

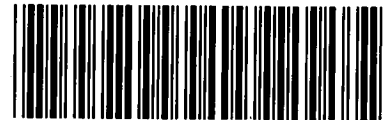
Company number: 02727984

PACIFIC HEALTH AND FITNESS LIMITED

REPORT AND FINANCIAL STATEMENTS

30 SEPTEMBER 2018

THURSDAY



A7YAJ1SR

A09

31/01/2019

#116

COMPANIES HOUSE

Pacific Health and Fitness Limited**Company Information****Directors**

J.M. Lyras
M.J. Lyras

Registered Office

24-26 Baltic Street
London
EC1Y 0RP

Registered Number

02727984

Pacific Health and Fitness Limited**Directors' Report**

The directors are pleased to present their report for the year ended 30 September 2018.

Principal activity

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

Results and Dividends

The company reports a profit of £709,868 (2017: £651,723). During the year dividends totalling £300,000 (2017: £1,100,000) were paid. The company paid a dividend of £350,000 post year end.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J.M. Lyras
M.J. Lyras

Directors' Confirmation**Disclosure of information to auditors:**

The directors who held office at the date of approval of the Directors' Report 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, in order to be aware of any relevant information and to establish that the company's auditors are aware of that information.

Risks and Uncertainties

The company is exposed to principal risks and uncertainties, which include Brexit and lifestyle trends. Management regularly monitor membership levels and implement marketing initiatives to stimulate demand.

Small Companies Note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

By Order of the Board on

30/11/2019



J.M. LYRAS

Director

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

The directors are responsible for preparing the 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 period. 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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK 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 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;
- 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

Opinion

We have audited the financial statements of Pacific Health and Fitness Limited (the 'company') for the year ended 30 September 2018 which comprise the income statement, statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Pacific Health and Fitness Limited (Continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

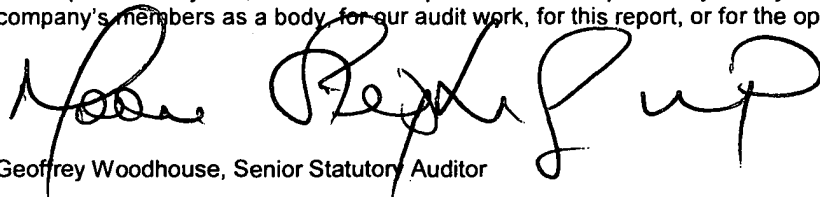
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs(UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of Pacific Health and Fitness Limited (Continued)**Use of our report**

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.



Geoffrey Woodhouse, Senior Statutory Auditor

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

Date:

30/1/2019

Pacific Health and Fitness Limited

**Statement of Comprehensive Income
For the year ended 30 September 2018**

	<u>Note</u>	<u>2018</u> £	<u>2017</u> £
Turnover	2(b)	3,637,713	3,508,375
Operating expenses		<u>(2,768,392)</u>	<u>(2,688,734)</u>
Operating Profit	3	869,321	819,641
Interest receivable		<u>212</u>	<u>183</u>
Profit on Ordinary Activities before Taxation		869,533	819,824
Taxation on profit on ordinary activities	5	<u>(159,665)</u>	<u>(168,101)</u>
Profit after Taxation and Total Comprehensive Income for the Year		<u>709,868</u>	<u>651,723</u>

There are no items of other comprehensive income (2017: £Nil).

The notes on pages 10 to 16 form part of these financial statements.

Pacific Health and Fitness Limited

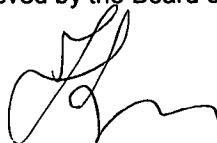
Statement of Financial Position as at 30 September 2018

	<u>Note</u>	<u>2018</u>	<u>2017</u>
		£	£
Non-Current Assets			
Property, plant and equipment	6	333,470	205,951
Current Assets			
Inventories		22,909	32,006
Debtors	7	3,437,878	3,462,815
Cash and cash equivalents		<u>205,102</u>	<u>147,732</u>
		3,665,889	3,642,553
Creditors, amounts falling due within one year	8	<u>(483,621)</u>	<u>(754,204)</u>
Net Current Assets		<u>3,182,268</u>	<u>2,888,349</u>
Total Assets less Current Liabilities		3,515,738	3,094,300
Deferred taxation	9	<u>(45,402)</u>	<u>(33,832)</u>
Net Assets		<u>3,470,336</u>	<u>3,060,468</u>
Capital and Reserves			
Share capital	10	1,000	1,000
Retained earnings		<u>3,469,336</u>	<u>3,059,468</u>
		<u>3,470,336</u>	<u>3,060,468</u>

The notes on pages 10 to 16 form part of these financial statements.

Approved by the Board on

30/11/2019



J.M. LYRAS

- Director

Statement of Changes in Equity for the year ended 30 September 2018

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 October 2016	1,000	3,507,745	3,508,745
Profit for the year	-	651,723	651,723
Dividends	-	(1,100,000)	(1,100,000)
	<hr/>	<hr/>	<hr/>
At 30 September 2017	1,000	3,059,468	3,060,468
Profit for the year	-	709,868	709,868
Dividends	-	(300,000)	(300,000)
	<hr/>	<hr/>	<hr/>
At 30 September 2018	<u>1,000</u>	<u>3,469,336</u>	<u>3,470,336</u>

The notes on pages 10 to 16 form part of these financial statements.

Pacific Health and Fitness Limited

Financial Statements for the year ended 30 September 2018

Notes

1. General Information

Pacific Health and Fitness Limited is a UK company limited by shares. It is both incorporated and domiciled in England and Wales.

2. Principal Accounting Policies

(a) Basis of accounting

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented unless otherwise stated.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The financial statements are presented in Sterling, which is the company's functional currency, as that is the currency of the primary economic environment in which the company operates.

(b) Turnover

Turnover represents joining fees, subscriptions and income from goods and services net of value added tax. Income from joining fees is recognised when received and subscriptions are accounted for on an accruals basis. All turnover is generated in the U.K.

(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:

Fixtures, fittings, catering and office equipment	20% reducing balance
Computer equipment	25% straight line
Fitness equipment	20% straight line
Weights equipment	12.5% straight line
No depreciation is charged in the year of disposal.	

(d) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated on a first-in, first-out basis.

(e) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty of notice on not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

(f) Debtors

Short term debtors are measured at transaction price, less any impairment. Other financial assets, our measured initially at fair value, and subsequently measured at amortised cost using the effective interest method, less any impairment.

Pacific Health and Fitness Limited**Financial Statements for the year ended 30 September 2018****Notes (Continued)****2. Principal Accounting Policies (Continued)****(g) Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, are measured initially at fair value, and subsequently measured at amortised cost using the effective interest method, less any impairment.

(h) Operating leases

Payments made under operating lease net of incentives received from the lessor are recognised on a straight line basis over the period of the lease.

(i) 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 reporting date.

Deferred taxation is provided on timing differences that have originated but have not been reversed by the reporting 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.

(j) Going concern

The financial statements have been prepared on the going-concern basis, which contemplates the realisation of assets and the settlement of liabilities in the ordinary course of business. The ability of the company to continue as a going concern is dependent upon financial support from the parent company. The parent company has agreed not to seek repayment of its loan within the next twelve months and to provide financial support to the company for the foreseeable future, sufficient to enable it to meet its future liabilities as they fall due.

No adjustments have been made in these financial statements to the carrying value of assets and the amounts and classification of liabilities which may be necessary in the event that the company is no longer a going concern.

(k) Critical accounting estimates and judgements

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors assess the recoverability of receivables on a regular basis. If events or circumstances indicate that the carrying value may not be recoverable, the value is adjusted to the recoverable amount based on the director's best estimate of future cash flows.

Pacific Health and Fitness Limited

Financial Statements for the year ended 30 September 2018

Notes (Continued)

3. Operating Profit

Operating profit is stated after charging:

	<u>2018</u>	<u>2017</u>
	£	£
Auditors' remuneration – audit	15,000	15,090
Auditors' remuneration – corporation tax	6,967	5,758
Auditors' remuneration – payroll	6,549	4,002
Operating lease expense – land and buildings	350,000	400,000
Depreciation (Note 6)	84,550	52,879
Directors' emoluments	<u>62,792</u>	<u>78,125</u>

4. Key Management Personnel and Employees

	<u>2018</u>	<u>2017</u>
	£	£
Staff costs include the following emoluments in respect of key management personnel of the company:		
Key management personnel's emoluments	<u>125,796</u>	<u>214,755</u>

Staff costs including key management personnel during the year were as follows:

Wages and salaries	997,570	946,252
Social security costs	85,415	64,151
Pension costs	<u>5,876</u>	<u>3,404</u>
	<u>1,088,861</u>	<u>1,013,807</u>

The above figures include only costs for staff employed directly by the company and exclude freelance costs.

	<u>Number</u>	<u>Number</u>
The average monthly number of persons employed by the company during the year was:		
Administration and management	<u>73</u>	<u>75</u>

Pacific Health and Fitness Limited

Financial Statements for the year ended 30 September 2018

Notes (Continued)

5. Taxation on Ordinary Activities

	<u>2018</u> £	<u>2017</u> £
Analysis of tax charge for the year		
United Kingdom corporation tax	157,817	176,822
Prior year over provision	<u>(9,722)</u>	<u>(2,592)</u>
Current tax charge	148,095	174,230
Deferred taxation (note 9)	<u>11,570</u>	<u>(6,129)</u>
Total tax charge/(credit)	<u>159,665</u>	<u>168,101</u>
Factors affecting the tax charge for the year:		
	<u>2018</u> £	<u>2017</u> £
Profit on ordinary activities before taxation	<u>869,533</u>	<u>819,824</u>
	<u>2018</u> £	<u>2017</u> £
Profit on ordinary activities at standard rate of taxation of 19 % (2017: 19.5%)	165,211	159,866
Non-taxable income	(201)	(781)
Non-trade relationships	15,536	15,483
Other timing differences	-	13
Accelerated capital allowances	(11,159)	(1,897)
Change in tax rate	-	(1,991)
Prior year over provision	<u>(9,722)</u>	<u>(2,592)</u>
Tax charge	<u>159,665</u>	<u>168,101</u>

Pacific Health and Fitness Limited

Financial Statements for the year ended 30 September 2018

Notes (Continued)

6. Fixed Assets

	Fixtures, Fittings and Equipment £	Fitness Equipment £	Total £
Cost			
At 1 October 2017	1,122,287	350,330	1,472,617
Additions	193,663	18,405	212,068
Disposals	-	(21,504)	(21,504)
At 30 September 2018	<u>1,315,950</u>	<u>347,231</u>	<u>1,663,181</u>
Depreciation			
At 1 October 2017	959,699	306,967	1,266,665
Charge for the year	72,496	12,053	84,550
Disposals	-	(21,504)	(21,504)
At 30 September 2018	<u>1,032,195</u>	<u>297,516</u>	<u>1,329,711</u>
Net book value			
At 30 September 2018	<u>283,755</u>	<u>49,715</u>	<u>333,470</u>
At 30 September 2017	<u>162,588</u>	<u>43,363</u>	<u>205,951</u>

7. Debtors

	<u>2018</u> £	<u>2017</u> £
Trade debtors	11,834	18,920
Amounts due from fellow subsidiaries	3,416,988	3,436,304
Prepayments and accrued income	9,056	7,591
	<u>3,437,878</u>	<u>3,462,815</u>

The amounts due from fellow subsidiaries are unsecured, interest free and repayable on demand. The company has agreed not to seek repayment of the amounts due for the foreseeable future and to provide continuing financial support to a fellow subsidiary if required.

Financial Statements for the year ended 30 September 2018

Notes (Continued)

8. Creditors, amounts falling due within one year

	<u>2018</u> £	<u>2017</u> £
Bank overdraft	-	4,432
Trade creditors	49,584	44,814
Other creditors	24,397	331,066
Corporation tax	7,817	10,721
Other taxes and social security	160,680	167,971
Accruals and deferred income	241,143	195,200
	<u>483,621</u>	<u>754,204</u>

9. Deferred Taxation

	<u>2018</u> £	<u>2017</u> £
At 1 October 2017	33,832	39,961
Accelerated capital allowances	11,570	(4,138)
Change in tax rate	-	(1,991)
At 30 September 2018	<u>45,402</u>	<u>33,832</u>

Deferred taxation is in respect of accelerated capital allowances.

10. Share Capital

	<u>2018</u> £	<u>2017</u> £
Allotted, called up and fully paid 1,000 shares of £1 each	<u>1,000</u>	<u>1,000</u>

Pacific Health and Fitness Limited

Financial Statements for the year ended 30 September 2018

Notes (Continued)

11. Operating Lease Commitments

At the year end the company had future minimum lease payments under non-cancellable operating leases as follows:

Land and Buildings

	<u>2018</u>	<u>2017</u>
	£	£
Less than one year	350,000	400,000
Within two to five years	<u>554,167</u>	<u>1,043,333</u>
	<u>904,167</u>	<u>1,433,333</u>

12. 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. There is no ultimate controlling party.

13. Related Party Transactions

During the year the company recharged £926,511 (2017: £888,509) 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 £228,765 (2017: £222,375) to the company.

At the year end, the company was owed £3,188,216 (2017: £3,213,929) from Pacific Freehold Properties Limited, which is a wholly owned subsidiary of Ocean Spirit Limited.

An operating lease is in place with Pacific Freehold Properties in relation to a property on which rental income of £350,000 (2017: £400,000) was due in respect of the year and £35,122 (2017: £300,000) was outstanding at 30 September 2018.

During the year, dividends totalling £300,000 (2017: £1,100,000) were declared to Ocean Spirit Limited.