525
Deferred taxation (note 10)	(12,523)	321
	<u>252,409</u>	<u>308,846</u>
Factors affecting the tax charge for the year		
	<u>2012</u> £	<u>2011</u> £
Profit on ordinary activities before tax	<u>1,102,459</u>	<u>1,068,675</u>
	<u>2012</u> £	<u>2011</u> £
Result on ordinary activities before tax at 25% (2011 27%)	275,615	288,542
Non-taxable expenses/(income)	3,476	(672)
Short term timing differences	10,894	10,220
Group relief	(20,025)	-
Prior year (over)/under provision	(5,028)	10,435
	<u>264,932</u>	<u>308,525</u>
Current tax charge	<u>264,932</u>	<u>308,525</u>

6 Fixed Assets

	<u>Land and Buildings</u> £	<u>Fixtures, Fittings and Equipment</u> £	<u>Fitness Equipment</u> £	<u>Total</u> £
Cost				
At 1st October 2011	4,646,926	799,340	285,693	5,731,959
Additions	4,350	9,688	56,469	70,507
Disposal	-	-	(41,431)	(41,431)
	<u>4,651,276</u>	<u>809,028</u>	<u>300,731</u>	<u>5,761,035</u>
At 30th September 2012	<u>4,651,276</u>	<u>809,028</u>	<u>300,731</u>	<u>5,761,035</u>
Depreciation				
At 1st October 2011	1,150,659	714,689	231,899	2,097,247
Charge for the year	80,007	22,136	37,872	140,015
Disposal	-	-	(39,975)	(39,975)
	<u>1,230,666</u>	<u>736,825</u>	<u>229,796</u>	<u>2,197,287</u>
At 30th September 2012	<u>1,230,666</u>	<u>736,825</u>	<u>229,796</u>	<u>2,197,287</u>
Net book value				
At 30th September 2012	<u>3,421,610</u>	<u>72,203</u>	<u>70,935</u>	<u>3,563,748</u>
At 30th September 2011	<u>3,496,267</u>	<u>84,651</u>	<u>53,794</u>	<u>3,634,712</u>

Pacific Health and Fitness Limited

Financial Statements for the year ended 30th September 2012

Notes (Continued)

7 Debtors

	<u>2012</u> £	<u>2011</u> £
Amounts due from a fellow subsidiary	749,467	506,238
Prepayments and accrued income	<u>24,828</u>	<u>13,324</u>
	<u>774,295</u>	<u>519,562</u>

The amounts due from the fellow subsidiary is unsecured, interest free and repayable on demand

8 Creditors amounts falling due within one year

	<u>2012</u> £	<u>2011</u> £
Bank overdraft	2,001	23,232
Trade creditors	131,357	65,748
Corporation tax	128,960	130,891
Other taxes and social security	194,557	207,804
Accruals and deferred income	144,725	163,233
Bank loan (current portion)	<u>180,000</u>	<u>180,000</u>
	<u>781,600</u>	<u>770,908</u>

9 Creditors: amounts falling due after more than one year

	<u>2012</u> £	<u>2011</u> £
Bank loan	<u>450,000</u>	<u>630,000</u>

The bank loan is payable by 5th October 2015 by half yearly instalments of £90,000 and carries a variable commercial rate of interest. The loan is secured by a first legal charge over the freehold land and buildings held in the company and fellow subsidiary, Baltic Health and Fitness Limited and a fixed charge over the company's other assets

The company has given an unlimited multilateral guarantee to the bank in respect of all amounts due from the company and fellow subsidiary, Baltic Health and Fitness Limited

10 Deferred Taxation

	£
At 1st October 2011	276,460
Accelerated capital allowances	9,472
Change in tax rate	<u>(21,995)</u>
At 30th September 2012	<u>263,937</u>

Deferred taxation is provided in respect of accelerated capital allowances

Pacific Health and Fitness Limited

Financial Statements for the year ended 30th September 2012

Notes (Continued)

11 Share Capital

	<u>2012</u> £	<u>2011</u> £
Allotted, called up and fully paid 1,000 shares of £1 each	<u>1,000</u>	<u>1,000</u>

12 Reconciliation of Movement in Shareholder's Funds

	<u>2012</u> £	<u>2011</u> £
Profit for the year after taxation	850,050	759,829
Dividends paid	(400,000)	(550,000)
Opening shareholder's funds	<u>2,731,929</u>	<u>2,522,100</u>
Closing shareholder's funds	<u>3,181,979</u>	<u>2,731,929</u>

13 Reconciliation of Operating Profit to Cash Inflow from Operating Activities

	<u>2012</u> £	<u>2011</u> £
Operating profit	1,184,884	1,104,648
Depreciation	140,015	131,703
Loss on disposal of fixed assets	1,456	-
Increase in stocks	(2,343)	(1,750)
Increase in debtors	(254,733)	(155,457)
Increase in creditors	<u>40,151</u>	<u>16,923</u>
	<u>1,043,430</u>	<u>1,096,067</u>

14 Analysis of Net Debt

	<u>2011</u> £	<u>Cash</u> <u>Flow</u> £	<u>2012</u> £
Cash at bank and in hand	236,808	82,107	318,915
Bank overdraft	<u>(23,232)</u>	<u>21,231</u>	<u>(2,001)</u>
	213,576	103,338	316,914
Bank loan	<u>(810,000)</u>	<u>180,000</u>	<u>(630,000)</u>
Net Debt	<u>(596,424)</u>	<u>283,338</u>	<u>(313,086)</u>

Pacific Health and Fitness Limited**Financial Statements for the year ended 30th September 2012****Notes (Continued)****15 Operating Lease commitments**

The company is committed to pay the following annual amounts under non-cancellable operating leases which expire

	<u>2012</u>	<u>2011</u>
	£	£
Between one and two years	6,962	-
Between two and five years	<u>7,290</u>	<u>6,962</u>

During the year, the company entered into a lease agreement for equipment on behalf of a fellow subsidiary, the lease payments are incurred by the fellow subsidiary but have been included above as the commitment lies with the company

17 Ultimate Holding Company

In the opinion of the directors, the immediate parent company and ultimate holding company is Ocean Spirit Limited, a company incorporated in the British Virgin Islands

18 Related Party Transactions

During the year the company recharged £848,431 (2011 £768,286) in respect of staff costs to Baltic Health and Fitness Limited, which is a wholly owned subsidiary of Ocean Spirit Limited

At the year end, Baltic Health and Fitness Limited owed £749,467 (2011 £506,238) to the company

The company has entered into a commitment to fund any expected cash shortfall in Baltic Health and Fitness Limited

On 25th June 2012 dividends of £400,000 were paid to Ocean Spirit Limited